

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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 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	-6.39%	2.47%	0.56%	-0.99%	-3.83%	N/A	N/A
3-year annualized excess return over the actuarial rate	-1.64%	-3.00%	-1.21%	0.72%	-1.39%	N/A	N/A
10-year annualized excess return over the actuarial rate	-2.70%	-3.40%	-2.00%	1.16%	0.17%	N/A	N/A
25-year annualized excess return over actuarial rate	-0.37%	-0.56%	-0.86%	-0.44%	-0.82%	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	-1.40%	-1.47%	-1.38%	-0.94%	-0.74%	N/A	N/A
MSRPS 5-year return in excess of policy benchmark	0.72%	0.75%	0.43%	0.26%	-0.03%	N/A	N/A
Fair value of investment portfolio at fiscal year-end (\$ thousands)	45,465,359	49,097,846	51,956,589	54,204,605	54,767,092	N/A	N/A
Net investment income earned during the fiscal year (\$ thousands)	497,563	4,473,486	3,899,403	3,288,209	1,866,640	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 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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 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	92.60%	95.60%	97.00%	97.43%	96.78%	95.00%	95.00%
Percentage of incoming telephone calls abandoned by the automated telephone system	9.54%	5.38%	6.50%	15.00%	18.45%	12.50%	7.50%
Average telephone waiting time in minutes and seconds	2:38	1:25	1:44	4:30	5:44	3:30	2:15

Maryland State Retirement and Pension Systems

Summary of State Retirement Agency

	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	202.00	216.00	215.00
Number of Contractual Positions	12.66	8.00	8.00
Salaries, Wages and Fringe Benefits	21,608,892	26,171,386	24,675,525
Technical and Special Fees	934,785	725,609	711,779
Operating Expenses	16,678,801	20,735,619	18,915,871
Special Fund Expenditure	19,977,131	19,329,009	18,210,176
Non-Budgeted Fund Expenditure	9,405,551	18,838,194	17,251,404
Reimbursable Fund Expenditure	9,839,796	9,465,411	8,841,595
Total Expenditure	39,222,478	47,632,614	44,303,175

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	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	176.00	175.00	174.00
Number of Contractual Positions	12.41	8.00	8.00
01 Salaries, Wages and Fringe Benefits	16,324,272	17,169,896	16,718,109
02 Technical and Special Fees	880,636	725,609	711,779
03 Communications	604,672	883,800	753,800
04 Travel	20,649	105,297	83,497
06 Fuel and Utilities	6,503	0	0
07 Motor Vehicle Operation and Maintenance	147,260	128,560	128,060
08 Contractual Services	3,198,289	5,618,236	5,246,847
09 Supplies and Materials	149,252	102,810	113,421
10 Equipment - Replacement	41,479	75,100	75,020
11 Equipment - Additional	74,508	37,604	35,000
12 Grants, Subsidies, and Contributions	382,426	160,606	160,606
13 Fixed Charges	1,994,340	1,890,902	2,332,472
Total Operating Expenses	6,619,378	9,002,915	8,928,723
Total Expenditure	23,824,286	26,898,420	26,358,611
Special Fund Expenditure	15,962,275	18,056,105	17,750,271
Reimbursable Fund Expenditure	7,862,011	8,842,315	8,608,340
Total Expenditure	23,824,286	26,898,420	26,358,611
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	15,962,275	18,056,105	17,750,271
Total	15,962,275	18,056,105	17,750,271
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	7,845,692	8,842,315	8,608,340
M00F06 MDH - Office of Preparedness and Response	16,319	0	0
Total	7,862,011	8,842,315	8,608,340

