

# State Treasurer's Office

## MISSION

The State Treasurer is responsible for the management and protection of State funds and property. In this capacity, the Treasurer selects and manages the depository facilities for State funds, issues or authorizes agents to issue payments of State funds, invests excess funds, safekeeps all State securities and investments, and provides insurance protection against sudden and unanticipated damage to State property or liability of State employees. The State Treasurer plans, prepares, and advertises State of Maryland General Obligation bond issues, and through the Capital Debt Affordability Committee reviews the size and condition of State tax-supported debt and other debt of State units on a continuing basis. The State Treasurer annually reviews the total amount of State debt that prudently may be authorized for the next fiscal year.

## VISION

To make Maryland a state that maximizes its personnel and technology as complementary resources to efficiently and effectively manage cash and investments, minimize potential risks and unexpected losses, and manage debt in order to confidently plan for the future and maintain the State's AAAA bond rating.

## KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

### Goal 1. Accurately reconcile all Treasury State bank accounts.

Obj. 1.1 Reconcile the State's Main Depository, Main Disbursement, Payroll, and Income Tax Refund bank accounts within five days of receipt of the bank statement.

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Total number of receipts and disbursements (millions)	18.3	18.5	19.5	18.5	18.5	18.5	18.5
Average days to reconcile accounts	< 4	< 4	< 3	< 3	< 3	< 3	< 3

### Goal 2. Maximize investment earnings for the State's surplus funds in accordance with all State laws and regulations.

Obj. 2.1 Earn a higher-than-average rate of return on the State's investment portfolio and the Local Government Investment Pool (LGIP).

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Average return on State's investment portfolio	0.88%	1.03%	1.03%	1.04%	1.47%	1.00%	1.25%
Basis point spread of State's investment portfolio over 90-day T-Bill rate	80	99	101	86	91	0	0
LGIP fund balance (in millions as of 6/30)	\$2,848	\$3,127	\$3,424	\$3,779	\$3,727	\$3,800	\$3,875
Percent increase in LGIP balance	14.86%	9.76%	9.52%	10.36%	-1.38%	2.00%	2.00%
Return on LGIP portfolio	0.12%	0.05%	0.05%	0.22%	0.56%	1.15%	1.50%
Basis point spread over LGIP S&P Index	4	0	0	0	-5	0	0

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**Goal 3. Maintain and enhance the IT infrastructure needed to provide ongoing support services to the State Treasurer's Office and the agencies it serves.**

**Obj. 3.1** Ensure IT infrastructure and the IBM midrange system are available to support critical State business processes, including receipts and vendor payments.

<b>Performance Measures</b>	<b>2013 Act.</b>	<b>2014 Act.</b>	<b>2015 Act.</b>	<b>2016 Act.</b>	<b>2017 Act.</b>	<b>2018 Est.</b>	<b>2019 Est.</b>
Percent of total hours of the year where infrastructure and systems were available	97.93%	98.71%	99.63%	100.00%	99.91%	99.26%	99.63%

**Goal 4. Provide statewide risk management through loss control, loss protection, loss restoration, and loss resolution.**

**Obj. 4.1** Ensure efficient, timely processing of all agency and third party insurance claims.

<b>Performance Measures</b>	<b>2013 Act.</b>	<b>2014 Act.</b>	<b>2015 Act.</b>	<b>2016 Act.</b>	<b>2017 Act.</b>	<b>2018 Est.</b>	<b>2019 Est.</b>
New claims processed	3,515	5,183	4,911	5,004	4,063	4,468	4,656
Claims closed	3,839	4,895	5,272	5,204	4,419	4,502	4,691
Pending open claims	1,910	2,198	2,061	2,153	1,934	1,900	1,864

