

State Retirement Agency

MISSION

To administer the survivor, disability, and retirement benefits of the System's participants, and to ensure that sufficient assets are available to fund the benefits when due.

VISION

A state that provides a fully-funded retirement system that is affordable to all participating employees and provides guaranteed adequate disability, survivor, and retirement benefits.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. To invest prudently System assets in a well-diversified manner to optimize long-term returns, while controlling risk through excellence in execution of the investment objectives and strategies of the System.

Obj. 1.1 By the end of each fiscal year meet the Board of Trustees' total return objective of achieving a nominal rate of return that equals or exceeds the actuarial return assumption set by the Board of Trustees.

Obj. 1.2 Over the long term (5-year rolling periods) meet or exceed both median peer performance, where peers are defined as other public pension funds with assets in excess of \$25 billion, and policy benchmark performance, where benchmarks are defined by the Board of Trustees.

	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Performance Measures							
Difference between the actual rate of return for the composite portfolio and the actuarial return assumption set by the Board of Trustees over one year	2.82%	6.72%	-4.92%	-6.39%	2.47%	N/A	N/A
3-year annualized excess return over the actuarial rate	2.28%	0.57%	1.45%	-1.64%	-3.00%	N/A	N/A
10-year annualized excess return over the actuarial rate	-1.13%	-1.28%	-1.98%	-2.70%	-3.40%	N/A	N/A
25-year annualized excess return over actuarial rate	0.07%	0.00%	-0.24%	-0.37%	-0.56%	N/A	N/A
Difference between the actual rate of return for the composite portfolio and the median peer return over a 5-year rolling period	-0.54%	-1.02%	-1.54%	-1.40%	-1.47%	N/A	N/A
MSRPS 5-year return in excess of policy benchmark	0.58%	0.90%	0.84%	0.72%	0.75%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	40,363,217	45,415,550	45,833,443	45,465,359	49,097,846	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	4,119,588	5,706,000	1,197,671	497,563	4,473,486	N/A	N/A

State Retirement Agency

Goal 2. To communicate effectively with all retirement plan participants to inform them about the benefits provided by the System and to educate them about planning and preparing for all aspects of their defined benefit system.

Obj. 2.1 On an ongoing basis, 95 percent of new retirees and active plan participants feel that they received adequate information to make informed decisions regarding their defined benefit retirement options.

Obj. 2.2 By the end of fiscal year 2017, no more than 7.5 percent of incoming telephone calls will be abandoned by the phone system, and waiting time for calls to be answered will be less than 2:15 minutes.

	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Performance Measures							
Percentage of new retirees and active plan participants who respond favorably to a customer survey regarding the retirement process and adequacy of information disseminated through individual counseling and through telephone inquiry	95.38%	93.76%	92.90%	92.60%	95.60%	95.00%	95.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	5.88%	7.02%	10.29%	9.54%	5.38%	7.50%	7.50%
Average telephone waiting time in minutes and seconds	1:43	2:03	2:59	2:38	1:25	1:35	1:35

Maryland State Retirement and Pension Systems

Summary of State Retirement Agency

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	197.00	197.00	197.00
Number of Contractual Positions	8.00	8.00	8.00
Salaries, Wages and Fringe Benefits	19,508,480	19,981,765	19,710,049
Technical and Special Fees	766,310	759,814	758,056
Operating Expenses	10,455,503	14,074,460	20,062,473
Special Fund Expenditure	20,070,260	22,817,641	26,912,303
Reimbursable Fund Expenditure	10,660,033	11,998,398	13,618,275
Total Expenditure	30,730,293	34,816,039	40,530,578

Maryland State Retirement and Pension Systems

G20J01.01 State Retirement Agency - State Retirement Agency

Program Description

This program implements the objectives of the State Retirement and Pension System (MSRPS). The Executive Director's Office is responsible for the executive direction of the System including administrative and investment policy, legislation and legal liaison, and financial affairs. The Administrative Division is responsible for the payment of benefits, administration of employee contributions, and individual and group membership counseling. The Finance Division is responsible for accounting and financial reporting, budget administration, and procurement. The Investment Division is responsible for the management, control and investment of the System's Retirement Accumulation and Annuity Savings Funds. The Internal Audit Division ensures Agency compliance with State laws, rules and regulations, as well as ensuring employer compliance with Agency reporting policies. The Information Services Division is responsible for the design and implementation of new automated management information systems and for maintenance and enhancements of existing systems.

Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	197.00	197.00	197.00
Number of Contractual Positions	8.00	8.00	8.00
01 Salaries, Wages and Fringe Benefits	19,508,480	19,981,765	19,710,049
02 Technical and Special Fees	766,310	759,814	758,056
03 Communications	645,547	796,538	981,419
04 Travel	158,681	228,479	181,479
07 Motor Vehicle Operation and Maintenance	132,610	135,779	135,324
08 Contractual Services	6,829,828	9,137,515	8,300,185
09 Supplies and Materials	131,882	141,344	118,344
10 Equipment - Replacement	347,984	281,601	110,251
11 Equipment - Additional	121,726	67,275	65,000
12 Grants, Subsidies, and Contributions	382,426	382,426	382,426
13 Fixed Charges	1,704,819	1,928,503	1,891,514
Total Operating Expenses	10,455,503	13,099,460	12,165,942
Total Expenditure	30,730,293	33,841,039	32,634,047
Special Fund Expenditure	20,070,260	22,183,891	21,669,007
Reimbursable Fund Expenditure	10,660,033	11,657,148	10,965,040
Total Expenditure	30,730,293	33,841,039	32,634,047
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	20,070,260	22,183,891	21,669,007
Total	20,070,260	22,183,891	21,669,007
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	10,660,033	11,657,148	10,965,040
Total	10,660,033	11,657,148	10,965,040

Maryland State Retirement and Pension Systems

G20J01.02 Major Information Technology Development Projects - State Retirement Agency

Program Description

This program provides funding for Major Information Technology Development Projects in the State Retirement Agency. Funding will be used to complete the third and final planned phase of the Maryland Pension Administration System (MPAS) project.

Appropriation Statement	2017 Actual	2018 Appropriation	2019 Allowance
03 Communications	0	0	11,160
08 Contractual Services	0	975,000	6,480,371
10 Equipment - Replacement	0	0	5,000
11 Equipment - Additional	0	0	1,400,000
Total Operating Expenses	<u>0</u>	<u>975,000</u>	<u>7,896,531</u>
Total Expenditure	<u><u>0</u></u>	<u><u>975,000</u></u>	<u><u>7,896,531</u></u>
Special Fund Expenditure	0	633,750	5,243,296
Reimbursable Fund Expenditure	0	341,250	2,653,235
Total Expenditure	<u><u>0</u></u>	<u><u>975,000</u></u>	<u><u>7,896,531</u></u>
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	<u>0</u>	<u>633,750</u>	<u>5,243,296</u>
Total	<u>0</u>	<u>633,750</u>	<u>5,243,296</u>
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	<u>0</u>	<u>341,250</u>	<u>2,653,235</u>
Total	<u>0</u>	<u>341,250</u>	<u>2,653,235</u>

