

eliminating duplication between services provided within our office and the banks," Butkin explained. "We provide special handling services for deposits made by our office which save banks time, trouble and money — and they are now passing that savings along to us. Also, we have changed the ways we manage our cash accounts to get rid of unnecessary fees."

For a number of years, Butkin said, "The Treasurer paid for bank services in part with cash and partially with compensating balances. The balances were invested by banks with the interest earnings used to offset the remaining bank service charges."

Beginning last July, the move freed up more than \$16 million for investment by the state, he said, and paying cash for all bank service charges. For the current fiscal year, the move is expected to translate into an additional \$1.1 million in interest revenue.

Another way Butkin's office is saving taxpayer's money is by reducing credit card processing costs for state agencies by almost 50 percent — a total savings of more than \$150,000 per year.

Only a few months after taking office, Butkin completed a contract drastically reducing the credit card handling charges for agencies participating in the Treasurer's credit card program, cutting the processing rates by nearly 50 percent.

"A total of 13 state agencies, including the Tax Commission and Tourism Department, are participating in the new contract, but I am strongly encouraging more agencies to participate," Butkin said. "The contract allows us to reopen rate negotiations if we get enough activity. In the end, we could save even more money for the state."

## MAKING MONEY

With so much money saved, the Treasurer's office has more money to invest for the benefit of the state's coffers. Butkin and his staff have proven themselves in that arena, as well.

Interest earnings are an important part of state revenue, generating the sixth largest source of revenue to fund state government and by far the largest source of non-tax revenues.

Earlier this year, the office released a report showing interest earnings on state investments for the first half of fiscal year 1996 "far exceeded" original estimates.

The report showed interest earnings of the first half of the fiscal year of nearly \$36.7 million on investments of some \$1.5 billion. That's nearly \$5.4 million above original

estimates or more than 17 percent higher than projected.

The additional earnings, Butkin said, are enough money "to provide annual state education funding for more than 2,000 Oklahoma school children. It's also enough money to pay the annual salaries of more than 190 state troopers."

For fiscal year 1996, Butkin's first complete fiscal year as treasurer, the State Board of Equalization certified the treasurer's interest earning estimates at more than \$67 million. Butkin said projections, however, show the earnings will top \$73 million when the fiscal year ends June 30.

And more of the state's money is finding its way into state banks under a Certificate of Deposit policy that allows Oklahoma banks, savings and loans and credit unions to have access to as much in state deposits as they need.

"Historically, treasurers have failed to publicly outline what it takes for a bank to get state funds. My policy should leave no questions. If a bank, savings and loan, or credit union in Oklahoma wants state money, all it has to do is follow the rules outlined in the policy — and the rules create a level playing field for every financial institution."

The policy is simple, Butkin said: "Any Oklahoma financial institution can have as much money as it wants, so long as the public earns a fair interest rate, sufficient collateral is pledged and all the paperwork is filled out."

The funds, Butkin said, are an important element in helping state financial institutions meet local loan demand and promoting economic development.

More than \$200 million of state funds are invested with state banks, approximately 18 percent of the state's investment portfolio. The remaining 82 percent is invested in government securities and a cash management program.

## WINNING PRAISE

Perhaps Butkin's highest marks come not from numbers on a balance sheet, but from the man and the office responsible for overseeing the proper handling of taxpayers' money across the state — State Auditor and Inspector Clifton Scott.

In April, Butkin's administration received a "clean" audit from Scott's office — the first report of its kind in at least eight years. The auditor's latest review of the office found "no reportable conditions."

"Internal controls are in place and operating properly to ensure the safety of the people's money," Butkin said.

Scott commended Butkin and his staff for their work. "Hopefully the citizens of Oklahoma realize the importance of having an efficient, well managed State Treasurer's office," said Scott. "Today, when most people only hear of what's wrong with their state government, we are pleased to issue this report and commend the genuine accountability which does, indeed, exist in the Office of State Treasurer."

Butkin responded to Scott's praise by saying, "My primary goal is to operate a Treasurer's office that the people of Oklahoma can trust and be proud of."

"The scandals of the past are exactly that — of the past. This audit is only one sign of the improvements we have made to keep the people's money safe."

*Capital Network News* congratulates the state treasurer and his staff for their efforts to live by Butkin's own words — "Integrity is our chief commodity."

Those efforts have opened the office to public access and scrutiny, have saved the state money that has then been invested with near-record results and have resulted in a praise-winning operation.

"In less than a year since he took office, he has — in his quiet, unassuming way — gone about restoring integrity and putting into place business practices that not only make Oklahoma taxpayers more money, but save money in the operation of the treasurer's office," said the Claremore Daily Progress. **AND THAT'S GOOD FOR OKLAHOMA!!**

The Treasurer's Internet address is:

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## Robert Butkin

Robert Butkin, a third generation Oklahoman, was elected State Treasurer in 1994, his first race for elective office.

He graduated magna cum laude from Yale University, and earned a law degree from the University of Pennsylvania.

In 1981 he began serving as a director of the Citizens Bank of Velma, later becoming Chairman, a position he resigned when he was elected State Treasurer.

Butkin began his public service career in 1987 as an Assistant Attorney General, where he fought for lower utility rates and argued the landmark Illinois River case before the U.S. Supreme Court.