## State Treasurer's Office

### Summary of State Treasurer's Office

	<b>2017 Actual</b>	<b>2018 Appropriation</b>	<b>2019 Allowance</b>
Number of Authorized Positions	60.00	60.00	60.00
Salaries, Wages and Fringe Benefits	5,883,997	6,089,444	6,091,122
Technical and Special Fees	30,213	2,650	4,150
Operating Expenses	35,276,747	43,200,232	41,054,596
Net General Fund Expenditure	5,145,349	5,226,719	5,231,464
Special Fund Expenditure	935,629	2,209,328	2,598,335
Reimbursable Fund Expenditure	35,109,979	41,856,279	39,320,069
Total Expenditure	41,190,957	49,292,326	47,149,868

## State Treasurer's Office

### Summary of Treasury Management

	<b>2017 Actual</b>	<b>2018 Appropriation</b>	<b>2019 Allowance</b>
Number of Authorized Positions	40.00	40.00	40.00
Salaries, Wages and Fringe Benefits	3,871,617	3,969,101	3,971,114
Technical and Special Fees	9,612	650	1,150
Operating Expenses	2,581,416	4,975,011	3,649,648
Net General Fund Expenditure	5,090,849	5,176,719	5,181,464
Special Fund Expenditure	428,803	754,328	762,335
Reimbursable Fund Expenditure	942,993	3,013,715	1,678,113
Total Expenditure	<u>6,462,645</u>	<u>8,944,762</u>	<u>7,621,912</u>

## State Treasurer's Office

### E20B01.01 Treasury Management - Treasury Management

#### Program Description

The Treasury Management Program includes the administrative and operating functions for two principal operating divisions: Treasury Management and Information Technology. The Treasury Management Division oversees all areas related to banking services and investment functions. With respect to banking services, the Division reconciles the State's principal depository and disbursement accounts as well as the income tax and payroll disbursement accounts. The Division resolves errors and claims associated with these accounts. Proper reconciliation assures that all receipt and disbursement transactions are authorized and processed appropriately. The Division also ensures adequate collateralization of State funds on deposit and monitors agencies' working fund accounts to ensure that interest remitted to the State is credited to the General Fund. The Division serves as the banking and financial transaction resource for all banking requirements of State agencies. With respect to investment functions, the Division focuses on the short-term investment of State funds, and oversees securities lending operations. The Division determines the disbursement requirements to be funded on a daily basis, and monitors balance levels at the State's main depository and disbursement banks. The Division ensures that portfolio tracking software and cash flow management techniques are utilized to maintain adequate control of all funds. The Information Technology Division provides the data processing and technology infrastructure needed to operate the State Treasurer's Office. This includes the operation of all internal network and mainframe applications, as well as links to external systems. The Division also provides check printing and electronic payment services for all vendor payments, State Retirement Agency payments to retirees, printing of child support checks, and the processing of all payroll direct deposits.

#### Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	40.00	40.00	40.00
01 Salaries, Wages and Fringe Benefits	3,871,617	3,969,101	3,971,114
02 Technical and Special Fees	9,612	650	1,150
03 Communications	37,847	41,750	36,097
04 Travel	26,249	4,000	4,000
07 Motor Vehicle Operation and Maintenance	1,949	4,693	2,482
08 Contractual Services	2,276,540	2,639,930	2,556,480
09 Supplies and Materials	202,120	165,256	165,020
10 Equipment - Replacement	12,567	87,861	100,692
11 Equipment - Additional	4,330	0	0
13 Fixed Charges	19,814	22,271	22,312
Total Operating Expenses	2,581,416	2,965,761	2,887,083
Total Expenditure	6,462,645	6,935,512	6,859,347
Net General Fund Expenditure	5,090,849	5,176,719	5,181,464
Special Fund Expenditure	428,803	645,953	592,410
Reimbursable Fund Expenditure	942,993	1,112,840	1,085,473
Total Expenditure	6,462,645	6,935,512	6,859,347

#### Special Fund Income

E20303 Investment Fees	428,803	645,953	592,410
Total	428,803	645,953	592,410

#### Reimbursable Fund Income

E20901 Insurance Protection - Various State Agencies	0	0	93,675
E20902 Capital Lease	99,805	96,278	95,230
E20B02 Insurance Protection	696,205	850,347	750,941
G20J01 Maryland State Retirement and Pension Systems	103,280	111,091	98,101
N00H00 Child Support Enforcement Administration	43,703	55,124	47,526
Total	942,993	1,112,840	1,085,473

## State Treasurer's Office

### E20B01.02 Major Information Technology Development Projects - Treasury Management

**Program Description**

This program provides funding for the Treasurer's Office major information technology projects in conjunction with the Information Technology Master Plan (ITMP).

