

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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Total number of receipts and disbursements (millions)	0.0	0.0	7.0	7.0	6.8	6.9	6.9
Average days to reconcile accounts	< 3	< 3	< 3	< 3	5	5	< 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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Average return on State's investment portfolio	1.04%	1.47%	1.56%	1.82%	1.43%	0.18%	0.18%
Basis point spread of State's investment portfolio over 90-day T-Bill rate	86	91	12	-46	21	8	8
LGIP fund balance (in millions as of 6/30)	\$3,779	\$3,727	\$5,251	\$6,050	\$8,924	\$7,500	\$7,500
Percent increase in LGIP balance	10.37%	-1.38%	40.89%	15.22%	47.50%	-15.96%	0.00%
Return on LGIP portfolio	0.22%	0.56%	1.34%	2.27%	1.49%	0.15%	0.15%
Basis point spread over LGIP S&P Index	0	-5	1	2	1	1	1

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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Percent of total hours of the year where infrastructure and systems were available	100.00%	99.91%	99.96%	99.95%	99.98%	99.95%	100.00%

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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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
New claims processed	5,004	4,063	4,306	4,646	3,646	3,875	4,115
Claims closed	5,204	4,419	4,353	4,928	4,258	4,408	4,558
Pending open claims	2,153	1,934	2,111	2,166	1,817	1,994	2,171

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Summary of State Treasurer's Office

	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	60.00	60.00	60.00
Number of Contractual Positions	0.50	0.00	0.50
Salaries, Wages and Fringe Benefits	6,401,095	6,683,543	6,679,414
Technical and Special Fees	15,124	6,500	32,118
Operating Expenses	40,455,430	45,784,787	49,132,785
Net General Fund Expenditure	6,105,452	5,802,363	6,683,010
Special Fund Expenditure	1,616,775	2,647,909	2,661,952
Reimbursable Fund Expenditure	39,149,422	44,024,558	46,499,355
Total Expenditure	46,871,649	52,474,830	55,844,317

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Summary of Treasury Management

	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	40.00	40.00	40.00
Number of Contractual Positions	0.50	0.00	0.50
Salaries, Wages and Fringe Benefits	4,195,060	4,291,272	4,377,669
Technical and Special Fees	14,978	3,500	29,118
Operating Expenses	6,474,434	4,270,935	4,378,058
Net General Fund Expenditure	6,085,878	5,762,363	6,643,010
Special Fund Expenditure	950,461	991,909	1,019,952
Reimbursable Fund Expenditure	3,648,133	1,811,435	1,121,883
Total Expenditure	10,684,472	8,565,707	8,784,845

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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

	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	40.00	40.00	40.00
Number of Contractual Positions	0.50	0.00	0.50
01 Salaries, Wages and Fringe Benefits	4,195,060	4,291,272	4,377,669
02 Technical and Special Fees	14,978	3,500	29,118
03 Communications	13,517	15,750	15,025
04 Travel	10,973	3,912	3,912
07 Motor Vehicle Operation and Maintenance	3,687	2,630	2,630
08 Contractual Services	2,990,885	2,927,729	4,082,271
09 Supplies and Materials	162,799	173,871	181,802
10 Equipment - Replacement	115,109	112,073	63,712
13 Fixed Charges	175,796	28,956	28,706
Total Operating Expenses	<u>3,472,766</u>	<u>3,264,921</u>	<u>4,378,058</u>
Total Expenditure	<u>7,682,804</u>	<u>7,559,693</u>	<u>8,784,845</u>
Net General Fund Expenditure	6,085,878	5,762,363	6,643,010
Special Fund Expenditure	537,926	701,713	1,019,952
Reimbursable Fund Expenditure	1,059,000	1,095,617	1,121,883
Total Expenditure	<u>7,682,804</u>	<u>7,559,693</u>	<u>8,784,845</u>
Special Fund Expenditure			
E20303 Investment Fees	537,926	701,713	1,019,952
Total	<u>537,926</u>	<u>701,713</u>	<u>1,019,952</u>
Reimbursable Fund Expenditure			
E20902 Capital Lease	103,046	123,151	127,871
E20B02 Insurance Protection	795,594	804,519	832,522
G20J01 Maryland State Retirement and Pension Systems	111,826	115,491	110,896
M00F06 MDH - Office of Preparedness and Response	4,360	0	0
N00H00 Child Support Enforcement Administration	44,174	52,456	50,594
Total	<u>1,059,000</u>	<u>1,095,617</u>	<u>1,121,883</u>

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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	2020 Actual	2021 Appropriation	2022 Allowance
08 Contractual Services	2,999,611	1,006,014	0
09 Supplies and Materials	2,057	0	0
Total Operating Expenses	3,001,668	1,006,014	0
Total Expenditure	3,001,668	1,006,014	0
Special Fund Expenditure	412,535	290,196	0
Reimbursable Fund Expenditure	2,589,133	715,818	0
Total Expenditure	3,001,668	1,006,014	0
Special Fund Expenditure			
E20303 Investment Fees	412,535	290,196	0
Total	412,535	290,196	0
Reimbursable Fund Expenditure			
E20901 Insurance Protection - Various State Agencies	1,401,055	715,818	0
F50A01 Major Information Technology Development Project Fund	1,188,078	0	0
Total	2,589,133	715,818	0

