

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Total number of receipts and disbursements (millions)	19.5	18.5	18.5	18.5	18.5	18.5	18.5
Average days to reconcile accounts	< 3	< 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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Average return on State's investment portfolio	1.03%	1.04%	1.47%	1.56%	1.82%	1.60%	1.60%
Basis point spread of State's investment portfolio over 90-day T-Bill rate	101	86	91	12	-46	0	0
LGIP fund balance (in millions as of 6/30)	\$3,424	\$3,779	\$3,727	\$5,251	\$6,050	\$6,000	\$6,500
Percent increase in LGIP balance	9.50%	10.37%	-1.38%	40.89%	15.22%	-0.83%	8.33%
Return on LGIP portfolio	0.05%	0.22%	0.56%	1.34%	2.27%	1.95%	2.00%
Basis point spread over LGIP S&P Index	0	0	-5	1	2	2	2

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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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Percent of total hours of the year where infrastructure and systems were available	99.63%	100.00%	99.91%	99.96%	99.95%	99.93%	100.00%

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
New claims processed	4,911	5,004	4,063	4,306	4,646	4,875	5,115
Claims closed	5,272	5,204	4,419	4,353	4,928	5,075	5,225
Pending open claims	2,061	2,153	1,934	2,111	2,166	2,275	2,390

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Summary of State Treasurer's Office

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	60.00	60.00	60.00
Salaries, Wages and Fringe Benefits	6,139,820	6,592,620	6,772,459
Technical and Special Fees	1,248	4,150	6,500
Operating Expenses	40,457,080	42,760,599	46,139,977
Net General Fund Expenditure	6,194,531	6,203,423	6,270,266
Special Fund Expenditure	1,228,263	2,369,845	2,645,777
Reimbursable Fund Expenditure	39,175,354	40,784,101	44,002,893
Total Expenditure	<u>46,598,148</u>	<u>49,357,369</u>	<u>52,918,936</u>

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Summary of Treasury Management

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	40.00	40.00	40.00
Salaries, Wages and Fringe Benefits	4,131,005	4,301,794	4,395,759
Technical and Special Fees	1,195	1,150	3,500
Operating Expenses	5,721,381	4,301,131	4,626,125
Net General Fund Expenditure	6,159,156	6,138,423	6,230,266
Special Fund Expenditure	748,651	878,845	989,777
Reimbursable Fund Expenditure	2,945,774	1,586,807	1,805,341
Total Expenditure	9,853,581	8,604,075	9,025,384

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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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	40.00	40.00	40.00
01 Salaries, Wages and Fringe Benefits	4,131,005	4,301,794	4,395,759
02 Technical and Special Fees	1,195	1,150	3,500
03 Communications	40,596	15,750	15,750
04 Travel	13,557	3,912	3,912
07 Motor Vehicle Operation and Maintenance	2,004	2,731	2,630
08 Contractual Services	3,099,977	3,333,461	3,282,919
09 Supplies and Materials	158,264	160,880	173,871
10 Equipment - Replacement	124,950	103,852	112,073
13 Fixed Charges	200,033	15,293	28,956
Total Operating Expenses	<u>3,639,381</u>	<u>3,635,879</u>	<u>3,620,111</u>
Total Expenditure	<u>7,771,581</u>	<u>7,938,823</u>	<u>8,019,370</u>
Net General Fund Expenditure	6,159,156	6,138,423	6,230,266
Special Fund Expenditure	578,726	686,945	699,581
Reimbursable Fund Expenditure	1,033,699	1,113,455	1,089,523
Total Expenditure	<u>7,771,581</u>	<u>7,938,823</u>	<u>8,019,370</u>
Special Fund Expenditure			
E20303 Investment Fees	578,726	686,945	699,581
Total	<u>578,726</u>	<u>686,945</u>	<u>699,581</u>
Reimbursable Fund Expenditure			
E20902 Capital Lease	93,589	115,162	122,466
E20B02 Insurance Protection	794,483	842,293	800,044
G20J01 Maryland State Retirement and Pension Systems	98,101	111,826	114,849
N00H00 Child Support Enforcement Administration	47,526	44,174	52,164
Total	<u>1,033,699</u>	<u>1,113,455</u>	<u>1,089,523</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

	2019 Actual	2020 Appropriation	2021 Allowance
08 Contractual Services	2,080,045	665,252	1,006,014
09 Supplies and Materials	1,955	0	0
Total Operating Expenses	2,082,000	665,252	1,006,014
Total Expenditure	2,082,000	665,252	1,006,014
Special Fund Expenditure	169,925	191,900	290,196
Reimbursable Fund Expenditure	1,912,075	473,352	715,818
Total Expenditure	2,082,000	665,252	1,006,014
 Special Fund Expenditure			
E20303 Investment Fees	169,925	191,900	290,196
Total	169,925	191,900	290,196
 Reimbursable Fund Expenditure			
E20901 Insurance Protection - Various State Agencies	592,639	473,352	715,818
F50A01 Major Information Technology Development Project Fund	1,319,436	0	0
Total	1,912,075	473,352	715,818