**Appropriation Statement**

	2017 Actual	2018 Appropriation	2019 Allowance
08 Contractual Services	0	1,889,250	762,565
10 Equipment - Replacement	0	60,938	0
11 Equipment - Additional	0	59,062	0
Total Operating Expenses	0	2,009,250	762,565
Total Expenditure	0	2,009,250	762,565
Special Fund Expenditure	0	108,375	169,925
Reimbursable Fund Expenditure	0	1,900,875	592,640
Total Expenditure	0	2,009,250	762,565
<b>Special Fund Income</b>			
E20303 Investment Fees	0	108,375	169,925
Total	0	108,375	169,925
<b>Reimbursable Fund Income</b>			
E20901 Insurance Protection - Various State Agencies	0	381,000	592,640
F50A01 Major Information Technology Development Project Fund	0	1,519,875	0
Total	0	1,900,875	592,640

## State Treasurer's Office

### Summary of Insurance Protection

	<b>2017 Actual</b>	<b>2018 Appropriation</b>	<b>2019 Allowance</b>
Number of Authorized Positions	20.00	20.00	20.00
Salaries, Wages and Fringe Benefits	2,012,380	2,120,343	2,120,008
Technical and Special Fees	20,601	2,000	3,000
Operating Expenses	32,134,005	36,720,221	35,518,948
Reimbursable Fund Expenditure	34,166,986	38,842,564	37,641,956
Total Expenditure	34,166,986	38,842,564	37,641,956

## State Treasurer's Office

### E20B02.01 Insurance Management - Insurance Protection

#### Program Description

The Insurance Division determines the insurance requirements to protect State property and personnel, procures commercial insurance, and sets agency premiums for self-insurance. It adjusts claims involving damage to State property and the Maryland Tort Claims Act. The Division also supervises the State's insurance programs.

#### Appropriation Statement

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	20.00	20.00	20.00
01 Salaries, Wages and Fringe Benefits	2,012,380	2,120,343	2,120,008
02 Technical and Special Fees	20,601	2,000	3,000
03 Communications	40,147	51,897	47,331
04 Travel	4,380	11,090	6,090
08 Contractual Services	784,343	1,034,320	839,066
09 Supplies and Materials	27,935	42,000	29,500
10 Equipment - Replacement	5,843	0	3,000
11 Equipment - Additional	2,132	0	0
13 Fixed Charges	3,149	4,085	14,313
Total Operating Expenses	867,929	1,143,392	939,300
Total Expenditure	2,900,910	3,265,735	3,062,308
Reimbursable Fund Expenditure	2,900,910	3,265,735	3,062,308
Total Expenditure	2,900,910	3,265,735	3,062,308
<b>Reimbursable Fund Income</b>			
E20901 Insurance Protection - Various State Agencies	2,900,910	3,265,735	3,062,308
Total	2,900,910	3,265,735	3,062,308



## State Treasurer's Office

### E20B02.02 Insurance Coverage - Insurance Protection

**Program Description**

The Insurance Coverage program provides insurance protection against damage to State property or liability of State employees.

