

# 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 AAA 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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Total number of receipts and disbursements (millions)	18.5	19.5	18.5	18.5	18.5	18.5	18.5
Average days to reconcile accounts	< 4	< 3	< 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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Average return on State's investment portfolio	1.03%	1.03%	1.04%	1.47%	1.56%	1.50%	1.5%
Basis point spread of State's investment portfolio over 90-day T-Bill rate	99	101	86	91	12	5	0
LGIP fund balance (in millions as of 6/30)	\$3,127	\$3,424	\$3,779	\$3,727	\$5,251	\$4,500	\$4,800
Percent increase in LGIP balance	9.76%	9.52%	10.36%	-1.38%	29.02%	2.00%	2.00%
Return on LGIP portfolio	0.05%	0.05%	0.22%	0.56%	1.34%	1.51%	1.76%
Basis point spread over LGIP S&P Index	0	0	0	-5	1	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.

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Percent of total hours of the year where infrastructure and systems were available	98.71%	99.63%	100.00%	99.91%	99.96%	99.82%	99.91%

**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.

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
New claims processed	5,183	4,911	5,004	4,063	4,306	4,269	4,374
Claims closed	4,895	5,272	5,204	4,419	4,353	4,430	4,436
Pending open claims	2,198	2,061	2,153	1,934	2,111	2,343	2,601



## State Treasurer's Office

### Summary of State Treasurer's Office

	<b>2018 Actual</b>	<b>2019 Appropriation</b>	<b>2020 Allowance</b>
Number of Authorized Positions	60.00	60.00	60.00
Number of Contractual Positions	0.03	0.00	0.00
Salaries, Wages and Fringe Benefits	5,973,425	6,098,027	6,419,503
Technical and Special Fees	3,362	4,150	4,150
Operating Expenses	35,997,429	41,053,037	42,784,860
Net General Fund Expenditure	5,254,328	5,236,188	6,158,564
Special Fund Expenditure	1,223,510	2,598,957	2,360,226
Reimbursable Fund Expenditure	35,496,378	39,320,069	40,689,723
Total Expenditure	41,974,216	47,155,214	49,208,513

## State Treasurer's Office

### Summary of Treasury Management

	<b>2018 Actual</b>	<b>2019 Appropriation</b>	<b>2020 Allowance</b>
Number of Authorized Positions	40.00	40.00	40.00
Number of Contractual Positions	0.03	0.00	0.00
Salaries, Wages and Fringe Benefits	3,974,512	3,978,019	4,193,939
Technical and Special Fees	3,008	1,150	1,150
Operating Expenses	4,619,349	3,648,089	4,325,392
Net General Fund Expenditure	5,204,328	5,186,188	6,093,564
Special Fund Expenditure	417,991	762,957	869,226
Reimbursable Fund Expenditure	2,974,550	1,678,113	1,557,691
Total Expenditure	8,596,869	7,627,258	8,520,481

## 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

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	40.00	40.00	40.00
Number of Contractual Positions	0.03	0.00	0.00
01 Salaries, Wages and Fringe Benefits	3,974,512	3,978,019	4,193,939
02 Technical and Special Fees	3,008	1,150	1,150
03 Communications	39,186	36,097	15,750
04 Travel	15,224	4,000	4,000
07 Motor Vehicle Operation and Maintenance	1,750	2,482	26,631
08 Contractual Services	2,194,191	2,554,921	3,333,734
09 Supplies and Materials	169,181	165,020	160,880
10 Equipment - Replacement	96,275	100,692	103,852
11 Equipment - Additional	2,406	0	0
13 Fixed Charges	91,886	22,312	15,293
Total Operating Expenses	2,610,099	2,885,524	3,660,140
Total Expenditure	6,587,619	6,864,693	7,855,229
Net General Fund Expenditure	5,204,328	5,186,188	6,093,564
Special Fund Expenditure	309,616	593,032	677,326
Reimbursable Fund Expenditure	1,073,675	1,085,473	1,084,339
Total Expenditure	6,587,619	6,864,693	7,855,229
<b>Special Fund Expenditure</b>			
E20303 Investment Fees	309,616	593,032	677,326
Total	309,616	593,032	677,326
<b>Reimbursable Fund Expenditure</b>			
E20902 Capital Lease	91,602	95,230	119,743
E20B02 Insurance Protection	815,858	844,616	802,756
G20J01 Maryland State Retirement and Pension Systems	111,091	98,101	115,910
N00H00 Child Support Enforcement Administration	55,124	47,526	45,930
Total	1,073,675	1,085,473	1,084,339

