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Media Contact: Stacy Peterson

Phone: 501-682-3838 office; 501-519-3650 cell

Email: stacy.peterson@artreasury.gov

New Auction Program Brings More Money for State Treasury

Nearly \$1 million in additional funds

Little Rock, Ark. – Arkansas Treasurer of State Dennis Milligan has created a new online auction program for banks looking to hold certificates of deposits. The Arkansas Transparent Treasury Auction (ATTA) has increased efficiency, fairness and transparency – in addition to interest money, Milligan announced today.

“Previously, we had to call through lists of banks when we had CDs to place and the process could take up to a full days’ worth of work for our investment team. Using the auction platform, we’ve reduced the amount of time it takes to roughly 30 minutes from start to finish,” Milligan said.

“We’ve also added \$845,000 worth of additional interest in just the eight short months that we’ve been using the new auction platform.”

The electronic auction platform is public, meaning anyone can view an auction online in real time. Banks receive email notifications on days an auction is scheduled to take place, and can choose whether or not to participate.

The platform also provides for automatic data input, reducing the risk of human error and increasing efficiency. But the most significant change in the program has been the increase in interest rate that the state has been able to get on CDs because banks now compete to buy Treasury funds.

“Before the creation of the ATTA program, the State Treasury was getting a rate of return of between 0.85 to 1.10 percent from banks who purchased CDs,” Milligan said. “Since the auction program began, the highest return we’ve seen with this new program is 2.93 percent, and the lowest was 1.74 percent. That is a significantly higher return than what we were previously getting.”

The State Treasury has successfully auctioned more than \$1 billion in state funds – money required by statute to be placed in CDs – through the ATTA program.

“We’re seeing participants from both large banks and small, hometown banks, so we’ve accomplished what we set out to do, which was create a level playing field for all banks statewide,” he added.

Banks wishing to participate in the online auction program may call the Treasury at 501-682-5888, or visit the website for more information: <https://auctions.arttreasury.gov/>.

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Dennis Milligan was elected Treasurer of State in 2014 and re-elected in 2018. The State Treasury is responsible for overseeing the state’s \$4 billion portfolio. Since taking office in 2015, Milligan has receipted the state more than \$278 million in investment returns and has grown the investment portfolio’s receipts to some of the highest levels in nearly a decade.