

MARYLAND STATE TREASURER'S OFFICE

ANNUAL REPORT 2025



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 2025 ANNUAL REPORT—INVESTING FOR MARYLAND'S FUTURE.

Our divisions within the Maryland State Treasurer's Office—Executive, Budget & Operations, Accounting, 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 year has truly been one of resilience. During this past legislative session, we supported policies and initiatives that ensure taxpayer dollars continue to be managed wisely and effectively, despite challenges in our national climate. In the spring, we had the honor of hosting fiscal leaders from around the country for the National Association of State Treasurers' Treasury Management Training Symposium, where we shared best practices, discussed innovation in public finance, and explored strategies to strengthen our fiscal responsibility.

The achievements reflected in these pages are the result of the hard work and dedication of our team, as well as the strong partnerships we share with our state leaders and agencies. Together, we continue to uphold Maryland's reputation for strong fiscal management and long-term stability.

We appreciate your continued support and invite you to look back on the milestones that continue to shape and strengthen Maryland's fiscal foundation.

Thank you,

A handwritten signature in black ink that reads "Dereck E. Davis". The signature is written in a cursive, flowing style.

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

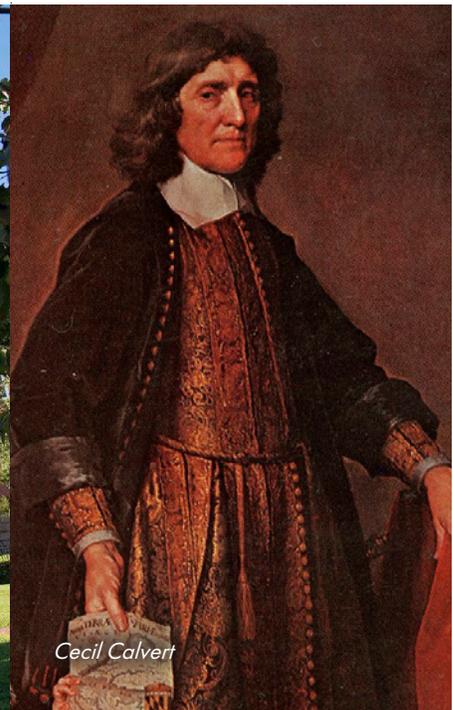
(Western Shore). The primary duty of the state Treasurers at that time was to manage and disburse state funds. The governor held the task of appointing state Treasurers throughout the 18th century. This responsibility was ultimately transferred to the legislature with the adoption of the Maryland Constitution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



Maryland State House Historical Marker, Annapolis



Cecil 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 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 2025 (July 1, 2024, through June 30, 2025):
- Approved the Maryland Stadium Authority's request to:
 - Issue up to \$450,000,000 Series 2024 Revenue Bonds to partially finance public school construction in nine counties and Baltimore City.
 - Award contracts for preconstruction services and one bid package for the redevelopment of Maryland Racing Facilities (Pimlico).
 - Purchase 328.37 acres of land on property in Woodbine to become a thoroughbred training center.
 - Issue up to \$135 million bonds to finance certain capital projects at Oriole Park at Camden Yards as well as specific construction contracts.
 - Approved the Maryland Transportation Authority's following requests related to the Francis Scott Key (FSK) Bridge:
 - An emergency procurement report for a contract for the removal, disposal, and cleanup of debris from the collapsed Francis Scott Key Bridge.
 - A wetlands license for a project to remove bridge structure remnants from the Patapsco River.
 - Storage area leases near the Bridge.
 - An architectural and engineering contract for bridge reconstruction
 - Three contracts for construction management and inspection services for traditional and alternative delivery projects to reconstruct the FSK Bridge.
 - Approved the Maryland Transit Administration's request for agreements between Amtrak and the Maryland Transit Administration for the new Frederick Douglass Tunnel to replace the existing Baltimore and Potomac Tunnel and a new bridge to replace the aging Susquehanna River Bridge.

MARYLAND BOARD OF PUBLIC WORKS *continued from page 5*

- Approved requests from the Maryland Aviation Administration to award the following contracts to:
 - Expand the security screening checkpoint that is located between the domestic ticket counters near Concourse D, and the international ticket counters serving Concourse E at the BWI Thurgood Marshall Airport.
 - Develop, renovate, lease, and manage the retail, restaurant, and commercial services at BWI (revenue-generating contract).
 - Construct a new air traffic control tower and associated access drive, parking lots, and utilities at Martin State Airport.
- Approved the Office of Administrative Hearings' request, based on the criteria under the "Walter Lomax Act," to award compensation, lawyers' fees, and benefits to the following erroneously convicted individuals:
 - Marando Warthen
 - Tyrone Jones
- Approved a request from the Maryland Vehicle Administration to award a contract to manage and operate the state's 18 centralized vehicle emissions inspection stations, 10 On-Board Diagnostics-only inspection self-service kiosks, and Fleet Inspection Station program located in 13 counties and Baltimore City.
- Approved the University of Maryland Eastern Shore's request to award a contract for the renovation of its softball and baseball fields. The renovation seeks to address disparities noted by the Office of Civil Rights at the U.S. Department of Education in 2023 and correct gender equality and safety inequalities.
- Approved the following requests from the Maryland Department of Labor to award the following contracts related to the new Family and Medical Leave Insurance Division:
 - Branding, communications, and marketing services.
 - An Intergovernmental Cooperative Purchasing Agreement (through the Federal General Services Administration to build an online web portal for the division.
- Approved the request from the Department of Information Technology to award a 3-year, \$5.66 million, contract to provide a security platform that provides malicious email protection, spam identification, tenant protection and auditing.
- Approved a request from the Department of Budget and Management to award a consulting contract to identify and implement initiatives to improve the operational efficiency of various governmental functions as well as deliver significant cost savings.
- Approved the Maryland Cannabis Administration's requests to award the following contracts for:
 - A new Cannabis Seed-to-Sale Tracking System; and
 - A new Licensing and Records Management System that will consolidate licensing and compliance systems.
- Approved the Comptroller's Office request to award a consulting contract to modernize and transform the state's Financial Information System.
- Approved the Department of Natural Resources request to acquire 445.8 acres for Wicomico County's first state park.
- Approved the Maryland Higher Education Commission's request to award a contract for a Cloud-based unified student IT system to better manage state education needs, student data, and financial aid for the state.
- Approved the Department of General Services' (DGS) request to award multiple statewide contracts to provide Agile resources, teams, or a combination of both with the technical skills to support technology modernization activities and staffing service needs.
- Approved a request from DGS to approve an intergovernmental lease with the Maryland Economic Development Corporation for the Maryland Department of Health's headquarters, to be located at 300-400 N. Greene Street, Baltimore.
- Approved the Maryland State Employees Supplemental Retirement Plans' request to award a contract for a new Plan Administrator. ■

SCHEDULE OF SELECTED FINANCIAL DATA

COLLATERAL BALANCES AS OF JUNE 30, 2025

Bank	\$	1,000,015,788
Insurance	\$	92,692,203

TOTAL INVESTMENT PORTFOLIO COMPOSITION AS OF JUNE 30, 2025

Repurchase Agreements	\$	4,589,150,808
U.S. Treasuries	\$	831,345,776
U.S. Government Agencies	\$	4,218,653,182
Other Investments	\$	10,532,532,098
Total Portfolio	\$	20,171,681,864

GENERAL OBLIGATION DEBT ACTIVITY AS OF JUNE 30, 2025

Tax-Exempt General Bond Issuances	\$	900,000,000
Taxable General Obligation Bond Issuances	\$	656,730,000
Interest Payments	\$	435,358,460
Principal Payments	\$	1,061,714,332

LOCAL GOVERNMENT INVESTMENT POOL FUND BALANCE AS OF JUNE 30, 2025

Balance as of June 30, 2025	\$	11,478,002,469
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STATE INSURANCE TRUST FUND BALANCE AS OF JUNE 30, 2025

Beginning Balance	\$	16,252,561
Ending Balance	\$	29,353,751

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

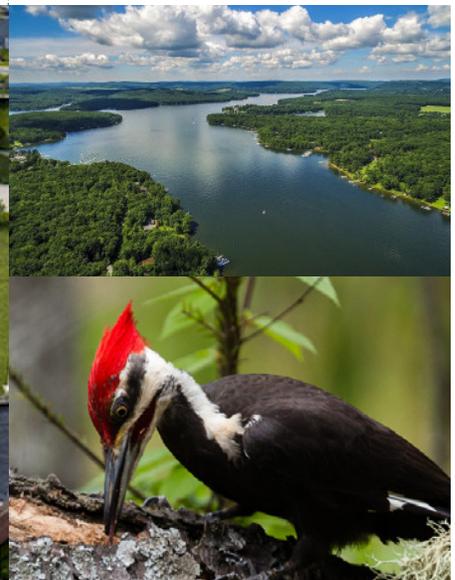
Committees of the House and Senate, including the Spending Affordability Committee, the Joint Committee on the Management of Public Funds, Legislative Policy Committee, and the Joint Audit Committee; as well as serving as the Treasurer's designee on task forces, commissions, and other committees of the 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 the Revenue Bond Advisory Committee, as well as in participation with the National Association of State Treasurers.

BOARD OF PUBLIC WORKS LIAISON

The Board of Public Works (BPW) Liaison serves as the primary advisor

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EXECUTIVE DIVISION continued from page 9

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.

OFFICE OF HUMAN RESOURCES AND WORKFORCE ADMINISTRATION

The Office of Human Resources and Workforce Administration has had a year marked by continued transformation – supporting our employees, strengthening our culture, and driving strategic initiatives that align with the goals of the State Treasurer's Office (STO). From talent acquisition and employee engagement to training and development, compliance, culture surveys, and DEI efforts, our team has worked diligently to create a resilient, inclusive, and high-performing environment.

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 training and 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.

In fiscal year 2025, the Human Resources and Workforce Administration Division made significant strides in addressing one of our most pressing challenges from the previous fiscal year due to newly created positions – our vacancy rate. Through targeted recruitment strategies, enhanced onboarding processes, and a renewed focus on employee engagement and retention, we successfully decreased our overall vacancy rate from 23% to 9.4%. This achievement not only reflects dedication and collaboration, it also underscores our commitment to building a stable, high-performing workforce that supports the organization's long-term goals.

Turnover for FY25 remained low, with one retirement, two resignations, and two transfers. With a newly enhanced onboarding program developed by HR, STO kept its retention rate at a very high level, averaging 94.25%.

The division received clean audit results in FY25 from the Department of Budget and Management in the areas of recruitment (hiring process, verification of minimum qualifications,

and certification for above-base appointments), the state's performance evaluation program (PEP), and employee benefits (dependent verification). Additionally, there were no findings against the agency related to EEO, ADA, or Workplace Bullying violations in FY25. In response to observation, investigations, and employee feedback, the division also implemented several new agency "best practices" in the areas of onboarding, training, and performance evaluation.

This year marked a renewed investment in professional development and training improvement organized by the division. We successfully reintroduced multi-day supervisory training, providing leaders with hands-on learning experiences to strengthen their management skills while supporting business needs. In addition, the division developed and began implementing a structured process to reconcile retirement accounts that may be impacted by contribution deficiencies due to miscellaneous salary adjustments or backdated reclassifications. These efforts reflect our commitment to continuous learning and operational excellence, ensuring retirement accounts contain no surprises for staff when they file for retirement.

In 2024, the state conducted a statewide culture survey to gauge the feelings and feedback of its workforce. STO HR analyzed our agency responses and developed an agency action plan focusing on three key areas – Communication & Inclusivity, Training & Career Path, and Community Service. By the end of fiscal year 2025, five of the six milestones were reached, with plans in place to complete the sixth

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EXECUTIVE DIVISION continued from page 9

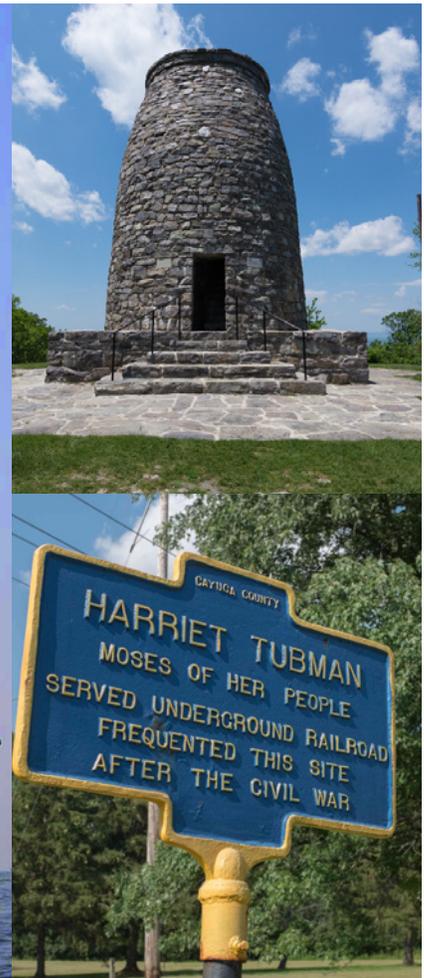
and maintain action on these initiatives into the future.

