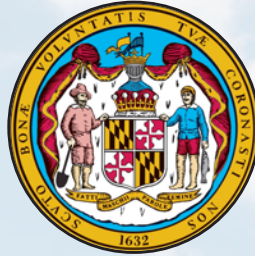


MARYLAND STATE TREASURER'S OFFICE

ANNUAL REPORT 2024



INVESTING FOR MARYLAND'S FUTURE



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BIOGRAPHY OF THE HONORABLE DERECK E. DAVIS, TREASURER OF MARYLAND



Dereck E. Davis, State Treasurer

THANK YOU FOR YOUR INTEREST IN THE MARYLAND STATE TREASURER'S OFFICE 2024 ANNUAL REPORT—INVESTING FOR MARYLAND'S FUTURE.

In the nearly three years that I've been Treasurer, I am still amazed by the range of responsibilities in our office. During this past year my office has continued to support minority businesses, encourage financial education, and ensure the people of Maryland of getting the best value for their taxpayer dollars.

Our divisions within the Maryland State Treasurer's Office—Executive, Budget & Accounting, Operations, Legal, Treasury Management, Debt Management, Information & Technology, Insurance, and Maryland 529—worked hard this past year to fulfill the demands of our office and serve the citizens of Maryland.

This past legislative session, we requested several pieces of legislation that will make our office run more efficiently. In May 2024, our office hosted the three major rating agencies for the first time in more than a decade. We also retained Maryland's AAA rating in advance of a successful bond sale.

This report highlights the important work that the State Treasurer's Office has accomplished in Fiscal Year 2024. We appreciate your continued support and hope you enjoy looking back at the past year at the Maryland State Treasurer's Office.

Thank you,

Dereck E. Davis
Treasurer



HISTORICAL REVIEW

DURING THE EXPLORATION and settlement period of North America (1492-1607), European powers competed to settle the New World. England laid claim to large tracts of land along the East Coast and successfully colonized the Chesapeake Bay area. England's first official colony, settled in Jamestown, Virginia, in 1607 (the Jamestown Colony), included what we now know as Maryland. In 1632, King Charles I of England granted the Charter of Maryland to Cecil Calvert. Calvert was granted extensive autocratic powers over the Maryland colony. Among those powers was the right to appoint government officials.

Soon after his appointment as Governor of Maryland, Sir Francis Nickelson appointed Maryland's first two state Treasurers in 1694. At that time, there were two Treasurers appointed for the state – a Treasurer for the Eastern Shore and a Treasurer for the Western Shore. Maryland's first Treasurers were Colonel William Whittington (Eastern Shore) and Captain Thomas Tasker

(Western Shore). The primary duty of the state Treasurers at that time was to manage and disburse state funds. The governor held the task of appointing state Treasurers throughout the 18th century. This responsibility was ultimately transferred to the legislature with the adoption of the Maryland Constitution in 1776.

In 1843, the two-Treasurer system was abolished with the duties of the Eastern Shore Treasurer being assumed by the Treasurer of the Western Shore. The Maryland Constitution of 1851 finally established a single office of Treasurer for the entire state to be elected by joint ballot of both houses of the General Assembly. Historically, the Treasurer's position was appointed for a term of two years as a part-time position. In 1922, the Treasurer's term was extended from two years to four years and became a full-time position in 1973. In addition to having authority over custody, safeguarding, investment and disbursement of state funds, the Maryland State Treasurer is considered

among the most powerful Treasurers in the country due to membership on the Board of Public Works, which reviews and approves all major state procurements. It is the Treasurer's job to brief members of the General Assembly on issues regarding the financial operation and condition of the state. The Treasurer maintains the state's ongoing relationship with financial rating agencies and conducts outreach with state agencies and other appropriate offices. The Treasurer also produces this annual report in keeping with his statutory responsibility to provide the General Assembly with current information regarding the state's financial condition. ■



Frederick Douglass Statue, Easton



Charles Calvert

TREASURERS OF THE PAST

TREASURERS OF THE EASTERN SHORE

1694-1695	Col. William Whittington	1778-1779	Edward Hindman
1695-1714	Maj. Thomas Smithson	1779-1789	Henry Dickinson
1714-1727	Robert Ungle	1789-1802	William Richardson
1727-1747	Col. James Hollyday	1802-1813	William Chambers
1747-1766	Col. Edward Lloyd	1813-1825	William Richardson
1766	John Leeds	1825-1826	John K.B. Emory
1766-1769	Bedingfield Hands	1826-1840	William K. Lambdin
1769-1775	William Hemsley, Jr.	1840-1841	Perry Robinson
1775-1777	William Hindman	1841-1842	John H. Harris
1777-1778	James Hindman	1842-1843	Perry Robinson

TREASURERS OF THE WESTERN SHORE

1694-1695	Capt. Thomas Tasker	1775-1804	Thomas Harwood, Jr.
1695-1698	Robert Mason	1804-1826	Benjamin Harwood
1699-1700	Robert Mason	1826-1843	George MacKubin
1700-1736	Col. Samuel Young	1843-1844	James Owens
1736-1772	Col. Charles Hammond	1844-1852	Dennis Claude
1772-1775	Col. William Fitzhugh		

MARYLAND STATE TREASURERS *(BEGINNING OF SINGLE-TREASURER SYSTEM)*

1852-1854	James Owens	1900-1916	Murray Vandiver
1854-1860	Dennis Claude	1916-1918	John M. Dennis
1860-1862	Sprigg Harwood	1918-1920	William P. Jackson
1862-1870	Robert Fowler	1920-1935	John M. Dennis
1870-1872	John Merryman	1935-1963	Hooper S. Miles
1872-1874	John W. Davis	1963-1973	John A. Luetkemeyer
1874-1885	Barnes Compton	1973-1975	J. Millard Tawes
1885-1886	John Gittings	1975-1987	William S. James
1886-1890	Stevenson Archer	1987-1996	Lucille D. Maurer
1890-1892	Edwin Brown	1996-2002	Richard N. Dixon
1892-1896	Spencer C. Jones	2002-2021	Nancy K. Kopp
1896-1900	Thomas J. Shryock	2021-	Dereck E. Davis

MARYLAND'S BOARD OF PUBLIC WORKS

AS THE STATE'S ULTIMATE policymaking and oversight board for state procurements, expenditures of capital appropriations, and the acquisition, use and transfer of state assets, the Maryland Board of Public Works is an entity with wide-ranging jurisdiction over many facets of state government. It is composed of the Governor, the State Treasurer, and the Comptroller.

Created by the Constitutional Convention of 1864 based on predecessor boards dating back to 1825, the Board of Public Works is the only constitutionally mandated government body of its type in the nation. Over the years, the General Assembly has increased this body's responsibilities and autonomy. The board has a unique insight into the operations of state government and ensures that final decisions on procurements provide accountability and are transparent and open to public discussion.

Recognizing that the Treasurer is elected by joint ballot of both houses of the General Assembly, the Treasurer's participation on the Board provides the legislature with a voice throughout the year in the post-appropriations management of public funds. As an adjunct to this role, the State Treasurer's Office provides outreach to legislators, informing them of board items that pertain to their districts and providing a mechanism for feedback from legislators on particular projects.

The breadth of items to come before the Board of Public Works is vast. The powers and duties of the board are set forth in the Maryland State Constitution and state statute and include:

- Certification of the state property tax rate necessary to meet the debt service requirements during the next taxable year on all state bonds anticipated to be outstanding during the year;
- Approval of the expenditure of any general obligation bond proceeds;
- Issuance of licenses to dredge and fill state wetlands;
- Approval of the acquisition of land and easements in support of Program Open Space, the Conservation Reserve Enhancement Program, the Rural Legacy Program, and the Agricultural Land Preservation Program;

- Approval of any state property transactions; and
- Approval of most state agency procurement contracts for goods and services in excess of \$200,000.

In addition to authorizing state general obligation bond issuances and the Capital-Lease and Energy Performance Lease financings discussed in more detail in the Debt Management Division section of this annual report, the following actions of the Board of Public Works are worthy of note among those taken during Fiscal Year 2024 (July 1, 2023 through June 30, 2024):

- Approved the Maryland Stadium Authority's requests to:
 - Amend and extend the term of the Lease Agreement between the Maryland Stadium Authority and the Baltimore Orioles Limited Partnership
 - Issue two or more series of bonds not to exceed \$120 million (Series 2023). The proceeds of these bonds will finance capital projects at the following Maryland minor league baseball stadiums:
 - Harry Grove Stadium – Frederick County
 - Regency Furniture Stadium – Charles County
 - Leidos Field – Harford County
 - Prince George's County Stadium – Prince George's County
 - Hagerstown Stadium – Washington County
 - Arthur Perdue Stadium – Wicomico County
 - Award design-build contracts for the Perdue and Prince George's County stadiums.
 - Award eight construction bid packages for renovation projects at M&T Bank Stadium.
- Approved the Office of Administrative Hearings' requests, based on the criteria under the "Walter Lomax Act," to award compensation, lawyers' fees, and benefits to five erroneously convicted individuals.
- Approved the following agency requests to create or convert new positions:
 - Maryland Thoroughbred Racetrack Operating Authority Administration: Created six new positions for this new statutory entity.

MARYLAND BOARD OF PUBLIC WORKS *continued from page 5*

- Office of the Attorney General:
 - Converted five contractual positions to four permanent positions to support investigations related to the Archdioceses of Baltimore, Washington D.C. and Wilmington.
 - Created four new positions in the independent investigations division related to police-involved fatalities and serious injuries.
- Governor's Office of Crime Prevention, Youth and Victim Services: Converted 1.5 contractual positions to one permanent position to oversee claims processing for victim services through the Criminal Injury Compensation Fund.
- Department of Commerce: Created three new positions to oversee the Cannabis Business Assistance Loan Grant Fund.
- Maryland Department of Labor: Created 23 new positions to begin implementation of the Family and Medical Leave Insurance Program.
- Maryland Department of Health: Converted 180 contractual positions to 144 regular positions to address current healthcare worker shortages.
- Department of Natural Resources: Created eight new positions to implement the Wildlife Conservation, Education, and Outreach program.
- Maryland Department of Health: Converted 168.75 contractual positions to 135 permanent positions in the Departmental Disabilities and Behavioral Health Administrations.
- Maryland Department of the Environment: Created 11 full-time permanent positions to be paid for with federal funds within the administration's Land Restoration Program's Federal Facilities Assessment and Remediation Division, the Mining Program's Abandoned Mine Land Division, and the Air and Radiation Administration.
- Approved the State Board of Elections' requests to award the following contracts to provide:
 - An indefinite quantity of printed provisional ballot applications and delivery to 24 Local Boards of Elections and the State Board of Elections
 - An independent automated solution to verify accuracy of the state's voting system
- Approved the Department of Public Safety and Correctional Services' request to pay \$13,023,474 to resolve a federal investigation related to correctional officer personnel and overtime pay.
- Approved the U.S. Department of Justice's \$4,140,000 settlement agreement with UMBC to settle a pending enforcement action arising from a Title IX investigation by the US Department of Justice, Civil Rights Division, Educational Opportunities Section.
- Approved the Office of the Attorney General's request to include contingent fee provisions in contracts with external firms related to real estate antitrust enforcement actions, litigation concerning PFAS (per- and polyfluoroalkyl substances), and litigation for damages resulting from the Francis Scott Key Bridge disaster.
- Approved the State Lottery and Gaming Control Agency's request to award a contract to provide auditing accounting and management services related to lottery drawings, an annual review of multistate lotteries and audits of the agency's IT division.
- Approved the University of Maryland College Park's request to acquire three parcels, to include 22.23 acres and a five-story, 107,264 square foot office building, in the easternmost portion north of the University's Discovery District.
- Approved the Department of Budget and Management's request to award a contract, to evaluate the state's current job classification and compensation program, and provide recommendations for improvements.
- Approved a request from the new Department of Service and Civic Innovation to award a contract to provide an electronic platform to support participant recruitment and the overall management and professional development of the participants while in service and to connect them to career opportunities post-service.
- Approved a request from the Governor's Office of Crime Prevention, Youth and Victim Services to award a contract to manage and track sexual assault evidence kits for the state.
- Approved the Maryland Transit Authority's request to modify the Purple Line P3 contract by increasing the contract amount, extending the contract by nearly a year, and providing contractual relief to the Concessionaire for project delays.
- Approved a Master Agreement to transfer Pimlico Racetrack from private ownership to state ownership.

MARYLAND BOARD OF PUBLIC WORKS continued from page 6

- Approved Department of Natural Resources' request to accept a donation in fee simple of 293 +/- acres known as Holly Beach Farm from the Chesapeake Bay Foundation.
- Approved Department of General Services' request to use \$306,130 in FY 2024 funding from the BPW contingent fund for security enhancements in the Annapolis Government Complex.
- Approved Maryland State Department of Education's request for approval to use the Expedited Procurement Method for a new Kindergarten Readiness Assessment contract, so that it can be administered during the upcoming school year.
- Approved the Maryland Historic Trust's request to award a contract to construct an addition to the Maryland Archeological Conservation Laboratory at Jefferson Patterson Park and Museum in Calvert County.
- Approved Department of General Services' request to award a contract to three vendors to develop multi-year budget forecasts and technological solutions for all state-owned buildings, starting with the DGS-controlled facilities subject to Building Energy Performance standards regulations. ■

SCHEDULE OF SELECTED FINANCIAL DATA

COLLATERAL BALANCES AS OF JUNE 30, 2024

Bank	\$ 1,099,475,974
Insurance	\$ 92,597,184

TOTAL INVESTMENT PORTFOLIO COMPOSITION AS OF JUNE 30, 2024

Repurchase Agreements	\$ 4,415,969,430
U.S. Treasuries	\$ 358,227,788
U.S. Government Agencies	\$ 5,356,136,113
Other Investments	\$ 10,736,954,753
Total Portfolio	\$ 20,867,288,083

GENERAL OBLIGATION DEBT ACTIVITY AS OF JUNE 30, 2024

Tax-Exempt General Bond Issuances	\$ 1,000,000,000
Taxable General Obligation Bond Issuances	\$ 200,000,000
Interest Payments	\$ 419,984,746
Principal Payments	\$ 1,012,669,332

LOCAL GOVERNMENT INVESTMENT POOL FUND BALANCE AS OF JUNE 30, 2024

Balance as of June 30, 2024	\$ 9,559,781,492
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STATE INSURANCE TRUST FUND BALANCE AS OF JUNE 30, 2024

Beginning Balance	\$ 27,302,275
Ending Balance	\$ 16,252,561

EXECUTIVE DIVISION

THE EXECUTIVE DIVISION PROVIDES direct support to the Treasurer in the execution of his wide-ranging constitutional responsibilities. As the chief banker, the Treasurer is responsible for receiving, depositing, investing, and distributing state funds, as well as anticipating the monetary needs of the state. While these activities are delegated to various divisions, the Executive Division coordinates and manages the day-to-day operations of the office to ensure that the activities remain effective and efficient.

Additionally, on behalf of the Board of Public Works, the Treasurer conducts bond sales each year to ensure the state's ability to meet its fiscal obligations. The Treasurer also provides lease-purchase financing of capital and energy equipment for state agencies and handles insurance needs for the state.

The Executive Division coordinates legislation for the office, reviewing bills and preparing information for fiscal notes, written testimony, and proposed legislation.

CHIEF DEPUTY TREASURER

The Chief Deputy Treasurer coordinates and leads the operations of the State Treasurer's Office, including the Budget and Accounting, Treasury Management, Debt Management, Insurance, Information Technology, and Maryland 529 divisions. The Chief Deputy Treasurer advises the Treasurer on matters regarding legislative policy, planning, new technologies and long-term operational challenges, opportunities, and strategies. Another critical function of the Chief Deputy is coordinating operational functions with other state agencies, such as the Comptroller's Office and the Department of Budget and Management.

The Chief Deputy Treasurer works closely with members of the General Assembly and its Standing Committees, such as the Senate Budget & Taxation and House Appropriations Committees, regarding the office's budget. The Chief Deputy Treasurer also prepares reports and updates the office's progress throughout the year for the Statutory

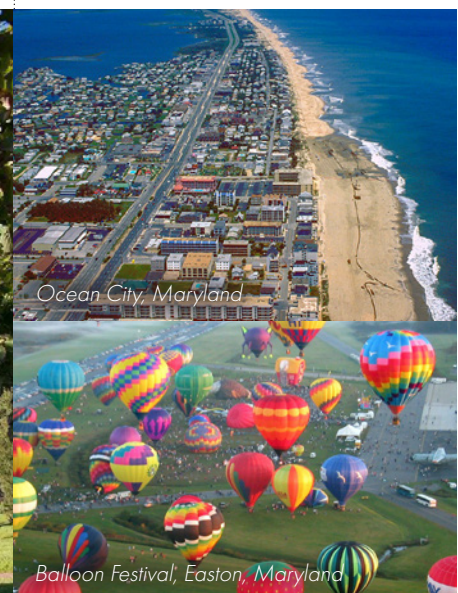
Committees of the House and Senate, including the Spending Affordability Committee, the Joint Committee on the Management of Public Funds, Legislative Policy Committee, and the Joint Audit Committee; as well as serving as the Treasurer's designee on task forces, commissions, and other committees of the General Assembly, as required.

Additionally, the Chief Deputy Treasurer supports the Treasurer in his service on state boards and commissions, such as the State Retirement & Pension System's Board of Trustees, the Maryland Teachers & State Employees Supplemental Retirement Plan Board of Trustees, the Maryland Health and Higher Educational Facilities Authority, and Revenue Bond Advisory Committee, as well as in participation with the National Association of State Treasurers.

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Maryland State House Historical Marker, Annapolis



Balloon Festival, Easton, Maryland

EXECUTIVE DIVISION continued from page 9

BOARD OF PUBLIC WORKS LIAISON

The Board of Public Works (BPW) Liaison serves as the primary advisor to the Treasurer regarding BPW-related activity. The liaison conducts extensive research and works closely with the Treasurer's counsel and representatives of the Governor, cabinet members and their agencies, the Comptroller, and the BPW Office to prepare a detailed analysis for the Treasurer for each meeting as well as make recommendations to the Treasurer about the agenda items. The liaison serves as the primary contact for members of the Maryland General Assembly for all issues related to the BPW and as such, informs state legislators of upcoming board actions that affect their districts, and provides a status update once the board has rendered its final vote.