## 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**

	2018 Actual	2019 Appropriation	2020 Allowance
08 Contractual Services	1,991,955	762,565	665,252
11 Equipment - Additional	17,295	0	0
Total Operating Expenses	2,009,250	762,565	665,252
Total Expenditure	2,009,250	762,565	665,252
Special Fund Expenditure	108,375	169,925	191,900
Reimbursable Fund Expenditure	1,900,875	592,640	473,352
Total Expenditure	2,009,250	762,565	665,252
<b>Special Fund Expenditure</b>			
E20303 Investment Fees	108,375	169,925	191,900
Total	108,375	169,925	191,900
<b>Reimbursable Fund Expenditure</b>			
E20901 Insurance Protection - Various State Agencies	381,000	592,640	473,352
F50A01 Major Information Technology Development Project Fund	1,519,875	0	0
Total	1,900,875	592,640	473,352

## State Treasurer's Office

### Summary of Insurance Protection

	<b>2018 Actual</b>	<b>2019 Appropriation</b>	<b>2020 Allowance</b>
Number of Authorized Positions	20.00	20.00	20.00
Salaries, Wages and Fringe Benefits	1,998,913	2,120,008	2,225,564
Technical and Special Fees	354	3,000	3,000
Operating Expenses	30,522,561	35,518,948	36,903,468
Reimbursable Fund Expenditure	32,521,828	37,641,956	39,132,032
Total Expenditure	32,521,828	37,641,956	39,132,032

## 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

	<b>2018 Actual</b>	<b>2019 Appropriation</b>	<b>2020 Allowance</b>
Number of Authorized Positions	20.00	20.00	20.00
01 Salaries, Wages and Fringe Benefits	1,998,913	2,120,008	2,225,564
02 Technical and Special Fees	354	3,000	3,000
03 Communications	44,223	47,331	20,700
04 Travel	4,449	6,090	6,090
08 Contractual Services	942,910	839,066	966,873
09 Supplies and Materials	18,113	29,500	29,500
10 Equipment - Replacement	283	3,000	12,468
11 Equipment - Additional	1,031	0	0
13 Fixed Charges	3,498	14,313	4,305
Total Operating Expenses	<u>1,014,507</u>	<u>939,300</u>	<u>1,039,936</u>
Total Expenditure	<u>3,013,774</u>	<u>3,062,308</u>	<u>3,268,500</u>
Reimbursable Fund Expenditure	<u>3,013,774</u>	<u>3,062,308</u>	<u>3,268,500</u>
Total Expenditure	<u>3,013,774</u>	<u>3,062,308</u>	<u>3,268,500</u>
<b>Reimbursable Fund Expenditure</b>			
E20901 Insurance Protection - Various State Agencies	<u>3,013,774</u>	<u>3,062,308</u>	<u>3,268,500</u>
Total	<u>3,013,774</u>	<u>3,062,308</u>	<u>3,268,500</u>