In the upcoming fiscal year, the division will continue to incorporate agency action plans developed in response to an annual agency culture survey to promote and strengthen core values expressed in these surveys. The division is committed to enhancing and streamlining training initiatives for both staff and managers to support goal attainment, empower employees, and reinforce effective management practices. As always, the division

will continue to focus on workplace integrity through consistent, sound development and enforcement of agency policy and practices, easy access of resources, and constructive contributions to a work culture that attracts highly talented and committed staff.

As of June 30, 2025, the State Treasurer's Office possessed 96 State/Regular positions and 10 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- 10



BUDGET & FINANCIAL ADMINISTRATION DIVISION

THE BUDGET & FINANCIAL ADMINISTRATION DIVISION provides daily fiscal support to the operational needs of the State Treasurer's Office (STO) through the execution of essential accounting and fiscal administrative services specific to the STO mission and in support of its ongoing operations. On behalf of the Board of Public Works, the division also oversees the State's Workers' Compensation contract administered by the Injured Workers' Insurance Fund (IWIF).

The division is responsible for developing and implementing the annual budget for STO, which in fiscal year 2025 was over \$107 million. The division also provides general accounting services 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 STO, in fiscal year 2025, state debt and sinking fund payments totaled \$1.5 billion and lease payments and agency recoveries of approximately \$13.7 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 \$53.6 million and Commercial Premium payments and recoveries totaling \$31.4 million were completed. In addition, the division processed the annual premiums for the Injured Workers' Insurance Fund totaling over \$70 million and related recoveries of these assessments from 180 state agencies and departments.

With assistance from the Treasury Management Division, approximately 4,890 requests for check reissues and agency recoveries from the Undeliverable and Unpresented Check Funds were processed, totaling over \$13.1 million.

This division 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. ■

OPERATIONS DIVISION

THE STATE TREASURER'S OFFICE (STO) is a control agency that 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 STO and serves as a conduit between STO and other state agencies as well as a liaison between the Executive Division and all other divisions of the agency to achieve streamlined business processes and quick resolutions.

STO maintains delegated authority for Financial, Banking and Insurance 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., disbursement services, merchant services, etc.), financial advisors, underwriters, insurance brokerage services, armored courier services and capital equipment 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 contracts, Operations also performs all agency-specific procurements from purchase of supplies to procurement of Maryland 529 (MD529) plan managers. Operations staff represent the Treasurer on several procurement councils and groups to remain apprised of emerging trends and challenges within the procurement arena and to contribute to ongoing improvements in procurement business processes.

In fiscal year 25, the Operations Division accomplished a variety of significant statewide procurements:

- **Financial Advisors** – In July 2024, the Operations and Debt Management Divisions worked collaboratively to procure a pool of Financial Advisors for use by all state agencies to assist with some of the following activities: market research and updates, modeling and bond sale, and post-issuance compliance. A pool of six firms was awarded to perform the required functions: Frasca & Assoc., Davenport & Co., Public Resources Advisory Group (PRAG), Public Financial Management Group (PFM), Hilltop Securities, and First Tryon Advisors.
- **Alternative Banking** – In July 2024, STO awarded a newly created contract for Alternative Banking services. Over the past several years, STO has received a plethora of requests for non-traditional banking services. Many agencies require services that are not included in the current

Depository contract and are not permissible for use with the Agency Designated Depository contract. A decision to solicit an unprecedented contract with a variety of services was made in FY 24 and awarded to Wells Fargo to provide a “cafeteria plan” of services to those agencies that require unconventional banking services. Some of the agencies currently using this contract are Department of Human Services – Child Support Administration and Department of Labor.

- **Travel/Accident and Athletic Participant Coverage** – In November 2024, the office awarded a contract to Gallagher Affinity Insurance Services, Inc. to market, manage and service insurance for travel and accident policies which also includes Maryland college athletic participant coverages.

Along with statewide procurements, the office also procured the following for specific agency needs:

- **Marketing & PR Services for MD529 savings plans** - In November 2024, the Operations Division awarded a contract to The Hatcher Group to perform marketing and public relations services for the Maryland Prepaid College Trust (MPCT) and the Achieving a Better Life Experience (ABLE) programs. This contract was approved by the Board of Public Works with an aggressive Minority Business goal. That contract has a term of five years and will expire in October 2029.
- **Operations and Maintenance (O&M) IT staff** – In November 2024, STO awarded a contract through the Statewide Agile contract to provide support for the Microsoft Dynamics Enterprise 365 System project. The office embarked on a Major IT project in 2018 to transition the legacy payment system to a cloud-based platform. While the project is still active, the Budget & Financial Administration Division's Finance and Operations (F&O) module and the Insurance Division's Customer Service module went live and have entered the O&M phase of the project. STO does not currently possess the full-time staff resources to perform the necessary enhancements and updates to the new system. In order to obtain the appropriate personnel to support the system, the agency requested two contractual resources from a current Statewide Contract and was able to award services to two participating vendors.

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OPERATIONS DIVISION *continued from page 12*



- **Check Stock** – In February 2025, STO awarded the check stock with background printing contract to the long-standing incumbent, RR Donnelly. Despite STO's persistent outreach, we were unable to find another vendor with the ability to meet the requirements for the secure paper. That contract will be reprocedured early in 2026 with hope for more engagement from competitors.
- **MD529 Financial Auditor** – In April 2025, STO awarded the Financial Audit contract to SB & Company, LLC. Auditors who fulfill this service must be Public Company Accounting Oversight Board (PCAOB) registered by the Securities and Exchange Commission. This procurement will cover the production of the MD529 audit for fiscal years 2025 and 2026.

In addition to the large procurements listed above, the office procured an assortment of other smaller procurements for agency specific needs. Some of these procurements include: AWS storage/usage for legacy MPCT account-holder data, server colocation and hosting services for the current IBM payment processing system, Microsoft Enterprise and Unified Support agreements, and various equipment and software purchases and renewals.

This division is also 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) have been promulgated to ensure agency compliance with the Governor's initiatives. Many of these policies require establishing goals and additional reporting by agencies. Operations is committed to performing regular outreach and engagement with MBE, SBR and VSBE businesses to generate interest in doing business with our state. For the third year in a row, the office was successful in increasing both MBE and SBR participation year over year. The office remains vigilant in improving participation levels and will continue to work creatively to increase that participation.

Lastly, the division provides centralized support by performing 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 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 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 Department (BD) 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 BD further attempts to anticipate agency banking and financial requirements and provide timely responses to agency requests.

BD 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 BD 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 comprehensive daily cash reconciliation, which allows the State 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 BD 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.

For fiscal year 2025, total cash receipts exceeded \$765.1 billion and total disbursements exceeded \$764.7 billion. 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 BD performs daily functions that are critical to the movement of funds in and out of the 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 Fedwire 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

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TREASURY MANAGEMENT DIVISION continued from page 14

custodian and be of the types enumerated in Section 6-202 of the State Finance and Procurement Article. The Banking Division monitors collateral for more than 800 depositories, disbursement, and registered agency working fund accounts, and it also exercises oversight of state trust and escrow accounts. Each month, financial institutions and collateral custodians submit account balance and collateral reports. BD cross-checks these submissions against records maintained in the Treasurer's Bank Account Information System (TBAIS). As of July 2025, TBAIS has been enhanced and integrated into the STO Agency Bank Portal, improving data accuracy, accelerating reconciliation, and strengthening oversight of statutory collateralization requirements to safeguard state funds. 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, 2025, was \$1,638,123,501.

The Banking Division serves as the state's authority for developing, controlling, and maintaining statewide policies and procedures for banking products and services. BD stays at the forefront of industry changes by evaluating emerging products, payments technology, and data delivery methods that improve efficiency, strengthen controls, and reduce costs for Maryland agencies.

CORE FOCUS AREAS

- Policy governance and statewide standards for banking services
- Vendor risk and performance monitoring, including service levels and issue remediation
- Secure data integration and delivery between banks and state systems
- Process automation and workflow controls that improve accuracy and cycle time
- Compliance, audit readiness, and full documentation of banking decisions
- Strategic planning to align capabilities with diverse agency needs while managing total cost of service

A recent example is the STO Agency Bank Portal. The portal streamlines requests to open, modify, or close agency bank accounts through a structured workflow with automated routing, role-based approvals, e-signature, and system-

generated determinations. The process increases automation, enhances data security, and provides complete audit trails to support compliance, transparency, and faster cycle times.

BD also monitors the financial health and safety of all banking and treasury service providers, including liquidity, credit quality, and operational resilience. This continuous oversight enables BD to respond quickly if market conditions or procurement outcomes require a change in providers. Looking ahead, BD is planning for the evolution of statewide banking needs while containing costs associated with complex, high-volume transactions and ensuring strong internal controls across all cash-management activities.

BD actively partners with agencies to develop and strengthen internal financial and accounting processes, procedures, and controls. BD continually streamlines workflows, improves productivity, reduces costs, and mitigates risk across 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 fiscal year 2025. Section 6-222 of the State Finance and Procurement Article and COMAR 25.03.03.04 govern the investment of the state's unexpended or surplus money.

The Investment Department 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 bond proceeds and directs the short-term and long-term investments of several trustee accounts under state agency revenue bond indentures. In addition, the department manages sinking funds for various projects the state has committed to and pays over a lengthy period.

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 Systems (MSRPS), the Maryland Automobile Insurance Fund (MAIF), the Injured Workers Insurance Fund (IWIF), and certain endowment funds at public colleges and universities

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TREASURY MANAGEMENT DIVISION continued from page 15

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.

STO'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 STO 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 form.

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, and (4) must be reviewed annually to insure financial data and their ongoing business relevance to the state's operations.

STO continues to pursue engagement with the minority/women-owned business enterprise 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.

Per our mandate, short liquidity needs and safety of our investments were paramount, which aligned well with the year's higher short rates, and proved beneficial to 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 on the maturity spectrum to offset some past low-income securities in the portfolio. STO was extremely prudent in asset selection and, in addition to rates, took advantage of highly rated investment grade securities, asset backs, and other investments to enhance returns on the portfolio. Overall, the portfolio did still underperform the benchmark 3-month Treasury Bill comparison, 3.75% vs 4.57%, due to longer legacy securities that continue to pull down returns. The bulk of the securities were purchased when rates were extremely low during the early years of the pandemic. A significant portion of those securities will mature in 2026 (latter half of FY26 and FY27). As those securities mature (with no capital loss), the performance of the portfolio should track closer to the 3-month Treasury Bill benchmark.

The state's portfolio fell in FY 2025 from a combination of higher spending amid static revenues and solid investment returns based on higher interest rates. Fiscal year 2025 started with the general fund's portfolio at approximately \$20.867 billion and ended the year at approximately \$18.821 billion.

The overall return in the portfolio was further handicapped due to extremely low coupon securities that had been purchased several years ago but were still held. As longer rates became more volatile throughout the year, the capital value of the securities declined 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, 2025, investment portfolio, please see appendix A.

On June 30, 2025, the total of all portfolios under the active management of the State Treasurer's Office was \$20,171,681,864. The General Fund portfolio was \$18,821,306,666.