Additionally, this person represents the Treasurer on the Maryland Agricultural Land Preservation Foundation and the Maryland Environmental Service Board of Directors.

OFFICE OF HUMAN RESOURCES

The Human Resources (HR) division is an integral part of agency operations and is fortunate to have the privilege to interact with every employee who works at the State Treasurer's Office. The division spearheads personnel management in various forms including recruitment and retention, classification and compensation, benefits administration, employee relations, personnel database management and position control, pension and supplemental retirement benefits, performance evaluation, leave accounting, and staff development. The division provides interpretation

and guidance on state personnel laws, policies, and procedures, and coordinates the development and implementation of office policies and guidelines. In addition, the division is also responsible for overseeing compliance with the American with Disabilities Act and interacts with the agency's Equal Employment Opportunity (EEO) Officer to ensure a safe, fair, and equal work environment for everyone.

Fiscal Year 2024 continued to focus on recruitment, bringing with it 17 newly budgeted positions, effectively bumping the vacancy rate up to 23%. This was the first time in well over 25 years that the STO grew by so many positions, which is mostly attributed to the transfer of Maryland 529 to the State Treasurer's Office. The Human Resources Division also grew by one additional staff member, allowing the division to focus on both urgent priorities and long-term enhancements. Operationally, Maryland 529 was mostly integrated into the Treasurer's Office by the beginning of the fiscal year, and the agency was able to focus on augmenting each division to carry out newly added responsibilities. Throughout the course of the fiscal year and working closely with the Chief Deputy Treasurer and hiring managers, 15 of the 17 new positions were carefully defined, placed, recruited, and appointed. Turnover for FY2024 remained low, with three retirements, two resignations, and one transfer, ending the year with an impressive 9% vacancy rate. With a newly enhanced onboarding program developed by HR, STO kept its retention rate at a very high level, averaging 93%. STO HR worked closely with the agency's Chief Financial Officer to finally reconcile the budgeted position count for Maryland

529, ultimately identifying 11 unfunded ghost positions that were closed and abolished.

The Human Resources Division received clean audit results in FY2024 from the Department of Budget and Management in the areas of recruitment (hiring process, verification of minimum qualifications, and certification for above-base appointments), PEP (state performance evaluation program), and employee benefits (dependent verification). Additionally, there were no findings against the agency related to EEO, ADA, or Workplace Bullying violations in FY2024. In response to observation, investigations, and employee feedback, the HR Division also implemented several new agency "best practices" in the areas of onboarding, training, and performance evaluation. A new agency policy for Training & Tuition Reimbursement was developed and released in early FY2024 to help jumpstart the agency's focus and commitment towards continuing education.

In January 2024, the state conducted a statewide culture survey to gauge the thoughts and feelings of its workforce. STO received their agency specific results in May 2024, and HR was tasked with analyzing the findings and proposing action plans for FY2024 for three targeted value areas. Notably, 63% of STO staff completed the survey, well above the 13% statewide rate. While there were high levels of satisfaction and engagement reflected in the survey, with the endorsement of upper management, HR concentrated on specific areas that would not only add to employee satisfaction but would also benefit and heighten the agency internally and externally.

EXECUTIVE DIVISION continued from page 10

The HR Division's goals for the upcoming fiscal year incorporate these action plans developed in response to the agency's culture survey, in order to promote and strengthen the core values of inclusion, communication, training & career growth, and community service. The division will increase training efforts for staff and managers to help reach these goals by empowering employees and strengthening management

practices. HR will continue to focus on consistency and equity through development and enforcement of agency policy and practices, providing resources for staff, and contributing positively to a work culture that draws highly talented and committed staff.

As of June 30, 2024, the State Treasurer's Office possessed 96 State/Regular positions and 12 fixed-term, part-time contractual positions which were allocated as follows:

- Budget & Accounting Division – 7
- Debt Management Division – 4
- Executive Division – 9
- Human Resources Division - 3
- Information Technology Division – 11
- Insurance Division – 16
- Legal Division – 7
- Operations Division – 7
- Treasury Management Division – 20
- Maryland 529 Division – 12
- MD529 Contractual Ambassadors- 12



Lady Maryland, Annapolis

BUDGET & ACCOUNTING DIVISION

BUDGET & ACCOUNTING DIVISION

provides daily fiscal support to the operational needs of the State Treasurer's Office through the execution of essential accounting and fiscal administrative services specific to the State Treasurer Office's mission and in support of its ongoing operations.

The division is responsible for developing and implementing the annual budget for the State Treasurer's Office, which in Fiscal Year 2024 was over \$90 million. The division provides general accounting services for the State Treasurer's Office in the form of fund balance reconciliations, preparation of year-end closing records, maintenance of all financial records, preparation and posting of all office financial transactions, and the development and implementation of all accounting controls and procedures.

Working collaboratively with the Office of Human Resources and Personnel Management, the division processes biweekly payroll. The office retains personnel files within the state's centralized budget software and the Workday payroll system that can be utilized for projections and budget forecasting.

Within the State Treasurer's Office, in Fiscal Year 2024, state debt and sinking fund payments totaled \$1.4 billion and lease payments and agency recoveries of approximately \$16.8 million were processed for the Debt Management Division.

Working with the Insurance Division, the annual State Insurance Trust Fund (SITF) premium calculation was

prepared and all SITF claim payment requests and agency reimbursement requests were processed. On behalf of the Insurance Division, SITF premium recoveries of approximately \$35.1 million and Commercial Premium payments and recoveries totaling \$26.7 million were completed. In addition, the division processed the annual premiums for the Injured Workers' Insurance Fund totaling over \$101 million and related recoveries of these assessments from 183 state agencies and departments.

With assistance from the Treasury Management Division, approximately 3,050 requests for check reissues and agency recoveries from the Undeliverable and Unpresented Check Funds were processed, totaling over \$16.7 million.

This department is also responsible for required statewide filings outlined in the Federal Cash Management Improvement Act of 1990 (CMIA), including the annual Treasury-State Agreement and the CMIA Annual Report. The primary goal of CMIA is to minimize the time between the transfer of funds to the state and the payout of those funds for program purposes specific to federally funded programs carried out by the state. ■



Scenic Railway, Western Maryland



Sideling Hill, Hancock Maryland

OPERATIONS DIVISION

THE OPERATIONS DIVISION is heavily involved in day-to-day state operations and provides guidance to multiple state agencies regularly in numerous areas. The Operations Division is an integral part of the STO and serves as a conduit between STO and other state agencies. Additionally, the division serves as a liaison between the Executive Division and all other divisions of the agency to achieve streamlined business processes and quick resolutions.

Legislative action in the 2023 session brought oversight of the Maryland 529 programs to STO and therefore additional procurement responsibilities. STO Operations has absorbed the responsibilities of Maryland 529 Operations and Procurement and acquired two additional staff members whose primary obligation in Fiscal Year 2024 was to ensure a smooth transition.

STO maintains delegated authority for financial, banking, and insurance related services under the authority of the State Finance and Procurement Article § 12-107. Some of the statewide contracts that fall under STO purview include banking services contracts (i.e. depository services, lockbox, etc.), financial advisors, underwriters, insurance brokerage services, armored courier services, and capital equipment and energy lease agreements. These services are procured by STO for statewide usage or on behalf of other agencies. In addition to the management of all statewide finance and insurance related contracts, Operations also performs all agency procurements from purchase of supplies to procurement of agency specified services. Operations staff represent the Treasurer on several procurement councils and groups to stay apprised of current trends and challenges in the procurement arena.

In Fiscal Year 2024, the Operations Division completed the following procurements statewide or on behalf of other agencies:

- **Master Equipment Lease** – In August 2023, the Operations Division and Debt Management worked collaboratively to procure the second Master Lease Agreement. The lease was awarded to Bank of America Public Capital Corp. with a weighted average of 4.239%.
- **Electronic Purchasing Card** – In September 2023, an

award was made to Conduent State and Local Solutions, Inc. to provide electronic payment card services for the Department of Human Services' Child Support Administration. This service was previously included in the Banking Services procurement for the agency, but due to a deficiency of banks available for these services, STO performed a separate procurement for this service.

- **Aviation and Transit coverage** – In October 2023, the office awarded a contract to Willis, Towers, Watson, Southeast, Inc. to market, manage, and service insurance policies for aviation and transit coverages.
- **Lockbox Services** – In April 2024, the Operations Division awarded a statewide contract for Lockbox Services to Santander Bank. This contract is for use by all agencies that require such services. Currently there are just over 50 statewide lockboxes.
- **Farmers Market Nutrition & Senior Programs** – In April 2024, STO's Operations Division performed a procurement for Banking Services for the Department of Agriculture, Farmers Market Nutrition and Senior Programs. This was the first electronic payment processing procurement for these services. The contract was awarded to Healthy Together.
- **Inland Marine & Ocean Marine coverage** – In May 2024, STO Operations awarded a contract for Broker Services for Inland Marine & Ocean Marine coverage to Willis, Towers, Watson, Southeast, Inc.

Along with the statewide procurements, the division also procured the following for specific agency needs: Major Information Technology Development Project (MITDP) Contract with A&T Systems to complete the Microsoft Dynamics Enterprise 365 Implementation and IT Support project which was approved by the Board of Public Works in September 2023; a website development expert; check paper; and numerous small procurements, renewals, and modifications for existing contracts.

In October 2023, the Operations Division secured a five-year lease with Xerox through a National Association of State Procurement Officials (NASPO) agreement for an industrial check printer to replace the previous Canon printer that had been purchased in Fiscal Year 2016 and was

OPERATIONS DIVISION continued from page 13

outside of its useful life. This printer is used to print child support, Eligibility and Enrollment vendor checks, retirement remittance advices, as well as miscellaneous checks for various special projects.

Additionally, this division is responsible for submitting monthly, quarterly, and annual reports such as the Procurement Agency Activity Report (PAAR) and the Minority Business Enterprise Report (MBE). Over the past several years, policies and procedures related to MBE, Small Business Reserve (SBR), and Veteran-Owned Small Business Enterprise (VSBE) programs have been promulgated to ensure agency compliance with the governor's initiatives. Many of these policies require agencies to establish goals and submit additional reporting. Throughout this fiscal year, the division performed regular outreach to MBE, SBR and VSBE businesses to engage with and generate interest in

doing business with our state. For the second year in a row, the office was successful in increasing both MBE and SBR participation in FY23 over FY24. The office remains focused on improving participation levels and the division will continue to focus on outreach in future years.

Lastly, the division provides centralized support for a multitude of other tasks for the agency such as travel coordination, building and safety management, fleet management, records retention, mail distribution, mobile telecommunications, and management of maintenance contracts. The division also orders and tracks office supplies and equipment to ensure cost effective purchasing and close inventory control. ■

TREASURY MANAGEMENT DIVISION

THE TREASURY MANAGEMENT DIVISION

is comprised of the Banking Services Department and the Investment Department. Collectively, the division is responsible for managing all banking needs of the state regarding the deposit and disbursement of state funds and managing daily cash flow needs to ensure sufficient funds are available to cover state disbursements while ensuring unexpended funds are appropriately invested.

BANKING SERVICES DEPARTMENT

Article VI, Section 3 of the State Constitution and Titles 6 and 7 of the State Finance and Procurement Article of the Annotated Code of Maryland outline the Treasurer's authority as the constitutional officer responsible for the deposit and disbursement of state funds.

The overall mission of the Banking Services Department (BSD) is to provide efficient, accurate, and timely banking services and information to all state agencies and external customers. This is achieved by managing and controlling relationships with financial vendors providing the primary banking services for the State of Maryland. The BSD further attempts to anticipate agency banking and financial requirements and provide timely responses to agency requests.

BSD is directly responsible for procuring and managing the banking and financial services needed for all agencies of the State of Maryland. This includes:

- Agency-specific depository accounts. Individual depository accounts are maintained for all state agencies, and balances are consolidated at the end of each day into the state's main

depository account. This allows for accurate agency-level transaction reporting with automatic concentration of funds for cash management effectiveness;

- Disbursement accounts. Disbursement accounts are maintained for vendor payments, payroll, and income tax refunds;
- Lockbox account services;
- Merchant account services (credit, debit and payment card receipts);
- Agency working fund, trust, and escrow accounts, and
- All other agency banking and financial needs.

Two primary responsibilities of the BSD are the accurate and timely recordation of state funds and the reconciliation of the state's bank accounts to the state's R*STARS general ledger accounting system. The department must account for the receipt of all warranted deposits and the disbursement of all warranted payments. To meet these responsibilities, the department performs a comprehensive daily cash reconciliation, which allows the Treasurer's Office to be proactive in identifying and solving agency banking issues. Even as the volume of transactions has increased, the processes and controls developed by BSD continue to result in a timely, accurate, and completely documented reconciliation of the state's cash accounts. Maintaining pace with changes in the banking and financial environment also necessitates continual refinement of the reconciliation processes and ensures maximum efficiency in the balancing of bank information to the R*STARS accounting system. The state's bank accounts are reconciled daily to the state's general ledger. Once again, there were no unreconciled differences.

On behalf of state agencies, the BSD performs daily functions that are critical to the movement of funds in and out of the

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Pileated Woodpecker, Maryland



The Washington Monument, Middletown, Maryland

TREASURY MANAGEMENT DIVISION continued from page 14

state's bank accounts and to the accurate recordation of these transactions in R*STARS. These include:

- Processing the drawdown of funds from federal grants and programs;
- Initiating Fed Wire payments;
- Managing foreign currency transactions;
- Processing check stop payments, cancellations, and reissues, as well as requests for photocopies of paid checks;
- Initiating replacement checks for failed ACH payments;
- Providing transaction research assistance to state agencies;
- Managing the Unpresented Check Fund and the Undeliverable Check Fund;
- Reconciliation of all agency cash deposits between the bank and R*STARS;
- Recordation in R*STARS of all bank adjustments and corrections, and
- Maintenance of tables to allow for accurate posting of all electronic receipts.

Section 6-209 of the State Finance and Procurement Article of the Annotated Code of Maryland requires that state money on deposit with financial institutions must have collateral pledged to the state that equals or exceeds the amount on deposit not covered by the Federal Deposit Insurance Corporation. The collateral must be held by a third-party custodian and be of the types enumerated in Section 6-202 of the State Finance and Procurement Article. The BSD monitors collateral for over 830 depository, disbursement, and registered agency working fund accounts. The department also has oversight for state trust and escrow accounts. Account balances and collateral data are submitted monthly by financial institutions and collateral custodians and is cross checked to account information maintained in the Treasurer's Bank Account Information System (TBAIS). The data are analyzed to ensure that the pledged collateral is sufficient to cover the applicable bank balances. If the collateral is insufficient, the financial institution is required to increase the collateral pledged. The collateral reported by the financial institution is also compared to the collateral reported by the independent third-party custodian to ensure accuracy. The collateral balance held for all state bank accounts on June 30, 2024, was \$1,099,475,974.

The BSD serves as the state's authority for the development, control, and maintenance of statewide policies and procedures for banking products and services. The department continually strives to stay at the forefront of

changes in banking products and services offered in the financial industry. The department continues to explore new financial products and improved data delivery methods that will increase its ability to provide efficient cost-saving banking services to Maryland state agencies. One example of this is the Statewide Alternative Banking Services RFP which was solicited in Fiscal Year 2024. This contract will provide a broad range of services to meet the growing banking needs of the state's agencies. In addition, the department continuously monitors the financial health and safety of all financial services providers. BSD strives to enhance its ability to respond in the event a change in banks is required by market conditions or the procurement process. The department must anticipate future banking service evolution and the growing diverse needs of the state while containing costs of complex banking transactions.

BSD actively works with agencies to develop and strengthen their internal financial and accounting processes, procedures, and controls. The BSD continually strives to streamline and improve processes and productivity, reduce costs, and mitigate risk for all state financial transactions.

INVESTMENT DEPARTMENT

The Investment Department of the State Treasurer's Office continued to invest in accordance with established laws, policies, and procedures throughout FY 2024. Section 6-222 of the State Finance and Procurement Article governs the investment of the state's unexpended or surplus money. A new investment policy was introduced, passed, and signed into law in the 2024 Legislative Session. The policy was last updated in 2006 when the portfolio was significantly smaller and needed modernization to accommodate the growth and changes in the markets. Overall, the new policy provides additional guidance for investments for both state and local government entities.

The Investment Department of the State Treasurer's Office primarily invests the cash balances that are temporarily idle between the time revenue is collected and the time budgeted amounts are disbursed. The department is also responsible for several longer-term investment activities associated with the purchase of 20-year development easements on agricultural land and the payment of lottery prizes. The department manages the investment of General Obligation Bonds proceeds and directs the short- and long-term investments of several trustee accounts under state agency

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TREASURY MANAGEMENT DIVISION continued from page 16

revenue bond indentures. In addition, the department manages sinking funds for various projects the state has committed to and pays over a lengthy period of time.

The State Treasurer's Office is primarily focused on the safety and short-term liquidity of investments to support the needs of the state. Higher short-term interest rates in Fiscal Year 2024 based upon the strength in the US economy and higher inflation provided investments that offered higher returns and were well suited to support the state's primary investment focus. Markets are not always straightforward but during FY 2024 the high short end rates throughout the period did prove beneficial overall to the returns. The State Treasurer's Office maintained a short duration maturity profile riding the higher short-term rates with an occasional purchase slightly further out the maturity spectrum to offset some past low-income securities in the portfolio.

The Investment Department is not responsible for the investment and management of all funds for all agencies, as other state agencies are responsible for specific funds. For example, the Maryland State Retirement & Pension System (MSRPS), the Maryland Automobile Insurance Fund (MAIF), the Injured Workers Insurance Fund (IWIF), and certain endowment funds at public colleges and universities are managed independently.

Interest earnings on investments under the stewardship of the State Treasurer accrue to the General Fund unless state law or regulation directs that the interest should accrue to a specific fund. During the 1990 session, the General Assembly enacted legislation, sponsored by the Treasurer's Office, to allow all operating funds invested by the Treasurer to be invested in a common pool. Interest earned from this pool is allocated to the various state agencies and to the General Fund on a pro-rata basis. This legislation was updated during the 2010 session in recognition of the fact that many of the individual funds were already receiving support from the General Fund.

The state's investment policy highlights all legal investments including the percentage of allowable investments and minimum credit standards. The state's investment portfolio is posted on the Treasurer's website shortly after the closing of the preceding month. All securities in the fund are listed and returns on the fund are available in both a graphic and tabular forms.

