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State Treasury's Investment Receipts Exceed \$25 Million in 1st Quarter

Higher than four previous fiscal years' totals over the last decade

Little Rock, Ark. – Arkansas' investment receipts for the first quarter of fiscal 2019, which ended Sept. 30, reached \$25.4 million, Treasurer of State Dennis Milligan told the State Board of Finance today. Quarterly receipts haven't been this high since the fourth quarter of 2008 when the Treasury was averaging about \$28 million per quarter.

"At our last meeting I reported to you that we set a record in my administration of more than \$21 million in a single quarter. I'm happy to report to you today that we've set another record," Milligan said. "Investment receipts for the first quarter of 2019 were higher than the yearly fiscal totals for the years 2012, 2013, 2014 and 2015."

Total revenues included \$13 million received from the state's short-term portfolio and \$12.4 million received from its long-term portfolio. The short-term portfolio is made up of mostly commercial paper and funds from the State Treasury Money Management Trust, a type of local government pool for state agencies, cities and counties. The long-term portfolio consists of mortgage-backed securities.

"With the economy gearing back up, there is potential to move investments toward the longer term and get better rates," Milligan told the board. "However, our strategy at this time still focuses on staying liquid by investing in short-term securities as we monitor developments in the bond market."

Milligan credited the high investment receipts to his team's constant evaluation of market conditions. Higher interest rates naturally drive up returns, he said, but "we're also using those interest rate hikes to our advantage."

"We take advantage of market conditions when we can and for as long as we can, while still maintaining liquidity and protecting our portfolio," Milligan said.

To view more information about the State Treasury's investment receipts, visit:
<https://www.artreasury.gov/graphics.html>.

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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 \$3.5 billion portfolio. Since taking office in 2015, Milligan has receipted the state more than \$221 million in investment returns and has grown the investment portfolio's receipts to some of the highest levels in nearly a decade.