TREASURY MANAGEMENT DIVISION continued from page 16

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
2025	\$ 18,821,306,666	\$ 20,171,681,864

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%
2025	\$ 371,629,721.44	\$ 380,219,340.61	\$ 751,849,062.05	51%

The average rate of return on the General Fund was approximately 3.75%. The State Treasurer’s investment program could not keep pace with the three-month Constant Maturity Treasury Bill benchmark, which averaged 4.57% for the same 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%
2025	3.75%	4.57%

T Bill FY 25 Range 4.253% To 5.388%

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 STO 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 2025, there were 260 participants with 600 accounts. The fund balance as of June 30, 2025, was \$11,477,342,276. The actual yield for fiscal year 2025 was an average of 4.41%, approximately 29 bps lower than the S&P LGIP Index benchmark of 4.70%. The overall size of the fund was up 20.36%, which likely reflects agencies taking advantage of the higher rates and static outflows as well as ongoing state contributions.

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

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TREASURY MANAGEMENT DIVISION continued from page 17

pool administrator produces a quarterly newsletter to keep participants informed about the MLGIP. This newsletter acts as an effective marketing tool for potential participants and a valuable update for members. In addition, STO works closely with the managers of the fund to ensure all pertinent investment policies are followed and has been instrumental in having some significant upgrades to technology on the funds 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%
2025	\$11,477,342,276	260*	4.410%	20.36%

*Number of distinct entities - some have multiple accounts

MARKET COMMENTARY

Fiscal year 2025 started with modestly higher interest rates as the Federal Reserve (Fed) and markets debated the strength of the overall economy and forward path for interest rates. The highest interest rates seen in FY24 were during the earliest days of July 2024. Following the Fed's July meeting, the data, led by employment releases, took a large downward swing and the markets took notice. During the Fed's annual August conference in Jackson Hole, the Fed telegraphed the start of easing and proceeded to deliver by easing 50 bps in the Federal Funds rate in September. Post-meeting, the front end of the market – where the State Treasurer's Office does a significant portion of its investing – moved to lower interest rates. The Fed lowered rates by two more 25 basis point increments into the middle of the fiscal year (end of calendar year 2024), going from approximately 5.25% to 4.25%. As the Fed was easing, the economic data recovered and sent both the employment and inflation data to stronger levels. The

combination of the Fed lowering rates and the improving economic data, along with uncertainty about the longer-term fiscal path of the US, sent longer interest rates significantly higher. The Federal Reserve proceeded to freeze the funds rate, where it remained flat between 4.25% - 4.5% and closed out the fiscal year at that level.

The movement in Federal Funds has a direct impact on short maturity investments such as Repurchase Agreements, often done overnight, Treasury Bills, Commercial Paper, Yankee, Domestic CDs and the like. Longer maturities like US Treasury notes, investment grade corporate debt, asset backs, and mortgage-backed security rates are more driven by longer term inflation expectations, fiscal issues, deficits, and governmental policies, such as tariffs comparisons for investors with other assets like foreign government bonds. Interestingly, after the Federal Reserve lowered rates by 100 bps between September 2024 and December 2024, longer maturity interest rates went higher as the perception was that the Federal Reserve was stimulating the economy when inflation was still too high.

Overall, the Federal Funds Rate averaged 4.65% in FY25 with a range of ~4.25% to 5.25%. Two- and 5-year US Treasuries both averaged around 4% for FY25, with both having started at significantly higher rates. By the end of the fiscal year, two year Treasuries were 4.75% and 5 years, just under 4.5% like the US 10 year. Since then, the two-year has rallied more than the longer securities as the market priced in potentially lower Federal Funds Rate and responded to ramifications from tariffs and policy changes from the new administration. Somewhat interesting, credit spreads have continued to tighten (tighter spreads mean less worry over credit risks) and demand for all financial assets, stocks, bonds, commodities, digital assets, foreign securities have all increased.

Overall, the US and the state's economy were very resilient in FY25. Real GDP growth hovered between 2 ½% and 3% nationally, unemployment stayed around 4%. Although it has ticked higher recently, unemployment continues to be at historically low levels. Mid-year, the unemployment rate in Maryland matched the nation's lows. The move to reduce the federal workforce and reduce some of the federal government's footprint in Maryland, along with the peripheral workers and businesses, will likely have a more major impact in FY26. ■

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. The state's general obligation bonds receive high credit ratings from all three major rating agencies: Standard and Poor's (AAA), Fitch Ratings, Inc. (AAA), and Moody's Investors Service, Inc. (Aa1). Maryland is one of only 18 states assigned a triple A-rating from at least two rating agencies. The strength of Maryland's credit is largely attributable to the state's continued strong fiscal management and liquidity. The downgrade to Aa1 by Moody's in May 2025 was preceded by the assignment of a negative outlook the previous year. Moody's concerns resulting in the downgrade were largely attributable to structural imbalances projected in the state's out-year forecast, comparatively low reserve fund balances, and the potential for significant negative economic and fiscal impacts due to the proximity and interconnectedness with the federal government.

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, coordinate the sale and all activities prior to the actual sale. 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 actual sale including the selection of the method of sale. In competitive sales, which are done at a Board of Public Works 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 Board of Public Works 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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Maryland Crab Feast



Swallow Falls State Park

DEBT MANAGEMENT DIVISION continued from page 19

In fiscal year 2025, there was one public general obligation bond sale totaling \$1.6 billion. Overall market conditions continued to be favorable for high quality and highly rated

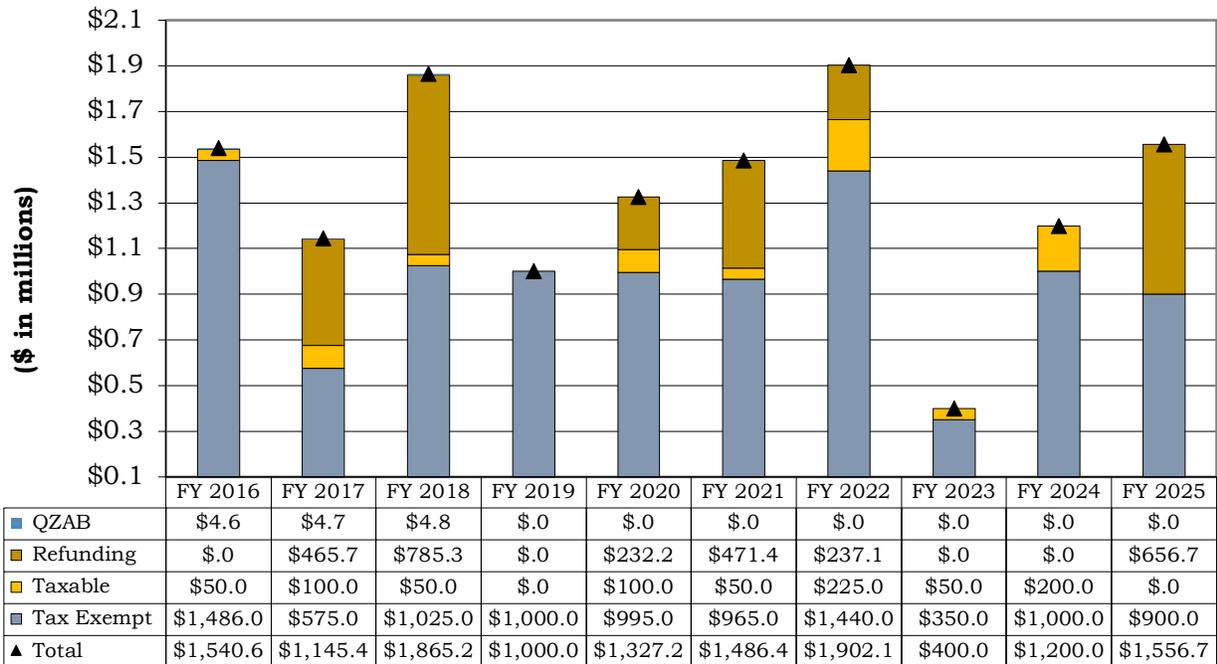
bonds like Maryland general obligation bonds. The following table summarizes debt issued by the state during fiscal year 2025.

SUMMARY OF FISCAL YEAR 2025 GENERAL OBLIGATION BOND ISSUES (\$ IN MILLIONS)

Series	Dates of Sales	Tax-Exempt Competitive	Tax-Exempt Negotiated	Taxable Competitive	Tax-Exempt Forward Refunding	Overall TIC
2025 First Series	06/11/25	\$900.0			\$656.7	3.552%

The history of general obligation bond issuance and debt service for the last ten 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 2016-2025



Note: Principal also includes sinking fund payments on QZAB bonds

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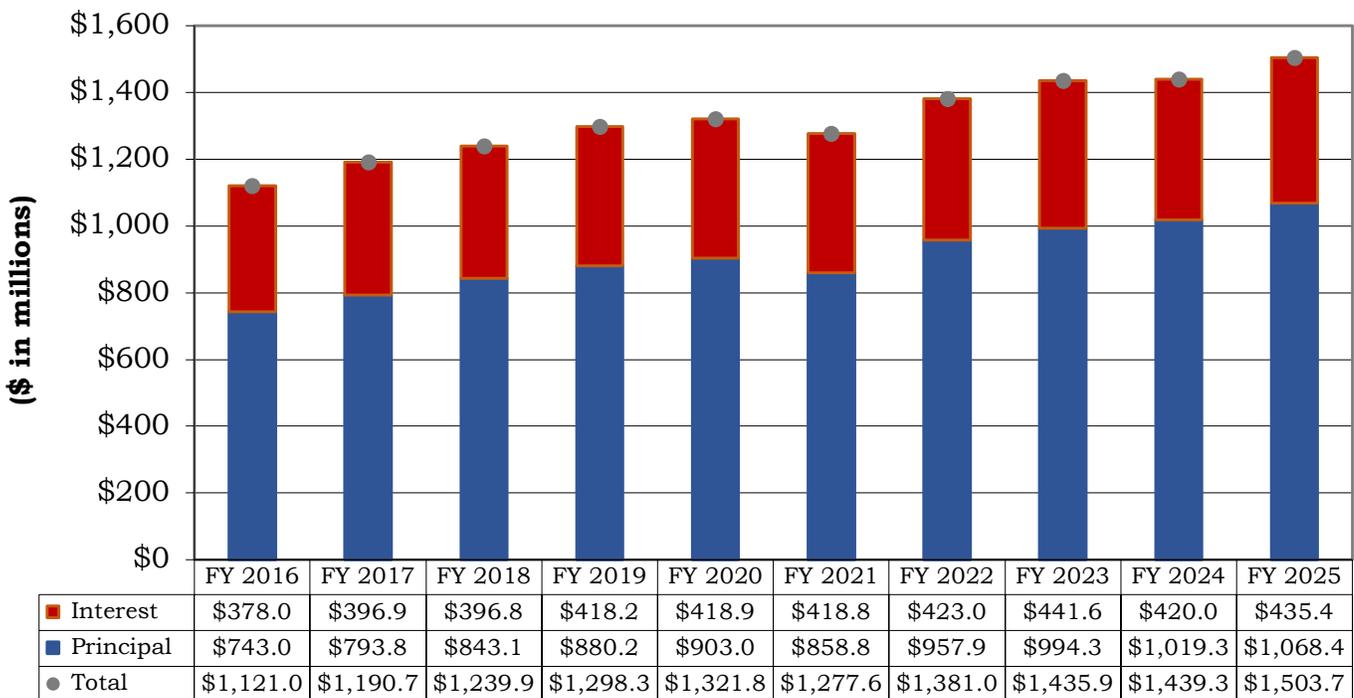


Balloon Festival, Eastern Shore

Gilpin's Falls Covered Bridge, Cecil County

DEBT MANAGEMENT DIVISION continued from page 20

STATE OF MARYLAND ISSUANCES OF GENERAL OBLIGATION BONDS FISCAL YEARS 2016-2025



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

CAPITAL EQUIPMENT LEASES

The State Treasurer's Office 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 allows for the draw

of funds as needed from the master lease throughout the fiscal year in accordance with the master lease-purchase financing agreement. 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 21

EQUIPMENT LEASE - PURCHASE FINANCING HISTORY: FISCAL YEARS 2016-2025



During fiscal year 2025 state agencies financed \$2.9 million of equipment under a lease-purchase agreement. Details on the Capital Lease-Purchase Program, including the history of the program for the last ten 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. Chapter 247 of 2022 enables these energy performance projects

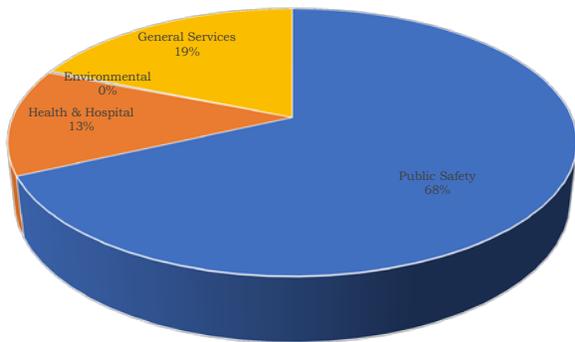
to extend their financing terms up to 30 years. Lessors are procured by STO and paid semi-annually from funds transferred at the beginning of each fiscal year from the applicable agencies.

