

Wisconsin Treasurer Adamczyk: Proposes to save taxpayers \$33.75 million

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Plan would have BCPL Pay Cash to Avoid Bonding for new DOJ Crime Lab

MADISON... Today, Wisconsin State Treasurer Matt Adamczyk released the following statement regarding the proposed Department of Justice (DOJ) crime lab:

“When the state builds a new building it costs more than the actual construction costs due to interest on borrowed money. As a commissioner of the Board of Commissioners of Public Lands (BCPL) I want to help the state avoid bonding costs for some specific projects. The BCPL is a state agency with a trust fund mandated to earn interest to give back to Wisconsin public schools.

Governor Walker’s capital budget calls for the construction of a new DOJ crime lab in the Milwaukee area. The building is budgeted to cost \$75 million. If the Legislature and the Governor approve the construction of a new crime lab, that \$75 million building would end up costing taxpayers \$108.75 million. This is due to the bond interest payments, which would total \$33.75 million over 20 years.

The decision on how to best build a new crime lab is a legislative decision, but I would encourage the state to save money by having the BCPL own it. The BCPL is a trust fund that has about \$1 billion in assets. The BCPL has cash available, earning almost no money, because short-term interest rates are so low. The BCPL could easily write a check for the \$75 million purchase price and then rent the building to the DOJ.

Any rental income profits the BCPL receives must constitutionally flow back to all

K-12 public schools yearly on a per pupil basis. Thus, all taxpayer money for rent would flow back to the same taxpayers that paid the rent.

This is a win-win for the schools and the taxpayers of the state of Wisconsin. Taxpayers would avoid paying \$33.75 million in bond interest. Furthermore, if the BCPL built the building, it would be a great investment that would satisfy its need for more safe income earning investment options.”