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Summary of Insurance Protection

	2020 Actual	2021 Appropriation	2022 Allowance
Number of Authorized Positions	20.00	20.00	20.00
Salaries, Wages and Fringe Benefits	2,206,035	2,392,271	2,301,745
Technical and Special Fees	146	3,000	3,000
Operating Expenses	33,295,108	39,817,852	43,072,727
Reimbursable Fund Expenditure	35,501,289	42,213,123	45,377,472
Total Expenditure	35,501,289	42,213,123	45,377,472

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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		2020 Actual	2021 Appropriation	2022 Allowance
	Number of Authorized Positions	20.00	20.00	20.00
01	Salaries, Wages and Fringe Benefits	2,206,035	2,392,271	2,301,745
02	Technical and Special Fees	146	3,000	3,000
03	Communications	14,187	20,735	20,772
04	Travel	3,726	6,090	6,090
08	Contractual Services	972,828	993,541	2,214,233
09	Supplies and Materials	20,078	29,500	22,500
10	Equipment - Replacement	11,171	14,742	14,402
13	Fixed Charges	6,076	5,394	7,489
	Total Operating Expenses	1,028,066	1,070,002	2,285,486
	Total Expenditure	3,234,247	3,465,273	4,590,231
	Reimbursable Fund Expenditure	3,234,247	3,465,273	4,590,231
	Total Expenditure	3,234,247	3,465,273	4,590,231
Reimbursable Fund Expenditure				
E20901	Insurance Protection - Various State Agencies	3,234,247	3,465,273	4,590,231
	Total	3,234,247	3,465,273	4,590,231

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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

		2020 Actual	2021 Appropriation	2022 Allowance
13	Fixed Charges	32,267,042	38,747,850	40,787,241
	Total Operating Expenses	32,267,042	38,747,850	40,787,241
	Total Expenditure	32,267,042	38,747,850	40,787,241
	Reimbursable Fund Expenditure	32,267,042	38,747,850	40,787,241
	Total Expenditure	32,267,042	38,747,850	40,787,241
Reimbursable Fund Expenditure				
E20901	Insurance Protection - Various State Agencies	32,267,042	38,747,850	40,787,241
	Total	32,267,042	38,747,850	40,787,241

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E20B02.02 Insurance Coverage - Insurance Protection

	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Estimated
State Insurance Trust Fund				
Combined Beginning Balance	33,720,968	33,218,001	31,916,782	34,104,924
Blanket Real and Personal Property:				
Beginning Balance	16,300,372	14,088,265	13,963,609	13,434,099
Transfers and Recoveries	297,308	191,982	300,000	300,000
Agency Premiums	9,318,285	9,570,527	12,848,916	12,848,916
Excess Policy Coverage	(7,336,505)	(9,407,460)	(9,216,000)	(12,472,524)
Real Property Losses	(4,491,195)	(2,979,705)	(3,600,000)	(3,600,000)
Insurance Administration	-	-	(862,426)	(1,151,206)
Intrafund Transfer	-	2,500,000	-	-
Ending Balance	14,088,265	13,963,609	13,434,099	9,359,285
Officers and Employees Liability:				
Beginning Balance	3,436,127	3,750,190	4,083,092	3,751,534
Agency Premiums	365,796	368,474	880,868	880,868
Liability Losses	(51,733)	(35,572)	(350,000)	(350,000)
Insurance Administration	-	-	(862,426)	(1,151,206)
Ending Balance	3,750,190	4,083,092	3,751,534	3,131,196
Tort Claims Act:				
Beginning Balance	8,349,247	10,396,997	10,427,023	12,062,677
Transfers and Recoveries	900,000	-	-	-
Agency Premiums	7,076,957	7,331,761	8,498,080	8,498,080
Tort Losses	(5,929,207)	(4,801,735)	(6,000,000)	(6,000,000)
Insurance Administration	-	-	(862,426)	(1,151,206)
Intrafund Transfer	-	(2,500,000)	-	-
Ending Balance	10,396,997	10,427,023	12,062,677	13,409,551
Motor Vehicle Comprehensive:				
Beginning Balance	5,635,222	4,982,549	3,443,058	4,856,614
Transfers and Recoveries	1,205,721	1,253,068	1,200,000	1,250,000
Agency Premiums	4,035,100	4,040,500	4,091,800	4,091,800
Motor Vehicle Losses	(2,267,482)	(2,197,799)	(2,300,000)	(2,300,000)
Insurance Administration	(3,033,372)	(3,234,205)	(862,426)	(1,151,206)
Insurance Administration - Major IT Projects	(592,640)	(1,401,055)	(715,818)	-
Ending Balance	4,982,549	3,443,058	4,856,614	6,747,208
Combined Ending Balance	33,218,001	31,916,782	34,104,924	32,647,240