During fiscal year 2025, there were no energy leases financed. The state has not financed a new energy performance lease since 2019. ■

DEBT MANAGEMENT DIVISION continued from page 23

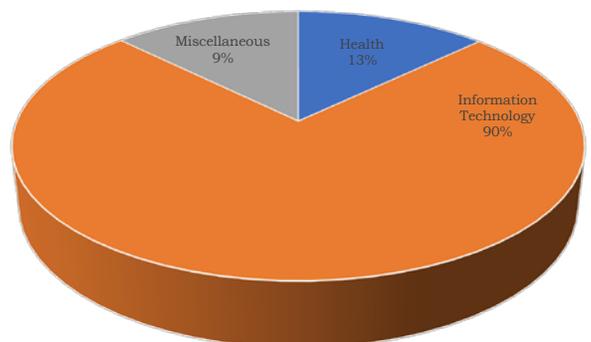


**GOVERNMENT USE
FISCAL YEAR 2025 EQUIPMENT LEASE
PURCHASE FINANCINGS**



Public Safety	68%
Environmental	0%
General Services	19%
Health & Hospital	13%

**EQUIPMENT CLASSIFICATION
FISCAL YEAR 2025 EQUIPMENT LEASE
PURCHASE FINANCINGS**



Health	13%
Information Tech.	90%
Miscellaneous	9%

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, www.treasurer.state.md.us. The state self-insures a significant portion of its exposures and maintains the State Insurance Trust Fund (SITF) 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 SITF

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 March 26, 2024, the Francis Scott Key Bridge was struck by container vessel MV Dali. Chubb/ACE American, the commercial property insurer for the Maryland Transportation Authority, paid the total policy limit of \$350,000,000 on August 8, 2024, for the loss.

Coppin State University and Insurance Division staff met on October 8, 2024, to review the state's self-insurance and commercial insurance programs, agency claim reporting procedures, and loss prevention activities. A five-year history of property claims impacting the university, including a substantial loss in December 2022 from Winter Storm Elliott (Catastrophic Loss 2273), were part of the discussions.

On April 22, 2025, Maryland Transit Administration representatives met virtually with London and Bermuda underwriters, broker Willis, and Insurance Division staff to promote the agency's commercial insurance program expiring July 1, 2025. Directors of Bus, Light Rail, MARC, Metro, and Mobility shared historical exposure data and highlighted new efforts, like Zero Emissions Bus fleet and CBTC signaling equipment for Metro.

Additional discussion included claims review, passenger and site security overview, and emergency response planning.

University of Maryland, College Park Risk Management and Insurance Division staff conducted a stewardship meeting in Annapolis on May 13, 2025. Agenda items included UMCP's Enterprise Risk Management (ERM) initiatives, focus on campus Youth Protection compliance, and updates for the Purple Line Light Rail construction project on their campus.

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 2025 and there were significant changes due to the hardening insurance markets. This impacted overall pricing for some of the state's placements. An overview of renewals this year:

- Maryland Transit Administration's excess liability program renewed effective July 1, 2024-2025. 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 \$11,327,679.09 to \$12,858,358.37. This was an increase of \$1,530,679.28, or approximately 13.5% more than the expiring cost.

INSURANCE *continued from page 25*

- Maryland Transit Administration's rolling stock physical damage coverage renewed effective July 1, 2024-2025. Renewal coverage remained with Chubb. The overall pricing increased from \$974,058 to \$1,021,157. This was an increase of \$47,099, about 4.8% more than the expiring cost.
- Maryland Transit Administration's bus fleet physical damage program renewed effective July 1, 2024-2025. The overall pricing increased from \$356,232 to \$376,967. This was an increase of \$20,735, or approximately 5.8% more than the expiring cost.
- Department of Agriculture's farmers markets general liability policy renewed effective July 1, 2024-2025. The overall pricing decreased from \$4,171 to \$3,794. This was a decrease of \$377, or about 9% 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, 2024-2025. The overall pricing decreased from \$534.60 to \$433.50. This was a decrease of \$101.10, or about 18.9% less than expiring cost.
- A Public Official Bond was purchased for new Legislative Auditor Brian Tanen, effective July 1, 2024-2025. The bond is with Travelers; the total cost was \$925.
- A new Public Official Bond was purchased for new Acting Maryland Insurance Administration Commissioner Joy Hatchette, effective July 2, 2024-2025. The bond is with Travelers, and the total cost was \$925.
- Student Athletic Participants Accident basic program covering 10 universities and colleges renewed effective August 1, 2024-2025. This year, the program changed carriers to US Fire Insurance Company. The overall pricing increased from \$1,193,974 to \$1,489,695. This was an increase of \$295,721, or approximately 24.8% over expiring cost.
- Baltimore City Community College's Athletic Participants Accident catastrophic program renewed effective August 1, 2024-2025. 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, 2024-2025. Overall pricing remained the same as expiring, \$800.
- Maryland Aviation Administration's airport liability insurance renewed effective August 15, 2024-2025. This year, the program changed in structure from three carriers to a single carrier, Starr Aviation. The overall pricing decreased from \$1,311,159 to \$770,000. This was a decrease of \$541,159 or about 41.3% over the expiring cost.
- Allied Health professional liability policy covering thirteen participating institutions renewed effective September 1, 2024-2025. The overall pricing increased from \$136,816 to \$138,678. This was an increase of \$1,862, or approximately 1.4% more than the expiring cost.
- Maryland State Retirement & Pension System fiduciary liability policy renewed effective September 1, 2024-2025. The overall pricing increased from \$268,531.50 to \$268,910.80. This was an increase of \$379.30, about 0.1% more than the expiring cost.
- Blanket Cyber, Network Security & Privacy policies renewed effective September 30, 2024-2025. This year, both the policy for state agencies and policy for state higher education institutions were renewed with Beazley syndicates at Lloyds. The overall pricing decreased from \$2,497,000 to \$1,362,500. This was a decrease of \$1,134,500 or approximately 45.4% compared to the expiring cost.
- Blanket Boiler & Machinery policy renewed September 30, 2024-2025. The state changed carriers from Travelers to Liberty Mutual. The overall pricing decreased from \$710,760 to \$684,900. This was a decrease of \$25,860 or about 3.6% compared to the expiring cost.
- A Public Official Bond was purchased for new Maryland Insurance Administration Commissioner Marie Grant, effective October 1, 2024-2028. The bond is with Philadelphia, and the total cost for the four-year term was \$2,885.
- University of Maryland, Baltimore and University of Baltimore Professional Liability coverage for law clinics renewed effective October 10, 2024-2025. The overall pricing decreased from \$22,053 to \$19,403. This was a decrease of \$2,650, approximately 12.0% less than the expiring term.
- Maryland Public Television general liability and umbrella policies renewed effective October 11, 2024-2025; the E&O policy was written for a three-year term expiring October 11, 2026. The overall pricing decreased from \$33,235 to \$30,258. This was a decrease of \$2,977, or approximately 8.9% less than the expiring term.
- Blanket Terrorism coverage for state property including bridges and tunnels renewed effective October 13, 2024-2025. The overall pricing increased from \$271,268.88 to

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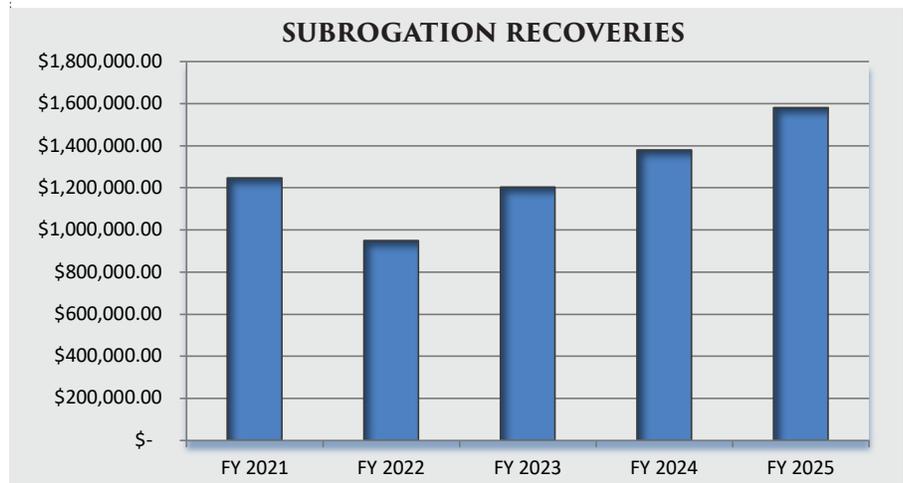
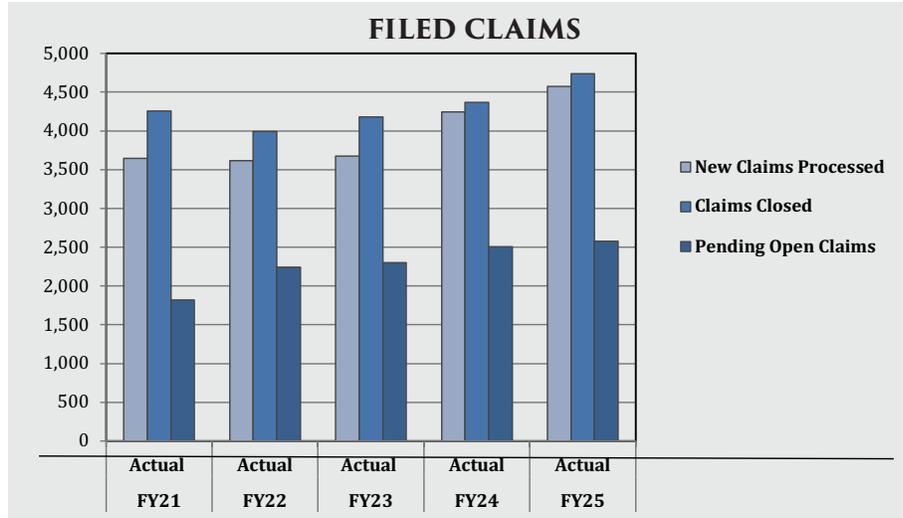
INSURANCE *continued from page 26*