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Summary of Insurance Protection

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	20.00	20.00	20.00
Salaries, Wages and Fringe Benefits	2,008,815	2,290,826	2,376,700
Technical and Special Fees	53	3,000	3,000
Operating Expenses	34,220,712	36,903,468	39,817,852
Reimbursable Fund Expenditure	36,229,580	39,197,294	42,197,552
Total Expenditure	<u>36,229,580</u>	<u>39,197,294</u>	<u>42,197,552</u>

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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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	20.00	20.00	20.00
01 Salaries, Wages and Fringe Benefits	2,008,815	2,290,826	2,376,700
02 Technical and Special Fees	53	3,000	3,000
03 Communications	43,303	20,700	20,735
04 Travel	4,289	6,090	6,090
08 Contractual Services	937,172	966,873	993,541
09 Supplies and Materials	19,551	29,500	29,500
10 Equipment - Replacement	10,613	12,468	14,742
13 Fixed Charges	9,576	4,305	5,394
Total Operating Expenses	<u>1,024,504</u>	<u>1,039,936</u>	<u>1,070,002</u>
Total Expenditure	<u>3,033,372</u>	<u>3,333,762</u>	<u>3,449,702</u>
Reimbursable Fund Expenditure	<u>3,033,372</u>	<u>3,333,762</u>	<u>3,449,702</u>
Total Expenditure	<u>3,033,372</u>	<u>3,333,762</u>	<u>3,449,702</u>
Reimbursable Fund Expenditure			
E20901 Insurance Protection - Various State Agencies	<u>3,033,372</u>	<u>3,333,762</u>	<u>3,449,702</u>
Total	<u>3,033,372</u>	<u>3,333,762</u>	<u>3,449,702</u>

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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

		2019 Actual	2020 Appropriation	2021 Allowance
13	Fixed Charges	33,196,208	35,863,532	38,747,850
	Total Operating Expenses	33,196,208	35,863,532	38,747,850
	Total Expenditure	33,196,208	35,863,532	38,747,850
	Reimbursable Fund Expenditure	33,196,208	35,863,532	38,747,850
	Total Expenditure	33,196,208	35,863,532	38,747,850
Reimbursable Fund Expenditure				
E20901	Insurance Protection - Various State Agencies	33,196,208	35,863,532	38,747,850
	Total	33,196,208	35,863,532	38,747,850

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E20B02.02 Insurance Coverage - Insurance Protection

	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimated	FY 2021 Estimated
State Insurance Trust Fund				
Combined Beginning Balance	32,930,402	33,720,968	33,218,001	28,589,836
Blanket Real and Personal Property:				
Beginning Balance	15,997,560	16,300,372	14,088,265	13,692,631
Transfers and Recoveries	143,327	297,308	200,000	300,000
Agency Premiums	9,210,283	9,318,285	9,509,366	12,848,916
Excess Policy Coverage	(6,077,201)	(7,336,505)	(8,105,000)	(9,216,000)
Real Property Losses	(2,973,597)	(4,491,195)	(4,500,000)	(4,500,000)
Insurance Administration				(856,650)
Intrafund Transfer		-	2,500,000	-
Ending Balance	16,300,372	14,088,265	13,692,631	12,268,897
Officers and Employees Liability:				
Beginning Balance	3,722,213	3,436,127	3,750,190	3,768,664
Agency Premiums	366,134	365,796	368,474	881,076
Liability Losses	(652,220)	(51,733)	(350,000)	(350,000)
Insurance Administration				(856,650)
Ending Balance	3,436,127	3,750,190	3,768,664	3,443,090
Tort Claims Act:				
Beginning Balance	7,088,485	8,349,247	10,396,997	7,979,438
Transfers and Recoveries		900,000		
Agency Premiums	6,500,003	7,076,957	7,332,441	8,500,000
Tort Losses	(5,239,241)	(5,929,207)	(7,250,000)	(7,250,000)
Insurance Administration				(856,650)
Intrafund Transfer			(2,500,000)	
Ending Balance	8,349,247	10,396,997	7,979,438	8,372,788
Motor Vehicle Comprehensive:				
Beginning Balance	6,122,144	5,635,222	4,982,549	3,149,103
Transfers and Recoveries	1,053,194	1,205,721	1,000,000	1,200,000
Agency Premiums	4,035,097	4,035,100	4,040,500	4,091,800
Motor Vehicle Losses	(2,180,911)	(2,267,482)	(2,300,000)	(2,300,000)
Insurance Administration	(3,013,302)	(3,033,372)	(3,268,500)	(856,650)
Insurance Administration - Major IT Projects	(381,000)	(592,640)	(1,305,446)	(715,818)
Ending Balance	5,635,222	4,982,549	3,149,103	4,568,435
Combined Ending Balance	33,720,968	33,218,001	28,589,836	28,653,210

