

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.

	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 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	-4.92%	-6.39%	2.47%	0.56%	-0.99%	N/A	N/A
3-year annualized excess return over the actuarial rate	1.45%	-1.64%	-3.00%	-1.21%	0.72%	N/A	N/A
10-year annualized excess return over the actuarial rate	-1.98%	-2.70%	-3.40%	-2.00%	1.16%	N/A	N/A
25-year annualized excess return over actuarial rate	-0.24%	-0.37%	-0.56%	-0.86%	-0.44%	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	-1.54%	-1.40%	-1.47%	-1.38%	-0.94%	N/A	N/A
MSRPS 5-year return in excess of policy benchmark	0.84%	0.72%	0.75%	0.43%	0.26%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	45,833,443	45,465,359	49,097,846	51,956,589	54,204,605	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	1,197,671	497,563	4,473,486	3,899,403	3,288,209	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.

	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 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	92.90%	92.60%	95.60%	97.00%	97.43%	95.00%	95.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	10.29%	9.54%	5.38%	6.50%	15.00%	7.50%	7.50%
Average telephone waiting time in minutes and seconds	2:59	2:38	1:25	1:44	4:30	2:15	2:15

Maryland State Retirement and Pension Systems

Summary of State Retirement Agency

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	197.00	202.00	207.00
Number of Contractual Positions	6.96	8.00	8.00
Salaries, Wages and Fringe Benefits	20,196,506	21,352,604	24,954,365
Technical and Special Fees	686,581	733,424	726,276
Operating Expenses	18,086,358	22,765,481	20,735,619
Special Fund Expenditure	20,353,368	20,962,940	19,260,655
Reimbursable Fund Expenditure	10,610,742	10,432,860	9,428,237
Non-Budgeted Fund Expenditure	8,005,335	13,455,709	17,727,368
Total Expenditure	38,969,445	44,851,509	46,416,260

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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	171.00	176.00	175.00
Number of Contractual Positions	6.96	8.00	8.00
01 Salaries, Wages and Fringe Benefits	15,999,868	16,600,705	17,063,701
02 Technical and Special Fees	676,699	733,424	726,276
03 Communications	871,844	699,110	883,800
04 Travel	80,390	85,694	105,297
06 Fuel and Utilities	13,468	0	0
07 Motor Vehicle Operation and Maintenance	124,804	135,640	128,560
08 Contractual Services	3,425,502	4,271,651	5,618,236
09 Supplies and Materials	131,274	125,127	102,810
10 Equipment - Replacement	95,265	65,520	75,100
11 Equipment - Additional	33,026	22,589	37,604
12 Grants, Subsidies, and Contributions	382,426	382,426	160,606
13 Fixed Charges	1,747,153	2,007,504	1,890,902
Total Operating Expenses	6,905,152	7,795,261	9,002,915
Total Expenditure	23,581,719	25,129,390	26,792,892
Special Fund Expenditure	15,480,990	16,777,276	17,987,751
Reimbursable Fund Expenditure	8,100,729	8,352,114	8,805,141
Total Expenditure	23,581,719	25,129,390	26,792,892
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	15,480,990	16,777,276	17,987,751
Total	15,480,990	16,777,276	17,987,751
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	8,100,729	8,352,114	8,805,141
Total	8,100,729	8,352,114	8,805,141

