



State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-0712/3
RAC;jld:jf

DOA:.....Waterman, BB0146 - Transfer Local Government Investment Pool
function from OST to DOA

FOR 2011-13 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

Under current law, in the state investment fund, there is a local government pooled-investment fund (fund). This fund consists of moneys placed by local governmental units for investment by the State of Wisconsin Investment Board (SWIB). The state treasurer has several duties relating to the fund, which include prescribing the mechanisms and procedures for deposits and withdrawals into and from the fund, providing monthly reports to local governments on the fund's earnings, and promulgating rules to administer the fund. This bill transfers these state treasurer duties to DOA.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 20.585 (1) (g) of the statutes is renumbered 20.505 (1) (gc).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 25.50 (3) (a) of the statutes is amended to read:

25.50 (3) (a) With the consent of the governing body, a local official may transfer local funds to the ~~state treasurer~~ department of administration for deposit in the fund.

SECTION 3. 25.50 (4) of the statutes is amended to read:

25.50 (4) PERIOD OF INVESTMENTS; WITHDRAWAL OF FUNDS. Subject to the right of the local government to specify the period in which its funds may be held in the fund, the ~~state treasurer~~ department of administration shall prescribe the mechanisms and procedures for deposits and withdrawals.

SECTION 4. 25.50 (5m) (a) of the statutes is amended to read:

25.50 (5m) (a) The board, in cooperation with the department of administration, shall provide ~~information necessary for the state treasurer to~~ provide a monthly report to each local government having an investment in the fund. The board shall use all reasonable efforts to provide ~~the information to the state treasurer in time to allow the treasurer to mail or electronically transmit~~ the report to the local government no later than 6 business days after the end of the month covered by the report. The report shall include information on the fund's earnings for the month, with comparison to appropriate indexes or benchmarks in the private sector.

SECTION 5. 25.50 (7) of the statutes is amended to read:

25.50 (7) REIMBURSEMENT OF EXPENSES. The ~~state treasurer~~ department of administration shall deduct monthly from the earnings of the fund during the preceding calendar month an amount sufficient to cover all actual and necessary

expenses incurred by the state in administering the fund in the preceding calendar month, except that in no fiscal year may the ~~state treasurer~~ department of administration deduct an amount exceeding the amount appropriated under s. ~~20.585~~ 20.505 (1) ~~(g)~~ (gc) for that fiscal year.

SECTION 6. 25.50 (8) (b) of the statutes is amended to read:

25.50 (8) (b) The ~~state treasurer~~ department of administration shall report monthly to each local official the deposits and withdrawals of the preceding month and any other activity within the account.

SECTION 7. 25.50 (9) of the statutes is amended to read:

25.50 (9) RULES. The ~~state treasurer~~ department of administration may promulgate rules to carry out the purposes of this section.

SECTION 8. 25.50 (10) of the statutes is amended to read:

25.50 (10) INSURANCE OF PRINCIPAL. The ~~state treasurer~~ department of administration may obtain insurance for the safety of the principal investments of the fund. The insurance is a reimbursable expense under sub. (7).

SECTION 9149. Nonstatutory provisions; Treasurer.

(1) TRANSFER OF LOCAL GOVERNMENT POOLED-INVESTMENT DUTIES TO THE DEPARTMENT OF ADMINISTRATION.

(a) *Assets and liabilities.* On the effective date of this paragraph, the assets and liabilities of the office of the state treasurer that are primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, shall become the assets and liabilities of the department of administration.

(b) *Staff.*

1. On the effective date of this subdivision, 1.0 FTE PR position in the office of the state treasurer, and the incumbent employee holding that position funded from the appropriation under section 20.585 (1) (g) of the statutes, and responsible for the performance of duties related to the local government pooled-investment fund under section 25.50 of the statutes, is transferred to the department of administration to be funded from the appropriation under section 20.505 (1) (gc) of the statutes, as affected by this act. The secretary of administration shall identify the position.

2. An employee transferred under subdivision 1. to the department of administration has all of the rights and the same status under subchapter V of chapter 111 and chapter 230 of the statutes in the department that he or she enjoyed in the office of the state treasurer immediately before the transfer. Notwithstanding section 230.28 (4) of the statutes, no employee so transferred who has attained permanent status in class is required to serve a probationary period.

(c) *Tangible personal property.* On the effective date of this paragraph, all tangible personal property, including records, of the office of the state treasurer that are primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, is transferred to the department of administration.

(d) *Pending matters.* Any matter pending with the office of the state treasurer that is primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, is transferred to the department of administration. All materials submitted to or actions taken by the office of the state treasurer with respect to the pending matter are considered as having been submitted to or taken by the department of administration.

(e) *Contracts.* All contracts entered into by the office of the state treasurer in effect on the effective date of this paragraph that are primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, remain in effect and are transferred to the department of administration. The department of administration shall carry out any obligations under those contracts unless modified or rescinded by the department of administration to the extent allowed under the contract.

(f) *Rules and orders.* All rules promulgated by the office of the state treasurer in effect on the effective date of this paragraph that are primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, remain in effect until their specified expiration dates or until amended or repealed by the department of administration. All orders issued by the office of the state treasurer in effect on the effective date of this paragraph that are primarily related to the state treasurer's performance of duties under section 25.50 of the statutes, as determined by the secretary of administration, remain in effect until their specified expiration dates or until modified or rescinded by the department of administration.

(END)