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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

	2020 Actual	2021 Appropriation	2022 Allowance
08 Contractual Services	685,888	1,696,000	1,682,000
Total Operating Expenses	685,888	1,696,000	1,682,000
Total Expenditure	685,888	1,696,000	1,682,000
Net General Fund Expenditure	19,574	40,000	40,000
Special Fund Expenditure	666,314	1,656,000	1,642,000
Total Expenditure	685,888	1,696,000	1,682,000
Special Fund Expenditure			
E20304 Bond Sale Expenses	666,314	1,656,000	1,642,000
Total	666,314	1,656,000	1,642,000

3 Year Position Summary

Classification Title	FY 2020 Positions	FY 2020 Expenditures	FY 2021 Positions	FY 2021 Appropriation	FY 2022 Positions	FY 2022 Allowance
E20 - State Treasurer's Office						
E20B0101 - Treasury Management						
Admin Aide	1.00	39,070	1.00	40,796	1.00	40,796
Administrator I	0.00	65,842	0.00	0	0.00	0
Administrator II	2.00	132,952	2.00	140,211	2.00	140,211
Chf Deputy Treasurer	1.00	155,256	1.00	163,736	1.00	186,654
Computer Network Spec Mgr	1.00	40,237	0.00	0	0.00	0
Div Dir Ofc Atty General	1.00	136,262	1.00	143,699	1.00	143,699
Exec IV	1.00	65,297	1.00	85,838	1.00	85,838
Exec V	2.00	170,707	2.00	217,824	2.00	217,824
Exec VI	1.00	93,827	1.00	131,421	1.00	131,421
Exec VIII	1.00	71,753	1.00	152,127	1.00	113,866
IT Asst Director I	0.00	0	1.00	60,514	1.00	97,159
IT Functional Analyst Trainee	1.00	49,756	1.00	52,473	1.00	52,473
IT Programmer Analyst Lead/Advanced	1.00	54,348	1.00	57,315	1.00	57,315
IT Programmer Analyst Supervisor	1.00	77,080	1.00	81,288	1.00	56,727
IT Quality Assurance Spec	1.00	69,495	1.00	73,289	1.00	73,289
IT Systems Technical Spec	1.00	83,171	1.00	87,711	1.00	87,711
Prgm Mgr Senior I	1.00	90,838	1.00	95,797	1.00	73,541
Prgm Mgr Senior III	1.00	85,656	1.00	90,331	1.00	90,331
Procurement Officer I	1.00	0	0.00	0	0.00	0
Procurement Officer II	0.00	0	1.00	74,703	1.00	74,703
Treasurer State Of Maryland	1.00	149,500	1.00	149,500	1.00	149,500
Treasury Spec I	1.00	15,536	0.00	0	0.00	0
Treasury Spec II	1.00	50,682	2.00	88,392	2.00	88,392
Treasury Spec III	2.00	96,848	2.00	103,049	2.00	92,040
Treasury Spec IV	7.00	328,084	6.00	350,638	6.00	340,881
Treasury Spec V	4.00	243,871	4.00	257,183	4.00	253,619
Treasury Spec VI	2.00	132,164	2.00	139,381	1.00	61,145
Treasury Spec VII	3.00	244,382	4.00	366,185	5.00	471,755
Total E20B0101	40.00	2,742,614	40.00	3,203,401	40.00	3,180,890
E20B0201 - Insurance Management						
Asst Attorney General VI	0.00	0	0.00	0	1.00	93,266
Asst Attorney General VIII	2.00	124,915	2.00	242,690	1.00	123,663
Casualty Claims Adj Assoc II	0.00	16,216	1.00	43,177	1.00	43,177
Casualty Claims Adj I	1.00	41,155	1.00	43,402	1.00	43,402
Casualty Claims Adj II	3.00	151,302	3.00	159,565	3.00	159,565
Casualty Claims Adj Supv	2.00	132,996	2.00	140,257	2.00	140,257
Exec V	2.00	229,656	2.00	240,086	2.00	240,086
IT Systems Technical Spec	1.00	70,051	1.00	73,876	1.00	73,876
Office Services Clerk	1.00	22,346	0.00	0	0.00	0
Prgm Mgr Senior I	1.00	67,678	2.00	169,338	2.00	180,888
Principal Counsel	1.00	127,603	1.00	134,568	1.00	134,568
Treasury Spec III	2.00	108,508	2.00	114,432	2.00	102,445
Treasury Spec VI	2.00	74,185	1.00	78,236	0.00	0
Treasury Spec VII	2.00	154,691	2.00	180,107	3.00	247,968
Total E20B0201	20.00	1,321,302	20.00	1,619,734	20.00	1,583,161
Total E20 State Treasurer's Office	60.00	4,063,916	60.00	4,823,135	60.00	4,764,051