- \$347,968.75. This was an increase of \$76,699.87, or 28.3% more than the expiring term.
- Maryland Transportation Authority bridges and tunnels liability insurance renewed effective October 17, 2024-2025. General Star remained the lead carrier, although there were changes in the carriers participating in the excess layers. The overall pricing increased from \$1,464,560 to \$1,851,694. This was an increase of \$387,134, or approximately 26.4% more than the expiring term.
 - University of Maryland, Global Campus had a new tuition bond effective October 24, 2024-2025 to comply with North Carolina regulations. The overall pricing was \$475.
 - Maryland Port Administration (MPA) crane physical damage coverage renewed effective November 25, 2024-2025. MPA added a new crane during term and renewal values for existing cranes increased by 2% over expiring values. The overall pricing increased from \$103,342 to \$120,311. This was an increase of \$14,161 or approximately 16.4% more than the expiring term.
 - The Maryland Transportation Authority crime policy renewed effective December 1, 2024-2027. The policy moved from a one-year term to a three-year term. The overall pricing for three years was \$20,126. The average annual cost decreased from \$7,305 to \$6,708.67. This was a decrease of \$596.33, or approximately 8.2% less than the expiring term.
 - Maryland Transportation Authority bridges and tunnels property program renewed effective December 1, 2024-2025. The incumbent carrier, Chubb/ACE, reduced their capacity to 60%, and the remainder of the tower was filled by nine other carriers. The limit remained \$350M, and the deductible remained \$50M. Total cost for renewal increased from \$6,596,966 to \$9,080,575. This was an increase of \$2,483,609, or 37.6% more than the expiring term.
 - Maryland Fire and Rescue Institute professional and general liability policy renewed effective December 5, 2024-2025. The overall pricing increased from \$118,817 to \$132,034. This was an increase of \$13,217 or approximately 11.1% more than the expiring term.
 - Deer's Head Center resident trust fund bond renewed effective December 18, 2024-2025. The overall pricing decreased from \$740 to \$590. This was a decrease of \$150, or approximately 20.3% less than the expiring term.
 - Western Maryland Center resident trust fund bond renewed effective December 18, 2024-2025. The overall pricing decreased from \$740 to \$590. This was a decrease of \$150, or approximately 20.3% less than the expiring term.
 - Maryland Port Administration's commercial auto coverage renewed effective January 1, 2025-2026. The overall pricing was up from \$106,631 to \$112,513. This was an increase of \$5,882 or approximately 5.5% compared to expiring cost.
 - State-owned vessel Protection and Indemnity (P&I), which is liability coverage, renewed effective January 1, 2025-2026. The overall pricing increased from \$58,367 to \$61,330.04. This was an increase of \$2,963.04, or approximately 5.1% compared to expiring cost.
 - Maryland Department of Health Willow Brook Square Resident Fund Trust Account surety bond renewed effective January 1, 2025-2026. The overall pricing decreased from \$350 to \$200. This was a decrease of \$150, or approximately 42.9% compared to expiring cost.
 - University of Maryland, Global Campus's tuition bond for the State of Washington renewed effective January 1, 2025-2026. The overall pricing decreased from \$623 to \$475. This was a decrease of \$150, or approximately 24% compared to expiring cost.
 - The University of Maryland, College Park's Customs Bond renewed effective January 3, 2025-2026. The overall pricing decreased from \$650 to \$420. This was a decrease of \$230, or approximately 35.4% compared to expiring cost.
 - Maryland Port Administration's liability and terrorism coverages renewed effective January 31, 2025-2026. The overall pricing increased from \$648,529 to \$680,069.50. This was an increase of \$31,540.50, or approximately 4.9% compared to expiring cost.
 - Maryland Institute for Emergency Medical Services Systems' General Liability policy renewed effective February 18, 2025-2026. The overall pricing remained the same as expiring, at \$4,000.
 - Maryland Department of Housing & Community Development's crime policy renewed effective March 1, 2025-2026. The overall pricing decreased from \$19,250 to \$17,200. This was a decrease of \$2,050, or approximately 10.6% compared to expiring cost.
 - Blanket Fine Art on Loan policy renewed effective March 1, 2025-2026. The policy limit remained \$15M. Overall pricing decreased from \$18,102 to \$12,674. This was a decrease of \$5,428, or approximately

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INSURANCE continued from page 26

- 30% compared to expiring cost.
- University of Maryland, Global Campus's tuition bond for the State of Colorado renewed effective March 1, 2025-2026. The overall pricing decreased from \$930 to \$780. This was a decrease of \$150, or approximately 16.1% compared to expiring cost.
- Maryland Transit Administration's Crime policy renewed effective March 10, 2025-2026. The overall pricing decreased from \$17,592 to \$16,192. This was a decrease of \$1,400, or approximately 8% compared to expiring cost.
- Maryland DHS and Maryland DJS Foster Parent General Liability coverage renewed March 15, 2025-2026. The prior carrier did not offer renewal terms, and coverage was moved to a new carrier, Mercer. The overall pricing increased from \$341,410 to \$664,615. This was an increase of \$323,205, or approximately 94.7% compared to expiring cost.
- Blanket excess property policy renewed effective April 1, 2025-2026. The overall pricing decreased from \$18,772,047.05 to \$18,063,406.34. This was a decrease of \$708,640.71, or approximately 3.8% compared to the expiring cost.
- Maryland 529 crime policy renewed effective April 1, 2025-2028. This year, the policy changed from a one-year term to a three-year term. Overall pricing for three years was \$6,204. The average annual price decreased from \$3,047 to \$2,068. This was a decrease of \$979, or approximately 32.1% compared to expiring cost.
- Maryland Department of Commerce foreign liability policy renewed effective May 1, 2025-2026. The



overall pricing remained the same as last year, at \$3,500.

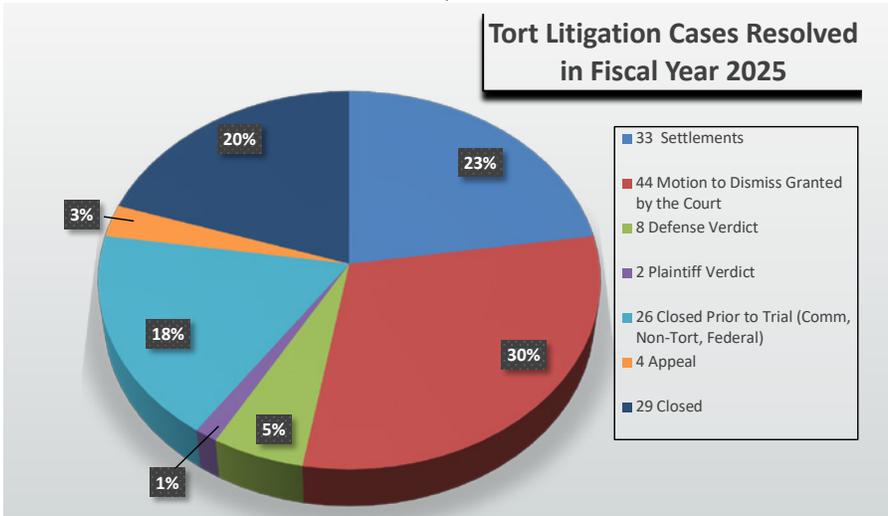
- Blanket aviation hull & liability for state-owned and leased aircraft renewed effective June 30, 2025-2026. There were three new aircraft added over the prior policy year. This year, the sublimit for the University of Maryland Eastern Shore was increased from \$5M to \$10M. A new carrier, USAIG, replaced two existing carriers on the program. Overall pricing decreased from \$1,664,112 to \$1,528,283. This was a decrease of \$135,829, or approximately 8.2% 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

INSURANCE continued from page 27



identify any trends. From July 1, 2024, through June 30, 2025, there were 4,571 claims opened, and 4,739 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 focus on increasing subrogation recoveries by designating specific claims personnel to pursue these debts.

Year-to-date subrogation recoveries for fiscal year 2025 total \$1,478,036.00, which did exceed the yearly targeted goal of \$1 million. The total subrogation recovery for fiscal year 2024 was \$1,379,267.53.

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.

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 2025, the current litigation caseload, which includes the Child

Victim Sexual Abuse Claims (CVA) filed against the state, is approximately 464 as of June 30, 2025. 146 tort cases on the rolling docket of open litigation claim files were resolved; 44 were dismissed; 33 cases were settled; 26 closed before trial; 29 closed; two resulted in a plaintiff's verdict (unfavorable to the state), eight 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 2025, \$738,336.84 was paid in litigation expenses; total settlement payments were \$3,741,985.88, for a total of \$4,480,322.72. The average litigation cost per case in fiscal year 2025 was \$11,371.38. The overall costs represent an increase of \$251,483.85 from fiscal year 2024 when the total costs were \$3,490,502.03, or approximately 28% increase. The Litigation Specialist will continue to monitor these costs to effectively manage and mitigate total litigation expenses and payments.

LOSS PREVENTION

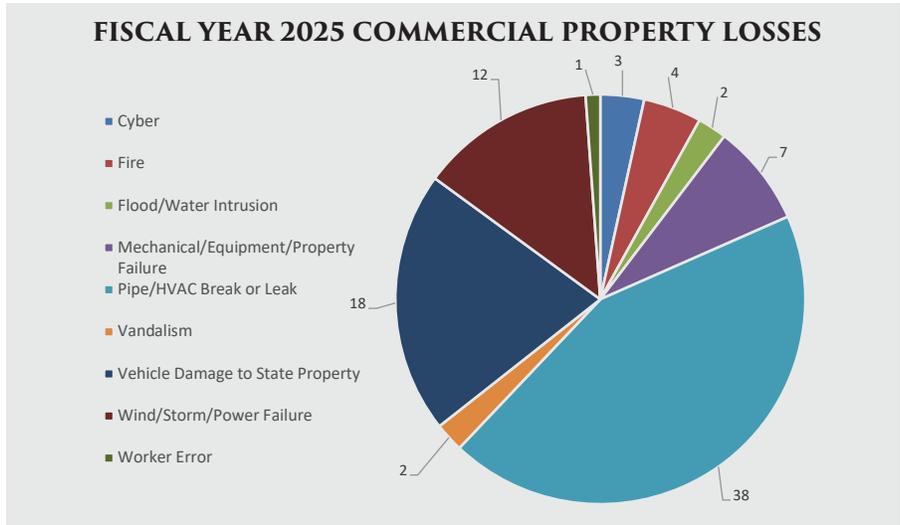
The primary goal of the unit is to assist in the preservation of state-owned assets, including buildings, computers, machinery, and specialized equipment. Agency-wide communications for weather threats, proactive site pre-inspections, and monitoring compliance with carrier recommendations are tools utilized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

The state's boiler and machinery policy provide coverage for catastrophic loss; the boiler insurance company is also responsible for inspection of

INSURANCE continued from page 28

pressure vessels required by 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 was completed in fiscal year 2025 for Morgan State University, The Reginald F. Lewis Museum, University of Maryland, Baltimore County, The Maryland School for the Deaf, and St. Mary's College of Maryland.

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 representatives. Completed property inspections for fiscal year 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 April 3, 2025, Loss Prevention sent a roof inspections bulletin to over 100 agency and institutional contacts, suggesting spring roof inspections can be an effective loss prevention strategy to identify potential structural problems or leaks caused by damage because of the winter season. The purpose of the bulletin is to help extend roof lives while minimizing costly emergency repairs.

On May 23, 2025, a communication on Hurricane Preparedness was distributed to state agencies and institutions. According to the National Oceanic and Atmospheric Administration (NOAA) the 2025's Atlantic hurricane season

was projected to be “above normal,” 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, AIG, with tips on what to do before, during, and after a hurricane as well as a water intrusion checklist which outlines pre- and post-event actions to implement when a water intrusion event occurs..

From July 1, 2024, to June 30, 2025, there were 87 property claims reported to the Insurance Division. The leading cause was water/substance damage from leaking pipes or equipment. Loss causation is reviewed to determine how to avoid or mitigate frequency in the future.

INSURANCE continued from page 29

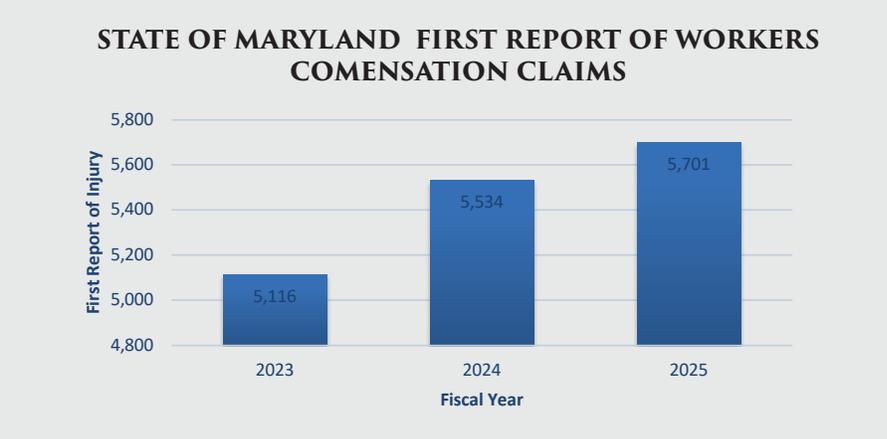
WORKER'S COMPENSATION CONTRACT MANAGEMENT:

The State Treasurer's Office (STO) is the contract administrator for the statewide workers' compensation contract between the Board of Public Works and Injured Workers Insurance Fund (IWIF).

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

Notable accomplishments this year include IWIF's roll out of a New Risk Management System, Origami, in November 2024. Origami is SOC 2 compliant, meeting industry privacy standards and providing state agencies with real time claim management data.

A new Memo of Understanding and Side Agreement with IWIF were signed February 21, 2025. These agreements outline expected services, scope of



work, and compensation for the state's program.