All investments are procured through approved brokerage firms. To be approved, a firm (1) must be a primary dealer reporting to the Federal Reserve or a registered member of the New York Stock Exchange, or (2) file financial statements exhibiting financial resources considered adequate by the Investment Department and approved by the Treasurer, (3) provide competitive bids to the Investment Department as requested, (4) must be reviewed annually if approved to insure financial data and their ongoing business relevance to the state's operations. Additionally, the state has added and will continue to pursue engagement with the MBWE community that continues the state's need for safety and security of the fund.

The Treasurer's policy is to make sure that local, regional, and minority firms have an opportunity to bid on a portion of the state's investable funds. This is a highly competitive process. The fiduciary responsibility to Maryland residents requires scrupulously seeking the best prices for all investments. Inclusion on the list of approved broker dealers grants the privilege of submitting bids and offers but does not guarantee a transaction.

The state's portfolio held steady throughout Fiscal Year 2024 from a combination of generally prudent spending, higher than anticipated revenues and solid investment returns based on the higher interest rates. Fiscal year 2024 started with the General Fund's portfolio at approximately \$20.750 billion and ended the year at approximately \$20.867 billion, showing little change year over year. The return on the portfolio was approximately 4.37%. The three-month Treasury Bill over that time averaged approximately 5.41%. As highlighted, the overall return in the portfolio was handicapped due to extremely low coupon securities that had been purchased several years ago but were still active. As longer rates became more volatile throughout the year the capital value of the securities jumped around (when rates increase bond prices decline) and could have produced a significant short-term loss of value if forced to sell. The securities present no credit risk as they are highly rated AAA US Treasury and agency securities and will return their full value at maturity but did reduce the performance of the portfolio.

The investment portfolio is designed to meet the cash flow needs of the state so that funds are available to cover disbursements. For a complete list of the June 30, 2024, investment portfolio, please see appendix A.

On June 30, 2024, the total of all portfolios under the

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TREASURY MANAGEMENT DIVISION continued from page 17

active management of the State Treasurer's Office was \$20,941,103,819. The General Fund portfolio was \$20,867,288,083.

PORTFOLIO BALANCES

Fiscal Year	General Fund	Total Portfolio
2014	\$ 5,196,101,472	\$ 5,630,056,930
2015	\$ 5,930,355,096	\$ 6,342,494,086
2016	\$ 6,808,765,345	\$ 7,525,279,855
2017	\$ 6,219,709,820	\$ 6,542,842,871
2018	\$ 6,791,343,280	\$ 7,157,098,873
2019	\$ 8,404,280,100	\$ 8,742,823,303
2020	\$ 6,515,168,590	\$ 6,909,212,409
2021	\$12,258,375,417	\$12,811,493,029
2022	\$17,886,143,493	\$19,226,233,423
2023	\$20,752,046,898	\$22,033,740,757
2024	\$20,867,288,083	\$20,941,103,819

The average rate of return on the General Fund was approximately 4.37%. The State Treasurer's investment program could not keep pace with the three-month Constant Maturity Treasury Bill benchmark, which averaged 5.41% for the same time period. This is primarily attributed to maintaining a high degree of liquid front-end assets offset by legacy longer maturity securities.

AVERAGE ANNUAL INTEREST RATES

Fiscal Year	General Fund	3 Month Treasury Bill Rate
2014	1.03%	0.04%
2015	1.03%	0.02%
2016	1.04%	0.18%
2017	1.47%	0.56%
2018	1.56%	1.42%
2019	1.82%	2.29%
2020	1.43%	1.22%
2021	0.29%	0.06%
2022	0.50%	0.36%
2023	4.71%	4.15%
2024	4.37%	5.41%

T Bill FY 24 Range 5.302% To 5.511%

TOTAL INTEREST EARNED

Fiscal Year	Net General Fund*	Allocated to State Agencies	Total	% Allocated to State Agencies
2014	\$19,232,799.33	\$52,602,770.79	\$71,835,570.12	73%
2015	\$ 7,127,482.88	\$55,460,767.19	\$62,588,250.07	89%
2016	\$15,915,627.41	\$60,075,482.99	\$75,991,110.40	79%
2017	\$ 3,351,825.70	\$84,108,491.92	\$87,460,317.62	96%
2018	\$20,963,584.77	\$94,860,659.60	\$115,824,244.37	82%
2019	\$34,438,222.00	\$116,577,195.00	\$151,015,417.00	77%
2020	\$35,634,539.82	\$96,214,619.04	\$131,849,158.86	73%
2021	\$10,912,718.92	\$18,608,563.57	\$29,521,282.49	63%
2022	\$36,353,279.46	\$34,359,271.67	\$70,712,551.13	49%
2023	\$251,709,239.00	\$361,330,338.00	\$613,039,577.00	59%
2024	\$370,396,729.24	\$526,749,509.06	\$897,146,238.30	59%

LOCAL GOVERNMENT INVESTMENT POOL

The Maryland General Assembly created the Maryland Local Government Investment Pool (MLGIP) with the passage of Article 95 section 22G of the Annotated Code of Maryland and defined by Title 17, subtitle 3 of the Local Government Article of the Maryland Annotated Code. The law assigns to the State Treasurer's Office the responsibility for administering the pool; however, the actual management of the pool has been contracted out to The PNC Financial Services Group, Inc. The MLGIP is annually audited by RSM US.

The Treasurer has encouraged local governments and eligible authorities to participate in the pool, a Standard and Poor's "AAAm" rated money market account. At the end of Fiscal Year 2024, there were 275 participants. The fund balance as of June 30, 2024, was \$9,559,781,492. The actual yield for Fiscal Year 2024 was an average of 5.51%, which was just higher than the S&P LGIP Index benchmark of 5.33%. The overall size of the fund was approximately flat up 0.25%, which likely reflects agencies taking advantage of the higher rates and static outflows.

To ensure that the pool is responsive to the needs of the participants, the Treasurer created an advisory board consisting of representatives of the pool's members. The board meets semi-annually, reviews the fund's activities, and makes recommendations to the pool's administrator. The pool administrator produces a quarterly newsletter to keep participants informed about the MLGIP. This newsletter acts

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Gilpin's Falls Covered Bridge, Cecil County

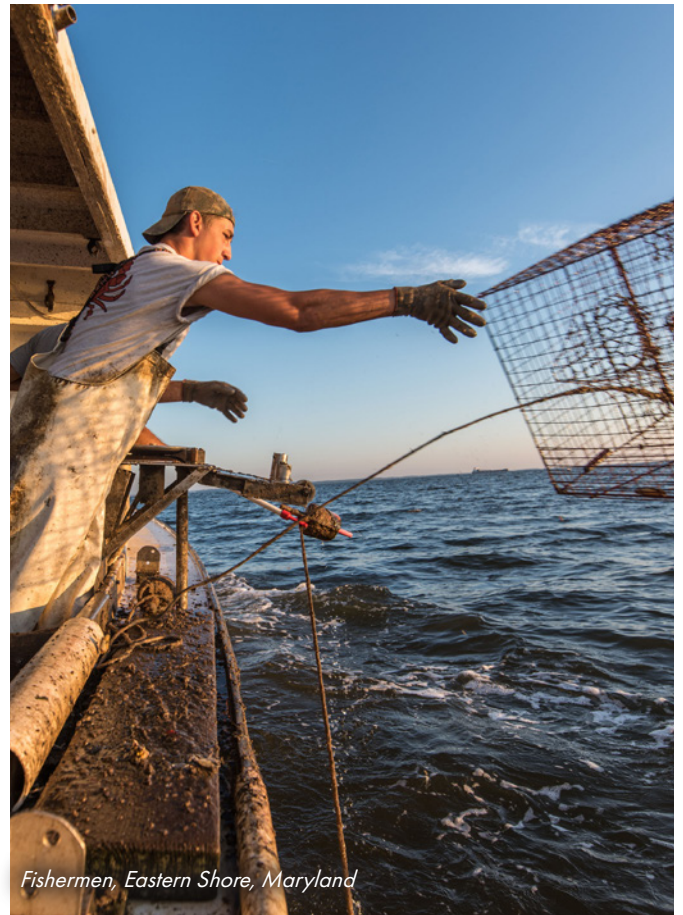
TREASURY MANAGEMENT DIVISION continued from page 18

as an effective marketing tool for potential participants and a valuable update for members. In addition, the STO works closely with the managers of the fund to ensure all pertinent investment policies are followed and has been instrumental in making significant upgrades to the fund's website. ■

LOCAL GOVERNMENT INVESTMENT POOL FUND BALANCE

Fiscal Year	Fund Balance as of June 30	Number of Participants	Actual Yield Prev. 12 Months	\$ Inc (Dec) Prev. Year
2014	\$3,127,026,184	302	0.05%	9.76%
2015	\$3,424,585,598	302	0.05%	9.52%
2016	\$3,779,521,886	303	0.22%	10.36%
2017	\$3,727,516,877	305	0.56%	-1.38%
2018	\$5,251,410,838	305	1.34%	29.02%
2019	\$6,050,482,835	305	2.27%	15.22%
2020	\$8,924,858,860	305	1.49%	47.51%
2021	\$9,722,107,828	305	0.09%	11.19%
2022	\$9,665,212,221	275	0.27%	-0.57%
2023	\$9,535,581,163	275*	3.803%	-1.35%
2024	\$9,559,781,492	275*	5.510%	0.25%

*Number of distinct entities - some have multiple accounts



Fishermen, Eastern Shore, Maryland

DEBT MANAGEMENT DIVISION

AS A MEMBER OF THE BOARD OF PUBLIC WORKS, the Treasurer has the lead role in the board's activity relating to the issuance and oversight of state debt. Under Article VI, Section 3, of the Maryland Constitution, the Treasurer is responsible for arranging for the payment of principal and interest on state debt.

GENERAL OBLIGATION BONDS

The state finances state-owned capital improvements, such as public schools and state buildings, and various state capital grants to local governments and private non-profit organizations through the issuance of general obligation debt. Projects funded include, but are not limited to local public schools, water treatment facilities, museums, rehabilitation of historic structures, and private treatment centers for the developmentally and physically disabled.

General obligation debt is backed by a pledge of full faith and credit of the state. Moody's Investors Service, Inc. (Aaa), Standard and Poor's (AAA), and Fitch Ratings, Inc. (AAA) have all assigned their highest credit rating, Triple-A, to the state's general obligation bonds. Maryland is one of only 15 states in the nation to hold a Triple-A credit rating from all three major credit rating agencies, attributable to Maryland's strong fiscal management, stable economy, and strong liquidity during Fiscal Year 2024. With the most recent general obligation bond issuance in June 2024, Moody's Investors Service, Inc. did assign the state a negative outlook for the first time since 2011, largely attributable to structural imbalances projected in the state's out-year forecast.

The Treasurer recommends the size, timing, and terms of sale for the general obligation bonds. This entails periodic analysis

and surveys to determine the monthly cash balances of bond proceeds and project anticipated cash needs of state agencies and grantees for authorized capital projects. In recent years, the state has held sales once or twice a year, although if there are time-sensitive needs or opportune market conditions, the state may issue more frequently. The Debt Management Division, in conjunction with the state's financial advisor, the Treasurer's principal counsel, and the state's bond counsel, coordinates the sale and all related activities. This includes acting as a liaison with the bond rating agencies, preparing and publishing statutorily required notices and advertisements, and preparing and distributing official statements. The preparation of official statements is primarily performed in-house, resulting in substantial savings to the state.

The State Treasurer's Office (STO) monitors market conditions and arranges the details of the sale including the selection of the method of sale. In competitive sales, which are done at a Board of Public Works (BPW) meeting, bids are transmitted electronically by underwriting syndicates and verified by STO, with the winning bid ratified at the meeting.

In negotiated sales, underwriters, who are selected in a competitive procurement process, negotiate bond prices with the office. Final pricing is incorporated in the Bond Purchase Agreement which must also be approved at a BPW meeting. Finally, STO supervises all activities of post-sale settlement, the investment of the bond proceeds, compliance with Internal Revenue Service requirements for tax-exempt bonds, continuing disclosure, and payment of debt service.

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DEBT MANAGEMENT DIVISION *continued from page 20*

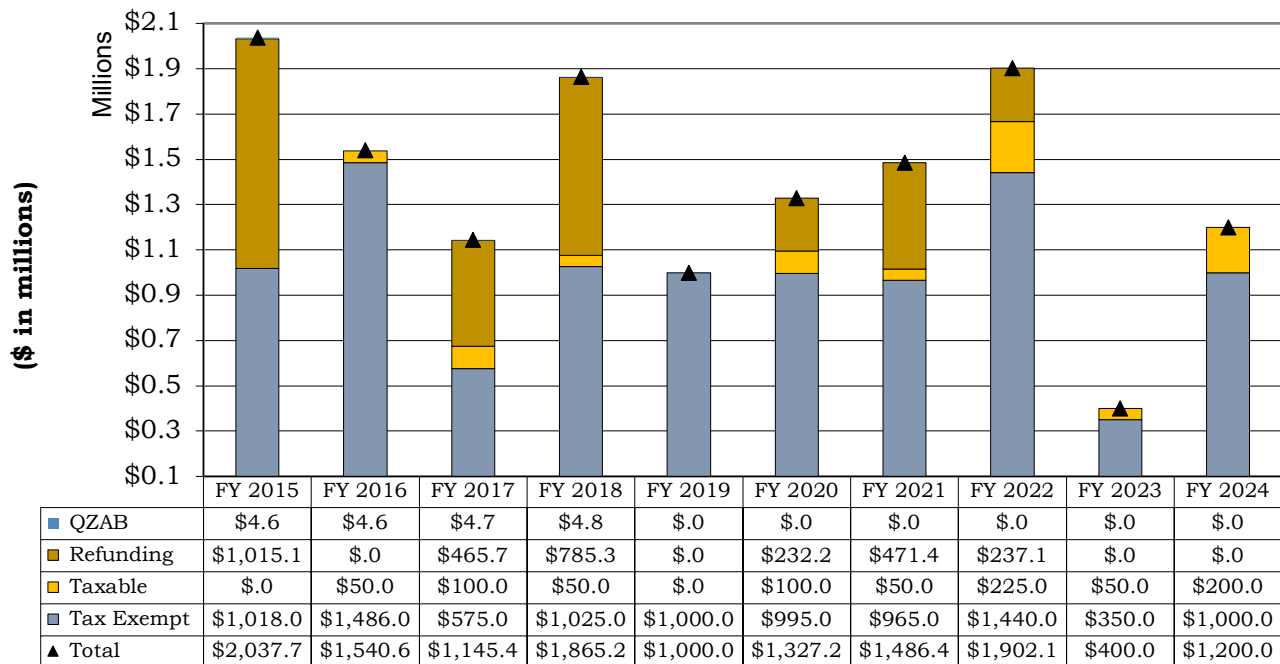
In Fiscal Year 2024, there was one public general obligation bond sale totaling \$1.2 billion. Overall market conditions continued to be favorable for high quality and highly rated

bonds like Maryland general obligation bonds. The following table summarizes debt issued by the state during fiscal year 2024.

SUMMARY OF FISCAL YEAR 2024 GENERAL OBLIGATION BOND ISSUES (\$ IN MILLIONS)

Series	Dates of Sales	Tax-Exempt Competitive	Tax-Exempt Negotiated	Taxable Competitive	Tax-Exempt Forward Refunding	Overall TIC
2024 First Series	06/05/24	\$1,000.0		\$200.0		3.375%

The history of general obligation bond issuance and debt service for the last 10 years is depicted in the charts below. Issuances were significantly lower in Fiscal Year 2023 to better match cash flow demands for capital projects, as the state's commitment of historically high cash balances to funding capital projects combined with slower capital expenditures attributable to supply chain issues reduced the immediate need to issue general obligation debt to support the overall capital program.

