

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.

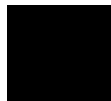
KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

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.

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
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	6.72%	-4.92%	-6.39%	2.47%	0.56%	N/A	N/A
3-year annualized excess return over the actuarial rate	0.57%	1.45%	-1.64%	-3.00%	-1.21%	N/A	N/A
10-year annualized excess return over the actuarial rate	-1.28%	-1.98%	-2.70%	-3.40%	-2.00%	N/A	N/A
25-year annualized excess return over actuarial rate	0.00%	-0.24%	-0.37%	-0.56%	-0.86%	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	-1.02%	-1.54%	-1.40%	-1.47%	-1.38%	N/A	N/A
MSRPS 5-year return in excess of policy benchmark	0.90%	0.84%	0.72%	0.75%	0.43%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	45,415,550	45,833,443	45,465,359	49,097,846	51,956,589	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	5,706,000	1,197,671	497,563	4,473,486	3,899,403	N/A	N/A



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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.

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
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	93.76%	92.90%	92.60%	95.60%	97.00%	95.00%	95.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	7.02%	10.29%	9.54%	5.38%	6.50%	7.50%	7.50%
Average telephone waiting time in minutes and seconds	2:03	2:59	2:38	1:25	1:44	2:15	2:15

Maryland State Retirement and Pension Systems

Summary of State Retirement Agency

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	197.00	197.00	202.00
Number of Contractual Positions	8.07	8.00	8.00
Salaries, Wages and Fringe Benefits	19,529,124	20,168,254	21,653,505
Technical and Special Fees	690,008	758,056	733,424
Operating Expenses	13,734,730	24,228,025	22,765,481
Special Fund Expenditure	22,409,549	21,630,266	21,151,659
Reimbursable Fund Expenditure	11,544,313	10,901,310	10,514,753
Non-Budgeted Fund Expenditure	0	12,622,759	13,485,998
Total Expenditure	33,953,862	45,154,335	45,152,410

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

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	197.00	171.00	176.00
Number of Contractual Positions	8.07	8.00	8.00
01 Salaries, Wages and Fringe Benefits	19,529,124	15,882,490	16,871,317
02 Technical and Special Fees	688,818	758,056	733,424
03 Communications	739,838	981,419	699,110
04 Travel	205,817	83,624	85,694
06 Fuel and Utilities	125	0	0
07 Motor Vehicle Operation and Maintenance	131,219	135,324	135,640
08 Contractual Services	7,301,372	4,317,067	4,271,651
09 Supplies and Materials	122,739	113,982	125,127
10 Equipment - Replacement	105,347	110,251	65,520
11 Equipment - Additional	177,519	65,000	22,589
12 Grants, Subsidies, and Contributions	382,426	382,426	382,426
13 Fixed Charges	1,872,879	1,805,406	2,007,504
14 Land and Structures	19,639	0	0
Total Operating Expenses	11,058,920	7,994,499	7,795,261
Total Expenditure	31,276,862	24,635,045	25,400,002
Special Fund Expenditure	20,642,729	16,386,970	16,965,995
Reimbursable Fund Expenditure	10,634,133	8,248,075	8,434,007
Total Expenditure	31,276,862	24,635,045	25,400,002
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	20,642,729	16,386,970	16,965,995
Total	20,642,729	16,386,970	16,965,995
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	10,634,133	8,248,075	8,434,007
Total	10,634,133	8,248,075	8,434,007

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	2018 Actual	2019 Appropriation	2020 Allowance
02 Technical and Special Fees	1,190	0	0
03 Communications	0	11,160	97,320
04 Travel	0	0	10,000
08 Contractual Services	2,545,183	6,480,371	5,609,090
09 Supplies and Materials	1,796	0	0
10 Equipment - Replacement	0	5,000	0
11 Equipment - Additional	128,831	1,400,000	550,000
Total Operating Expenses	<u>2,675,810</u>	<u>7,896,531</u>	<u>6,266,410</u>
Total Expenditure	<u>2,677,000</u>	<u>7,896,531</u>	<u>6,266,410</u>
Special Fund Expenditure	1,766,820	5,243,296	4,185,664
Reimbursable Fund Expenditure	910,180	2,653,235	2,080,746
Total Expenditure	<u>2,677,000</u>	<u>7,896,531</u>	<u>6,266,410</u>
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	1,766,820	5,243,296	4,185,664
Total	<u>1,766,820</u>	<u>5,243,296</u>	<u>4,185,664</u>
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	910,180	2,653,235	2,080,746
Total	<u>910,180</u>	<u>2,653,235</u>	<u>2,080,746</u>

Maryland State Retirement and Pension Systems

G20J01.43 Investment Division - State Retirement Agency

Program Description

The Investment Division is responsible for the implementation of the policies adopted by the Board of Trustees of the Maryland State Retirement and Pension System. The main functions include the investment and monitoring of System assets in a prudent and diversified manner, and to ensure that funds are available to meet benefit obligations.