## State Treasurer's Office

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### 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>2018</b>	<b>2019</b>	<b>2020</b>
		<b>Actual</b>	<b>Appropriation</b>	<b>Allowance</b>
13	Fixed Charges	29,508,054	34,579,648	35,863,532
	Total Operating Expenses	<u>29,508,054</u>	<u>34,579,648</u>	<u>35,863,532</u>
	Total Expenditure	<u><u>29,508,054</u></u>	<u><u>34,579,648</u></u>	<u><u>35,863,532</u></u>
	Reimbursable Fund Expenditure	<u>29,508,054</u>	<u>34,579,648</u>	<u>35,863,532</u>
	Total Expenditure	<u><u>29,508,054</u></u>	<u><u>34,579,648</u></u>	<u><u>35,863,532</u></u>
<b>Reimbursable Fund Expenditure</b>				
E20901	Insurance Protection - Various State Agencies	<u>29,508,054</u>	<u>34,579,648</u>	<u>35,863,532</u>
	Total	<u><u>29,508,054</u></u>	<u><u>34,579,648</u></u>	<u><u>35,863,532</u></u>

## State Treasurer's Office

### E20B02.02 Insurance Coverage - Insurance Protection

	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated	FY 2020 Estimated
<b>State Insurance Trust Fund</b>				
Combined Beginning Balance	29,462,787	32,930,402	33,720,968	30,977,008
Blanket Real and Personal Property:				
Beginning Balance	14,877,364	15,997,560	16,300,372	14,585,522
Transfers and Recoveries	625,835	143,327	200,000	200,000
Agency Premiums	11,106,610	9,210,283	9,257,420	9,509,366
Excess Policy Coverage	(5,926,796)	(6,077,201)	(6,572,270)	(6,605,000)
Real Property Losses	(3,685,453)	(2,973,597)	(4,600,000)	(5,000,000)
Intrafund Transfer	(1,000,000)	-	-	-
Ending Balance	15,997,560	16,300,372	14,585,522	12,689,888
Officers and Employees Liability:				
Beginning Balance	3,519,688	3,722,213	3,436,127	3,326,865
Agency Premiums	749,977	366,134	365,738	368,474
Liability Losses	(547,452)	(652,220)	(475,000)	(650,000)
Ending Balance	3,722,213	3,436,127	3,326,865	3,045,339
Tort Claims Act:				
Beginning Balance	6,178,250	7,088,485	8,349,247	8,349,247
Agency Premiums	6,486,185	6,500,003	7,500,000	7,500,000
Tort Losses	(5,575,950)	(5,239,241)	(7,500,000)	(7,500,000)
Ending Balance	7,088,485	8,349,247	8,349,247	8,349,247
Motor Vehicle Comprehensive:				
Beginning Balance	4,887,485	6,122,144	5,635,222	4,715,374
Transfers and Recoveries	1,191,669	1,053,194	1,000,000	1,000,000
Agency Premiums	4,037,800	4,035,097	4,035,100	4,040,500
Motor Vehicle Losses	(2,093,900)	(2,180,911)	(2,300,000)	(2,300,000)
Insurance Administration	(2,900,910)	(3,013,302)	(3,062,308)	(3,134,905)
Insurance Administration - Major IT Projects		(381,000)	(592,640)	(473,352)
Intrafund Transfer	1,000,000	-	-	-
Ending Balance	6,122,144	5,635,222	4,715,374	3,847,617
Combined Ending Balance	32,930,402	33,720,968	30,977,008	27,932,091

## 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**

	2018 Actual	2019 Appropriation	2020 Allowance
08 Contractual Services	855,519	1,886,000	1,556,000
Total Operating Expenses	855,519	1,886,000	1,556,000
Total Expenditure	855,519	1,886,000	1,556,000
Net General Fund Expenditure	50,000	50,000	65,000
Special Fund Expenditure	805,519	1,836,000	1,491,000
Total Expenditure	855,519	1,886,000	1,556,000
<b>Special Fund Expenditure</b>			
E20304 Bond Sale Expenses	805,519	1,836,000	1,491,000
Total	805,519	1,836,000	1,491,000