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	2020 Actual	2021 Appropriation	2022 Allowance
03 Communications	97,320	0	0
04 Travel	10,000	0	0
08 Contractual Services	5,432,857	1,896,000	693,160
11 Equipment - Additional	452,464	0	0
Total Operating Expenses	<u>5,992,641</u>	<u>1,896,000</u>	<u>693,160</u>
Total Expenditure	<u><u>5,992,641</u></u>	<u><u>1,896,000</u></u>	<u><u>693,160</u></u>
Special Fund Expenditure	4,014,856	1,272,904	459,905
Reimbursable Fund Expenditure	<u>1,977,785</u>	<u>623,096</u>	<u>233,255</u>
Total Expenditure	<u><u>5,992,641</u></u>	<u><u>1,896,000</u></u>	<u><u>693,160</u></u>
Special Fund Expenditure			
G20302 Admin Cost Allocation-Participating Governments	<u>4,014,856</u>	<u>1,272,904</u>	<u>459,905</u>
Total	<u><u>4,014,856</u></u>	<u><u>1,272,904</u></u>	<u><u>459,905</u></u>
Reimbursable Fund Expenditure			
G20901 Admin Cost Allocation-State Agencies	<u>1,977,785</u>	<u>623,096</u>	<u>233,255</u>
Total	<u><u>1,977,785</u></u>	<u><u>623,096</u></u>	<u><u>233,255</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		2020 Actual	2021 Appropriation	2022 Allowance
	Number of Authorized Positions	26.00	41.00	41.00
	Number of Contractual Positions	0.25	0.00	0.00
01	Salaries, Wages and Fringe Benefits	5,284,620	9,001,490	7,957,416
02	Technical and Special Fees	54,149	0	0
03	Communications	5	0	0
04	Travel	58,427	150,000	150,000
08	Contractual Services	3,922,378	9,463,954	8,916,278
09	Supplies and Materials	1,368	9,000	9,000
13	Fixed Charges	84,604	213,750	218,710
	Total Operating Expenses	4,066,782	9,836,704	9,293,988
	Total Expenditure	9,405,551	18,838,194	17,251,404
	Non-Budgeted Fund Expenditure	9,405,551	18,838,194	17,251,404
	Total Expenditure	9,405,551	18,838,194	17,251,404
Non-Budgeted Fund Expenditure				
G20701	Pension Trust Fund (G20701)	9,405,551	18,838,194	17,251,404
	Total	9,405,551	18,838,194	17,251,404

3 Year Position Summary

Classification Title	FY 2020 Positions	FY 2020 Expenditures	FY 2021 Positions	FY 2021 Appropriation	FY 2022 Positions	FY 2022 Allowance
G20 - Maryland State Retirement and Pension Systems						
G20J0101 - State Retirement Agency						
Accountant Advanced	9.00	425,681	9.00	503,345	9.00	526,929
Accountant I	1.00	49,007	2.00	95,770	0.00	0
Accountant II	9.00	452,471	9.00	471,738	7.00	359,943
Accountant Lead	3.00	154,420	3.00	181,141	3.00	170,658
Accountant Manager II	3.00	247,052	3.00	261,157	4.00	321,671
Accountant Supervisor I	1.00	60,341	1.00	63,636	1.00	63,636
Accountant Supervisor II	4.00	283,316	4.00	313,561	4.00	284,576
Accountant Trainee	4.00	91,891	2.00	86,804	4.00	180,738
Admin Officer I	8.00	385,027	8.00	423,208	8.00	414,997
Admin Officer II	3.00	133,573	4.00	194,428	4.00	194,428
Admin Officer III	3.00	173,961	3.00	183,460	4.00	207,833
Admin Prog Mgr II	0.00	0	0.00	0	1.00	90,090
Admin Prog Mgr III	1.00	98,295	1.00	103,661	1.00	103,661
Admin Spec I	0.00	0	0.00	0	1.00	40,166
Admin Spec II	8.00	331,080	8.00	361,768	7.00	282,296
Admin Spec III	15.00	549,639	15.00	689,379	15.00	674,147
Administrator I	6.00	307,765	6.00	348,044	6.00	337,552
Administrator II	9.00	585,249	9.00	605,965	9.00	598,450
Administrator III	3.00	133,874	3.00	190,338	3.00	210,732
Administrator IV	2.00	90,210	1.00	69,762	0.00	0
Administrator V	1.00	131,476	1.00	91,806	2.00	169,171
Administrator VI	1.00	162,202	1.00	92,534	1.00	92,534
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	400,151	3.00	305,108
Asst Attorney General VII	0.00	0	0.00	0	1.00	101,400
Asst Attorney General VIII	2.00	224,098	2.00	236,330	2.00	236,330
Computer Network Spec II	3.00	194,248	5.00	304,797	3.00	164,799
Computer Network Spec Lead	0.00	0	0.00	0	2.00	149,431
Computer Network Spec Mgr	1.00	91,977	1.00	97,159	1.00	97,159
Computer Network Spec Supr	1.00	72,781	1.00	76,754	1.00	76,754
Database Specialist II	0.00	0	0.00	0	1.00	79,112
Database Specialist Supervisor	0.00	0	0.00	0	1.00	91,075
Designated Admin Mgr IV	1.00	99,088	1.00	104,497	1.00	104,497
Div Dir Ofc Atty General	1.00	126,190	1.00	133,078	1.00	133,078
Exec Assoc II	2.00	121,269	1.00	60,308	1.00	60,308
Exec Assoc III	1.00	74,420	1.00	78,483	1.00	78,483
Exec Dir State Retirement Agency	1.00	155,256	1.00	163,730	1.00	163,730
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	48,382	1.00	48,382
Internal Auditor II	1.00	3,033	1.00	46,942	0.00	0
Internal Auditor Super	1.00	74,717	1.00	79,112	0.00	0
IT Asst Director II	2.00	196,590	2.00	207,322	3.00	307,130
IT Asst Director IV	1.00	111,972	1.00	118,085	0.00	0
IT Functional Analyst I	1.00	41,216	1.00	44,106	1.00	44,106
IT Functional Analyst II	2.00	116,748	2.00	123,122	2.00	93,884
IT Functional Analyst Supervisor	0.00	0	1.00	53,214	1.00	53,214
IT Production Control Spec II	1.00	38,818	0.00	0	0.00	0