Appropriation Statement

		2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions		0.00	26.00	26.00
01	Salaries, Wages and Fringe Benefits	0	4,285,764	4,782,188
04	Travel	0	150,000	150,000
08	Contractual Services	0	7,973,500	8,340,315
09	Supplies and Materials	0	9,000	9,000
13	Fixed Charges	0	204,495	204,495
Total Operating Expenses		0	8,336,995	8,703,810
Total Expenditure		0	12,622,759	13,485,998
Non-Budgeted Fund Expenditure		0	12,622,759	13,485,998
Total Expenditure		0	12,622,759	13,485,998
Non-Budgeted Fund Expenditure				
G20701	Pension Trust Fund	0	12,622,759	13,485,998
Total		0	12,622,759	13,485,998

3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
G20 - Maryland State Retirement and Pension Systems						
G20J0101 - State Retirement Agency						
Accountant Advanced	8.00	436,781	8.00	443,161	9.00	480,188
Accountant I	0.00	86,533	2.00	89,802	0.00	0
Accountant II	13.00	636,626	13.00	636,169	10.00	495,287
Accountant Lead	3.00	162,078	3.00	162,063	3.00	154,221
Accountant Lead Specialized	1.00	73,593	0.00	0	0.00	0
Accountant Manager II	3.00	216,244	3.00	191,808	3.00	248,244
Accountant Supervisor I	2.00	115,937	2.00	116,044	1.00	60,864
Accountant Supervisor II	5.00	323,698	5.00	324,402	4.00	272,882
Accountant Trainee	2.00	66,952	0.00	0	4.00	164,861
Admin Officer I	8.00	421,897	8.00	422,830	8.00	396,449
Admin Officer II	3.00	133,097	3.00	135,508	3.00	135,646
Admin Officer III	2.00	133,086	2.00	113,292	3.00	175,470
Admin Prog Mgr III	1.00	97,203	1.00	97,203	1.00	99,148
Admin Spec II	8.00	346,777	8.00	349,596	8.00	335,928
Admin Spec III	15.00	693,605	16.00	699,953	16.00	692,005
Administrator I	6.00	320,817	6.00	322,599	6.00	333,918
Administrator II	9.00	482,397	8.00	489,506	9.00	531,666
Administrator III	2.00	157,902	2.00	128,580	3.00	188,065
Administrator IV	1.00	69,121	1.00	65,416	1.00	66,725
Administrator V	1.00	85,585	1.00	86,087	1.00	87,809
Administrator VI	2.00	178,265	1.00	90,112	1.00	91,915
Administrator VII	10.00	564,908	0.00	0	0.00	0
Agency Procurement Spec II	1.00	49,583	1.00	49,583	1.00	50,575
Agency Procurement Spec Supv	1.00	58,548	1.00	58,548	1.00	59,719
Asst Attorney General VI	3.00	386,851	4.00	385,189	4.00	386,306
Asst Attorney General VII	1.00	0	0.00	0	0.00	0
Asst Attorney General VIII	2.00	221,611	2.00	221,610	2.00	226,043
Chief Investment Officer MSRP	1.00	334,503	0.00	0	0.00	0
Computer Network Spec II	3.00	190,380	3.00	190,827	5.00	327,283
Computer Network Spec Mgr	1.00	91,107	1.00	91,107	1.00	92,930
Computer Network Spec Supr	1.00	71,972	1.00	71,972	1.00	73,412
Dep Chief Investment Officer MSRP	1.00	177,977	0.00	0	0.00	0
Designated Admin Mgr IV	1.00	97,988	1.00	97,988	1.00	99,948
Div Dir Ofc Atty General	1.00	124,789	1.00	124,789	1.00	127,285
Exec Assoc II	2.00	119,922	1.00	56,550	1.00	57,681
Exec Assoc III	1.00	73,594	1.00	73,593	1.00	75,065
Exec Dir State Retirement Agency	1.00	153,532	1.00	153,532	1.00	156,603
Fiscal Accounts Technician II	1.00	40,793	1.00	40,792	1.00	41,608
Fiscal Accounts Technician Supv	2.00	45,366	1.00	45,366	1.00	46,274
Internal Auditor II	1.00	47,629	1.00	65,110	1.00	66,413
Internal Auditor Super	1.00	77,078	1.00	77,078	1.00	78,620
IT Asst Director II	2.00	194,407	2.00	194,406	2.00	198,296
IT Asst Director IV	1.00	71,655	1.00	110,729	1.00	112,944
IT Functional Analyst I	0.00	8,333	0.00	0	1.00	42,186
IT Functional Analyst II	3.00	115,452	2.00	115,451	2.00	117,761
IT Functional Analyst Supervisor	1.00	0	1.00	49,899	1.00	70,098
IT Functional Analyst Trainee	0.00	31,743	1.00	38,880	0.00	0
IT Production Control Spec II	1.00	45,883	1.00	46,845	1.00	47,782

