

**BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
MINUTES OF MEETING**

July 19, 2016

The Board of Trustees for the Maryland State Retirement and Pension System met in the Board Room of the SunTrust Building, 120 East Baltimore Street, 16th Floor Board Room, Baltimore, Maryland beginning at 9:33 a.m.

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding	Kenneth Haines (via phone)
Peter Franchot, Vice Chairman	James Harkins
David Brinkley	Linda Herman
David Blitzstein	Sheila Hill (via phone)
Eric Brotman	F. Patrick Hughes (via phone)
James Bush, Jr.	Charles Johnson
James C. DiPaula (via phone)	Theresa Lochte
	Richard Norman

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary

Laila Al-Hakim	Angie Jenkins	Harvey Raitzyk
Margaret Bury	Van Lewis	Ken Reott
Melody Countess	Michelle Lowery	David Rongione
Anne Gawthrop	Andrew Palmer	Janet Sirkis
Michael Golden	Chandra Puranam	Toni Voglino

Assistant Attorneys General present included: Kathy Brady, Rachel Cohen, and Sharon Street

Other attendees included: Phillip Anthony, Brad Armstrong, Frank Benham, Nathan Bowen, Susanne Brogan, John Kenney, Brian Murphy, Jennifer O'Dell, and Michael Rubenstein.

Consent Agenda

On a motion made by Mr. Harkins and seconded by Mr. Hughes, the Board approved the consent agenda, which included:

- June 21, 2016 Open Meeting Board Minutes
- June 21, 2016 Audit Committee Meeting Summary
- July 5, 2016 Administrative Committee Meeting Summary

**Appointment of
Committee Members
and Officers**

In accordance with Board Operations Policy, Securities Litigation Policy of the System's Investment Policy Manual and State Personnel and Pensions Art., § 21-115(a)(2)(b)&(d), the Board of Trustees must appoint annually, from its membership, members and officers of the Administrative Committee, Audit Committee, Corporate Governance Committee, Securities Litigation Committee and Investment Committee.

The Board was provided with a chart entitled "Recommended Board of Trustees Committee Assignments."

Treasurer Kopp deferred voting on the Committee Assignments until the August 16, 2016 Board of Trustees meeting and gave the Trustees until the end of the day on July 19, 2016, to request any edits or to change assignments.

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Review of the
System's Assumed
Rate of Return

Mr. Brian Murphy of Gabriel Roeder Smith and Company (GRS), joined by Mr. Brad Armstrong of GRS and Mr. Frank Benham of Meketa Investment Group presented to the Board, information regarding the System's actuarial assumed rate of return in the context of projected market volatility and the System's current asset allocation and provided the Board with several scenarios for its review.

Treasurer Kopp reported that an Ad Hoc Committee would be set-up to review the alternatives presented by GRS, to talk with representatives of employers and employees and to make recommendations to the Board, including a timeline for implementation.

Mr. Murphy explained that actuarial standards now require the actuary to annually review the assumed rate of investment return and other key economic assumptions for reasonableness. He stated that the Board could retain the current economic assumptions for the 2016 fiscal year valuation as the current assumptions remain within an acceptable range. The Board may want to look at other alternatives for the future.

Ms. Herman noted that actuaries do not normally comment on the investment risk of the portfolio but rather on the actual returns compared to assumptions. She asked how GRS was qualified as an actuarial firm to discuss the risk and returns of the various asset classes. And she also noted that the System's total fund risk was already lower than most of their peers, as was the return earned.

Mr. Murphy responded that GRS' comments were based on a combination of data they obtained from various investment consultants. GRS takes the combined information and develops projections of risk and return by asset class.

Mr. Blitzstein commented, with regard to slide seven, that it was a good thing to have an actuary play a role in investment decision making and integrating funding policy with investment policy. Mr. Blitzstein asked if there were consequences in investment assumptions and the sequence of return risks when the returns are weak early versus later or returns are strong early and weak later.

Mr. Murphy responded that losses early on do not matter as much, as there are fewer assets affected, however, losses later on when total assets are greater, there is a greater impact on returns.

Secretary Brinkley commented that legislation was passed that changed the Cost of Living Adjustment (COLA) feature such that if the fund hit the target of investment return then the COLA is increased, however, if the fund missed the target of investment return the COLA is increased by a lesser amount.