STATE OF MARYLAND GENERAL OBLIGATION BONDS DEBT SERVICE FISCAL YEARS 2015-2024

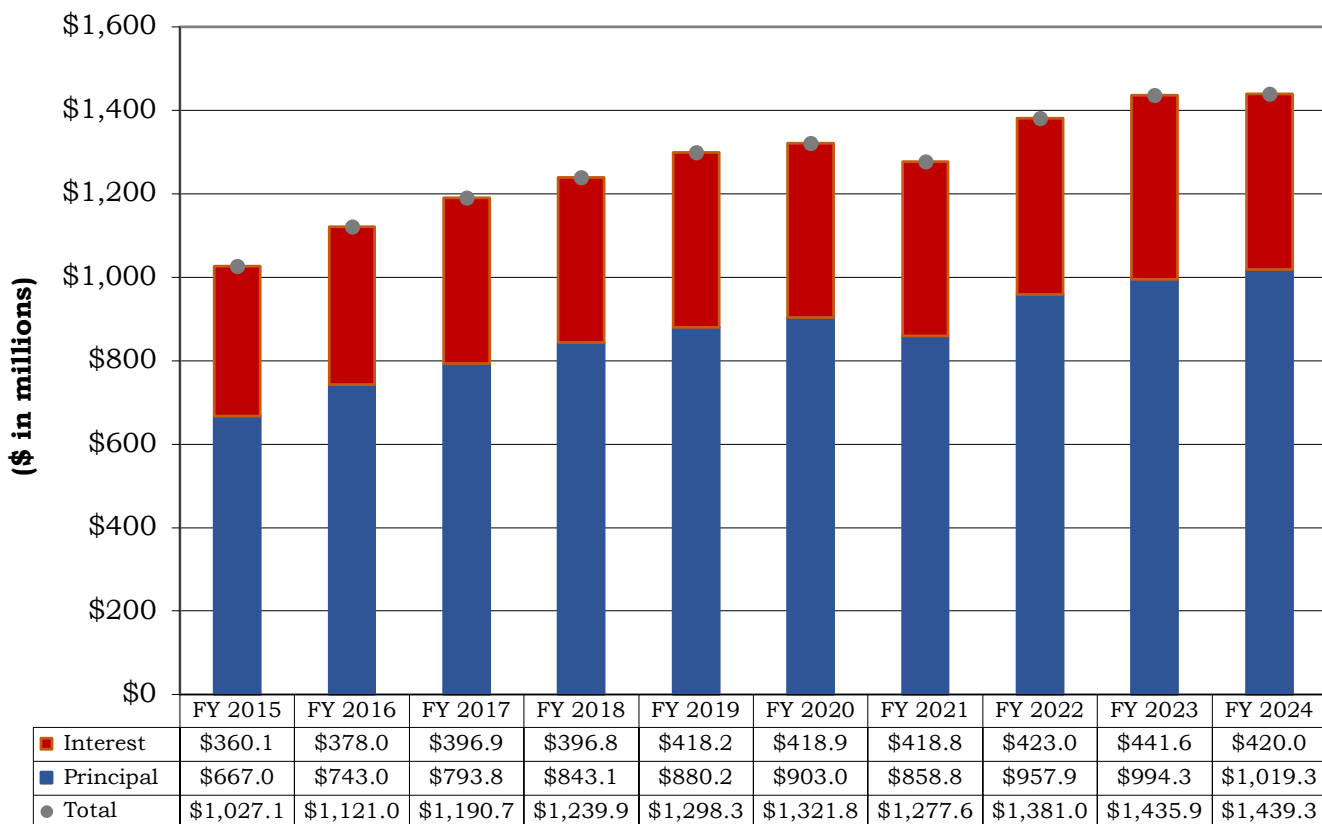
Note: Principal also includes sinking fund payments on QZAB bonds

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DEBT MANAGEMENT DIVISION *continued from page 21*

STATE OF MARYLAND ISSUANCES OF GENERAL OBLIGATION BONDS FISCAL YEARS 2015-2024



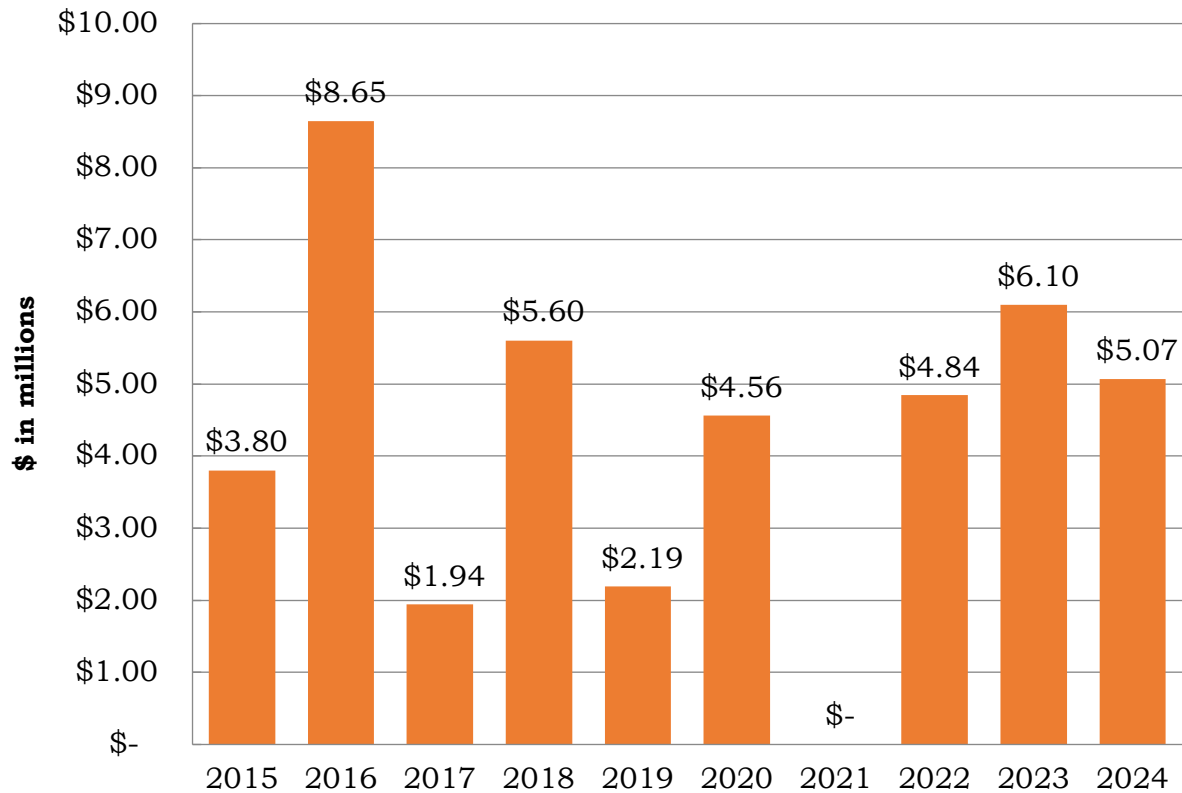
Note: Debt Service also includes sinking fund payments on QZAB bonds

CAPITAL EQUIPMENT LEASES

The STO finances capital equipment for state agencies and higher education institutions through the administration of the Capital Equipment Lease-Purchase Program. Eligible state entities initiate requests for lease funding of certain assets usually for a term of either three or five years. Beginning in Fiscal Year 2022 STO procured a master lessor, which will be reprocured biannually in accordance with the

approval of funds from the Legislative Policy Committee. This affords state agencies the ability to receive lease funding more promptly with more interest rate consistency. Leases are paid semi-annually from funds transferred to STO from the respective state entities that have financed assets through the lease program.

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DEBT MANAGEMENT DIVISION *continued from page 22***EQUIPMENT LEASE - PURCHASE FINANCING HISTORY: FISCAL YEARS 2015-2024**

During Fiscal Year 2024 state agencies financed \$5.1 million of equipment under a lease-purchase agreement. Details on the Capital Lease-Purchase Program, including the history of the program for the last 10 years, are depicted in the charts above.

ENERGY PERFORMANCE LEASES

Energy efficiency projects for state agencies and higher education institutions are financed by STO through the Energy Performance Lease-Purchase Program. Leases are generally structured for terms of 13, 14, or 15 years, and the savings generated by the projects are used to

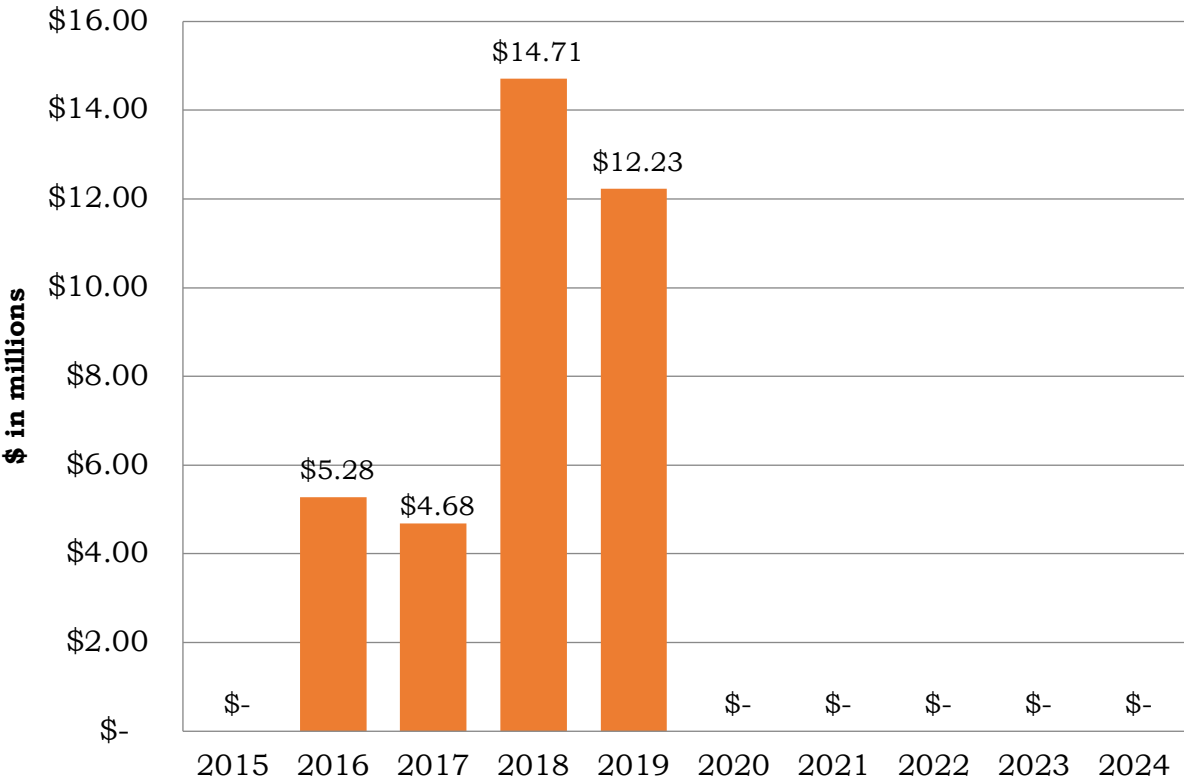
fund the lease payments. Chapter 247 of 2022 enables these energy performance projects to extend their financing terms up to 30 years. Lessors are procured by STO and paid semi-annually from funds transferred at the beginning of each fiscal year from the applicable agencies.

During Fiscal Year 2024, there were no energy leases financed. The history of the Energy Performance Lease-Purchase Program for the last ten years is depicted in the following chart. ■

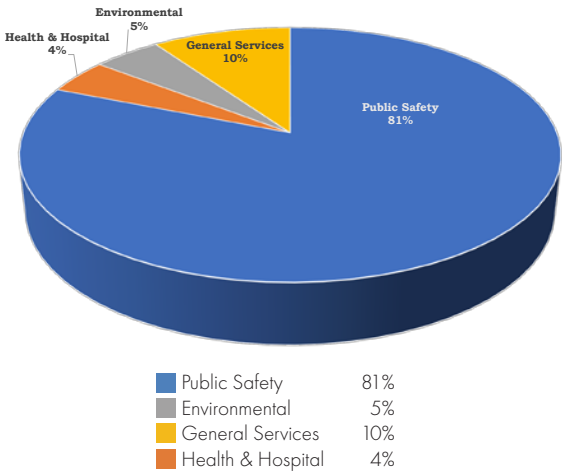
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DEBT MANAGEMENT DIVISION continued from page 23

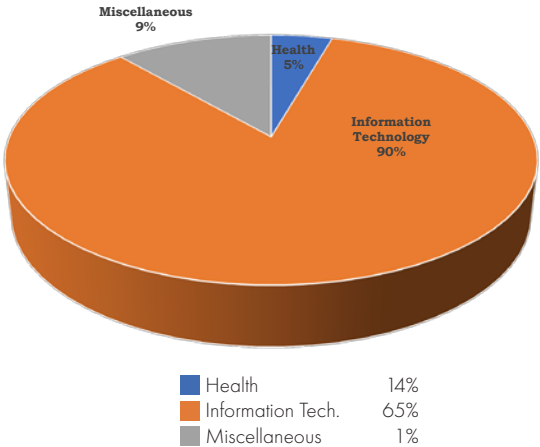
ENERGY PERFORMANCE LEASE – PURCHASE FINANCING HISTORY: FISCAL YEARS 2015 - 2024



GOVERNMENT USE
FISCAL YEAR 2024 EQUIPMENT LEASE
PURCHASE FINANCINGS



EQUIPMENT CLASSIFICATION
FISCAL YEAR 2024 EQUIPMENT LEASE
PURCHASE FINANCINGS



INSURANCE DIVISION

THE INSURANCE DIVISION

is responsible for administering the state's Insurance Program which is comprised of both commercial and self-insurance. Commercial insurance policies are procured to cover catastrophic property and liability losses, and obligations derived from state contracts, statutes and regulations. Among exposures covered by commercial policies are state maintained toll bridges and tunnels, Baltimore Washington International Thurgood Marshall Airport (BWI), Port of Baltimore, Maryland Transit Administration liability, assorted professional liability exposures, and student athlete accident insurance. The commercial policies are listed on the Treasurer's website. The state self-insures a significant portion of its exposures and maintains the State Insurance Trust Fund to pay claims and the costs associated with handling those claims. Self-insurance coverage includes state-owned real and personal property, vehicles, and liability claims covered under the Maryland Tort Claims Act.

The Insurance Division is comprised of four units: Underwriting, Loss Prevention, Claims, which includes Tort Litigation, and Workers Compensation. The division's goal is to provide statewide risk management through loss protection (Underwriting), loss control (Loss Prevention), loss restoration (Claims and Tort Litigation) plus contract administration and advocacy (Workers' Compensation).

UNDERWRITING

The mission of the Underwriting Unit is to manage the insurance needs of the state with self-insurance or through the procurement of commercial insurance. Commercial insurance protects the State Insurance Trust Fund from

catastrophic losses and fulfills certain statutory requirements and agency contractual agreements.

The Underwriting Unit analyzes commercial coverage offerings, prices, limits, and deductibles and then makes recommendations to the Treasurer as to the combination that best protects the State of Maryland's assets. The Underwriting Unit continues to serve as a resource to all state agencies for their insurance questions or concerns.

MEETINGS AND ACTIVITIES

On January 31, 2024, a meeting with Maryland Aviation Administration (MAA), Airport Liability carrier Starr Indemnity, broker WTW, and Insurance Division staff was held at BWI Airport. MAA presented an overview of current and future construction projects, including those to address trip hazards, like walkway joint repairs. MAA's plans for compliance with Federal Aviation Administration SMS Program requirements were also discussed.

On March 26, 2024, the Francis Scott Key Bridge was struck by container vessel MV Dali. The commercial property insurer for the Maryland Transportation Authority, Chubb/ACE American, paid the total policy limit of \$350,000,000 to Maryland Transportation Authority for this loss.

The state's blanket commercial property program renewed April 1, 2024. The annual premium for the program is calculated based on rates charged by commercial underwriters and insured property values. Rates decreased by 1.4% this renewal, a favorable result after years of rate increases. State-owned property values increased by almost 6% compared to last year, including higher appraised historic replacement costs for the State House

and Davidge Hall, recently completed building construction for Towson and Frostburg Universities, and a building acquisition by University of Maryland, College Park.

Additionally, the Underwriting Unit responded to various insurance inquiries, produced certificates of insurance for self-insured and commercial insurance programs, and offered guidance for insurance requirements in contracts and RFPs.

COMMERCIAL INSURANCE PROGRAM

Numerous commercial policies renewed during Fiscal Year 2024 and there were significant changes due to the hardening insurance markets. This impacted overall pricing for some of state's placements. An overview of renewals this year:

- Maryland Transit Administration's (MTA) excess liability program renewed effective July 1, 2023-2024. Excess Limits remained as expiring, \$500M for MARC and \$202.5M for other MTA operations. Self-insured retentions also remained as expiring, \$5M rail and \$10M for bus. The overall pricing increased from \$10,786,668 to \$11,327,679.09. This was an increase of \$541,011.09, or approximately 5% more than the expiring cost.
- MTA's rolling stock floater renewed effective July 1, 2023-2024. Renewal coverage remained with Chubb. The overall pricing decreased from \$985,100 to \$974,058. This was a decrease of \$11,042, about 1.1% less than the expiring cost.
- MTA's bus fleet physical damage program renewed effective July 1, 2023-2024. The overall pricing

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- increased from \$336,154 to \$356,232. This was an increase of \$20,078, or approximately 6% more than the expiring cost.
- Department of Agriculture's farmers' markets general liability policy renewed effective July 1, 2023-2024. The overall pricing decreased from \$4,402 to \$4,171. This was a decrease of \$231, or about 5.2% less than the expiring cost.
 - Departments of Human Services (DHS) and Juvenile Services (DJS) volunteer accident & excess liability program for foster grandparents renewed effective July 1, 2023-2024. The pricing remained the same as expiring, \$534.60.
 - Maryland State Retirement & Pension System crime policy renewed effective July 1, 2023-2026. This policy was transitioned from a one-year term to a three-year term. The overall pricing for three years was \$10,513. The annual cost decreased from \$4,064 to \$3,504.33. This was a decrease of \$559.67, or approximately 13.8% less than the expiring cost.
 - Maryland Judiciary crime policy renewed effective July 1, 2023-2026 on a three-year term, same as expiring. The overall pricing increased from \$10,841 to \$11,917. This was an increase of \$1,076, or approximately 10% more than the expiring cost.
 - Student Athletic Participants Accident basic program covering 10 universities and colleges renewed effective August 1, 2023-2024. The overall pricing increased from \$1,030,749 to \$1,193,974. This was an increase of \$163,225, or approximately 15.8% more than the expiring cost.
 - Baltimore City Community College's Athletic Participants Accident catastrophic program renewed effective August 1, 2023-2024. Overall pricing remained the same as expiring, \$4,967.
 - St. Mary's College of Maryland's Athletic Participants Accident catastrophic program renewed effective August 1, 2023-2024. Overall pricing is the same as expiring, \$800.
 - Maryland Aviation Administration's airport liability insurance renewed effective August 15, 2023-2024. The overall pricing increased from \$1,273,800 to \$1,311,159. This was an increase of \$37,359 or about 2.9% more than the expiring cost.
 - Allied Health professional liability policy covering thirteen participating institutions renewed effective September 1, 2023-2024. The overall pricing increased from \$126,375 to \$136,816. This was an increase of \$10,441, or approximately 8.3% more than the expiring cost.
 - Maryland State Retirement & Pension System fiduciary liability policy renewed effective September 1, 2023-2024. The overall pricing increased from \$262,210.90 to \$268,531.50. This was an increase of \$6,320.60, about 2.4% more than the expiring cost.
 - Blanket Cyber, Network Security & Privacy policies renewed effective September 30, 2023-2024. The overall pricing increased from \$2,442,000 to \$2,497,000. This was an increase of \$55,000, or approximately 2.3% more than the expiring cost.
 - Blanket Boiler & Machinery policy renewed September 30, 2023-2024. The overall pricing increased from \$658,309 to \$710,738. This was an increase of \$52,429 or about 8% more than the expiring cost.
 - University of Maryland, Baltimore and University of Baltimore Professional Liability coverage for law clinics renewed effective October 10, 2023-2024. The overall pricing decreased from \$22,790 to \$22,053. This was a decrease of \$737, approximately -3.2% than the expiring term.
 - Maryland Public Television general liability, umbrella, and Errors & Omissions (E&O) policies renewed effective October 11, 2023-2024 for general liability and Umbrella, and October 11, 2023-2026 for E&O. Errors & Omissions coverage moved to a new carrier, Axis, on a three-year term. The overall pricing increased from \$32,530 to \$33,235. This was an increase of \$705, or approximately 2% more than the expiring term.
 - Blanket Terrorism coverage for state property including bridges and tunnels renewed effective October 13, 2023-2024. The overall pricing increased from \$226,625 to \$271,268.88. This was an increase of \$44,611.88, or 19.7% more than the expiring term.
 - Maryland Transportation Authority Bridges and Tunnels liability insurance renewed effective October 17, 2023-2024. Coverage renewed with General Star, providing continuity after recent transitions in the lead carrier. Total cost increased from \$1,287,067 to \$1,464,560. This was an increase of \$177,493, or approximately 13.8% more than the expiring term.
 - The bond for Legislative Auditor Gregory A. Hook renewed effective November 7, 2023-2024. Total cost remained the same as expiring: \$850.
 - Maryland Port Administration's Cranes property/marine program renewed effective November 25, 2023-2024. There was a 2.4% increase in insured values over expiring. The overall pricing rose from \$89,181 to \$103,342. This was an increase of