3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
IT Production Control Spec Lead	1.00	49,154	1.00	49,355	1.00	50,343
IT Programmer Analyst Lead/Advanced	5.00	152,695	2.00	152,695	2.00	155,750
IT Programmer Analyst Supervisor	2.00	170,802	2.00	170,802	2.00	174,220
IT Staff Specialist	1.00	65,625	1.00	65,625	1.00	66,938
IT Systems Technical Spec Supervisor	1.00	87,729	1.00	87,729	1.00	89,484
IT Technical Support Spec II	1.00	80,078	1.00	80,078	3.00	221,876
Management Specialist III	1.00	0	0.00	0	0.00	0
Managing Director I MSRP	1.00	0	0.00	0	0.00	0
Managing Director II MSRP	4.00	575,756	0.00	0	0.00	0
Prgm Mgr I	2.00	128,894	2.00	160,180	2.00	148,295
Prgm Mgr II	1.00	70,439	1.00	68,504	1.00	73,997
Prgm Mgr III	4.00	344,383	3.00	263,919	3.00	269,199
Prgm Mgr IV	5.00	406,760	5.00	469,433	5.00	424,013
Prgm Mgr Senior II	3.00	329,596	3.00	329,595	3.00	336,189
Prgm Mgr Senior III	2.00	236,560	2.00	236,559	2.00	241,291
Prgm Mgr Senior IV	1.00	121,494	1.00	122,417	1.00	124,866
Ret Benefits Specialist I	7.00	117,476	3.00	117,953	0.00	0
Ret Benefits Specialist II	2.00	269,405	5.00	245,867	4.00	190,306
Ret Benefits Specialist III	10.00	667,802	11.00	605,585	15.00	852,106
Ret Benefits Specialist Supv	3.00	195,262	3.00	190,670	3.00	202,525
State Retirement Administrator	1.00	142,097	1.00	142,097	1.00	144,939
Total G20J0101	197.00	12,845,805	171.00	10,883,038	176.00	11,332,460
G20J0143 - Investment Division						
Accountant II	0.00	0	1.00	41,358	0.00	0
Accountant Lead Specialized	0.00	0	1.00	73,593	1.00	75,065
Administrator II	0.00	0	1.00	70,830	1.00	72,247
Administrator V	0.00	0	0.00	0	1.00	82,980
Administrator VI	0.00	0	1.00	86,769	1.00	88,505
Administrator VII	0.00	0	3.00	193,824	2.00	211,636
Chief Investment Officer MSRP	0.00	0	1.00	330,000	1.00	343,332
Dep Chief Investment Officer MSRP	0.00	0	1.00	177,977	1.00	181,537
Exec Assoc II	0.00	0	1.00	63,371	1.00	64,639
Managing Director I MSRP	0.00	0	1.00	105,380	1.00	111,670
Managing Director II MSRP	0.00	0	4.00	562,739	4.00	600,651
Prgm Mgr III	0.00	0	1.00	80,463	1.00	82,073
Prgm Mgr Senior IV	0.00	0	10.00	1,043,185	11.00	1,240,595
Total G20J0143	0.00	0	26.00	2,829,489	26.00	3,154,930
Total G20 Maryland State Retirement and Pension Systems	197.00	12,845,805	197.00	13,712,527	202.00	14,487,390