Mr. Kenderdine explained that under the 2011 pension reforms any COLA for service earned after July 1, 2011 is tied to the System's investment performance. If the System achieves a return equal to, or greater than the assumed return the COLA is 2.5% or the CPI, whichever is less. If the

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System does not achieve its assumed rate for a given year, the COLA is 1.0% or the CPI, whichever is less.

Comptroller Franchot asked why GRS does not recommend Scenario A, is it because it lowers the contribution rate?

Mr. Murphy responded that GRS would not recommend economic assumptions that lower the contribution rates until the System is fully funded. In follow up discussion, Mr. Murphy said that if it was decided that Scenario A was in fact the most realistic set of assumptions and the Scenario A assumption set was ultimately adopted, he would suggest that the Board consider changing the amortization period in order to prevent the contribution rate from going down.

Mr. Brotman complimented the work by GRS and expressed appreciation for the various scenarios presented. Mr. Brotman indicated that in his opinion he agrees that Scenario A is not the way to go and he is personally uncomfortable with 7.55%. Mr. Brotman further commented that of the remaining scenarios, Scenario D is the best option, based upon his initial review.

Comptroller Franchot asked what the actual rate of return was for FY2016.

Mr. Palmer responded that it was 1%.

Ms. Herman responded that there are other ways to get more money into the fund besides increased contributions. The System's investments and an asset allocation that produces greater returns to the fund will increase revenue to the fund.

Mr. Blitzstein commented that backward looking returns are not helpful to the discussion. Mr. Blitzstein recommended a paper written by Cliff Asness (2012), a hedge fund manager, regarding the Schiller PE Ratio. He offered to share it with the Board after the meeting. Mr. Blitzstein applauded the Board's efforts on this issue and its willingness to address what is a significant challenge for all defined benefit plans.

Secretary Brinkley asked about the timeline for the Ad Hoc Committee meeting.

Treasurer Kopp responded that the Committee would meet as soon as possible and establish a schedule.

Comptroller Franchot encouraged the Committee to meet and report back to the Board as soon as possible.

Fiscal Year 2017
Business Plan
Initiatives

Mr. R. Dean Kenderdine presented the FY17 Business Plan Initiatives. See *Attachment A*.

Mr. Kenderdine reported on all plan initiatives that have been completed. With regard to the Business Continuity Plan, a complete review and update

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of the plan is complete and the Agency now has sufficient hardware to allow staff from the Member Services unit to telework from home by having incoming member calls redirected to each staff member's location and agency issued laptops for accessing the MPAS system, and all member data.

Mr. Kenderdine reported that Personal Statement of Benefits and 1099-R reprints were available online through the Agency's website.

Mr. Kenderdine reported on the proposed Disability Regulations, which would delegate to the Office of Administrative Hearings final decision-making authority on disability appeals. As was reported to the Board previously, the proposed regulations were published for comment as is required. The legislatures committee for Administrative, Executive, and Legislative Review (AELR) did receive comments from AFSCME. The AELR asked that the Agency meet with the employee organizations to address their concerns. The employee organizations have concerns with the Board's delegation of this authority and are asking that a modification to the current appeals policy be considered. A meeting with the employee organizations is being scheduled.

Mr. Kenderdine reported that the new system for on-line employer payroll reporting has been completed and is being used by most PGUs.

Mr. Harkins thanked staff for their hard work.

On a motion made by Mr. Harkins and seconded by Mr. Bush, the Board of Trustees approved the Administrative Committee's recommendation to approve the FY17 Business Plan.

Trustee Election
Schedule

On a motion made by Mr. Haines and seconded by Mr. Bush, the Board of Trustees approved the Administrative Committee's recommendation to approve the following election schedule¹, for the Teachers' Systems and Employees' Systems Representative elections.

September 1, 2016 through December 2, 2016	An eligible voter may obtain a nomination form from the Executive Director.
January 31, 2017	Completed nomination forms must be submitted to the Executive Director by an eligible voter by 4:30 p.m.
February 24, 2017	Executive Director certifies that an eligible voter satisfies the conditions set forth in 22.03.01.06 of the Board of Trustees' Regulations
May 22, 2017	Mailing of election materials to eligible voters, including candidate biographies and personal identification numbers for internet and IVR (telephone) access.
May 23, 2017	IVR (telephone) and website (internet) open for voting.
June 23, 2017	Last date for voting. Deadline is 4:30 p.m.