**Appropriation Statement**

		<b>2017 Actual</b>	<b>2018 Appropriation</b>	<b>2019 Allowance</b>
13	Fixed Charges	<u>31,266,076</u>	<u>35,576,829</u>	<u>34,579,648</u>
	Total Operating Expenses	<u>31,266,076</u>	<u>35,576,829</u>	<u>34,579,648</u>
	Total Expenditure	<u><u>31,266,076</u></u>	<u><u>35,576,829</u></u>	<u><u>34,579,648</u></u>
	Reimbursable Fund Expenditure	<u>31,266,076</u>	<u>35,576,829</u>	<u>34,579,648</u>
	Total Expenditure	<u><u>31,266,076</u></u>	<u><u>35,576,829</u></u>	<u><u>34,579,648</u></u>
<b>Reimbursable Fund Income</b>				
E20901	Insurance Protection - Various State Agencies	<u>31,266,076</u>	<u>35,576,829</u>	<u>34,579,648</u>
	Total	<u><u>31,266,076</u></u>	<u><u>35,576,829</u></u>	<u><u>34,579,648</u></u>

## State Treasurer's Office

### E20B02.02 Insurance Coverage - Insurance Protection

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
<b>State Insurance Trust Fund</b>				
Combined Beginning Balance	26,589,855	29,462,787	30,030,403	26,929,263
Blanket Real and Personal Property:				
Beginning Balance	11,864,790	14,877,364	15,997,560	14,116,921
Transfers and Recoveries	375,493	625,835	200,000	200,000
Agency Premiums	11,540,826	11,106,610	9,150,457	9,257,420
Excess Policy Coverage	(5,933,911)	(5,926,796)	(6,631,095)	(6,572,270)
Real Property Losses	(2,969,834)	(3,685,453)	(4,600,000)	(4,600,000)
Intrafund Transfer	-	(1,000,000)	-	(2,000,000)
Ending Balance	14,877,364	15,997,560	14,116,921	10,402,071
Officers and Employees Liability:				
Beginning Balance	3,520,829	3,519,688	3,722,213	3,613,347
Agency Premiums	-	749,977	366,134	365,738
Liability Losses	(1,141)	(547,452)	(475,000)	(475,000)
Ending Balance	3,519,688	3,722,213	3,613,347	3,504,085
Tort Claims Act:				
Beginning Balance	5,687,458	6,178,250	7,088,486	7,088,489
Agency Premiums	3,800,000	6,486,185	6,500,003	7,500,000
Tort Losses	(3,309,208)	(5,575,950)	(6,500,000)	(7,500,000)
Ending Balance	6,178,250	7,088,486	7,088,489	7,088,489
Motor Vehicle Comprehensive:				
Beginning Balance	5,516,778	4,887,485	3,222,144	2,110,506
Transfers and Recoveries	913,932	1,191,669	1,000,000	1,000,000
Agency Premiums	3,506,800	4,037,800	4,035,097	4,035,100
Motor Vehicle Losses	(2,311,934)	(2,093,900)	(2,500,000)	(2,300,000)
Insurance Administration	(2,738,091)	(5,800,910)	(3,646,735)	(3,163,512)
Intrafund Transfer	-	1,000,000	-	-
Ending Balance	4,887,485	3,222,144	2,110,506	1,682,094
Combined Ending Balance	29,462,787	30,030,403	26,929,263	22,676,739

## State Treasurer's Office

### E20B03.01 Bond Sale Expenses - Bond Sale Expenses

**Program Description**

The Debt Management Division arranges the sale of general obligation debt and coordinates debt issuance statewide.

**Appropriation Statement**

	2017 Actual	2018 Appropriation	2019 Allowance
08 Contractual Services	561,326	1,505,000	1,886,000
Total Operating Expenses	561,326	1,505,000	1,886,000
Total Expenditure	561,326	1,505,000	1,886,000
Net General Fund Expenditure	54,500	50,000	50,000
Special Fund Expenditure	506,826	1,455,000	1,836,000
Total Expenditure	561,326	1,505,000	1,886,000
<b>Special Fund Income</b>			
E20304 Bond Sale Expenses	506,826	1,455,000	1,836,000
Total	506,826	1,455,000	1,836,000