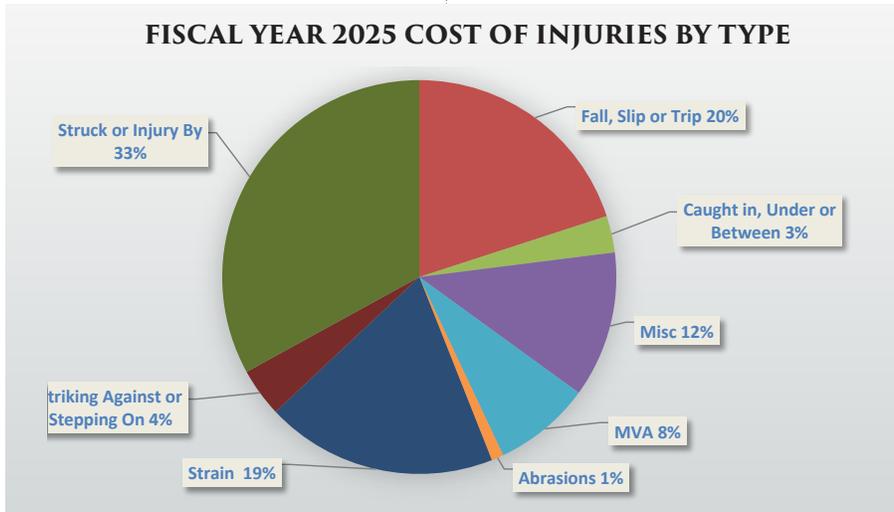
This year's SERMA Conference was held May 22, 2025, with a record number in attendance. Notable Injury Reduction Awards were presented to:

- Washington County Department of Social Services (-47%)
- Maryland School for the Deaf-Columbia (-43%)
- University of Maryland Eastern Shore (-43%)
- Salisbury University (-55%)
- Baltimore City Correctional Center (-58%)

Training for the new Maryland Occupational Safety and Health Heat Stress Standard was presented to over 260 agency staff. Emphasis has also been placed on Drivers Education programs with new training available through IWIF's Safety Center.

The Workers' Compensation program manager monitors the frequency of state employee injuries. A comparison of new claims reported from fiscal year 2023 to present can be seen in chart above.

Fiscal year 2025 Cost of Injuries by Type show the three top causes being "Struck by", "Strain" and "Slip and Fall". This year the state has experienced an increase in claim reports, potentially the result of weather related slip and falls. ■



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 delivered online, supporting the development of new systems that meet the agency's growing financial demands, and facilitating the transition to Public Cloud Infrastructure and Platform services. The IT division is focused on developing systems that transform how the organization conducts its core business functions, creating a more streamlined and efficient operation. The IT division provides services in partnership with other state 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 IT Division continues to work on the modernization of operational software systems. In addition to Budget, Insurance, and MD529 division applications, several aspects of Treasury Management's system are now operational. The Child Support, Eligibility & Enrollment, and Payroll processes are now fully integrated in our Dynamics 365 system. The division has also added functionality to the Agency Portal, which will continue in the coming year.

CUSTOMER SERVICE

The IT Division strives to deliver first-class customer service and application delivery to our constituents and business partners. We continue to make accessibility improvements to our website that were launched last year. We are also in the final stages of deploying our newly developed CSM system that will support day-to-day incidents of our new applications, as well as ongoing modernization of our agency systems.

CYBER SECURITY

The Maryland State Treasurer's Office recognizes that the cyber security landscape is of paramount importance when working with sensitive data. We continue to emphasize the use of enhanced multifactor identification for all cloud and on-premises systems. We also continue to participate in active phishing awareness training for all users as we believe education is the best defense against cyber threats. The Information Technology Division also commits to annual penetration testing to ensure our IT infrastructure maintains a secure public face. We have also implemented systems that will monitor dark web references to computer and financial account information. This will allow us to take steps to mitigate the damage of information that may be compromised.

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 posting to the state 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 services include the electronic retrieval of warranted check disbursement files that feed a high speed, customized, check printing process for GAD, the State Retirement Agency, and the Department of Human Services. Additionally, the IT Division provides for a unique agency check design, signature, MICR encoding and the delivery of an electronic positive pay file to the state disbursement bank. Using a next-generation check

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Historic Saint Mary's City Maryland

printer, the IT Division has reduced or eliminated fees associated with bad checks, providing greater fraud protection 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

The Information Technology Division continues to provide disaster recovery options for our technology infrastructure, as well as the modernization of STO's business continuity plan. As STO continues to evolve as an agency, we believe it important to be prepared to maintain our work integrity with minimal downtime. We strive to ensure the critical functions of STO are always accessible to the citizens of Maryland. ■

MARYLAND 529 DIVISION

The Maryland 529 program consists of the Maryland Senator Edward J. Kasemeyer College Investment Plan (more commonly referred to as the Maryland College Investment Plan), the Maryland ABLÉ 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.

The Maryland College Investment Plan continued to receive national recognition for its strong performance. For the eighth year in a row, the Maryland College Investment Plan was one of 14 plans in the country to receive a Silver rating by Morningstar for its combination of superior investment teams, robust investment processes, and/or good state stewardship. The Plan also received the "Top of the Class" designation from *Saving for College* in their *2024 529 Ratings*, outperforming more than 80% of its peers in the category.

As of June 30, 2025, total funded accounts in the Maryland College Investment Plan increased 5% from the previous fiscal year for a total of 382,505 accounts and total contributions increased 8.1% to \$1.015 billion.

MARYLAND PREPAID COLLEGE TRUST

The Maryland Prepaid College Trust is a prepaid tuition plan that closed to new enrollments on June 1, 2023, when oversight of the Maryland 529 programs transferred to the State Treasurer's Office.

As of June 30, 2025, 25,064 accounts remain in the Maryland Prepaid College Trust with \$18.4 million in total annual contributions.

MARYLAND ABLÉ

The Maryland ABLÉ 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 ABLÉ program is managed by Vestwell State Savings, LLC.

As of June 30, 2025, total accounts in the Maryland ABLÉ program increased 18.7% from the previous fiscal year for a total of 7,782 accounts and total assets under management increased 32.9% to over \$122 million. The average account balance increased to over \$15,000, surpassing the national average account balance by over \$3,000.

The Maryland ABLÉ Organizational Authorized Legal Representative (ALR) program increased by 31.6% in FY 25, with 79 organizations participating in this program. Organizational ALRs represent 37.4% of all Maryland ABLÉ accounts and \$42.1 million of Maryland ABLÉ assets.

In FY 25, 178 outreach events were held statewide to support program growth, reaching over 10,000 people. The expansion of national outreach by 64% to employers, financial planners, and national organizations such as the Public Sector Human Resources Association (PSHRA), National Disability Institute, National Federation of the Blind, National Down Syndrome Society, and Special Olympics International also resulted in reaching over 1,600 national attendees. ■

OFFICE OF THE ATTORNEY GENERAL – LEGAL DIVISION

WHILE THE ENTIRE OFFICE OF THE ATTORNEY GENERAL (OAG) serves as a resource to the Treasurer, three assistant attorneys general (AAG) 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;
- Representation in various types of litigation, administrative and regulatory proceedings;
- Responding to citizen inquiries; and
- Providing legal training to the staff, as appropriate.

Six additional AAGs in the central office are assigned to oversee and coordinate the state's legal representation under the Maryland Tort Claims Act (MTCA).

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 to a deputy treasurer, and, if appropriate, attend Board of Public Works meetings to be available to the Treasurer for legal advice.

The OAG provides legal advice with respect to the State's Maryland 529 program including that related to the MPCT 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 Principal Counsel researches and drafts necessary bond 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

The OAG oversees and coordinates the state's legal representation under the MTCA. The goal 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

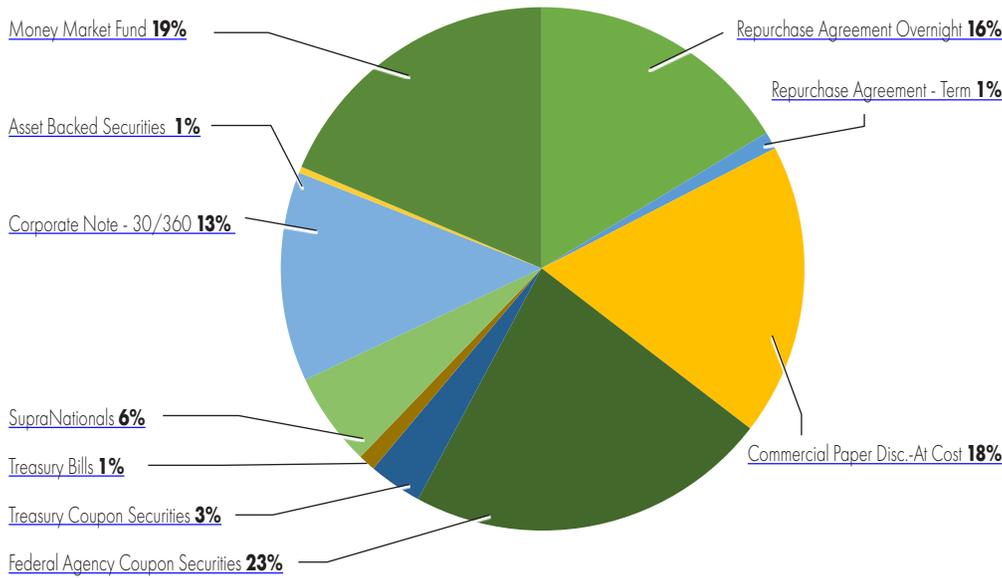
The Legal Division advises the Treasurer and office staff on a variety of issues affecting the office and its interaction with federal, state and local government agencies, contractors, and the public. Advice, counsel, and legal analysis on matters before various boards and commissions on which the Treasurer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

APPENDIX A – INVESTMENT INVENTORY

STATE OF MARYLAND INVENTORY BY MARKET VALUE

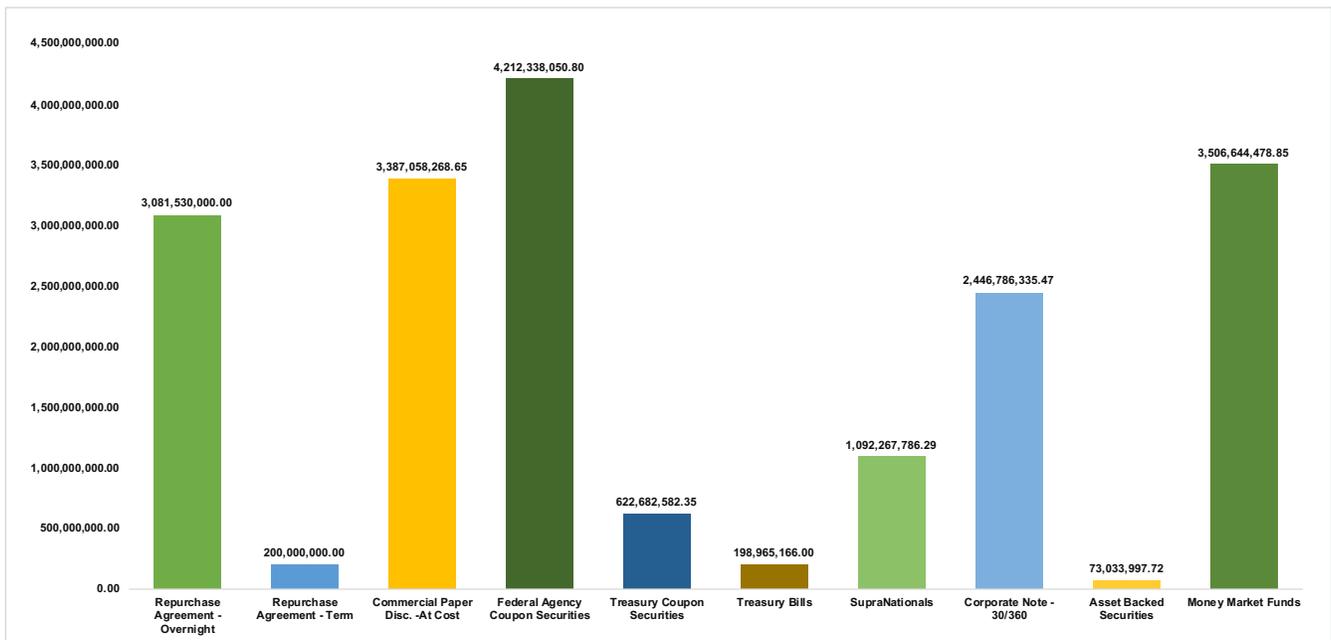
AS OF DATE: 06/30/2025 • DATE BASIS: SETTLEMENT • REPORTING CURRENCY: LOCAL

ASSET ALLOCATION



INVESTMENTS	BOOK VALUE
Repurchase Agreement - Overnight	3,081,530,000.00
Repurchase Agreement - Term	200,000,000.00
Commercial Paper Disc. -At Cost	3,387,058,268.65
Federal Agency Coupon Securities	4,212,338,050.80
Treasury Coupon Securities	622,682,582.35
Treasury Bills	198,965,166.00
SupraNationals	1,092,267,786.29
Corporate Note - 30/360	2,446,786,335.47
Asset Backed Securities	73,033,997.72
Money Market Funds	3,506,644,478.85
Total Investments	\$18,821,306,666.13