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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

	2019 Actual	2020 Appropriation	2021 Allowance
08 Contractual Services	514,987	1,556,000	1,696,000
Total Operating Expenses	514,987	1,556,000	1,696,000
Total Expenditure	514,987	1,556,000	1,696,000
Net General Fund Expenditure	35,375	65,000	40,000
Special Fund Expenditure	479,612	1,491,000	1,656,000
Total Expenditure	514,987	1,556,000	1,696,000
Special Fund Expenditure			
E20304 Bond Sale Expenses	479,612	1,491,000	1,656,000
Total	479,612	1,491,000	1,656,000

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 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	1.00	65,842	0.00	0	0.00	0
Administrator II	2.00	132,952	2.00	138,822	2.00	138,822
Chf Deputy Treasurer	1.00	155,256	1.00	162,115	1.00	162,115
Computer Network Spec Mgr	1.00	40,237	1.00	96,197	0.00	0
Div Dir Ofc Atty General	1.00	136,262	1.00	142,276	1.00	142,276
Exec IV	1.00	65,297	1.00	84,423	1.00	84,988
Exec V	2.00	170,707	2.00	223,978	2.00	215,667
Exec VI	1.00	93,827	1.00	97,495	1.00	130,120
Exec VIII	1.00	71,753	1.00	150,621	1.00	150,621
IT Asst Director I	0.00	0	0.00	0	1.00	59,914
IT Functional Analyst Trainee	1.00	49,756	1.00	51,953	1.00	51,953
IT Programmer Analyst Lead/Advanced	1.00	54,348	1.00	56,747	1.00	56,747
IT Programmer Analyst Supervisor	1.00	77,080	1.00	80,483	1.00	80,483
IT Quality Assurance Spec	1.00	69,495	1.00	72,563	1.00	72,563
IT Systems Technical Spec	1.00	83,171	1.00	86,842	1.00	86,842
Prgm Mgr Senior I	2.00	90,838	1.00	94,848	1.00	94,848
Prgm Mgr Senior III	1.00	85,656	1.00	89,436	1.00	89,436
Procurement Officer I	0.00	0	1.00	68,749	0.00	0
Procurement Officer II	0.00	0	0.00	0	1.00	73,963
Treasurer State Of Maryland	1.00	149,500	1.00	149,500	1.00	149,500
Treasury Spec I	1.00	15,536	1.00	41,871	0.00	0
Treasury Spec II	1.00	50,682	1.00	42,972	2.00	87,516
Treasury Spec III	3.00	96,848	2.00	104,874	2.00	102,028
Treasury Spec IV	6.00	328,084	7.00	398,574	6.00	347,162
Treasury Spec V	4.00	243,871	4.00	254,635	4.00	254,635
Treasury Spec VI	2.00	132,164	2.00	138,000	2.00	138,000
Treasury Spec VII	2.00	244,382	3.00	291,145	4.00	362,557
Total E20B0101	40.00	2,742,614	40.00	3,159,915	40.00	3,173,552
E20B0201 - Insurance Management						
Administrator IV	1.00	0	0.00	0	0.00	0
Asst Attorney General VIII	2.00	124,915	2.00	227,039	2.00	240,286
Casualty Claims Adj Assoc II	0.00	16,216	0.00	0	1.00	42,749
Casualty Claims Adj I	1.00	41,155	1.00	42,972	1.00	42,972
Casualty Claims Adj II	3.00	151,302	3.00	157,983	3.00	157,983
Casualty Claims Adj Supv	2.00	132,996	2.00	138,867	2.00	138,867
Exec V	2.00	229,656	2.00	237,709	2.00	237,709
IT Systems Technical Spec	1.00	70,051	1.00	73,144	1.00	73,144
Office Services Clerk	1.00	22,346	1.00	37,793	0.00	0
Prgm Mgr Senior I	1.00	67,678	1.00	94,848	2.00	167,660
Principal Counsel	1.00	127,603	1.00	133,235	1.00	133,235
Treasury Spec II	1.00	0	0.00	0	0.00	0
Treasury Spec III	1.00	108,508	2.00	113,298	2.00	113,298
Treasury Spec VI	1.00	74,185	2.00	133,626	1.00	77,461
Treasury Spec VII	2.00	154,691	2.00	157,289	2.00	178,323
Total E20B0201	20.00	1,321,302	20.00	1,547,803	20.00	1,603,687
Total E20 State Treasurer's Office	60.00	4,063,916	60.00	4,707,718	60.00	4,777,239