### 3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
<b>E20 - State Treasurer's Office</b>						
<b>E20B0101 - Treasury Management</b>						
Admin Aide	1.00	33,769	1.00	38,636	1.00	38,636
Administrator I	1.00	65,105	1.00	65,110	1.00	65,110
Administrator II	2.00	67,655	2.00	116,349	2.00	116,349
Chf Deputy Treasurer	1.00	153,526	1.00	153,532	1.00	153,532
Computer Network Spec Mgr	1.00	90,243	1.00	91,107	1.00	91,107
Div Dir Ofc Atty General	1.00	134,739	1.00	134,749	1.00	134,749
Exec IV	1.00	68,778	1.00	80,000	1.00	80,000
Exec V	2.00	203,493	2.00	212,120	2.00	212,120
Exec VI	1.00	83,209	1.00	92,333	1.00	92,333
Exec VIII	1.00	142,641	1.00	142,646	1.00	142,646
IT Functional Analyst Trainee	1.00	50,814	1.00	49,203	1.00	49,203
IT Programmer Analyst Lead/Advanced	1.00	52,747	1.00	53,744	1.00	53,744
IT Programmer Analyst Supervisor	1.00	76,218	1.00	76,224	1.00	76,224
IT Quality Assurance Spec	1.00	68,066	1.00	68,723	1.00	68,723
IT Systems Technical Spec	1.00	82,241	1.00	82,247	1.00	82,247
Prgm Mgr Senior I	1.00	64,106	2.00	187,032	2.00	187,032
Prgm Mgr Senior III	1.00	47,806	1.00	84,704	1.00	84,704
Treasurer State Of Maryland	1.00	143,246	1.00	149,500	1.00	149,500
Treasury Spec I	1.00	31,969	1.00	39,654	1.00	39,654
Treasury Spec II	1.00	39,974	1.00	40,698	1.00	40,698
Treasury Spec III	3.00	98,906	3.00	126,963	3.00	126,963
Treasury Spec IV	6.00	314,137	6.00	324,993	6.00	324,993
Treasury Spec V	4.00	186,155	4.00	231,387	4.00	231,387
Treasury Spec VI	2.00	122,112	2.00	130,696	2.00	130,696
Treasury Spec VII	3.00	137,509	2.00	150,655	2.00	150,655
<b>Total E20B0101</b>	<b>40.00</b>	<b>2,559,164</b>	<b>40.00</b>	<b>2,923,005</b>	<b>40.00</b>	<b>2,923,005</b>
<b>E20B0201 - Insurance Management</b>						
Administrator IV	1.00	64,384	1.00	53,193	1.00	53,193
Asst Attorney General VIII	2.00	213,947	2.00	215,025	2.00	215,025
Casualty Claims Adj I	1.00	39,973	1.00	40,698	1.00	40,698
Casualty Claims Adj II	3.00	130,982	3.00	149,620	3.00	149,620
Casualty Claims Adj Supv	1.00	65,854	1.00	63,880	1.00	63,880
Casualty Claims Adj Supv	1.00	66,993	1.00	67,639	1.00	67,639
Exec V	2.00	227,013	2.00	225,124	2.00	225,124
IT Systems Technical Spec	1.00	57,696	1.00	69,273	1.00	69,273
Office Services Clerk	1.00	35,514	1.00	35,793	1.00	35,793
Prgm Mgr Senior I	1.00	77,228	1.00	89,829	1.00	89,829
Principal Counsel	1.00	126,177	1.00	126,186	1.00	126,186
Treasury Spec II	1.00	53,873	1.00	53,598	1.00	53,598
Treasury Spec III	1.00	32,794	1.00	38,880	1.00	38,880
Treasury Spec VI	1.00	73,356	1.00	73,361	1.00	73,361
Treasury Spec VII	2.00	72,213	2.00	135,083	2.00	135,083
<b>Total E20B0201</b>	<b>20.00</b>	<b>1,337,997</b>	<b>20.00</b>	<b>1,437,182</b>	<b>20.00</b>	<b>1,437,182</b>