DISTRIBUTION OF HOLDINGS AS OF JUNE 30, 2025



STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2025 • 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 to	Maturity Date
O/N REPO											
RPON063025ASL	27364	ASL CAPITAL	06/30/2025	630,000,000.00	630,000,000.00	630,000,000.00	4.470	4.470	4.532	0	07/01/2025
RPON063025CANT	27361	Cantor Fitzgerald	06/30/2025	350,000,000.00	350,000,000.00	350,000,000.00	4.480	4.480	4.542	0	07/01/2025
RPON063025CLST	27362	Clear Street LLC	06/30/2025	630,000,000.00	630,000,000.00	630,000,000.00	4.470	4.470	4.532	0	07/01/2025
RPON063025DAIW	27368	Daiwa	06/30/2025	641,530,000.00	641,530,000.00	641,530,000.00	4.470	4.470	4.532	0	07/01/2025
RPON063025DVT	27365	DV Trading	06/30/2025	200,000,000.00	200,000,000.00	200,000,000.00	4.490	4.490	4.552	0	07/01/2025
RPON063025-SSS	27366	South Street Securities	06/30/2025	630,000,000.00	630,000,000.00	630,000,000.00	4.470	4.470	4.532	0	07/01/2025
TOTAL						3,081,530,000.00					
TERM REPO											
RPTR063025SSS	27367	South Street Securities	06/30/2025	200,000,000.00	200,000,000.00	200,000,000.00	4.420	4.420	4.481	6	07/07/2025
TOTAL						200,000,000.00					
COMMERCIAL PAPER											
03843LUR7	27102	Aquitaine Funding Co	05/15/2025	50,000,000.00	49,564,138.89	49,564,138.89	4.420	4.521	4.584	24	07/25/2025
03843LWF1	27307	Aquitaine Funding Co	06/20/2025	100,000,000.00	98,929,416.67	98,929,416.67	4.430	4.540	4.603	76	09/15/2025
04208CUU7	27021	Armada Funding Corp	05/01/2025	150,000,000.00	148,368,333.33	148,368,333.33	4.450	4.561	4.625	27	07/28/2025
04208CUR4	27273	Armada Funding Corp	06/13/2025	175,000,000.00	174,097,583.33	174,097,583.33	4.420	4.505	4.567	24	07/25/2025
06741FUV7	27085	Barclays	05/14/2025	100,000,000.00	99,069,000.00	99,069,000.00	4.410	4.513	4.576	28	07/29/2025
07260AUU9	27002	Bay Square Funding - CIBC	04/28/2025	100,000,000.00	98,880,194.44	98,880,194.44	4.430	4.542	4.605	27	07/28/2025
1000X2UN6	27332	R BOSCH FINANCE	06/24/2025	77,700,000.00	77,430,467.33	77,430,467.33	4.460	4.538	4.601	21	07/22/2025
10902EV12	27265	BRIGANTINE FUNDING CO LL	06/12/2025	75,000,000.00	74,538,541.67	74,538,541.67	4.430	4.519	4.582	31	08/01/2025
11042LUU2	27029	Britannia Funding	05/02/2025	103,500,000.00	102,391,946.25	102,391,946.25	4.430	4.540	4.603	27	07/28/2025
16891MVS5	27138	China Construction Bank NY	05/21/2025	100,000,000.00	98,800,972.22	98,800,972.22	4.450	4.567	4.630	56	08/26/2025
16891MVB8	27191	China Construction Bank NY	06/02/2025	100,000,000.00	98,904,888.89	98,904,888.89	4.480	4.593	4.656	59	08/29/2025
16536HV16	27264	CHESAM FINANCE	06/12/2025	75,000,000.00	74,539,583.33	74,539,583.33	4.420	4.509	4.572	31	08/01/2025
16536HUR0	27298	CHESAM FINANCE	06/18/2025	50,000,000.00	49,773,375.00	49,773,375.00	4.410	4.492	4.554	24	07/25/2025
2063CPUR6	27114	Concord Minutemen	05/19/2025	100,841,000.00	100,009,593.97	100,009,593.97	4.430	4.529	4.592	24	07/25/2025
2063COV1	27215	Concord Minutemen	06/05/2025	100,000,000.00	98,954,027.78	98,954,027.78	4.430	4.539	4.602	59	08/29/2025
19767CUG7	26993	Columbia Funding	04/25/2025	131,500,000.00	130,043,637.50	130,043,637.50	4.430	4.542	4.605	23	07/24/2025
20453PUX0	27113	Compass Group PLC	05/19/2025	100,000,000.00	99,101,694.44	99,101,694.44	4.430	4.532	4.595	30	07/31/2025
27873JUR4	27280	EBURY FINANCE	06/16/2025	100,000,000.00	99,522,250.00	99,522,250.00	4.410	4.493	4.555	24	07/25/2025
31849HVU3	27087	FIRST ABU DHABI	05/14/2025	100,000,000.00	98,689,722.22	98,689,722.22	4.450	4.572	4.635	58	08/28/2025
31849HV1	27111	FIRST ABU DHABI	05/16/2025	100,000,000.00	98,702,083.33	98,702,083.33	4.450	4.571	4.635	59	08/29/2025
44333AUX9	27281	HQLA Funding LLC	06/16/2025	100,000,000.00	99,446,250.00	99,446,250.00	4.430	4.517	4.579	30	07/31/2025
40446CWS6	27347	HQLA - HURON	06/26/2025	150,000,000.00	148,290,333.33	148,290,333.33	4.460	4.574	4.638	87	09/26/2025
56037BUU6	27048	Mainbeach Funding LLC	05/06/2025	100,000,000.00	98,978,638.89	98,978,638.89	4.430	4.538	4.601	27	07/28/2025
56037BUX0	27071	Mainbeach Funding LLC	05/09/2025	50,000,000.00	49,491,625.00	49,491,625.00	4.410	4.517	4.580	30	07/31/2025
62455FV11	27261	Mountcliff Funding LLC	06/12/2025	100,000,000.00	99,384,722.22	99,384,722.22	4.430	4.519	4.582	31	08/01/2025
62455FWF9	27308	Mountcliff Funding LLC	06/20/2025	100,000,000.00	98,929,416.67	98,929,416.67	4.430	4.540	4.603	76	09/15/2025
69039TV11	27263	Overwatch Alpha Fund	06/12/2025	50,000,000.00	49,693,750.00	49,693,750.00	4.410	4.499	4.561	31	08/01/2025
75946GVW2	27193	Reliance Funding Co LLC	06/02/2025	150,000,000.00	148,368,333.33	148,368,333.33	4.450	4.561	4.625	59	08/29/2025
75946GVW2	27218	Reliance Funding Co LLC	06/05/2025	100,000,000.00	98,954,027.78	98,954,027.78	4.430	4.539	4.602	59	08/29/2025
75946GVF7	27322	Reliance Funding Co LLC	06/23/2025	100,000,000.00	99,349,277.78	99,349,277.78	4.420	4.511	4.573	45	08/15/2025
76090BV11	27132	Resolute Funding Company LLC	05/21/2025	100,000,000.00	99,122,000.00	99,122,000.00	4.390	4.490	4.553	31	08/01/2025
79490AUU0	27001	Salisbury Receivable Corp	04/28/2025	100,000,000.00	98,877,666.67	98,877,666.67	4.440	4.553	4.616	27	07/28/2025
79490AUW6	27022	Salisbury Receivable Corp	05/02/2025	125,000,000.00	123,624,826.39	123,624,826.39	4.450	4.562	4.625	29	07/30/2025
83369BUX2	27192	Societe Generale	06/02/2025	105,000,000.00	104,235,950.00	104,235,950.00	4.440	4.535	4.598	30	07/31/2025
TOTAL						3,387,058,268.65					

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2025 • 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 to	Maturity Date
FEDERAL AGENCIES											
31422XIE3	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	385	07/21/2026
31422XML3	21748	Federal Agricultural Mtg Corp	09/08/2021	30,000,000.00	28,238,880.00	29,998,325.00	0.600	0.622	0.630	69	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	461	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	489	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	489	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	489	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	489	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	510	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	532	12/15/2026
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	560	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	552	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	552	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	575	01/27/2027
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	209	01/26/2026
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	164	12/12/2025
3133EP6R1	25237	Federal Farm Credit Bank	04/17/2024	40,000,000.00	39,629,160.00	39,659,719.10	4.970	5.159	5.230	1,365	03/27/2029
3130ALCG7	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	251	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	239	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	258	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	265	03/23/2026
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	329	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	329	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	366	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	366	07/02/2026
3130ANDB3	21643	Federal Home Loan Bank	08/13/2021	100,000,000.00	91,439,600.00	100,000,000.00	1.110	1.095	1.110	408	08/13/2026
3130ANUJ7	21681	Federal Home Loan Bank	09/08/2021	100,000,000.00	91,136,100.00	100,000,000.00	1.100	1.085	1.100	434	09/08/2026
3130ANMC1	21687	Federal Home Loan Bank	09/14/2021	100,000,000.00	91,183,700.00	100,000,000.00	1.150	1.134	1.150	440	09/14/2026
3130ANMX5	21688	Federal Home Loan Bank	09/21/2021	100,000,000.00	91,115,200.00	100,000,000.00	1.150	1.134	1.150	447	09/21/2026
3130ANNV8	21691	Federal Home Loan Bank	09/15/2021	100,000,000.00	91,286,100.00	100,000,000.00	1.200	1.184	1.200	441	09/15/2026
3130ANTC4	21711	Federal Home Loan Bank	09/28/2021	50,000,000.00	45,466,600.00	50,000,000.00	1.100	1.085	1.100	454	09/28/2026
3130ANTC4	21712	Federal Home Loan Bank	09/28/2021	50,000,000.00	45,466,600.00	50,000,000.00	1.100	1.085	1.100	454	09/28/2026
3130ANTC4	21713	Federal Home Loan Bank	09/28/2021	50,000,000.00	45,466,600.00	50,000,000.00	1.100	1.085	1.100	454	09/28/2026
3130ANV98	21729	Federal Home Loan Bank	09/22/2021	50,000,000.00	45,513,050.00	50,000,000.00	1.115	1.100	1.115	448	09/22/2026
3130ANV98	21730	Federal Home Loan Bank	09/22/2021	50,000,000.00	45,513,050.00	50,000,000.00	1.115	1.100	1.115	448	09/22/2026
3130ANV98	21731	Federal Home Loan Bank	09/22/2021	50,000,000.00	45,513,050.00	50,000,000.00	1.115	1.100	1.115	448	09/22/2026
3130ANXH8	21749	Federal Home Loan Bank	10/15/2021	50,000,000.00	45,497,150.00	50,000,000.00	1.150	1.134	1.150	471	10/15/2026
3130AP4H5	21773	Federal Home Loan Bank	10/26/2021	100,000,000.00	90,992,700.00	100,000,000.00	1.150	1.134	1.150	482	10/26/2026
3130AP5J0	21775	Federal Home Loan Bank	10/22/2021	60,000,000.00	54,604,020.00	60,000,000.00	1.170	1.154	1.170	478	10/22/2026
3130AP5J0	21776	Federal Home Loan Bank	10/22/2021	60,000,000.00	54,604,020.00	60,000,000.00	1.170	1.154	1.170	478	10/22/2026
3130APAT2	21787	Federal Home Loan Bank	11/03/2021	50,000,000.00	45,600,300.00	50,000,000.00	1.200	1.184	1.200	490	11/03/2026
3130APE68	21800	Federal Home Loan Bank	11/10/2021	100,000,000.00	91,375,500.00	100,000,000.00	1.300	1.282	1.300	497	11/10/2026
3130APIR7	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	511	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	520	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	504	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	527	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	531	12/14/2026
3130APZT5	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	545	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	552	01/04/2027