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July 18, 2017 ²	Executive Director announces election results at the July Board of Trustees meeting.
¹ Election schedule subject to approval by contractor.	
² Subject to the Board of Trustees' approval of the 2017 meeting dates	

Gabriel Roeder Smith
and Company (GRS)
Contract Renewal

Mr. Kenderdine informed the Board that the contract for actuarial services provided by Gabriel Roeder Smith & Company (GRS), which began on July 1, 2009, will have its second of three, one-year renewal options expire on December 31, 2016. Mr. Kenderdine reported that it is recommended that the Board exercise the System's third and final one-year extension option at the cost of \$334,000. The recommendation is based on the firm's performance to date under the contract, as well as, the importance of continuity for the effective completion of current work assignments. This would extend the contract until December 31, 2017. The Agency will be issuing an RFP for the actuarial services contract.

Ms. Herman asked when the RFP process start.

Mr. Kenderdine responded that Melody Countess has already started the RFP process by establishing a schedule of deadlines.

On a motion made by Mr. Harkins and seconded by Mr. Brotman, the Board of Trustees approved the Administrative Committee's recommendation to exercise the System's third and final one-year extension options at a cost of \$334,000, extending the contract until December 31, 2017.

COMAR Regulations
– Option Factors and
Annuity Factors
(22.02.01)

Margaret Bury reported that at the July Administrative Committee meeting, the amended regulations concerning the Option and Annuity Factors (COMAR 22.02.01) were presented to the Committee and, at the recommendation of the Administration Committee, are being presented to the Board, for final adoption.

On a motion made by Mr. Harkins and seconded by Ms. Herman, the Board of Trustees, approved for final adoption, the amended regulations concerning the Option Factors and Annuity Factors (COMAR 22.02.01).

Benefits
Administration
Update

Margaret Bury presented to the Board of Trustees a performance report for FY2016, which gave a detailed overview of the Benefits Administration unit.

Ms. Bury reported specifically on the recruitment and retention issues in the division. Ms. Bury reported that the division has 107 positions and that on August 5, 2016, of those 107 position, the division will have 18 vacancies.

Ms. Bury reported that due to so many vacancies, the division has major backlogs in processing paperwork.

Treasurer Kopp asked if the Agency conducts exit interviews and if the main reason the employee accepted another position was salary related.

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Mr. Kenderdine reported that CEM Benchmarking is completing the work and will appear at the Board of Trustees meeting on August 16, 2016 to present the results of the study.

Mr. Kenderdine reported that forms for the Chief Investment Officer's Performance Evaluation have been distributed to each Trustee.

Mr. Kenderdine reported that candidate interviews for the Public Advisor position will be conducted at a Special Investment Committee meeting on August 16, 2016 prior to the Board of Trustees meeting. The interviews will be conducted in Closed Session. The Trustees were provided with résumés of each candidate being interviewed.

Mr. Kenderdine provided the Board with information on an upcoming "trustee only" education program hosted by the Council of Institutional Investors, in Chicago on September 28, 2016. Mr. Kenderdine asked that if any Trustee is interested in attending to let him know.

Mr. Kenderdine reported that it has been recommended that the Investment Committee meetings which are held in February, May, September and November, be rescheduled from the first Friday of those months, to the third Tuesday and be held prior to the Board of Trustees meetings for those months.

The Trustees were provided with a schedule, which outlined the topics potentially up for discussion at each Board and Committee meeting. Mr. Kenderdine pointed out that the September agenda would carry a heavy load for the Board as both the Investment Committee and Board typically have considerable business before them at those meetings.

Presentation of
Resolution

On behalf of the Board of Trustees, Treasurer Kopp and Comptroller Franchot presented Mr. David Blitzstein with a Board resolution in recognition of his years of service as Trustee to the System. Mr. Blitzstein thanked the Board and Agency staff for their work for the System.

Ad Hoc Committee
on Actuarial Rate of
Return

Treasurer Kopp announced the names of the Trustees assigned to the Ad Hoc Committee on Actuarial Rate of Return. Those Trustees include: Mr. Hughes, Ms. Herman, Secretary Brinkley, Ms. Lochte, Mr. DiPaula, Mr. Brotman and Mr. Bush. Treasurer Kopp also requested that John Kenney and Susanne Brogan attend the meetings of the Ad Hoc Committee.

