



Bluegrass Beacon
BY JIM WATERS

Put money in the bank by eliminating Treasurer's Office

By Jim Waters

My money is on cashing out the state Treasurer's office.

This not-so-original idea seems to float up from time to time. Most recently, it came in the form of a campaign promise by Melinda Wheeler, who ran for the office in the recent primary election on a platform of abolishing it. Doing so would require changing the Kentucky Constitution.

Of course, the proposal brought mostly scorn from Wheeler's opponents. But I noticed they stammered and stuttered while trying to make a persuasive case for keeping the office. The best response they could manage: It was a campaign gimmick.

Still, I like the idea. Anytime we can reduce the size and scope of government without endangering necessary services – “gimmick” or not – I'm at least going to listen.

Trying to defend the continued existence of the Treasurer's Office is like trying to make a case for maintaining agencies to license horse-and-buggies and ice delivery. It simply has outlived its usefulness.

Our constitution provided for an elected state treasurer to oversee the commonwealth's finances in 1792 – when electronic transfers, direct deposit and the Finance and Administration Cabinet remained just a gleam in Daddy Government's eye. The commonwealth's founders rightly created an elected position designed to put some politician on the hot seat and make them accountable for handling our money.

But they also wisely provided for changing the constitution when necessary – such as in 2007, when we kick tires instead of inspecting the teeth of horses when buying transportation.

This constitutional change would eliminate spending \$3.2 million from Kentucky taxpayers for a do-little office with 35 employees, seven of them political appointees. It doesn't take 35 employees to run what, according to state statute outlining the “duties” of the office, amounts to little more than a check-processing operation.

Which raises the question: Why, in this day and age of direct deposit, do so many of Kentucky's government employees still get paper checks in the mail graced with taxpayer-funded stamps?

Wheeler told me the state issued more than 6 million paper checks in 2006.

Apparently, workers in the executive branch and Treasurer's Office have the “option” of receiving direct deposit. It's not required. I say that when taxpayers pay you, it should be an “opt-out” rather than an “opt-in” program.

Wheeler started mandatory direct deposit when she was in the director's office of the state's Administrative Office of the Courts. “There was a lot of screaming and howling” she said – a reaction similar to that of status-quo defenders, who worship at the altar of big government and who, for love or money, won't consider eliminating agencies that outlive their purpose.

Fortunately, hardworking taxpayers usually have a more “cents”-ible view.

For example, when it became clear that Kentucky no longer needed a railroad commissioner, voters abolished the office. The same happened with the highly politicized Superintendent of Public Instruction.

At one time, lieutenant governors ran their own campaigns. Again, the constitution was changed. Now, the lieutenant governor runs as part of the gubernatorial ticket. (Do I smell another position ripe for eliminating?)

Voters in 14 states – including the Kentucky border states of Tennessee and Virginia – no longer elect a state treasurer. In Texas, comptroller Susan Combs successfully achieved her goal of abolishing the state’s Treasurer’s Office, along with its 262 full-time employees and \$11.2 million budget, by competitively bidding out services performed by the office or combining duties with her office.

Combs’ Kentucky counterpart – Auditor Crit Luallen – could do the same.

To those who disagree: Offer a single duty assigned by law to the state treasurer that cannot be performed – most likely with greater efficiency – by another existing agency, particularly the state Auditor’s Office or by the Finance and Administration Cabinet.

Eliminating redundancy by combining agencies, competitively bidding services and using innovative technology is a great place to start addressing Frankfort’s fiscal obesity.

Some will resist. I bet voters wouldn’t.

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