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INSURANCE *continued from page 26*

- \$14,161 or approximately 15.9% more than the expiring term.
- The Maryland Transportation Authority crime policy renewed effective December 1, 2023-2024. The overall pricing remained the same as expiring: \$7,305.
 - Maryland Transportation Authority Bridges and Tunnels property program renewed effective December 1, 2023-2024. Values for major structures increased 83.5% over last year due to new valuation methodology. Due to higher values, the deductible increased to \$50M. Total cost for renewal increased from \$4,675,710 to \$6,596,966. This was an increase of \$1,921,256, or 41.1% more than the expiring term.
 - Maryland Fire and Rescue Institute professional and general liability policy renewed effective December 5, 2023-2024. Renewal pricing increased from \$86,732 to \$118,817. This was increase of \$32,085 or approximately 37% more than the expiring term.
 - Deer's Head Center resident trust fund bond renewed effective December 18, 2023-2024. Total cost remained the same as expiring: \$740.
 - Western Maryland Center resident trust fund bond renewed effective December 18, 2023-2024. Total cost remained the same as expiring: \$740.
 - Department of Housing & Community Development's Fannie Mae crime bond did not renew for the 2023-2024 term, as the program was discontinued.
 - Maryland Port Administration's commercial auto coverage renewed effective January 1, 2024-2025. The overall pricing increased from \$92,240 to \$106,631. This was an increase of \$14,391 or approximately 15.6% compared to expiring cost.
 - State-owned vessel Protection and Indemnity (P&I), which is liability coverage, renewed effective January 1, 2024-2025. The overall pricing increased from \$52,659 to \$58,367. This was an increase of \$5,708, or approximately 10.8% more compared to expiring cost.
 - MDH Willow Brook Square Resident Fund Trust Account surety bond renewed effective January 1, 2024-2025. The overall pricing remained the same as last year, \$350.
 - University of Maryland, Global Campus's tuition bond for the State of Washington renewed effective January 1, 2024-2025. The overall pricing remained the same as last year, \$625.
 - The University of Maryland's Customs Bond renewed effective January 3, 2024-2025. The overall pricing remained the same as last year, \$650.
 - Maryland Port Administration's liability and terrorism coverages renewed effective January 31, 2024-2025. The overall pricing increased from \$598,530 to \$648,509. This was an increase of \$49,979 or approximately 8.4% compared to expiring cost.
 - Maryland Institute for Emergency Medical Services Systems' General Liability policy renewed effective February 18, 2024-2025. The overall pricing increased from \$3,950 to \$4,000. This was an increase of \$50, or approximately 1.3% compared to expiring cost.
 - Maryland Department of Housing & Community Development's crime policy renewed effective March 1, 2024-2025. The overall pricing remained the same as last year, \$19,250.
 - Blanket Fine Art on Loan policy renewed effective March 1, 2024-2025. The policy limit remained \$15M. The overall pricing decreased from \$18,394 to \$18,102. This was a decrease of \$292, or approximately 1.6% less compared to expiring cost.
 - University of Maryland, Global Campus's tuition bond for the State of Colorado renewed effective March 1, 2024-2025. The overall pricing remained the same as expiring, \$930.
 - Maryland Transit Administration's Crime policy renewed effective March 10, 2024-2025. The overall pricing decreased from \$17,749 to \$17,592. This was a decrease of \$157, or approximately 0.9% compared to expiring cost.
 - Maryland Department of Agriculture's Special Event policy for the Boston Seafood Festival was issued effective March 10, 2024 – March 13, 2024. The overall pricing remained the same as last year, \$676.
 - Maryland DHS and Maryland DJS Foster Parent General Liability coverage renewed March 15, 2024-2025. The overall pricing increased from \$290,615 to \$341,410. This was an increase of \$50,795 or approximately 17.5% compared to expiring cost.
 - Blanket Excess Property policy renewed effective April 1, 2024-2025. The overall pricing increased from \$17,961,804 to \$18,772,047.05. This was an overall increase of \$810,243.05, or approximately 4.5% compared to expiring cost.
 - Maryland 529 Crime policy renewed effective April 1, 2024-2025. This year's renewal contemplated Maryland 529's new exposure as part of the State Treasurer's Office. The overall pricing increased from \$2,103 to \$3,047. This was an increase of \$944, or approximately 44.9% compared to expiring cost.
 - Maryland Department of Commerce

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INSURANCE continued from page 27

Foreign Liability policy renewed effective May 1, 2024-2025. The overall pricing remained the same as last year at \$3,500.

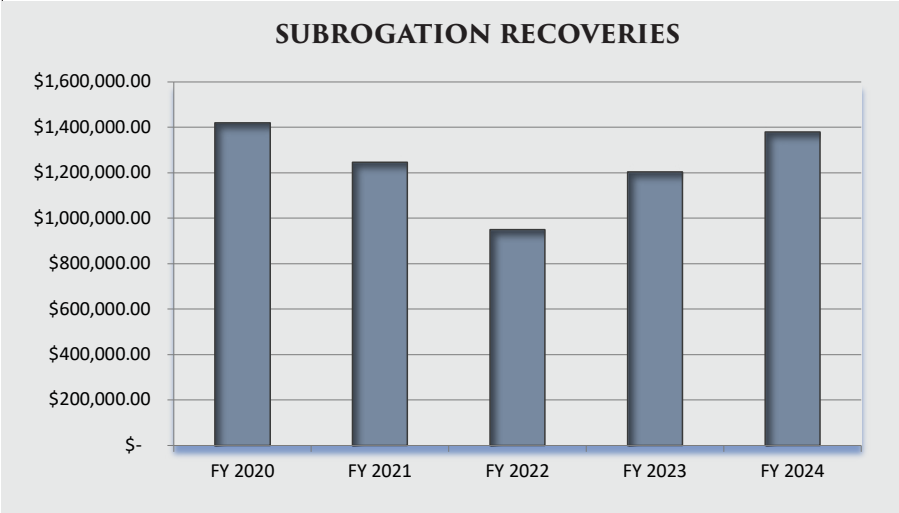
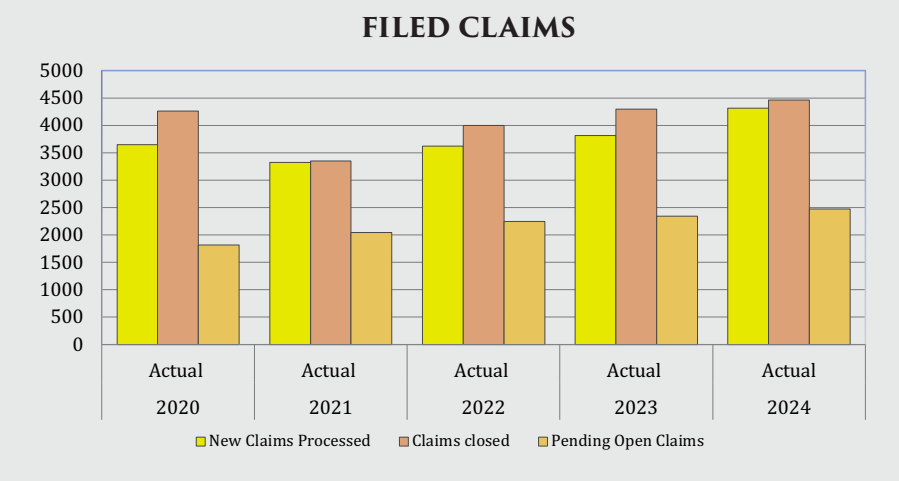
- Blanket Aviation Hull & Liability policy for state-owned and leased aircraft renewed effective June 30, 2024-2025. There were four new aircraft added over the prior policy year. The overall pricing increased from \$1,476,411 to \$1,650,955. This was an increase of \$174,544, or approximately 11.8% compared to expiring cost.

CLAIMS

The Insurance Division’s Claims Unit investigates and resolves liability claims filed under the Maryland Tort Claims Act, MD State Gov’t Code Ann. Section 12-101 et seq. The Claims Unit also handles any claims for damage to state-owned property arising from collision and comprehensive losses to autos, and other perils such as fire, hail, lightning, and wind, which may cause damage to state structures, equipment, and contents.

The open and closed claims are tracked to gauge activity, inventory and to identify any trends. From July 1, 2023, through June 30, 2024, there were 4,309 claims opened and 4,463 claims closed.

In addition to adjusting claims filed under the Maryland Tort Claims Act, the unit is also charged with recovering the cost of damage to state automobiles and property caused by others. This subrogation recovery process helps to offset State Insurance Trust Fund liabilities and positively affects the fund’s solvency. Since 2007, the Claims Unit has renewed its focused on increasing subrogation recoveries by designating specific claims personnel to pursue these debts.



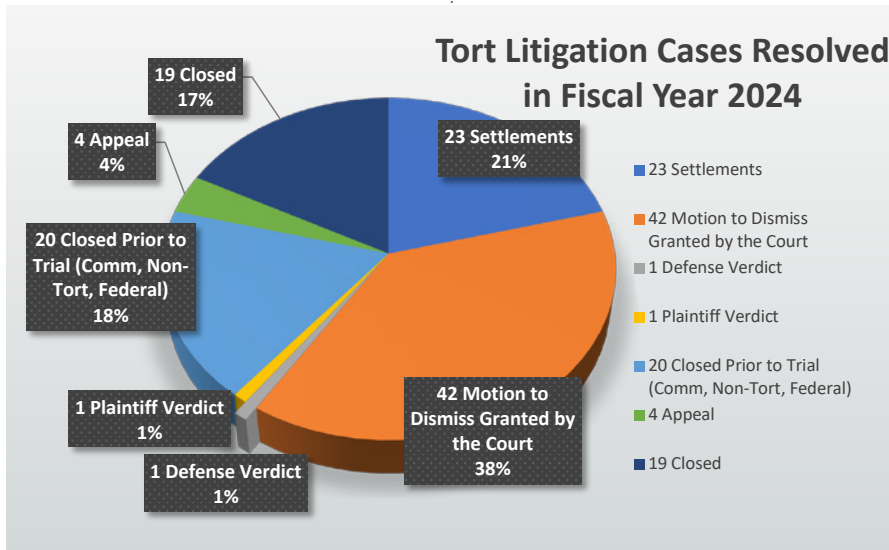
Year-to-date subrogation recoveries for Fiscal Year 2024 total \$1,379,267.53, which exceeded the yearly targeted goal of \$1 million. The total subrogation recovery for Fiscal Year 2023 was \$1,203,430.58. This is a continued area of focus and is a priority within the Claims Unit.

TORT LITIGATION

The Litigation Specialist works closely with the Office of the Attorney General to proactively resolve cases in litigation. The Litigation Specialist investigates, evaluates, and extends settlement authority to the Assistant Attorneys General on behalf of the Treasurer. In

cases valued over \$200,000, effective October 1, 2015, the Litigation Specialist briefs the Insurance Review Committee, which is comprised of the Chief Deputy Treasurer, the Supervising Tort Attorney, and other stakeholders. The Litigation Specialist also attends settlement conferences and other court-mandated activities and provides updates on the status of litigation in certain claims of interest. The Litigation Specialist provides feedback during the discovery process to help improve the adjusters’ investigative skills and develop strategies for future claims handling.

INSURANCE continued from page 28



The Tort Unit handles a rolling docket of approximately 125 to 170 open litigation claim files. The Litigation Specialist actively monitors trial verdicts and appeals, to assess the potential impact on the State Insurance Trust Fund. Additionally, the Litigation Specialist also analyzes the data to track the litigation outcomes.

In Fiscal Year 2024, 123 new suits were received by the Tort Litigation Unit. 110 cases on the rolling docket of open litigation claim files were resolved; 42 were dismissed; 23 cases were settled; 20 closed before trial; 19 closed; one resulted in a plaintiff's verdict (unfavorable to the state), one resulted in a defendant's verdict (favorable to the state), and four closed following an appeal in the state's favor.

To more accurately reflect costs associated with the defense of a case, tracking of expenses and litigation costs was initiated. In Fiscal Year 2024, \$90,218.29 was paid in litigation expenses; total settlement payments were \$1,094,088.25, for a total of \$1,274,524.83. The average litigation cost per case in Fiscal Year 2024 was

\$11,586.59. The overall costs represent a decrease of \$3,490,502.03 from Fiscal Year 2023 when the total costs were \$4,765,026.86. The Litigation Specialist will continue to monitor these costs to effectively manage and mitigate total litigation expenses and payments.

LOSS PREVENTION

The primary goal of the unit is to assist in the preservation of state-owned assets, including buildings, computers, machinery, and specialized equipment. Agency wide communications for weather threats, proactive site pre-inspections, and monitoring compliance with carrier recommendations are tools utilized to accomplish this objective.

The state's boiler and machinery policy provides coverage for catastrophic loss; the boiler insurance company is also responsible for inspection of pressure vessels required by The Maryland Department of Labor. Jurisdictional violations are reported to the agency and compliance is mandatory for certification. Additionally, the boiler carrier offers optional infrared scanning of electrical equipment to detect

potential hotspots. Infrared scanning of electrical equipment has been scheduled in FY 2025 for Morgan State University and The Reginald F. Lewis Museum.

Each year, the state's commercial property insurance company inspects 10 locations, typically those with higher values. The purpose is to assist in the identification of hazards that may lead to loss and provide recommendations to mitigate such losses. Insurance Division staff assist in the selection of the locations and coordinating inspections with the agencies and insurance company representative. Planned property inspections for FY 2025 include Department of Agriculture – Wayne Cawley Jr. Building; Department of Veteran Affairs - Charlotte Hall Facility; Department of General Services - Crownsville Peoples Resource Center; Military - Fifth Regiment Armory and Camp Fretterd; Maryland Transit Administration - 344 W. North Ave.; St. Mary's College of Maryland; Universities at Shady Grove; University of Maryland, Baltimore County, and University of Maryland, College Park.

On May 10, 2024, a communication on Hurricane Preparedness was distributed to state agencies and institutions. According to the Insurance Information Institute, 2024's Atlantic hurricane season was projected to be "very active," surpassing the typical season's activity and presenting a greater likelihood of continental U.S. landfall. The communication included reference documents provided by the state's commercial property carrier with tips what to do before, during, and after a hurricane.

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WORKER'S COMPENSATION CONTRACT MANAGEMENT:

The State Treasurer's Office (STO) is the contract administrator for the statewide workers' compensation contract between the Board of Public Works and IWIF. STO is responsible for the oversight of the Third-Party Administrator (TPA) contract, monitoring claims activity/trends, and ensuring accurate accounting for the fund balance. The oversight of the TPA includes defining and communicating expectations, development of action plans, and assurance of the adherence to the terms of the agreement.

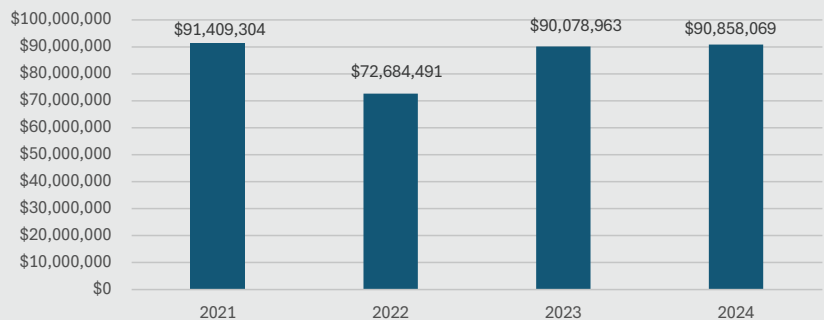
The STO employs a Workers Compensation Program Manager responsible for evaluating the usage, services, coverages and effectiveness of current benefits, competitive trends in other similar benefit programs, cost plan history, and the best methods for obtaining these services for the state.

The state's Annual Workers' Compensation premium is a function of paid claims and administration expenses. A comparison of premiums from FY 2021 to present can be found in the chart to the right.

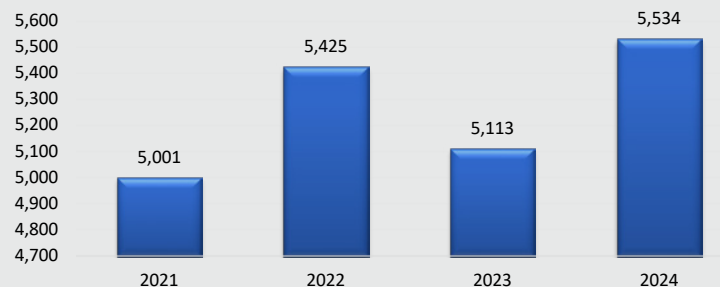
The Workers' Compensation program manager also monitors frequency of state employee injuries. A comparison of new claims reported from FY 2021 to present can be found in the chart to the right.

In addition, the program manager serves as a resource for state agencies to utilize for process improvements, developing managed return to work programs, increasing communication and training and working as a liaison between the TPA and state agencies.

STATE OF MARYLAND WORKERS COMPENSATION ANNUAL PREMIUM



STATE OF MARYLAND NEW CLAIMS REPORTED



The program manager also serves as a committee member for the States Employees' Risk Management administration (SERMA). On May 23, 2024, the SERMA Annual Conference:

- Attended by over 300 state employees, the largest attendance in SERMA's 35 years of operation;
- Provided six educational sessions, including "How to Improve Your Workplace Safety Culture" led by MAA staff;
- Provided an overview of the new

resources available to SERMA members including training and safety technology.