Other Business

Melody Countess introduced Laila Al-Hakim, a student intern assigned to work in the Finance Division.

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On a motion made by Mr. Bush and seconded by Mr. Brotman, the Board voted to meet in a Closed Session, beginning at 12:20 p.m., in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor, for the purpose of:

1. reviewing the closed session Board minutes, pursuant to General Provisions Art., § 3-103(a)(1)(i), the exercise of an administrative function;
2. reviewing the Medical Board reports, pursuant to General Provisions Art., § 3-305(b)(13), to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter namely, General Provisions Art., § 4-312 regarding the prohibition on disclosing retirement records, and General Provisions Art., § 4-329 regarding the prohibition on disclosing medical and personal information; and
3. discussing office security protocol, pursuant to General Provisions Art., § 3-305(b)(10), to discuss public security, if the public body determines that public discussion would constitute a risk to the public or to public security, including: (i) the deployment of fire and police services and staff; and (ii) the development and implementation of emergency plans.

CLOSED SESSION

The Trustees present included:

Nancy K. Kopp, Chairman, Presiding	Kenneth Haines (via phone)
Peter Franchot, Vice Chairman	James Harkins
David Brinkley	Linda Herman
David Blitzstein	Sheila Hill (via phone)
Eric Brotman	F. Patrick Hughes (via phone)
James Bush, Jr.	Charles Johnson
James C. DiPaula (via phone)	Theresa Lochte
	Richard Norman

Agency Staff members attending included: R. Dean Kenderdine, Executive Director/Board Secretary

Margaret Bury	Angie Jenkins	Harvey Raitzyk
Melody Countess	Van Lewis	Ken Reott
Anne Gawthrop	Michelle Lowery	David Rongione
Michael Golden	Chandra Puranam	Janet Sirkis

Assistant Attorneys General present included: Kathy Brady, Rachel Cohen and Sharon Street.

Other attendees included: Susanne Brogan and John Kenney.

On a motion made by Ms. Lochte and seconded by Mr. Bush, the Board returned to open session at 12:30 p.m. in the Board Room of the SunTrust Building at 120 East Baltimore Street, 16th Floor.

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OPEN SESSION

The Board reported that during the closed session the Board reviewed and decided on the following disability appeals:

Leon Stewart, Sr.

The Board voted to **ADOPT** the Administrative Law Judge's Proposed Decision and **DENY** Leon Stewart's request for accidental disability benefits.

Paul Sklar, Sr.

The Board voted to **ADOPT** the Administrative Law Judge's Proposed Decision and **DENY** Paul Sklar's request for accidental disability benefits.

Adjournment

There being no further business before the Board, on a motion made by Ms. Lochte and duly seconded, the meeting adjourned at 1:03 p.m.

Respectfully submitted,



R. Dean Kenderdine
Secretary to the Board

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**AUDIT COMMITTEE MEETING REPORT
June 21, 2016**

Internal Audit Staffing Update	<p>Mr. Rongione introduced a new member of the Internal Audit team, Delores White-Rose. Delores has been with Internal Audit since March 30th, and holds the CICA designation. She has over 20 years of audit experience in the federal, state, and non-profit sectors.</p>
Contractual Audits Update	<p>Mr. Rongione informed the Committee that the FY 2016 audits of participating employers are about 64% complete. They are on track to be completed soon.</p> <p>The timeline for the Credit/Debt Strategy investments audit has been revised. The testing phase has begun, and a report is expected by August 5, 2016.</p> <p>Internal Audit has begun an RFP for services to audit the processes associated with private equity investments.</p>
Audit Plan Status	<p>Mr. Rongione provided the Committee with a status update for the FY 2016 audit plan. He noted that audits in the plan have been completed, with the exception of Disaster Recovery, which is currently in the reporting phase. It will be finalized within the next month. Staff has started working on FY 2017 audits.</p>
Open Issues Log	<p>The Committee received a listing of open audit issues. Mr. Rongione advised the Committee that progress is being made. There are currently 23 open items, with 17 previously open items closed during FY 2016. He noted that an open item listed does not necessarily mean that management has not taken appropriate action to remediate it. Internal Audit may not have followed up on it yet.</p> <p>Mr. Hughes stated that he would like to see the open items closed out, rather than being carried forward to the next fiscal year. Mr. Kenderdine said that he will work with Internal Audit to come up with a plan to clear the open items. He will provide the Committee with the plan by the end of July.</p>
Annual Agency-wide Risk Assessment	<p>Mr. Rongione told the Committee that he completed his annual Agency-wide risk assessment. He provided a list of the activities comprising the top ten risks identified. The assessment included input from the Audit Committee, Executive Management and Agency managers, and considered various risk factors. Also included was the ranking of investment risks previously identified by an investment consultant in 2011.</p> <p>Mr. Rongione noted that five of the top-ten risks are scheduled for audit during FY 2017.</p>