### 3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
<b>E20 - State Treasurer's Office</b>						
<b>E20B0101 - Treasury Management</b>						
Admin Aide	1.00	38,637	1.00	38,636	1.00	39,409
Administrator I	1.00	65,110	1.00	65,110	1.00	66,413
Administrator II	2.00	109,399	2.00	116,349	2.00	134,105
Chf Deputy Treasurer	1.00	153,532	1.00	153,532	1.00	156,603
Computer Network Spec Mgr	1.00	91,108	1.00	91,107	1.00	92,930
Div Dir Ofc Atty General	1.00	134,749	1.00	134,749	1.00	137,444
Exec IV	1.00	68,384	1.00	80,000	1.00	81,552
Exec V	2.00	212,121	2.00	212,120	2.00	216,362
Exec VI	1.00	0	1.00	92,333	1.00	94,180
Exec VIII	1.00	142,646	1.00	142,646	1.00	145,499
IT Functional Analyst Trainee	1.00	49,203	1.00	49,203	1.00	50,188
IT Programmer Analyst Lead/Advanced	1.00	53,744	1.00	53,744	1.00	54,819
IT Programmer Analyst Supervisor	1.00	76,224	1.00	76,224	1.00	77,749
IT Quality Assurance Spec	1.00	68,723	1.00	68,723	1.00	70,098
IT Systems Technical Spec	1.00	82,247	1.00	82,247	1.00	83,892
Prgm Mgr Senior I	1.00	89,829	2.00	187,032	1.00	91,626
Prgm Mgr Senior III	1.00	84,704	1.00	84,704	1.00	86,399
Treasurer State Of Maryland	1.00	147,262	1.00	149,500	1.00	149,500
Treasury Spec I	1.00	39,654	1.00	39,654	1.00	40,448
Treasury Spec II	1.00	40,699	1.00	40,698	1.00	41,512
Treasury Spec III	2.00	94,930	3.00	126,963	2.00	101,311
Treasury Spec IV	7.00	331,844	6.00	324,993	7.00	385,033
Treasury Spec V	4.00	207,551	4.00	231,387	4.00	245,986
Treasury Spec VI	2.00	130,697	2.00	130,696	2.00	133,311
Treasury Spec VII	3.00	199,138	2.00	150,655	3.00	281,256
<b>Total E20B0101</b>	<b>40.00</b>	<b>2,712,135</b>	<b>40.00</b>	<b>2,923,005</b>	<b>40.00</b>	<b>3,057,625</b>
<b>E20B0201 - Insurance Management</b>						
Administrator IV	1.00	0	1.00	53,193	0.00	0
Asst Attorney General VIII	2.00	215,026	2.00	215,025	2.00	219,327
Casualty Claims Adj I	1.00	40,698	1.00	40,698	1.00	41,512
Casualty Claims Adj II	3.00	149,621	3.00	149,620	3.00	152,615
Casualty Claims Adj Supv	2.00	131,519	2.00	131,519	2.00	134,150
Exec V	2.00	233,147	2.00	225,124	2.00	229,626
IT Systems Technical Spec	1.00	69,273	1.00	69,273	1.00	70,659
Office Services Clerk	1.00	35,793	1.00	35,793	1.00	36,509
Prgm Mgr Senior I	1.00	89,829	1.00	89,829	1.00	91,626
Principal Counsel	1.00	126,186	1.00	126,186	1.00	128,710
Treasury Spec II	0.00	30,020	1.00	53,598	0.00	0
Treasury Spec III	2.00	53,199	1.00	38,880	2.00	109,449
Treasury Spec VI	1.00	73,361	1.00	73,361	2.00	129,086
Treasury Spec VII	2.00	120,213	2.00	135,083	2.00	151,947
<b>Total E20B0201</b>	<b>20.00</b>	<b>1,367,885</b>	<b>20.00</b>	<b>1,437,182</b>	<b>20.00</b>	<b>1,495,216</b>
<b>Total E20 State Treasurer's Office</b>	<b>60.00</b>	<b>4,080,020</b>	<b>60.00</b>	<b>4,360,187</b>	<b>60.00</b>	<b>4,552,841</b>