The current Memorandum of Understanding between the state and IWIF was expected to be finalized by the end of the 2024 calendar year. ■

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INFORMATION TECHNOLOGY DIVISION

THE INFORMATION TECHNOLOGY (IT) DIVISION

develops the strategic vision and goals that drive technological innovation across the organization. Some of the technological advancements being made are enabling more services to be available over the web, developing new systems that meet the growing financial demands on the agency, and transitions to Public Cloud Infrastructure and Platform services. The IT division is focused on developing systems that can transform how the organization conducts its core business functions in a more streamlined and efficient manner. The IT division provides services in concert with partner agencies and banks to include electronic funds transfer, check printing services, fraud protection, and account reconciliation process services for the Comptroller's General Accounting Division (GAD), Revenue Administration Division (RAD,) and Central Payroll Bureau (CPB).

DIGITAL TRANSFORMATION

The State Treasurer's Office IT Division continues to work on the modernization of our operational software systems. The Finance and Operations system was first to go live. Since that time, the Insurance and Maryland 529 claims applications have gone live as well. These new systems have allowed Insurance and Maryland 529 staff to take advantage of process improvements for the scanning of claim documents and processing of disbursements. The technological improvements also reduce environmental footprint by converting these previously paper-based processes to fully digital processes. The division continues to work on

a Treasury Management solution which will help optimize Banking and Investments activity. This module is currently under development and will be incorporated into the Dynamics Finance and Operations environment. With the completion of the Treasury Management solution, STO will be in a fully cloud-based Software as a Service (SaaS) model for daily operations.

CUSTOMER SERVICE

The IT Division strives to deliver first class customer service and application delivery to our constituents and business partners, and completed an overhaul of the STO website with a focus on accessibility and functionality. The State Treasurer's Office website will also act as gateway to the agency's newly developed portal. The agency portal's digitizes the submission and review process of STO's agency bank form.

CYBER SECURITY

The Maryland State Treasurer's Office recognizes that the cyber security landscape is of paramount importance when working with sensitive data. The division continues to emphasize that with the implementation of enhanced multi-factor identification for all cloud, on-premise systems, and active phishing awareness training for all users, education is the best defense against cyber threats. The Information Technology Division also commits to annual penetration testing to ensure STO's IT infrastructure maintain a secure public face.

ACH PROCESSING

The office receives and processes daily ACH deposits and manual wire files that are transmitted through an automated fax to all state agencies. This process provides agencies with a report of the deposits one day in advance of them being posted to the state's R*stars accounting system. This advanced notification helps to inform agencies of their impending disbursement, receipt, and reconciliation processes.

ELECTRONIC FUNDS TRANSFER (EFT)

The State Treasurer's Office, like many agencies in the state, has recognized the need to support, where possible, movement away from paper checks to electronic funds transfer (EFT). The State Treasurer, however, is ultimately responsible for all disbursements made by the state and must transmit EFTs in a standard format. Payments are sent in these formats to the state's disbursement bank, which are then forwarded to the Federal Reserve's Automated Clearing House. The payments can then be deposited to any payee's bank account in the United States.

CHECK PAYMENT PROCESSING

The IT Division's services include the electronic retrieval of warranted check disbursement files that feed a high speed, customized, check printing process for the Comptroller's General Accounting Division, the Maryland State Retirement and Pension System, and the Department of Human Resource's Child Support Administrations & CARES. Additionally, the IT Division provides for a unique agency check design,

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Salisbury, Maryland

signature, magnetic ink character recognition (MICR) encoding, and the delivery of an electronic positive pay file to the state disbursement bank. Using a next-generation check printer, the IT Division has reduced or eliminated fees associated with bad checks, providing greater fraud delivery of an electronic positive pay file to the state disbursement bank.

RECEIPT PROCESSING

The office's receipt processing system complements the payment processing system by allowing any state agency to receive electronic payments from taxpayers, credit card processors, and federal programs. Currently, many of the taxes collected by the state, all

credit card receipts, lockbox (used for high-volume, mail-in collections), and all federal funds come in through this "Depository Plus" process.

CONTINGENCY PLANNING

Our transition to cloud-based infrastructure and SaaS applications has allowed STO to take advantage of the robust Microsoft suite of disaster recovery products. Azure Site Recovery and zone redundancy provides the tools to rapidly recover from any system outages, which will minimize downtime and make STO's IT infrastructure more resilient. ■

MARYLAND 529 DIVISION

Maryland 529 consists of the Maryland Senator Edward J. Kasemeyer College Investment Plan (more commonly referred to as the Maryland College Investment Plan) the Maryland ABLE program, and the Maryland Senator Edward J. Kasemeyer Prepaid College Trust, which is closed to new enrollments.

MARYLAND COLLEGE INVESTMENT PLAN

The Maryland College Investment Plan launched in 2001 and is managed and distributed by T. Rowe Price, an investment management firm with more than 80 years' experience. The Maryland College Investment Plan is designed to help families give their children the freedom to pursue their dreams through saving for college, an apprenticeship, or trade school while helping limit the accumulation of debt. In March 2024, the Maryland College Investment Plan transitioned to a new record keeping system providing account owners an improved online platform experience including account access through the ReadySave mobile app, access to an enhanced gifting platform, Ugift, and the ability to seamlessly send electronic payments to over 800 educational institutions. As of June 30, 2024, total funded accounts in the Maryland College Investment Plan increased 3.8% from the previous fiscal year for a total of 361,134 accounts and total contributions increased 23.7% to \$938.8 million.

MARYLAND PREPAID COLLEGE TRUST

The Maryland Prepaid College Trust is a prepaid tuition plan that closed to new enrollments on June 1, 2023. Upon the transfer of oversight of Maryland 529 to the State Treasurer's Office, Treasurer Dereck E. Davis launched and successfully completed a four-phase plan that reflected the past, present, and future of the Maryland Prepaid College Trust, comprised of the following programmatic policy changes:

PHASE 1

- For contributions made prior to November 1, 2021, the annual earnings rate was established at 6%, compounded monthly, applied retroactively to the date of contribution and effective until the earlier of: (1) the Zero Earnings Effective Date (as defined below), (2) the date benefits are withdrawn, or (3) the date of contract termination. This earnings rate only applies to accounts that were open and active on the automated recordkeeping system on November 1, 2021.
- For contributions that posted to an account on or after November 1, 2021, the annual earnings rate was established at a rate equal to the 10-year Treasury note, compounded monthly, and effective until the earlier of: (1) the Zero Earnings Effective Date, (2) the date benefits are withdrawn, or (3) the date of contract termination.

PHASE 2

- The automated recordkeeping system was updated to reflect the new earnings rates and other programmatic policy changes instituted by Treasurer Davis.

PHASE 3

- A claims process for eligible Maryland Prepaid College Trust account owners to submit a claim was instituted.

PHASE 4

- Effective July 16, 2024 (the "Zero Earnings Effective Date"), all contributions and all balances in an account will earn zero percent interest. Account owners were informed of the Zero Earnings effective date 60 days prior to the Zero Earnings Effective Date.

Taking these actions was necessary to afford the retroactive earnings rate, a ledger system, the claims process, and the anticipated cost of future benefit payments. The change also brought Maryland in line with the majority of other states that offer prepaid plans and more closely aligned the Maryland Prepaid College Trust with the General Assembly's original intent of having a defined benefit plan.

As of June 30, 2024, 27,673 accounts remain in the Maryland Prepaid College Trust.

MARYLAND ABLE

The Maryland ABLE program launched in November 2017 and helps individuals with disabilities save money and pay for Qualified Disability Expenses without jeopardizing state or federal means-tested benefits such as SSI or Medicaid. The Maryland ABLE program is managed by Vestwell State Savings, LLC.

As of June 30, 2024, total accounts in the Maryland ABLE program increased

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18.5% from the previous fiscal year for a total of 6,555 accounts and total contributions increased 37.5% to over \$92 million. The average account balance increased to over \$14,000, surpassing the national average account balance by over \$4,000.

The Maryland ABLE Organizational Authorized Legal Representative (ALR) program increased by 43% in FY 2024, with over 60 organizations participating in this program. Organizational ALRs represent 35.9% of all Maryland ABLE accounts and \$32.5 million of Maryland ABLE assets.

Maryland ABLE continues to expand accessibility to Maryland ABLE information. On June 13, 2024, legislation was passed that requires local school systems to provide Maryland ABLE information to parents at their child's annual individualized education program, individualized family service plan, or 504 plan meeting. Materials were translated into four different languages for increased accessibility.

Outreach efforts have supported program growth as a result of over 140 outreach events statewide reaching over 20,000 people. The expansion of outreach to employers, financial planners, and national organizations such as the Society for Human Resource Management (SHRM), Office of Disability Employment Policy (ODEP), and others increased national outreach by 180%, reaching over 4,000 national attendees. ■



World Trade Center, Baltimore, Maryland

OFFICE OF THE ATTORNEY GENERAL – LEGAL DIVISION

WHILE THE ENTIRE OFFICE OF THE ATTORNEY GENERAL (OAG) serves as a resource to the Treasurer, six assistant attorneys general have been assigned to the State Treasurer's Office to provide direct, full-time legal support on a full range of services including:

- Legal advice and opinions;
- Contract preparation and review;
- Preparing and editing rules, regulations, and policies;
- Drafting and review of legislation;
- Overseeing and coordinating the state's legal representation under the Maryland Tort Claims Act (MTCA);
- Representation in various types of litigation, administrative and regulatory proceedings;
- Responding to citizen inquiries; and
- Providing legal training to the staff, as appropriate.

GENERAL LEGAL ADVICE

Board of Public Works

At the request of the Treasurer, the OAG attorneys review all agenda items that come before the Board of Public Works, raise any legal, procurement or funding issues and, if appropriate, attend Board of Public Works meetings to be available to the Treasurer for legal advice.

Maryland 529 Program

The OAG provides legal advice with respect to the State's Maryland 529 program including advice regarding the newly created claims process, program management, procurement, investment, disclosure, and employment matters.

General Obligation Bonds

The OAG's involvement with bond sales begins with review and comment to both the Department of Budget and Management and to the staff of the General Assembly on annual enabling legislation and individual bond bills. The OAG participates in the preparation and review of official statements and other offering documents, including authorizing resolutions of the Board of Public Works. The director researches and drafts bond counsel opinions for joint signature with the Attorney General. Ongoing legal advice concerning federal tax code restrictions on use of bond proceeds and the proposed use of tax-exempt bond money for capital projects is provided, as needed, to various state agencies. Of particular concern are changes in use and private business use of facilities that have been financed with the proceeds of tax-exempt bonds.

PROCUREMENT

As a primary procurement unit, the State Treasurer's Office is generally responsible for the procurement of all state banking, finance, and insurance contracts. The Treasurer's Office is responsible for contract administration of its own contracts and agreements for banking, finance, investments, insurance and information technology, as well as for banking and finance contracts for other agencies. OAG is engaged in contract and procurement issues including contract formations and modifications, claims, protests, and appeals.

TORT CLAIMS UNIT

The OAG oversees and coordinates the state's legal representation under the MTCA. The goal of the Tort Claims Litigation Unit is to bring consistency to the defense and resolution of cases brought against the state and its agencies under the MTCA by employing effective defense strategies, controlling state risk, and containing litigation costs.

Legal representation is provided to the state, its agencies, and employees in federal and state courts in the defense of select cases brought under the MTCA. Litigation support is given to Assistant Attorney Generals throughout state agencies including the preparation of expert witnesses, writing and reviewing briefs, memoranda and motions, and advising on the litigation and settlement of these cases.

Advice and counsel to the Treasurer and Chief Deputy Treasurer is also provided on personnel matters, such as disciplinary issues.

MISCELLANEOUS

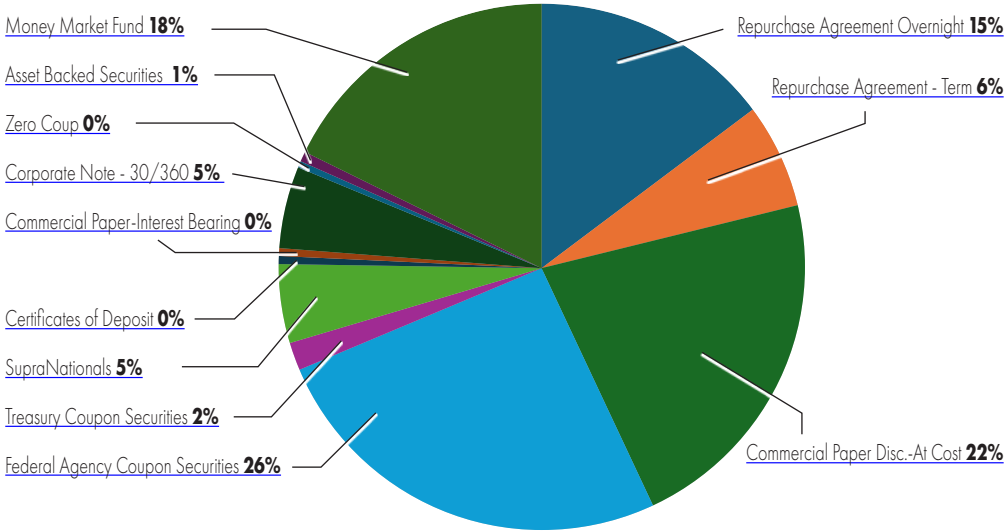
The Legal Division advises the Treasurer and office staff on a variety of issues affecting the office and its interaction with federal, state, and local government agencies, contractors, and the public. Advice, counsel, and legal analysis on matters before various boards and commissions on which the Treasurer serves is also provided. ■

APPENDIX A – INVESTMENT INVENTORY

STATE OF MARYLAND INVENTORY BY MARKET VALUE

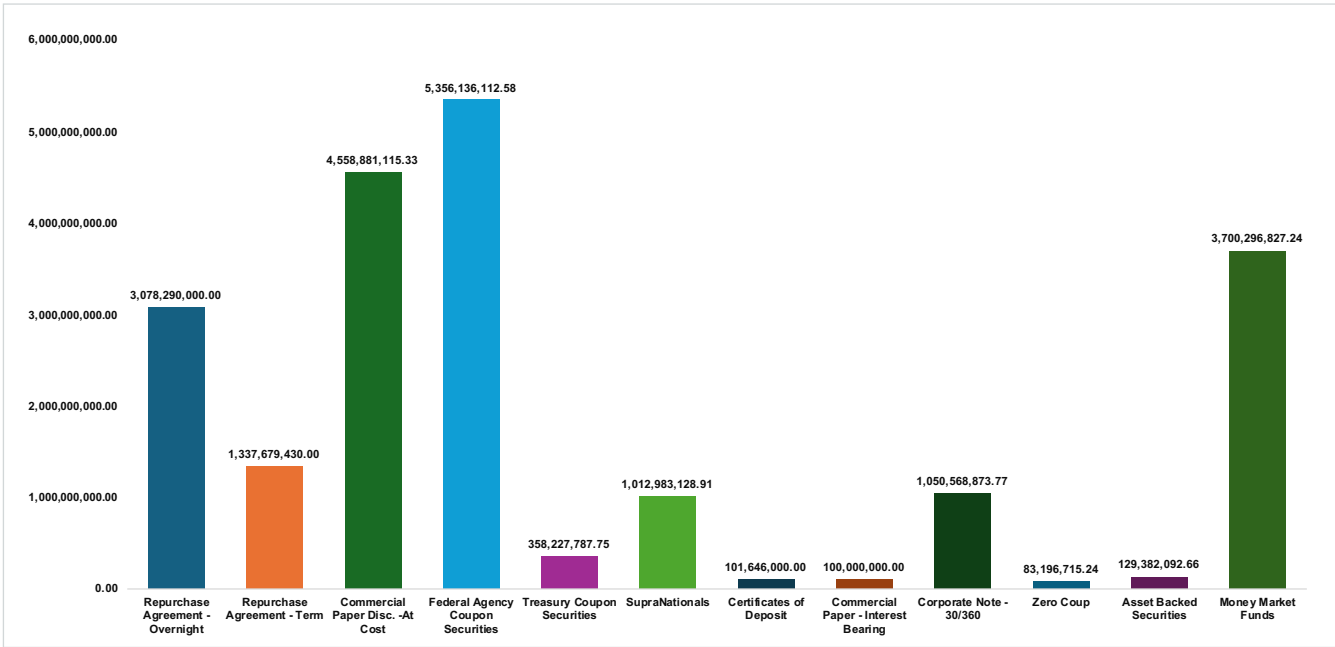
AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

ASSET ALLOCATION



INVESTMENTS VALUE	BOOK
Repurchase Agreement - Overnight	3,078,290,000.00
Repurchase Agreement - Term	1,337,679,430.00
Commercial Paper Disc. -At Cost	4,558,881,115.33
Federal Agency Coupon Securities	5,356,136,112.58
Treasury Coupon Securities	358,227,787.75
SupraNationals	1,012,983,128.91
Certificates of Deposit	101,646,000.00
Commercial Paper - Interest Bearing	100,000,000.00
Corporate Note - 30/360	1,050,568,873.77
Zero Coup	83,196,715.24
Asset Backed Securities	129,382,092.66
Money Market Funds	3,700,296,827.24
Total Investments	\$20,867,288,083.48