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**AUDIT COMMITTEE MEETING REPORT
June 21, 2016**

FY 2017 Audit Plan

The Committee received the proposed FY 2017 audit plan. Mr. Rongione pointed out that the plan includes various initiatives related to automating the audit process. In FY 2016 AutoAudit software was implemented to automate audit working papers. Going forward, additional software modules will be implemented, including issue tracking that will automatically send reminders to management for open audit issues. There will also be a time tracking module, and a mechanism for tracking risks. The risk-tracking module will be implemented over a five year period.

Mr. Hughes asked for additional details on the proposed Power of Attorney (POA) audit. Mr. Rongione advised that this process was identified as a top risk by both the Retirement Administration and Finance Divisions. Processing of POA's is decentralized and not tracked. Ms. Bury added that Retirement Administration staff makes sure that POA's received meet the legal requirements, based on a checklist provided by the Attorney General's office. They take a closer look at last-minute POA's for someone who is really sick. The person designated as POA cannot also designate themselves as the member's beneficiary. The Committee agreed that the audit should look at whether POA's should all be approved by the Legal Department.

Mr. Norman requested additional information on the hours designated for Fraud Reports in the Audit Plan. Mr. Rongione stated that hours are allocated in case the Office of Legislative Audits notifies Internal Audit of a potential fraud, requiring investigation.

On a motion made by Mr. Bush, and seconded by Mr. DiPaula, the Committee approved the FY 2017 Audit Plan.

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***ADMINISTRATIVE COMMITTEE MEETING REPORT
JULY 5, 2016***

FY17 Business Plan
Initiatives

**THIS MATTER WILL BE DISCUSSED OUTSIDE THE CONSENT AGENDA
IN OPEN SESSION.**

Mr. Kenderdine, along with Calvin Kiser, David Rongione, Chandra Puranam, Margaret Bury and Michael Golden, reported on the Agency's FY17 Business Plan Initiatives.

Mr. Kenderdine reported on all plan initiatives that have been completed. With regard to the Business Continuity Plan, a complete review and update of the plan is complete. In addition, the Agency has procured sufficient hardware to allow twelve employees of the Member Services unit to telework from home by having in-coming member calls redirected to each staff member's location. These staff will also have agency issued laptops for accessing the MPAS system, and all member data.

Mr. Kenderdine acknowledged Chandra Puranam and Harvey Raitzyk, and the staff in the Benefits Administration and IT divisions for their hard work in completing the new system for on-line revenue control transmittals and PGU payroll reporting.

Each of the new initiatives were then presented to the Committee by each staff member having responsibility for each initiative.

On a motion made by Mr. Nicole and seconded by Mr. Haines, the Administrative Committee approved the FY17 Business Plan Initiatives for recommendation to the Board of Trustees.

2017 Trustee
Election Schedule –
Active Employees'
Systems and Active
Teachers' Systems
Representatives

**THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT
AGENDA IN OPEN SESSION.**

The term of office for the successful candidate in the Active Employees' Systems and Active Teachers' System Representatives election will be from August 1, 2017 through July 31, 2021. A proposed election schedule was provided to the Committee for its approval.

On a motion made by Mr. Haines and seconded by Mr. Nicole, the Administrative Committee approved the Employees' Systems and Teachers' Systems Representatives Board of Trustees election schedule for recommendation to the Board.

Gabriel Roeder
Smith & Company
(GRS) – Contract
Renewal

**THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT
AGENDA IN OPEN SESSION.**

Mr. Kenderdine informed the Administrative Committee that the contract for actuarial services provided by Gabriel Roeder Smith & Company (GRS), which began on July 1, 2009, will have its second of three, one-year renewal options expire on December 31, 2016. Mr. Kenderdine reported that it is staff's recommendation that the Administrative Committee recommend to the Board of Trustees that it exercise the System's third and final one-year extension

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***ADMINISTRATIVE COMMITTEE MEETING REPORT
JULY 5, 2016***

option at the cost of \$334,000. The recommendation is based on the firm's performance to date under the contract, as well as, the importance of continuity for the effective completion of current work assignments. This would extend the contract until December 31, 2017. Later this year, the Agency will be issuing an RFP for the actuarial services contract.