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	2019 Actual	2020 Appropriation	2021 Allowance
03 Communications	0	97,320	0
04 Travel	0	10,000	0
08 Contractual Services	6,508,412	5,609,090	1,896,000
09 Supplies and Materials	3,594	0	0
10 Equipment - Replacement	25,406	0	0
11 Equipment - Additional	844,979	550,000	0
Total Operating Expenses	<u>7,382,391</u>	<u>6,266,410</u>	<u>1,896,000</u>
Total Expenditure	<u><u>7,382,391</u></u>	<u><u>6,266,410</u></u>	<u><u>1,896,000</u></u>
Special Fund Expenditure	4,872,378	4,185,664	1,272,904
Reimbursable Fund Expenditure	<u>2,510,013</u>	<u>2,080,746</u>	<u>623,096</u>
Total Expenditure	<u><u>7,382,391</u></u>	<u><u>6,266,410</u></u>	<u><u>1,896,000</u></u>
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	<u>4,872,378</u>	<u>4,185,664</u>	<u>1,272,904</u>
Total	<u><u>4,872,378</u></u>	<u><u>4,185,664</u></u>	<u><u>1,272,904</u></u>
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	<u>2,510,013</u>	<u>2,080,746</u>	<u>623,096</u>
Total	<u><u>2,510,013</u></u>	<u><u>2,080,746</u></u>	<u><u>623,096</u></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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	26.00	26.00	32.00
01 Salaries, Wages and Fringe Benefits	4,196,638	4,751,899	7,890,664
02 Technical and Special Fees	9,882	0	0
03 Communications	9	0	0
04 Travel	94,818	150,000	150,000
08 Contractual Services	3,606,533	8,340,315	9,463,954
09 Supplies and Materials	4,297	9,000	9,000
10 Equipment - Replacement	9,274	0	0
11 Equipment - Additional	3,370	0	0
13 Fixed Charges	80,514	204,495	213,750
Total Operating Expenses	3,798,815	8,703,810	9,836,704
Total Expenditure	<u>8,005,335</u>	<u>13,455,709</u>	<u>17,727,368</u>
Non-Budgeted Fund Expenditure	8,005,335	13,455,709	17,727,368
Total Expenditure	<u>8,005,335</u>	<u>13,455,709</u>	<u>17,727,368</u>
Non-Budgeted Fund Expenditure			
G20701 Pension Trust Fund	8,005,335	13,455,709	17,727,368
Total	<u>8,005,335</u>	<u>13,455,709</u>	<u>17,727,368</u>

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
G20 - Maryland State Retirement and Pension Systems						
G20J0101 - State Retirement Agency						
Accountant Advanced	8.00	425,681	9.00	497,074	9.00	498,358
Accountant I	2.00	49,007	0.00	0	2.00	94,820
Accountant II	13.00	455,471	10.00	512,707	9.00	467,063
Accountant Lead	3.00	154,420	3.00	159,645	3.00	179,346
Accountant Manager II	3.00	247,052	3.00	256,973	3.00	258,571
Accountant Supervisor I	2.00	60,341	1.00	63,005	1.00	63,005
Accountant Supervisor II	5.00	283,316	4.00	282,479	4.00	310,455
Accountant Trainee	0.00	91,891	4.00	170,661	2.00	85,944
Admin Officer I	8.00	385,027	8.00	410,392	8.00	419,015
Admin Officer II	3.00	133,573	3.00	140,416	4.00	192,500
Admin Officer III	2.00	173,961	3.00	181,641	3.00	181,641
Admin Prog Mgr III	1.00	98,295	1.00	102,634	1.00	102,634
Admin Spec II	8.00	331,080	8.00	347,746	8.00	358,185
Admin Spec III	16.00	549,639	16.00	716,349	15.00	682,549
Administrator I	6.00	307,765	6.00	345,662	6.00	344,596
Administrator II	8.00	514,419	9.00	550,365	9.00	599,960
Administrator III	2.00	133,874	3.00	194,678	3.00	188,452
Administrator IV	1.00	90,210	1.00	69,071	1.00	69,071
Administrator V	1.00	131,476	1.00	90,897	1.00	90,897
Administrator VI	1.00	10,408	1.00	95,147	1.00	91,617
Administrator VII	0.00	113,298	0.00	0	0.00	0
Agency Procurement Spec II	1.00	50,140	0.00	0	0.00	0
Agency Procurement Spec Supv	1.00	59,206	0.00	0	0.00	0
Asst Attorney General VI	4.00	364,326	4.00	399,890	4.00	396,186
Asst Attorney General VIII	2.00	224,098	2.00	233,990	2.00	233,990
Computer Network Spec II	3.00	194,248	5.00	338,795	5.00	301,777
Computer Network Spec Mgr	1.00	91,977	1.00	96,197	1.00	96,197
Computer Network Spec Supr	1.00	72,781	1.00	75,994	1.00	75,994
Designated Admin Mgr IV	1.00	99,088	1.00	103,462	1.00	103,462
Div Dir Ofc Atty General	1.00	126,190	1.00	131,760	1.00	131,760
Exec Assoc II	1.00	0	1.00	59,710	1.00	59,710
Exec Assoc III	1.00	74,420	1.00	77,705	1.00	77,705
Exec Dir State Retirement Agency	1.00	155,256	1.00	162,115	1.00	162,109
Fiscal Accounts Technician II	1.00	41,251	1.00	43,072	1.00	43,072
Fiscal Accounts Technician Supv	1.00	45,876	1.00	47,902	1.00	47,902
Internal Auditor II	1.00	3,033	1.00	68,749	1.00	46,477
Internal Auditor Super	1.00	74,717	1.00	81,385	1.00	78,328
IT Asst Director II	2.00	196,590	2.00	205,268	2.00	205,268
IT Asst Director IV	1.00	111,972	1.00	116,915	1.00	116,915
IT Functional Analyst I	0.00	41,216	1.00	43,669	1.00	43,669
IT Functional Analyst II	2.00	116,748	2.00	121,902	2.00	121,902
IT Functional Analyst Supervisor	1.00	0	1.00	72,563	1.00	52,687
IT Functional Analyst Trainee	1.00	0	0.00	0	0.00	0
IT Production Control Spec II	1.00	38,818	1.00	49,462	0.00	0
IT Production Control Spec Lead	1.00	33,082	1.00	52,113	0.00	0
IT Programmer Analyst Lead/Advanced	2.00	154,410	2.00	161,227	3.00	213,914
IT Programmer Analyst Supervisor	2.00	172,720	2.00	180,346	2.00	180,346
IT Staff Specialist	1.00	66,362	1.00	69,292	1.00	69,292