3 Year Position Summary

Classification Title	FY 2020 Positions	FY 2020 Expenditures	FY 2021 Positions	FY 2021 Appropriation	FY 2022 Positions	FY 2022 Allowance
IT Production Control Spec Lead	1.00	33,082	0.00	0	0.00	0
IT Programmer Analyst Lead/Advanced	2.00	154,410	3.00	216,054	2.00	162,840
IT Programmer Analyst Supervisor	2.00	172,720	2.00	182,150	1.00	91,075
IT Staff Specialist	1.00	66,362	1.00	69,985	1.00	69,985
IT Systems Technical Spec Supervisor	1.00	88,714	1.00	93,557	0.00	0
IT Technical Support Spec II	3.00	80,977	4.00	245,040	3.00	182,570
IT Technical Support Spec Supervisor	0.00	0	0.00	0	1.00	91,075
Prgm Mgr I	2.00	18,565	1.00	56,727	0.00	0
Prgm Mgr II	1.00	68,063	1.00	60,514	1.00	80,385
Prgm Mgr III	4.00	412,353	4.00	351,193	4.00	367,342
Prgm Mgr IV	5.00	453,356	5.00	476,945	5.00	476,945
Prgm Mgr Senior II	3.00	333,296	3.00	351,492	4.00	479,535
Prgm Mgr Senior III	2.00	239,215	2.00	252,273	2.00	213,327
Prgm Mgr Senior IV	1.00	701,143	1.00	130,549	2.00	269,347
Procurement Officer I	0.00	0	1.00	54,298	1.00	56,357
Procurement Officer III	0.00	0	1.00	65,236	1.00	67,742
Ret Benefits Specialist I	1.00	68,739	4.00	182,276	5.00	221,457
Ret Benefits Specialist II	4.00	65,575	0.00	0	2.00	95,839
Ret Benefits Specialist III	15.00	850,878	15.00	891,440	9.00	531,663
Ret Benefits Specialist Ld	0.00	0	0.00	0	3.00	198,770
Ret Benefits Specialist Supv	3.00	200,783	3.00	211,745	3.00	202,976
State Retirement Administrator	1.00	143,692	1.00	151,541	1.00	151,535
Total G20J0101	176.00	11,301,673	175.00	11,793,164	174.00	11,766,025
G20J0143 - Investment Division						
Accountant Lead Specialized	1.00	77,420	2.00	154,019	2.00	151,072
Administrator II	1.00	50,458	2.00	151,072	2.00	151,072
Administrator V	1.00	55,534	0.00	0	0.00	0
Administrator VI	1.00	74,126	1.00	94,298	1.00	94,298
Administrator VII	2.00	113,298	0.00	0	0.00	0
Chief Investment Officer MSRP	1.00	336,600	1.00	336,600	1.00	336,600
Dep Chief Investment Officer MSRP	1.00	182,658	1.00	195,775	1.00	211,437
Exec Assoc II	1.00	36,930	2.00	122,454	2.00	124,564
Investment Associate MSRP	0.00	0	4.00	315,546	4.00	312,848
Managing Director I Invest Adm MSRP	1.00	111,597	1.00	115,578	1.00	123,236
Managing Director II Asset Class MSRP	4.00	627,728	5.00	807,704	5.00	872,481
Prgm Mgr III	1.00	22,056	1.00	85,809	1.00	89,105
Prgm Mgr Senior IV	11.00	351,254	1.00	89,406	0.00	0
Sr. Compliance Manager MSRP	0.00	0	1.00	115,573	1.00	127,130
Sr. Investment Analyst I MSRP	0.00	0	3.00	291,513	0.00	0
Sr. Investment Analyst II MSRP	0.00	0	0.00	0	3.00	298,494
Sr. Investment Analyst III MSRP	0.00	0	2.00	215,430	2.00	226,842
Sr. Investment Compliance Analyst MSRP	0.00	0	1.00	95,000	1.00	95,000
Sr. Portfolio Manager I MSRP	0.00	0	7.00	868,132	7.00	954,945
Sr. Portfolio Manager II MSRP	0.00	0	5.00	805,960	6.00	979,850
Sr. Risk Manager II MSRP	0.00	0	1.00	131,337	1.00	131,337
Total G20J0143	26.00	2,039,659	41.00	4,991,206	41.00	5,280,311
Total G20 Maryland State Retirement and Pension Systems	202.00	13,341,332	216.00	16,784,370	215.00	17,046,336