On a motion made by Mr. Haines and seconded by Mr. Nicole, the Administrative Committee approved for recommendation to the Board of Trustees that it exercise the System's third and final one-year extension option of the contract with GRS.

Office Security
Protocol

THIS MATTER WILL BE DISCUSSED OUTSIDE OF THE CONSENT AGENDA IN CLOSED SESSION.

Mr. Harkins, Chairman of the Administrative Committee and Mr. Kenderdine provided the Administrative Committee with background information regarding the need to discuss office security protocol.

The Administrative Committee's recommendation, concerning this matter, will be presented to the Board of Trustees, for its approval, in closed session.

Finance Reports
Quarter Ending
March 31, 2016

Ms. Patricia Wild presented the FY2016 Non-Budgeted Investment Manager and Service Related Fees Report. Ms. Wild indicated that when comparing basis points, the fees paid as a percentage of assets during the first three quarters of FY2016 were lower than the fees paid during FY2015. Within the Equity and Fixed Income categories, the Agency is still experiencing a significant cushion under the statutory fee cap. Ms. Wild also reported that the equity asset class had a decrease of 8.3 basis points resulting from lower performance fees and the final liquidation of the investment with Relational. Ms. Wild also reported that the Fixed Income asset class realized a decrease of 4.4 basis points due to a temporary fee break resulting from additional funds being reallocated from the Real Return space, which also had a decrease of 3.7 basis points. Fees incurred for investment related service providers decreased due to a lower fee structure, which was negotiated by staff in the Record Currency program. Alternative investment experienced an increase of 5.8 basis points for FY2016 mainly due to reduced incentive fees.

Mr. Van Lewis presented the Administrative Expenses Report for the quarter ending March 31, 2016. Mr. Lewis reported that Agency has spent, to date, 67.0% of the FY2016 Appropriation amount.

Mr. Lewis reported that the personnel costs will increase due to the State's consolidation of Human Resources (HR) staff recently implemented by the Department of Budget of Management (DBM). State Retirement Agency HR employees were moved to DBM.

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***ADMINISTRATIVE COMMITTEE MEETING REPORT
JULY 5, 2016***

Mr. Van Lewis presented the MBE Performance Report for the quarter ending March 31, 2016. Mr. Lewis reported that MBE Performance was 23.57%, which is below the Administrative MBE performance goal of 29.0%.

Member Services
Update

Ms. Bury updated the Committee on the performance of the Member Services Unit.

Ms. Bury reported that the unit did not meet its performance goals for the month of May. Ms. Bury reported that the abandonment rate for May was 10.82% and the average speed of answer was 2:59 minutes.

Ms. Bury reported that the performance goals were not met due to the following factors:

- release of member communications regarding implementation of updated actuarial option and annuity factors effective with all retirements effective on and after July 1, 2017;
- release of benefits estimate notices comparing the benefit allowance amounts under the current factors compared with the factors effective on and after July 1, 2017;
- continuation of the training of six new Retirement Benefit Specialists;
- assignment of two specialists at Pre-Retirement seminars; and
- release of 823 automatic enrollment letters mailed to individuals who have not completed enrollment and beneficiary applications and to employers to alert the employers of a penalty fee to be assessed at fiscal year-end for failure to submit the missing applications.