DISTRIBUTION OF HOLDINGS
AS OF JUNE 30, 2023



STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

CUSIP	Investment Number	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated YTM	360YTM	365 Days	Maturity
							Equiv.	Equiv	to	Date
RPON062824ASL	25558	ASL CAPITAL	06/28/2024	750,000,000.00	750,000,000.00	750,000,000.00	5.460	5.460	5.536	07/01/2024
RPON062824CANT	25560	Cantor Fitzgerald	06/28/2024	100,000,000.00	100,000,000.00	100,000,000.00	5.490	5.490	5.566	07/01/2024
RPON062824CLST	25561	Clear Street LLC	06/28/2024	600,000,000.00	600,000,000.00	600,000,000.00	5.470	5.470	5.546	07/01/2024
RPON062824DAIW	25563	Daiwa	06/28/2024	778,290,000.00	778,290,000.00	778,290,000.00	5.460	5.460	5.536	07/01/2024
RPON062824SSS	25559	South Street Securities	06/28/2024	850,000,000.00	850,000,000.00	850,000,000.00	5.470	5.470	5.546	07/01/2024
O/N REPO						\$3,078,290,000.00				
RPTR061824ASL	25504	ASL CAPITAL	06/18/2024	199,786,827.00	199,786,827.00	199,786,827.00	5.410	5.410	5.485	07/18/2024
RPTR061824ASL2	25511	ASL CAPITAL	06/18/2024	63,302,100.00	63,302,100.00	63,302,100.00	5.410	5.410	5.485	07/18/2024
RPTR062824ASL	25557	ASL CAPITAL	06/28/2024	24,590,503.00	24,590,503.00	24,590,503.00	5.410	5.410	5.485	07/24/2024
RPTR061824CLST1	25506	Clear Street LLC	06/18/2024	150,000,000.00	150,000,000.00	150,000,000.00	5.410	5.410	5.485	07/18/2024
RPTR061824CLST2	25507	Clear Street LLC	06/18/2024	200,000,000.00	200,000,000.00	200,000,000.00	5.420	5.420	5.495	09/17/2024
RPTR061824NATIX	25505	Natixis Corp	06/18/2024	250,000,000.00	250,000,000.00	250,000,000.00	5.410	5.410	5.485	07/18/2024
RPTR061124SANT	25472	Santander Bank	06/11/2024	200,000,000.00	200,000,000.00	200,000,000.00	5.430	5.430	5.505	08/30/2024
RPTR061824SSS	25503	South Street Securities	06/18/2024	250,000,000.00	250,000,000.00	250,000,000.00	5.410	5.410	5.485	07/18/2024
TERM REPO						\$1,337,679,430.00				
00439EGV6	25356	Accenture Capital Inc.	05/15/2024	125,000,000.00	123,585,937.50	123,585,937.50	5.430	5.568	5.646	07/29/2024
00439EHT0	25522	Accenture Capital Inc.	06/20/2024	75,000,000.00	74,235,000.00	74,235,000.00	5.400	5.531	5.608	08/27/2024
00439EHU7	25538	Accenture Capital Inc.	06/25/2024	100,000,000.00	99,040,000.00	99,040,000.00	5.400	5.528	5.605	08/28/2024
00850UH15	25344	Agricultural Bank	05/10/2024	150,000,000.00	148,087,541.67	148,087,541.67	5.530	5.679	5.758	08/01/2024
04208CGS8	25449	Armada Funding Corp	06/06/2024	100,000,000.00	99,251,388.89	99,251,388.89	5.390	5.506	5.583	07/26/2024
04208CGS8	25476	Armada Funding Corp	06/12/2024	101,500,000.00	100,831,340.56	100,831,340.56	5.390	5.501	5.578	07/26/2024
0020N2IG2	25390	ASB BANK LTD	05/24/2024	50,000,000.00	49,080,916.67	49,080,916.67	5.380	5.557	5.634	09/24/2024
04821TKX2	25525	Atlantic Asset SEC LLC	06/21/2024	100,000,000.00	98,016,333.33	98,016,333.33	5.410	5.596	5.674	10/31/2024
06741FGK7	25250	Barclays	04/18/2024	100,000,000.00	98,625,111.11	98,625,111.11	5.380	5.531	5.608	07/19/2024
06945LGX0	25309	Barton Funding	05/02/2024	100,000,000.00	98,652,500.00	98,652,500.00	5.390	5.540	5.616	07/31/2024
11042LH11	25336	Britannia Funding	05/08/2024	57,000,000.00	56,273,250.00	56,273,250.00	5.400	5.546	5.623	08/01/2024
11042LGS3	25467	Britannia Funding	06/11/2024	89,500,000.00	88,898,112.50	88,898,112.50	5.380	5.492	5.568	07/26/2024
11042LUS0	25516	Britannia Funding	06/18/2024	125,000,000.00	123,128,472.22	123,128,472.22	5.390	5.548	5.625	09/26/2024
07274UT5	25434	Bayerische Landesbank	06/03/2024	100,000,000.00	98,260,000.00	98,260,000.00	5.400	5.572	5.649	09/27/2024
12710GIS0	25508	CABOT TRAIL FUNDING LLC	06/18/2024	58,000,000.00	57,131,611.11	57,131,611.11	5.390	5.548	5.625	09/26/2024
2198X2IS9	25523	CORP ANDINA DE FOMEN	06/20/2024	100,000,000.00	98,530,000.00	98,530,000.00	5.400	5.557	5.634	09/26/2024
16891MHV4	25428	China Construction Bank NY	06/03/2024	100,000,000.00	98,663,583.33	98,663,583.33	5.530	5.683	5.762	08/29/2024
16891MGW3	25429	China Construction Bank NY	06/03/2024	100,000,000.00	99,135,500.00	99,135,500.00	5.460	5.584	5.662	07/30/2024
16891MJS9	25483	China Construction Bank NY	06/13/2024	100,000,000.00	98,392,916.67	98,392,916.67	5.510	5.678	5.757	09/26/2024
15963TGW3	25315	Chariot Funding LLC	05/03/2024	100,000,000.00	98,684,888.89	98,684,888.89	5.380	5.527	5.604	07/30/2024
16536HHV6	25319	CHESAM FINANCE	05/06/2024	100,000,000.00	98,281,388.89	98,281,388.89	5.380	5.550	5.627	08/29/2024
16536HLT6	25447	CHESAM FINANCE	06/05/2024	125,000,000.00	121,736,979.17	121,736,979.17	5.370	5.591	5.668	11/27/2024
16536HGS4	25562	CHESAM FINANCE	06/28/2024	100,000,000.00	99,580,000.00	99,580,000.00	5.400	5.498	5.574	07/26/2024
27873JHW8	25436	EBURY FINANCE	06/04/2024	100,000,000.00	98,695,000.00	98,695,000.00	5.400	5.547	5.624	08/30/2024
27873JGS8	25556	EBURY FINANCE	06/28/2024	125,000,000.00	124,475,000.00	124,475,000.00	5.400	5.498	5.574	07/26/2024
29261MGW8	25342	ENDEAVOUR FUNDING CO LLC	05/09/2024	50,000,000.00	49,387,277.78	49,387,277.78	5.380	5.522	5.599	07/30/2024
40060WJS2	25509	GTA FUNDING LLC	06/18/2024	38,000,000.00	37,431,055.56	37,431,055.56	5.390	5.548	5.625	09/26/2024
40060WJR4	25510	GTA FUNDING LLC	06/18/2024	100,000,000.00	98,517,750.00	98,517,750.00	5.390	5.547	5.624	09/25/2024
43707LHK8	25465	HOME DEPOT INC	06/10/2024	25,000,000.00	24,737,013.89	24,737,013.89	5.410	5.543	5.620	08/19/2024
43707LGS2	25473	HOME DEPOT INC	06/11/2024	50,000,000.00	49,663,750.00	49,663,750.00	5.380	5.492	5.568	07/26/2024
43707LGP8	25474	HOME DEPOT INC	06/11/2024	47,000,000.00	46,704,996.67	46,704,996.67	5.380	5.489	5.565	07/23/2024
5006E2H13	25338	Korea Development Bank	05/09/2024	100,000,000.00	98,744,666.67	98,744,666.67	5.380	5.524	5.601	08/01/2024
53127TGX5	25316	Liberty Street FDG LLC	05/03/2024	100,000,000.00	98,669,944.44	98,669,944.44	5.380	5.528	5.605	07/31/2024

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

CUSIP	Investment Number	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated YTM	360YTM	365 Days	Maturity	
							Equiv.	Equiv	to	Date	
55458EHW3	25495	MACKINAC FUNDING	06/17/2024	127,000,000.00	125,595,521.11	125,595,521.11	5.380	5.516	5.592	60	08/30/2024
62455FKX3	25500	Mountcliff Funding LLC	06/17/2024	50,000,000.00	48,983,777.78	48,983,777.78	5.380	5.568	5.645	122	10/31/2024
62455FJS6	25527	Mountcliff Funding LLC	06/21/2024	100,000,000.00	98,542,305.56	98,542,305.56	5.410	5.566	5.644	87	09/26/2024
62455FKR6	25536	Mountcliff Funding LLC	06/24/2024	100,000,000.00	98,148,166.67	98,148,166.67	5.420	5.599	5.677	116	10/25/2024
60689PH17	25332	Mizuho Bank	05/08/2024	100,000,000.00	98,725,000.00	98,725,000.00	5.400	5.546	5.623	31	08/01/2024
62479LGX7	25298	Mitsubishi UFJ Bank	05/02/2024	100,000,000.00	98,650,000.00	98,650,000.00	5.400	5.550	5.627	30	07/31/2024
62479LHW8	25392	Mitsubishi UFJ Bank	05/22/2024	25,000,000.00	24,626,388.89	24,626,388.89	5.380	5.537	5.614	60	08/30/2024
63307LGX3	25310	National Bank of Canada	05/02/2024	100,000,000.00	98,655,000.00	98,655,000.00	5.380	5.529	5.606	30	07/31/2024
74625TGW0	25326	Pure Grove	05/07/2024	30,000,000.00	29,622,699.90	29,622,699.90	5.390	5.534	5.611	29	07/30/2024
79490AKX5	25554	Salisbury Receivable Corp	06/28/2024	100,000,000.00	98,118,055.56	98,118,055.56	5.420	5.601	5.678	122	10/31/2024
83369BGX8	25389	Societe Generale	05/22/2024	100,000,000.00	98,955,833.33	98,955,833.33	5.370	5.502	5.578	30	07/31/2024
83369BKX3	25501	Societe Generale	06/17/2024	100,000,000.00	97,967,555.56	97,967,555.56	5.380	5.568	5.645	122	10/31/2024
82124LWV6	25242	Sheffield Receivables Corp	04/17/2024	100,000,000.00	98,437,000.00	98,445,777.78	5.380	5.541	5.618	29	07/30/2024
88602THT3	25317	THUNDER BAY FUNDING	05/03/2024	50,000,000.00	49,134,833.33	49,134,833.33	5.370	5.540	5.617	57	08/27/2024
89119AHW1	25441	TD Bank	06/04/2024	100,000,000.00	98,697,416.67	98,697,416.67	5.390	5.537	5.614	60	08/30/2024
91058TJW7	25243	UNITEDHEALTH GROUP INC	04/17/2024	100,000,000.00	97,540,100.00	97,510,000.00	5.400	5.615	5.693	91	09/30/2024
91058TJ31	25369	UNITEDHEALTH GROUP INC	05/20/2024	100,000,000.00	98,410,000.00	98,410,000.00	5.400	5.563	5.641	64	09/03/2024
92512LIT6	25526	Versailles Com Paper LLC	06/21/2024	100,000,000.00	97,606,166.67	97,606,166.67	5.420	5.630	5.708	149	11/27/2024
92646KGX4	25320	Victory Receivables	05/06/2024	50,000,000.00	49,357,389.00	49,357,389.00	5.380	5.526	5.602	30	07/31/2024
COMMERCIAL PAPER						\$4,558,881,115.33					
31422XDA7	21409	Federal Agricultural Mtg Corp	04/01/2021	136,000.00	130,717.22	136,000.00	0.700	0.690	0.700	274	04/01/2025
31422XDA7	21410	Federal Agricultural Mtg Corp	04/01/2021	21,691,000.00	20,848,434.80	21,691,000.00	0.700	0.690	0.700	274	04/01/2025
31422XJE3	21595	Federal Agricultural Mtg Corp	07/21/2021	100,000,000.00	91,420,000.00	100,000,000.00	1.080	1.065	1.080	750	07/21/2026
31422XML3	21748	Federal Agricultural Mtg Corp	09/08/2021	30,000,000.00	28,238,880.00	29,989,325.00	0.600	0.622	0.630	434	09/08/2025
31422XMRO	21757	Federal Agricultural Mtg Corp	10/05/2021	50,000,000.00	45,245,950.00	50,000,000.00	1.000	0.986	1.000	826	10/05/2026
31422XNL2	21796	Federal Agricultural Mtg Corp	11/02/2021	25,000,000.00	22,661,625.00	25,000,000.00	1.200	1.184	1.200	854	11/02/2026
31422XNL2	21797	Federal Agricultural Mtg Corp	11/02/2021	25,000,000.00	22,661,625.00	25,000,000.00	1.200	1.184	1.200	854	11/02/2026
31422XNL2	21798	Federal Agricultural Mtg Corp	11/02/2021	25,000,000.00	22,661,625.00	25,000,000.00	1.200	1.184	1.200	854	11/02/2026
31422XNL2	21799	Federal Agricultural Mtg Corp	11/02/2021	25,000,000.00	22,661,625.00	25,000,000.00	1.200	1.184	1.200	854	11/02/2026
31422XPE6	21832	Federal Agricultural Mtg Corp	11/23/2021	50,000,000.00	45,339,250.00	50,000,000.00	1.300	1.282	1.300	875	11/23/2026
31422XPT3	21871	Federal Agricultural Mtg Corp	12/15/2021	50,000,000.00	45,369,350.00	50,000,000.00	1.400	1.381	1.400	897	12/15/2026
31422XPW6	21875	Federal Agricultural Mtg Corp	11/24/2021	50,000,000.00	48,675,950.00	50,000,000.00	0.720	0.710	0.720	146	11/24/2024
31422XRBO	21953	Federal Agricultural Mtg Corp	01/12/2022	50,000,000.00	45,598,450.00	50,000,000.00	1.550	1.529	1.550	925	01/12/2027
31422XSJ2	22037	Federal Agricultural Mtg Corp	01/04/2022	50,000,000.00	45,500,900.00	50,000,000.00	1.450	1.430	1.450	917	01/04/2027
31422XSJ2	22038	Federal Agricultural Mtg Corp	01/04/2022	50,000,000.00	45,500,900.00	50,000,000.00	1.450	1.430	1.450	917	01/04/2027
31422XSX1	22085	Federal Agricultural Mtg Corp	01/27/2022	50,000,000.00	45,672,350.00	50,000,000.00	1.650	1.608	1.631	940	01/27/2027
31422XE40	22800	Federal Agricultural Mtg Corp	08/19/2022	100,000,000.00	98,874,500.00	100,000,000.00	4.000	3.945	4.000	238	02/24/2025
31422XE73	22840	Federal Agricultural Mtg Corp	08/26/2022	50,000,000.00	49,623,100.00	50,000,000.00	3.320	3.275	3.320	56	08/26/2024
31422X2P6	23825	Federal Agricultural Mtg Corp	04/24/2023	50,000,000.00	49,778,800.00	50,000,000.00	5.070	4.930	4.999	297	04/24/2025
31422X2Y7	23931	Federal Agricultural Mtg Corp	05/15/2023	100,000,000.00	99,761,800.00	100,000,000.00	5.250	5.178	5.250	137	11/15/2024
31422X3N0	23996	Federal Agricultural Mtg Corp	06/02/2023	100,000,000.00	99,726,500.00	100,000,000.00	4.750	4.685	4.750	336	06/02/2025
3133E GWB7	18078	Federal Farm Credit Bank	09/23/2016	3,000,000.00	2,847,906.00	3,000,000.00	2.020	1.992	2.020	580	02/01/2026
3133ENCA6	21837	Federal Farm Credit Bank	10/25/2021	9,684,000.00	9,454,072.79	9,683,488.90	0.700	0.707	0.717	116	10/25/2024
3133ENLDO	22096	Federal Farm Credit Bank	01/26/2022	50,000,000.00	46,973,700.00	50,000,000.00	1.530	1.509	1.530	574	01/26/2026
3133ENPG9	22196	Federal Farm Credit Bank	02/15/2022	25,000,000.00	24,237,475.00	24,986,204.59	1.750	1.817	1.842	228	02/14/2025
3133ENJ84	22885	Federal Farm Credit Bank	08/26/2022	50,000,000.00	49,626,600.00	49,993,621.53	3.375	3.415	3.462	56	08/26/2024
3133ENK82	22949	Federal Farm Credit Bank	09/12/2022	50,000,000.00	49,240,650.00	50,000,000.00	4.125	4.035	4.091	529	12/12/2025
3133ENW97	23192	Federal Farm Credit Bank	11/01/2022	25,000,000.00	24,931,100.00	25,000,000.00	5.030	4.961	5.030	123	11/01/2024
3133ENW97	23193	Federal Farm Credit Bank	11/01/2022	25,000,000.00	24,931,100.00	25,000,000.00	5.030	4.961	5.030	123	11/01/2024