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
IT Systems Technical Spec Supervisor	1.00	88,714	1.00	92,630	1.00	92,630
IT Technical Support Spec II	1.00	80,977	3.00	229,678	4.00	242,613
Managing Director I Invest Adm MSRP	0.00	5,099	0.00	0	0.00	0
Prgm Mgr I	2.00	18,565	2.00	153,510	1.00	56,165
Prgm Mgr II	1.00	68,063	1.00	76,599	1.00	59,914
Prgm Mgr III	3.00	331,890	3.00	278,664	4.00	347,713
Prgm Mgr IV	5.00	453,356	5.00	438,922	5.00	472,219
Prgm Mgr Senior II	3.00	333,296	3.00	348,010	3.00	348,010
Prgm Mgr Senior III	2.00	239,215	2.00	249,774	2.00	249,774
Prgm Mgr Senior IV	1.00	701,143	1.00	129,256	1.00	129,256
Procurement Officer I	0.00	0	1.00	55,799	1.00	53,760
Procurement Officer III	0.00	0	1.00	75,148	1.00	64,590
Ret Benefits Specialist I	3.00	68,739	0.00	0	4.00	180,470
Ret Benefits Specialist II	5.00	65,575	4.00	196,997	0.00	0
Ret Benefits Specialist III	11.00	850,878	15.00	882,070	15.00	882,608
Ret Benefits Specialist Supv	3.00	200,783	3.00	209,647	3.00	209,647
State Retirement Administrator	1.00	143,692	1.00	150,041	1.00	150,041
Total G20J0101	171.00	10,998,714	176.00	11,747,770	175.00	11,676,751
G20J0143 - Investment Division						
Accountant Lead Specialized	1.00	74,420	1.00	77,705	1.00	77,705
Administrator II	1.00	70,830	1.00	74,788	1.00	74,788
Administrator V	0.00	0	1.00	85,897	0.00	0
Administrator VI	1.00	162,202	1.00	91,617	1.00	93,364
Administrator VII	0.00	0	2.00	219,078	0.00	0
Chief Investment Officer MSRP	1.00	336,600	1.00	343,332	1.00	336,600
Dep Chief Investment Officer MSRP	1.00	182,658	1.00	181,537	1.00	195,775
Exec Assoc II	1.00	121,269	1.00	66,912	2.00	121,240
Investment Associate MSRP	1.00	36,930	0.00	0	1.00	81,352
Managing Director I Invest Adm MSRP	1.00	111,597	1.00	111,670	1.00	115,578
Managing Director II Asset Class MSRP	4.00	627,728	4.00	600,651	4.00	647,759
Prgm Mgr III	1.00	80,463	1.00	84,959	1.00	84,959
Prgm Mgr Senior IV	0.00	0	11.00	1,284,212	1.00	88,520
Sr. Compliance Manager MSRP	1.00	50,458	0.00	0	1.00	115,573
Sr. Investment Analyst I MSRP	0.00	0	0.00	0	3.00	291,513
Sr. Investment Analyst III MSRP	1.00	77,590	0.00	0	1.00	114,117
Sr. Portfolio Manager I MSRP	7.00	351,254	0.00	0	7.00	868,132
Sr. Portfolio Manager II MSRP	4.00	63,718	0.00	0	5.00	805,960
Total G20J0143	26.00	2,347,717	26.00	3,222,358	32.00	4,112,935
Total G20 Maryland State Retirement and Pension Systems	197.00	13,346,431	202.00	14,970,128	207.00	15,789,686