ATTACHMENT A

Project Number	Initiatives	Division	Completion Date	Status
<i>Completed Business Initiatives</i>				
10EX02	Business Continuity Plan Review and update.	Executive Division	Dec-15	COMPLETE
11BO01	Increase functionality of secure member internet portal to give members access to PSB reprints and retirees access to 1099R reprints.	Business Operations Office	Jan-16	COMPLETE
09BO02-1	MPAS-2 Project - Improve Data Integrity (Phase 1). Develop reporting screens, pre-cursor activities of flagging and cleansing of data fields affecting service and salary data; and modifications to existing MPAS applications to enforce Phase 1 rules reducing on-going payroll data inconsistencies.	Business Operations Office	Jul-15	COMPLETE
13BA/FI02	Educational Online Tutorials. Add online tutorials on actuarial valuations and PGU withdrawal.	Benefits Administration & Finance Divisions	Ongoing	COMPLETE
16FI01	Procurements and Contracts Monitoring System.	Finance Division	Dec-15	COMPLETE with enhancements to be made in FY2017
<i>New & On-going Business Initiatives</i>				
13BA01	Benefits Administration Procedure Portal	Benefits Administration Division	On hold	TO BE DELETED FROM BUSINESS PLAN.
14BA03	Update Division Calculation Manuals	Benefits Administration Division	On hold	TO BE DELETED FROM BUSINESS PLAN.
14BA04	Review and Revision of Code of Maryland Regulations	Benefits Administration Division	Ongoing	During FY16, the Board adopted proposed regulations that delegate final decision making authority for disability appeals to the Office of Administrative Hearings and regulations that update the option and annuity factors used for making calculations related to benefit payments.
16BA01	Enhancement of Personal Statement of Benefits to include more detailed benefit allowance projections	Benefits Administration Division	Jun-18	To be completed for September 2018 PSB distribution.

17BA01	Development of an Automated Full Cost Purchase Calculator	Benefits Administration Division	Jan-17	Develop, test, and implement an automated full cost purchase of service calculator for use by staff when responding to members' purchase of service requests.
17BA02	Updating of Information Provided to the System's Actuary for the Annual Valuation	Benefits Administration Division	Jun-17	Review and update, as needed, the actuarial charts and information summaries related to the administration of the System in conjunction with the Actuary.
17BA/BO01	Implementation of New Annuity and Option Factors	Benefits Administration Division & Business Operations Office	Jun-17	Update and test the various automated applications used to calculate, revise, and pay retirement and pension benefits.
09BO02-2	MPAS-2 Project - Improve Data Integrity (Phase 2)	Business Operations Office	Jul-16	Phase 2 – Implement flagging of service data; and modifications to existing MPAS applications to include payroll data edits and adjustments. In final acceptance testing. To be completed 8/1/2016.
09BO02-3	MPAS-2 Project – Improve Data Integrity (Phase 3)	Business Operations Office	Aug-17	Adjustments to the service data values of certain member accounts that were identified with discrepancies in Phase 2 of this project through automated service cleansing scripts.
14BO02	Analysis and Re-Engineering of Processing and Administration of Domestic Relation Orders within MPAS	Business Operations Office	Dec-17	Initial discussions have occurred and various scans of the data have occurred to define the current processes/MPAS architecture used to administer DROs. Additionally, the desired future processes/MPAS architecture for administering DROs has been drafted. Further work on the transition from the current processes/MPAS architecture to the desired processes/MPAS architecture is on hold pending the availability of resources in the Business Operations Office and the MPAS programmers to work on this project.

17BO01	Automate the Average Final Compensation (AFC) Calculations	Business Operations Office	Aug-17	Automate the Average Final Compensation (AFC) calculation by refining and re-designing the existing Online MPAS Screen "PRFS Average Final Salary" functionality in a more agile web based application. This application will audit existing historical salary data, identifies suspect salary data and provides staff a mechanism to correct the salary data.
17EA/IS01	MSRA Public Website	External Affairs & Information Systems Divisions	Jul-17	To improve the content, access and navigation of the SRA website.
11IS01	Revision of Revenue Control Transmittals and PGU Payroll Reporting	Information Systems Division	Dec-15	Program fully developed and being implemented with July 2016 payroll submissions. Training videos and user guides produced, and Internet online tutorial successfully conducted.
17IS01	Disaster Recovery Plan – I.S. Desktop Walk-Through Exercise	Information Systems Division	Dec-16	Simulate a disaster/incident rendering Agency's computer system inoperable for an extended period of time. I.S. team will methodically follow the Disaster Recovery Plan (DRP) to ensure all requisite steps, processes and changes are documented. Changes or additions to the DRP will be identified during the exercise and added to the master DRP.
17IA01	Implement AutoAudit Modules	Internal Audit Division	Jun-17 Issue & Time Tracking Module Update Policies & Procedures	Implement the "Issue Tracking" and "Time Tracking" modules of the "AutoAudit" program. Update Policies and Procedures based on the implementation of AutoAudit modules.