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

CUSIP	Investment Number	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated YTM	360YTM Equiv.	365 Days Equiv.	Maturity Date	
3133EP2Q7	24965	Federal Farm Credit Bank	02/13/2024	50,000,000.00	49,768,500.00	49,976,333.33	5.360	0.000	0.000	865 11/13/2026	
3133EP6R1	25237	Federal Farm Credit Bank	04/17/2024	40,000,000.00	39,739,604.44	39,679,152.31	4.970	5.159	5.230	1,730 03/27/2029	
3130ALC G7	21355	Federal Home Loan Bank	03/09/2021	100,000,000.00	91,973,100.00	100,000,000.00	0.670	0.661	0.670	616 03/09/2026	
3130ALCU6	21364	Federal Home Loan Bank	02/25/2021	100,000,000.00	92,198,100.00	100,000,000.00	0.700	0.690	0.700	604 02/25/2026	
3130ALE59	21365	Federal Home Loan Bank	03/16/2021	100,000,000.00	92,212,000.00	100,000,000.00	0.800	0.789	0.800	623 03/16/2026	
3130ALGJ7	21373	Federal Home Loan Bank	03/23/2021	97,500,000.00	89,711,212.50	97,500,000.00	1.000	0.986	1.000	630 03/23/2026	
3130AKWM4	21463	Federal Home Loan Bank	02/26/2021	3,800,000.00	3,688,215.40	3,800,000.00	0.300	0.296	0.300	148 11/26/2024	
3130AMK35	21523	Federal Home Loan Bank	05/26/2021	100,000,000.00	92,115,300.00	100,000,000.00	1.060	1.045	1.060	694 05/26/2026	
3130AMKD3	21525	Federal Home Loan Bank	05/26/2021	100,000,000.00	92,115,300.00	100,000,000.00	1.060	1.045	1.060	694 05/26/2026	
3130AN3S7	21612	Federal Home Loan Bank	06/30/2021	150,000,000.00	137,740,350.00	150,000,000.00	1.100	1.085	1.100	731 07/02/2026	
3130AN3S7	21613	Federal Home Loan Bank	06/30/2021	150,000,000.00	137,740,350.00	150,000,000.00	1.100	1.085	1.100	731 07/02/2026	
3130APJR7	21831	Federal Home Loan Bank	11/24/2021	100,000,000.00	91,377,900.00	100,000,000.00	1.325	1.307	1.325	876 11/24/2026	
3130APLZ6	21838	Federal Home Loan Bank	12/03/2021	100,000,000.00	91,482,300.00	100,000,000.00	1.440	1.420	1.440	885 12/03/2026	
3130APHZ1	21843	Federal Home Loan Bank	11/17/2021	100,000,000.00	91,331,900.00	100,000,000.00	1.310	1.292	1.310	869 11/17/2026	
3130APRG2	21862	Federal Home Loan Bank	12/10/2021	100,000,000.00	91,817,000.00	100,000,000.00	1.600	1.578	1.600	892 12/10/2026	
3130APSF3	21892	Federal Home Loan Bank	12/14/2021	50,000,000.00	45,978,750.00	50,000,000.00	1.670	1.647	1.670	896 12/14/2026	
3130APTZ5	21917	Federal Home Loan Bank	12/28/2021	50,000,000.00	45,709,800.00	50,000,000.00	1.710	1.687	1.710	910 12/28/2026	
3130AQ2K8	21921	Federal Home Loan Bank	01/04/2022	50,000,000.00	45,959,250.00	50,000,000.00	1.750	1.726	1.750	917 01/04/2027	
3130AQBS1	21963	Federal Home Loan Bank	01/14/2022	50,000,000.00	45,980,250.00	50,000,000.00	1.800	1.775	1.800	927 01/14/2027	
3134GWX92	21091	Federal Home Loan Mtg Corp	09/30/2020	100,000,000.00	93,657,100.00	100,000,000.00	0.550	0.542	0.550	456 09/30/2025	
3134GWZG4	21108	Federal Home Loan Mtg Corp	10/20/2020	50,000,000.00	46,707,900.00	50,000,000.00	0.600	0.592	0.600	476 10/20/2025	
3134GW6U5	21145	Federal Home Loan Mtg Corp	11/19/2020	50,000,000.00	46,594,450.00	50,000,000.00	0.625	0.616	0.625	506 11/19/2025	
3134GXCT9	21180	Federal Home Loan Mtg Corp	12/16/2020	100,000,000.00	92,866,300.00	100,000,000.00	0.635	0.626	0.635	533 12/16/2025	
3134GXFL3	21197	Federal Home Loan Mtg Corp	12/23/2020	100,000,000.00	92,873,800.00	100,000,000.00	0.645	0.636	0.645	540 12/23/2025	
3134GXFA7	21199	Federal Home Loan Mtg Corp	11/30/2020	56,009,000.00	52,163,870.13	56,009,000.00	0.650	0.641	0.650	513 11/26/2025	
3134GXHL1	21221	Federal Home Loan Mtg Corp	12/30/2020	50,000,000.00	46,430,700.00	50,000,000.00	0.690	0.700	0.700	547 12/30/2025	
3134GW4C7	22067	Federal Home Loan Mtg Corp	01/06/2022	50,000,000.00	45,190,550.00	49,253,830.16	0.800	1.448	1.468	848 10/27/2026	
3134GWZV1	22101	Federal Home Loan Mtg Corp	01/13/2022	50,000,000.00	46,763,650.00	49,504,912.80	0.650	1.410	1.430	478 10/22/2025	
3134GWZV1	22142	Federal Home Loan Mtg Corp	01/27/2022	19,800,000.00	18,518,405.40	19,555,795.78	0.650	1.603	1.625	478 10/22/2025	
3134GYZ21	24245	Federal Home Loan Mtg Corp	08/02/2023	6,024,000.00	5,998,024.51	6,006,845.42	5.000	5.208	5.281	396 08/01/2025	
3134HIYD9	25131	Federal Home Loan Mtg Corp	03/21/2024	100,000,000.00	99,471,700.00	100,000,000.00	5.880	5.799	5.880	1,724 03/21/2029	
3134HITG8	25168	Federal Home Loan Mtg Corp	04/02/2024	100,000,000.00	100,135,288.89	100,483,978.43	5.500	5.458	5.534	1,696 02/21/2029	
3134HIF32	25235	Federal Home Loan Mtg Corp	04/17/2024	25,000,000.00	24,996,936.11	25,001,000.95	5.750	5.682	5.761	1,018 04/15/2027	
3134HIF32	25236	Federal Home Loan Mtg Corp	04/17/2024	25,000,000.00	24,996,936.11	25,001,000.95	5.750	5.682	5.761	1,018 04/15/2027	
3135GA6E6	21222	Federal National Mtg Assn	12/23/2020	100,000,000.00	92,540,700.00	100,000,000.00	0.670	0.661	0.670	540 12/23/2025	
3135G06G3	21962	Federal National Mtg Assn	12/08/2021	50,000,000.00	46,623,700.00	49,884,622.43	0.500	0.664	0.673	494 11/07/2025	
3135GACU3	22835	Federal National Mtg Assn	08/30/2022	100,000,000.00	98,771,000.00	100,000,000.00	4.000	3.945	4.000	242 02/28/2025	
3135GAF89	23658	Federal National Mtg Assn	02/21/2023	100,000,000.00	99,949,400.00	100,000,000.00	5.300	5.227	5.300	235 02/21/2025	
FEDERAL AGENCIES						\$5,008,123,119.30					
91282CAZ4	21614	U.S. Treasury	06/29/2021	3,283,000.00	3,047,546.52	3,264,115.44	0.375	0.779	0.789	517 11/30/25	
91282CAB7	21615	U.S. Treasury	06/29/2021	6,423,000.00	6,039,373.48	6,391,137.75	0.250	0.706	0.716	395 07/31/2025	
91282CDQ1	22068	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,909,744.18	1.250	1.381	1.400	913 12/31/2026	
91282CDQ1	22070	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,909,370.20	1.250	1.381	1.401	913 12/31/2026	
91282CDQ1	22071	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,897,122.90	1.250	1.402	1.421	913 12/31/2026	
91282CDQ1	22072	U.S. Treasury	01/07/2022	25,000,000.00	22,779,300.00	24,870,597.68	1.250	1.445	1.465	913 12/31/2026	
91282CDN8	22091	U.S. Treasury	01/12/2022	25,000,000.00	24,311,525.00	24,975,927.53	1.000	1.198	1.215	167 12/15/2024	
91282CHD6	23992	U.S. Treasury	05/31/2023	50,000,000.00	49,505,850.00	49,891,127.31	4.250	4.440	4.502	334 05/31/2025	
91282CIV4	24995	U.S. Treasury	02/20/2024	25,000,000.00	24,741,979.12	24,888,193.54	4.250	4.639	4.703	579 01/31/2026	
91282CIV4	24996	U.S. Treasury	02/20/2024	25,000,000.00	24,741,979.12	24,888,193.54	4.250	4.639	4.703	579 01/31/2026	
91282CIV4	24997	U.S. Treasury	02/20/2024	25,000,000.00	24,741,979.12	24,885,807.76	4.250	4.645	4.710	579 01/31/2026	

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

CUSIP	Investment Number	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated YTM	360YTM	365 Days	Maturity	
							Equiv.	Equiv	to	Date	
91282CJV4	24998	U.S. Treasury	02/20/2024	25,000,000.00	24,741,979.12	24,889,784.05	4.250	4.635	4.699	579	01/31/2026
91282CJV4	24999	U.S. Treasury	02/20/2024	25,000,000.00	24,741,979.12	24,888,988.79	4.250	4.637	4.701	579	01/31/2026
91282CKH3	25208	U.S. Treasury	04/11/2024	25,000,000.00	24,833,611.48	24,836,238.90	4.500	4.911	4.979	638	03/31/2026
91282CKH3	25213	U.S. Treasury	04/11/2024	25,000,000.00	24,833,611.48	24,841,438.18	4.500	4.899	4.967	638	03/31/2026
US TREASURIES						\$358,227,787.75					
04517PBP6	23648	Asian Development Bank	02/13/2023	43,800,000.00	43,022,506.20	43,792,280.51	4.625	4.566	4.630	1,207	10/21/2027
04517PBW1	25018	Asian Development Bank	02/26/2024	100,000,000.00	99,524,800.00	99,884,469.70	4.875	4.838	4.905	1,548	09/26/2028
04517PBW1	25169	Asian Development Bank	04/03/2024	100,000,000.00	99,619,591.67	99,967,156.83	4.875	4.841	4.909	1,548	09/26/2028
04517PBY7	25253	Asian Development Bank	04/22/2024	100,000,000.00	98,887,610.13	98,887,610.13	4.950	4.697	4.763	1,746	04/12/2029
00828E E GO	21790	African Development Bank	11/02/2021	50,000,000.00	50,000,000.00	50,000,000.00	1.060	1.045	1.060	854	11/02/2026
00828E EJ4	21884	African Development Bank	12/15/2021	100,000,000.00	90,422,900.00	99,985,266.67	1.200	1.190	1.206	897	12/15/2026
00828E EJ4	21891	African Development Bank	12/15/2021	40,000,000.00	36,169,160.00	39,919,457.78	1.200	1.267	1.285	897	12/15/2026
45818WDX9	21904	Inter American Dev Bank	11/29/2021	50,000,000.00	48,734,800.00	49,997,613.50	0.920	0.919	0.932	151	11/29/2024
45906M2Q3	21795	Intl Bk Recon & Develop	10/21/2021	50,000,000.00	44,835,200.00	50,000,000.00	1.150	1.134	1.150	842	10/21/2026
45906M2T7	21840	Intl Bk Recon & Develop	11/18/2021	100,000,000.00	93,755,700.00	100,000,000.00	1.070	1.055	1.070	505	11/18/2025
45906M2S9	21844	Intl Bk Recon & Develop	11/17/2021	50,000,000.00	50,000,000.00	50,000,000.00	1.230	1.213	1.230	869	11/17/2026
459058LE1	25184	Intl Bk Recon & Develop	04/10/2024	100,000,000.00	100,026,500.00	99,976,925.00	4.750	4.699	4.764	648	04/10/2026
45906M5A5	25193	Intl Bk Recon & Develop	04/08/2024	80,210,000.00	80,572,348.79	80,572,348.79	5.500	5.436	5.512	1,708	03/05/2029
45950VQY5	22074	International Finance Corp	01/13/2022	50,000,000.00	48,408,150.00	50,000,000.00	1.075	1.259	1.276	196	01/13/2025
SUPERA NATIONALS						\$1,012,983,128.91					
06051WDR2	24460	Bank of America	09/22/2023	100,000,000.00	100,144,600.00	100,000,000.00	6.000	6.000	6.083	84	09/23/2024
WQ FACD28	19451	Sandy Springs Bankj	12/12/2018	1,646,000.00	1,646,000.00	1,646,000.00	1.000	0.987	1.001	1,625	12/12/2028
CERTIFICATES OF DEPOSITS						\$1,016,460.00					
46651VFJ0	25183	J P Morgan Short Term	04/04/2024	100,000,000.00	100,000,000.00	100,000,000.00	5.470	5.470	5.546	122	10/31/2024
INT BEARING COMM PAPER						\$100,000,000.00					
06405LAD3	23959	BONY MELLON	05/24/2023	15,000,000.00	14,930,100.00	15,000,000.00	5.148	5.078	5.148	690	05/22/2026
06368LWT9	24434	Bank of Montreal	09/25/2023	100,000,000.00	100,623,900.00	100,000,000.00	5.920	5.839	5.920	451	09/25/2025
06428CAC8	24292	Bank of America LT	08/18/2023	50,000,000.00	50,114,100.00	50,000,000.00	5.650	5.573	5.650	413	08/18/2025
17325FBB3	24555	Clitibank NA	10/19/2023	32,488,000.00	33,112,061.99	32,218,178.03	5.803	5.949	6.031	1,551	09/29/2028
302154DX4	24410	EXP IMP BANK O F KOREA	09/18/2023	20,000,000.00	19,969,960.00	19,987,011.39	5.375	5.358	5.432	444	09/18/2025
40139LBH5	24560	Guardian Life Global Funding	10/20/2023	19,100,000.00	19,505,951.40	18,948,538.39	5.737	5.873	5.954	1,554	10/02/2028
500630DZ8	24545	Korea Development Bank	10/23/2023	35,000,000.00	35,150,115.00	34,968,992.59	5.375	5.343	5.417	844	10/23/2026
58769JAJ6	24246	Mercedes Benz Cap Corp	08/03/2023	45,000,000.00	44,943,120.00	44,991,444.99	5.375	5.319	5.393	396	08/01/2025
641062BL7	24406	Nestles Food & Bev	09/12/2023	50,000,000.00	49,737,550.00	49,998,321.11	5.000	4.932	5.001	1,534	09/12/2028
64952WFB4	24383	New York Life - Long term	09/11/2023	8,804,000.00	8,867,623.57	8,877,750.94	4.700	5.385	5.460	640	04/02/2026
64953BBF4	24416	New York Life - Long term	09/19/2023	70,000,000.00	70,121,100.00	69,990,176.00	5.450	5.382	5.457	809	09/18/2026
64952WFB4	24552	New York Life - Long term	10/19/2023	15,000,000.00	14,802,900.00	14,746,170.78	4.700	5.669	5.748	640	04/02/2026
716973AA0	24159	Pfizer Inc	07/10/2023	25,000,000.00	24,805,500.00	24,874,584.17	4.650	5.178	5.250	322	05/19/2025
716973AA0	24478	Pfizer Inc	09/29/2023	50,000,000.00	49,611,000.00	49,609,237.29	4.650	5.507	5.584	322	05/19/2025
74153WCT4	24316	Prudential Insurance	08/28/2023	15,000,000.00	15,084,165.00	14,989,100.42	5.550	5.510	5.587	788	08/28/2026
21688AAV4	24227	RABOBANK NY	07/27/2023	36,754,000.00	36,649,545.13	36,655,773.14	5.000	5.451	5.527	196	01/13/2025
21688AAY8	24473	RABOBANK NY	10/05/2023	100,000,000.00	100,318,300.00	99,785,948.15	5.500	5.527	5.604	826	10/05/2026
78014RQA1	24346	Royal Bank of Canada	08/29/2023	100,000,000.00	98,071,200.00	100,000,000.00	6.070	5.987	6.070	424	08/29/2025
892331AP4	24164	Toyota Motor Corp	07/13/2023	17,000,000.00	17,017,884.00	17,000,000.00	5.275	5.203	5.275	742	07/13/2026
89236TKX2	24279	Toyota Motor Corp	08/14/2023	45,000,000.00	44,793,720.00	44,961,532.08	5.000	4.975	5.044	774	08/14/2026
89236TKZ7	24405	Toyota Motor Corp	09/11/2023	23,000,000.00	23,086,342.00	22,997,664.86	5.600	5.532	5.609	437	09/11/2025
94988JGB8	24257	Wells Fargo	08/09/2023	80,000,000.00	80,094,800.00	79,968,449.44	5.550	5.508	5.585	396	08/01/2025
961214FL2	24664	Westpac Banking Corp	11/17/2023	100,000,000.00	100,381,000.00	100,000,000.00	5.512	5.436	5.512	504	11/17/2025
COPORATE NOTE 30/360						\$ 1,050,568,873.77					

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2024 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

CUSIP	Investment Number	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated YTM	360YTM	365 Days	Maturity
							Equiv.	Equiv	to	Date
465139VE0	24636	USAID - ISRAEL	11/09/2023	56,905,000.00	55,171,161.56	53,963,011.50	5.199	5.485	5.561	123
465139VE08	24879	USAID - ISRAEL	01/19/2024	30,392,000.00	29,233,703.74	29,233,703.74	4.781	4.994	5.063	123
ZERO COUP						\$83,196,715.24				
477920AB8	24113	John Deere Owner Trust	06/28/2023	30,662,875.20	30,664,163.04	30,661,063.02	5.590	5.582	5.660	714
47787CAB9	24415	John Deere Owner Trust	09/19/2023	36,570,481.65	36,581,635.65	36,568,031.43	5.760	5.754	5.834	777
58769FAB1	24565	MBART A2 MERC EDES - BENZ AUTO	10/25/2023	37,334,321.64	37,400,179.38	37,332,649.06	5.920	5.767	5.847	868
55317WAB7	24175	Mass Mutual Asset Funding	07/21/2023	24,820,882.80	24,846,100.82	24,820,349.15	5.790	5.781	5.862	865
ASSET BACKED SEC						\$129,382,092.66				
4812CA538	23201	One United Bank	10/25/2022	216,021,510.35	216,021,510.35	216,021,510.35	5.200	5.129	5.200	1
ACADEMY	21571	Academy	07/01/2021	1,551,062,801.09	1,551,062,801.09	1,551,062,801.09	5.350	5.277	5.350	1
38150C762	23303	Drexel Hamilton	11/16/2022	161,793,755.11	161,793,755.11	161,793,755.11	5.210	5.139	5.210	1
12228	12228	Federated	06/01/2021	169,708.49	169,708.49	169,708.49	5.220	5.148	5.220	1
15472	12229	Federated	06/01/2021	29,874.12	29,874.12	29,874.12	5.220	5.148	5.220	1
15472	15472	Federated	06/01/2021	2,470,974.94	2,470,974.94	2,470,974.94	5.220	5.148	5.220	1
15472	15473	Federated	06/01/2021	7,402.18	7,402.18	7,402.18	5.220	5.148	5.220	1
15472	17625	Federated	06/01/2021	94,971.35	94,971.35	94,971.35	5.220	5.148	5.220	1
15472	17626	Federated	06/01/2021	3,828,225.93	3,828,225.93	3,828,225.93	5.220	5.148	5.220	1
15472	19425	Federated	06/01/2021	0.00	0.00	0.00	5.220	5.148	5.220	1
15472	19508	Federated	06/01/2021	1,319,179.75	1,319,179.75	1,319,179.75	5.220	5.148	5.220	1
15472	19509	Federated	06/01/2021	4,125,805.72	4,125,805.72	4,125,805.72	5.220	5.148	5.220	1
FIDELITY	19552	Fidelity Inv	07/01/2021	33,494,704.15	33,494,704.15	33,494,704.15	5.220	5.148	5.220	1
MLGIP	11456	MLGIP	06/01/2021	1,714,590,883.22	1,714,590,883.22	1,714,590,883.22	5.350	5.277	5.350	1
X9USD MOR3	22983	Morgan Stanley Co	06/30/2022	11,287,030.84	11,287,030.84	11,287,030.84	5.220	5.148	5.220	1
MONEY MMKTS						\$ 3,700,296,827.24				
TOTALS						\$20,867,288,083.48				

ACKNOWLEDGEMENTS

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