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
G20 - Maryland State Retirement and Pension Systems						
G20J0101 - State Retirement Agency						
Accountant Advanced	8.00	393,950	8.00	455,075	8.00	455,075
Accountant I	0.00	28,294	0.00	0	0.00	0
Accountant II	13.00	585,401	13.00	643,144	13.00	643,144
Accountant Lead	3.00	141,109	3.00	156,992	3.00	156,992
Accountant Lead Specialized	1.00	70,858	1.00	69,492	1.00	69,492
Accountant Manager II	3.00	184,924	3.00	220,772	3.00	220,772
Accountant Supervisor I	2.00	83,088	2.00	110,028	2.00	110,028
Accountant Supervisor II	5.00	297,116	5.00	336,977	5.00	336,977
Accountant Trainee	2.00	57,694	2.00	84,372	2.00	84,372
Admin Officer I	8.00	410,062	8.00	409,653	8.00	409,653
Admin Officer II	3.00	139,106	3.00	144,053	3.00	144,053
Admin Officer III	2.00	82,119	2.00	94,789	2.00	94,789
Admin Prog Mgr III	1.00	97,200	1.00	97,203	1.00	97,203
Admin Spec II	8.00	361,308	8.00	349,596	8.00	349,596
Admin Spec III	15.00	639,830	15.00	655,304	15.00	655,304
Administrator I	6.00	319,261	6.00	320,844	6.00	320,844
Administrator II	9.00	526,511	9.00	566,706	9.00	566,706
Administrator III	2.00	103,464	2.00	124,979	2.00	124,979
Administrator IV	1.00	65,411	1.00	65,416	1.00	65,416
Administrator V	1.00	86,081	1.00	86,087	1.00	86,087
Administrator VI	2.00	176,052	2.00	176,881	2.00	176,881
Administrator VII	10.00	778,152	10.00	919,356	10.00	919,356
Agency Procurement Spec II	1.00	49,578	1.00	49,583	1.00	49,583
Agency Procurement Spec Supv	1.00	58,544	1.00	58,548	1.00	58,548
Asst Attorney General VI	3.00	311,505	3.00	292,559	3.00	292,559
Asst Attorney General VII	1.00	35,490	1.00	110,729	1.00	110,729
Asst Attorney General VIII	2.00	223,255	2.00	225,375	2.00	225,375
Chief Investment Officer MSRP	1.00	329,988	1.00	330,000	1.00	330,000
Computer Network Spec II	3.00	190,202	3.00	190,827	3.00	190,827
Computer Network Spec Mgr	1.00	91,104	1.00	91,107	1.00	91,107
Computer Network Spec Supr	1.00	71,967	1.00	71,972	1.00	71,972
Dep Chief Investment Officer MSRP	1.00	176,529	1.00	175,134	1.00	175,134
Designated Admin Mgr IV	1.00	97,054	1.00	97,988	1.00	97,988
Div Dir Ofc Atty General	1.00	124,780	1.00	124,789	1.00	124,789
Exec Assoc II	2.00	120,600	2.00	119,921	2.00	119,921
Exec Assoc III	1.00	72,887	1.00	73,593	1.00	73,593
Exec Dir State Retirement Agency	1.00	153,526	1.00	153,532	1.00	153,532
Fiscal Accounts Technician II	1.00	34,206	1.00	32,364	1.00	32,364
Fiscal Accounts Technician Supv	2.00	66,746	2.00	89,153	2.00	89,153
Internal Auditor II	1.00	64,487	1.00	65,110	1.00	65,110
Internal Auditor Super	1.00	77,072	1.00	77,078	1.00	77,078
IT Asst Director II	2.00	194,396	2.00	194,406	2.00	194,406
IT Asst Director IV	1.00	110,725	1.00	110,729	1.00	110,729
IT Functional Analyst II	3.00	119,707	3.00	169,306	3.00	169,306
IT Functional Analyst Supervisor	1.00	57,935	1.00	64,902	1.00	64,902
IT Functional Analyst Trainee	0.00	19,079	0.00	0	0.00	0
IT Production Control Spec II	1.00	46,665	1.00	46,845	1.00	46,845
IT Production Control Spec Lead	1.00	49,531	1.00	49,355	1.00	49,355

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
IT Programmer Analyst Lead/Advanced	5.00	148,019	5.00	302,392	5.00	276,674
IT Programmer Analyst Supervisor	2.00	170,793	2.00	170,802	2.00	170,802
IT Staff Specialist	1.00	64,998	1.00	65,625	1.00	65,625
IT Systems Technical Spec Supervisor	1.00	87,723	1.00	87,729	1.00	87,729
IT Technical Support Spec II	1.00	80,072	1.00	80,078	1.00	80,078
Management Specialist III	1.00	14,907	1.00	53,012	1.00	53,012
Managing Director I MSRP	1.00	0	1.00	102,488	1.00	102,488
Managing Director II MSRP	4.00	469,283	4.00	530,050	4.00	530,050
Prgm Mgr I	2.00	160,168	2.00	160,180	2.00	160,180
Prgm Mgr II	1.00	67,639	1.00	68,504	1.00	68,504
Prgm Mgr III	4.00	324,925	4.00	359,299	4.00	359,299
Prgm Mgr IV	5.00	422,063	5.00	470,976	5.00	441,249
Prgm Mgr Senior II	3.00	328,467	3.00	329,595	3.00	329,595
Prgm Mgr Senior III	2.00	228,799	2.00	252,372	2.00	252,372
Prgm Mgr Senior IV	1.00	251,215	1.00	122,417	1.00	122,417
Ret Benefits Specialist I	7.00	259,709	7.00	306,533	7.00	302,392
Ret Benefits Specialist II	2.00	83,745	2.00	89,802	2.00	89,802
Ret Benefits Specialist III	10.00	580,233	10.00	556,601	10.00	556,601
Ret Benefits Specialist Supv	3.00	190,026	3.00	190,670	3.00	190,670
State Retirement Administrator	1.00	135,552	1.00	142,097	1.00	142,097
Total G20J0101	197.00	12,642,885	197.00	13,593,846	197.00	13,534,260
Total G20 Maryland State Retirement and Pension Systems	197.00	12,642,885	197.00	13,593,846	197.00	13,534,260