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2025 • 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 to	Maturity Date
3130AQB51	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	562	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	91	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	111	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	141	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	168	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	175	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	148	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	182	12/30/2025
3134GW4C7	22067	Federal Home Loan Mtg Corp	01/06/2022	50,000,000.00	45,190,550.00	49,575,147.31	0.800	1.448	1.468	483	10/27/2026
3134GWZV1	22101	Federal Home Loan Mtg Corp	01/13/2022	50,000,000.00	46,763,650.00	49,883,323.40	0.650	1.410	1.430	113	10/22/2025
3134GWZV1	22142	Federal Home Loan Mtg Corp	01/27/2022	19,800,000.00	18,518,405.40	19,742,448.69	0.650	1.603	1.625	113	10/22/2025
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	175	12/23/2025
3135G06G3	21962	Federal National Mtg Assn	12/08/2021	50,000,000.00	46,623,700.00	49,970,087.30	0.500	0.664	0.673	129	11/07/2025
TOTAL											\$4,212,338,050.80
FEDERAL COUPON											
91282CDG1	22068	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,945,826.74	1.250	1.381	1.400	548	12/31/2026
91282CDG1	22070	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,945,602.27	1.250	1.381	1.401	548	12/31/2026
91282CDG1	22071	U.S. Treasury	01/06/2022	25,000,000.00	22,779,300.00	24,938,251.20	1.250	1.402	1.421	548	12/31/2026
91282CDG1	22072	U.S. Treasury	01/07/2022	25,000,000.00	22,779,300.00	24,922,330.26	1.250	1.445	1.465	548	12/31/2026
91282CJIV4	24995	U.S. Treasury	02/20/2024	25,000,000.00	24,683,600.00	24,937,098.94	4.250	4.639	4.703	214	01/31/2026
91282CJIV4	24996	U.S. Treasury	02/20/2024	25,000,000.00	24,683,600.00	24,937,098.94	4.250	4.639	4.703	214	01/31/2026
91282CJIV4	24997	U.S. Treasury	02/20/2024	25,000,000.00	24,683,600.00	24,936,217.15	4.250	4.645	4.710	214	01/31/2026
91282CJIV4	24998	U.S. Treasury	02/20/2024	25,000,000.00	24,683,600.00	24,937,686.80	4.250	4.635	4.699	214	01/31/2026
91282CJIV4	24999	U.S. Treasury	02/20/2024	25,000,000.00	24,683,600.00	24,937,392.87	4.250	4.637	4.701	214	01/31/2026
91282CKH3	25208	U.S. Treasury	04/11/2024	25,000,000.00	24,799,800.00	24,915,458.75	4.500	4.911	4.979	273	03/31/2026
91282CKH3	25213	U.S. Treasury	04/11/2024	25,000,000.00	24,799,800.00	24,917,683.53	4.500	4.899	4.967	273	03/31/2026
91282CLP4	26120	U.S. Treasury	10/28/2024	100,000,000.00	99,284,788.68	99,284,788.68	3.500	4.044	4.100	456	09/30/2026
91282CLP4	26121	U.S. Treasury	10/28/2024	50,000,000.00	49,636,487.45	49,636,487.45	3.500	4.054	4.110	456	09/30/2026
91282CLP4	26130	U.S. Treasury	10/29/2024	50,000,000.00	49,627,741.62	49,627,741.62	3.500	4.068	4.125	456	09/30/2026
91282CLIS8	26131	U.S. Treasury	10/31/2024	50,000,000.00	49,996,829.83	49,996,829.83	4.125	4.073	4.130	487	10/31/2026
91282CLIS8	26137	U.S. Treasury	10/31/2024	50,000,000.00	49,971,334.55	49,971,334.55	4.125	4.113	4.170	487	10/31/2026
91282CLIS8	26175	U.S. Treasury	11/07/2024	50,000,000.00	49,894,752.77	49,894,752.77	4.125	4.232	4.291	487	10/31/2026
TOTAL											\$ 662,682,582.35
TREASURY BILLS											
912797MG9	27334	U.S. Treasury	06/26/2025	100,000,000.00	99,482,583.00	99,482,583.00	4.435	4.520	4.583	37	08/07/2025
912797MG9	27335	U.S. Treasury	06/26/2025	100,000,000.00	99,482,583.00	99,482,583.00	4.435	4.520	4.583	37	08/07/2025
TOTAL											\$198,965,166.00
SUPRA NATIONALS											
04517PBP6	23648	Asian Development Bank	02/13/2023	43,800,000.00	43,022,506.20	43,794,615.82	4.625	4.566	4.630	842	10/21/2027
04517PBW1	25018	Asian Development Bank	02/26/2024	100,000,000.00	99,524,800.00	99,911,742.42	4.875	4.838	4.905	1,183	09/26/2028
04517PBW1	25169	Asian Development Bank	04/03/2024	100,000,000.00	99,524,800.00	99,902,495.35	4.875	4.841	4.909	1,183	09/26/2028
04517PBY7	25253	Asian Development Bank	04/22/2024	100,000,000.00	99,011,564.25	99,011,564.25	4.950	4.633	4.697	1,381	04/12/2029
00828EEG0	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	489	11/02/2026
00828EEI4	21884	African Development Bank	12/15/2021	100,000,000.00	90,422,900.00	99,991,266.67	1.200	1.190	1.206	532	12/15/2026
00828EEI4	21891	African Development Bank	12/15/2021	40,000,000.00	36,169,160.00	39,952,257.78	1.200	1.267	1.285	532	12/15/2026
219868CL8	26478	CORP ANDINA DE FOMEN	01/22/2025	60,000,000.00	59,713,919.00	59,713,919.00	5.000	5.050	5.120	1,666	01/22/2030
45818WGB6	26505	Inter American Dev Bank	01/22/2025	100,000,000.00	100,000,000.00	100,000,000.00	4.800	4.734	4.800	1,666	01/22/2030
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	477	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	140	11/18/2025

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2025 • 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	
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	504	11/17/2026
459058LE1	25184	Intl Bk Recon & Develop	04/10/2024	100,000,000.00	100,026,500.00	99,989,925.00	4.750	4.699	4.764	283	04/10/2026
45950VTZ9	26164	International Finance Corp	11/13/2024	100,000,000.00	100,000,000.00	100,000,000.00	4.520	4.458	4.52	1,596	11/13/2029
TOTAL						\$1,092,267,786.29					
CORPORATE NOTE 30/360											
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	86	09/25/2025
06051GMK2	26506	Bank of America	01/24/2025	100,000,000.00	100,000,000.00	100,000,000.00	4.979	4.911	4.979	1,303	01/24/2029
06051GMT3	27051	Bank of America	05/09/2025	100,000,000.00	100,000,000.00	100,000,000.00	4.623	4.560	4.623	1,408	05/09/2029
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	48	08/18/2025
14913UAS9	26195	Caterpillar Fin Svcs	11/15/2024	100,000,000.00	99,931,996.30	99,931,996.30	4.600	4.568	4.631	867	11/15/2027
20271RAU4	26247	Commonwealth Bank of Australia	11/27/2024	75,000,000.00	75,000,000.00	75,000,000.00	4.577	4.514	4.577	514	11/27/2026
17325FBB3	24555	Citibank NA	10/19/2023	32,488,000.00	33,112,061.99	32,281,748.65	5.803	5.949	6.031	1,186	09/29/2028
00138CBF4	27208	Corebridge Global Funding	06/06/2025	80,000,000.00	79,902,966.67	79,902,966.67	4.850	4.811	4.878	1,801	06/06/2030
233853BC3	26442	Daimler Truck Finance	01/13/2025	25,000,000.00	24,971,500.00	24,971,500.00	4.950	4.931	4.999	926	01/13/2028
302154DX4	24410	EXP IMP BANK OF KOREA	09/18/2023	20,000,000.00	19,969,960.00	19,997,711.39	5.375	5.358	5.432	79	09/18/2025
29449WAR8	26192	Equitable Financial Life	11/19/2024	40,000,000.00	39,990,466.67	39,990,466.67	4.875	4.819	4.886	871	11/19/2027
29446Q2B8	27200	Equitable Financial Life	06/09/2025	55,000,000.00	54,945,128.94	54,945,128.94	4.950	4.905	4.973	1,804	06/09/2030
29446Q2B8	27254	Equitable Financial Life	06/17/2025	45,000,000.00	44,986,545.70	44,986,545.70	4.950	4.914	4.982	1,804	06/09/2030
40139LBH5	24560	Guardian Life Global Funding	10/20/2023	19,100,000.00	19,505,951.40	18,984,153.14	5.737	5.873	5.954	1,189	10/02/2028
40139LBK8	26980	Guardian Life Global Funding	04/28/2025	25,000,000.00	25,000,000.00	25,000,000.00	4.798	4.732	4.798	1,762	04/28/2030
44891ADL8	26434	Hyundai Capital America	01/08/2025	100,000,000.00	99,833,746.06	99,833,746.06	5.000	5.003	5.072	920	01/07/2028
46647PEP7	26061	JP Morgan	10/22/2024	25,000,000.00	25,000,000.00	25,000,000.00	4.505	4.443	4.505	1,209	10/22/2028
46647PEU6	26496	JP Morgan	01/24/2025	35,000,000.00	35,000,000.00	35,000,000.00	4.915	4.848	4.915	1,303	01/24/2029
46849LVC2	26435	Jackson National Life Global	01/13/2025	50,000,000.00	49,985,433.33	49,985,433.33	4.900	4.853	4.920	561	01/13/2027
500630DZ8	24545	Korea Development Bank	10/23/2023	35,000,000.00	35,150,115.00	34,982,409.26	5.375	5.343	5.417	479	10/23/2026
57629TBX4	27030	Mass Mutual Global Funding	05/07/2025	75,000,000.00	74,903,242.50	74,903,242.50	4.550	4.517	4.580	1,771	05/07/2030
58769JAJ6	24246	Mercedes Benz Cap Corp	08/03/2023	45,000,000.00	44,943,120.00	44,999,341.92	5.375	5.319	5.393	31	08/01/2025
58989V2K9	26441	Metropolitan Life Ins	01/14/2025	100,000,000.00	99,925,607.41	99,925,607.41	4.800	4.766	4.832	927	01/14/2028
61690U8G8	26078	Morgan Stanley Co	10/18/2024	70,000,000.00	70,000,000.00	70,000,000.00	4.447	4.386	4.447	836	10/15/2027
61690DK72	26495	Morgan Stanley Co	01/21/2025	50,000,000.00	50,000,000.00	50,000,000.00	5.016	4.948	5.016	1,291	01/12/2029
641062BL7	24406	Nestles Food & Bev	09/12/2023	50,000,000.00	49,737,550.00	49,998,721.11	5.000	4.932	5.001	1,169	09/12/2028
64952WFB4	24383	New York Life - Long term	09/11/2023	8,804,000.00	8,867,623.57	8,937,973.74	4.700	5.385	5.460	275	04/02/2026
64953BBF4	24416	New York Life - Long term	09/19/2023	70,000,000.00	70,121,100.00	69,994,613.44	5.450	5.382	5.457	444	09/18/2026
64952WFB4	24552	New York Life - Long term	10/19/2023	15,000,000.00	14,802,900.00	14,890,986.18	4.700	5.669	5.748	275	04/02/2026
64952WFI7	26017	New York Life - Long term	10/07/2024	5,500,000.00	5,470,963.69	5,470,963.69	3.900	4.095	4.152	822	10/01/2027
64952WFI7	26018	New York Life - Long term	10/07/2024	12,405,000.00	12,339,509.92	12,339,509.92	3.900	4.095	4.152	822	10/01/2027
74153WCW7	27147	PRICOA GLOBAL FUNDING 1	05/28/2025	35,000,000.00	34,975,605.58	34,975,605.58	4.700	4.652	4.716	1,792	05/28/2030
74153WCW7	27149	PRICOA GLOBAL FUNDING 1	05/28/2025	10,000,000.00	9,978,403.33	9,978,403.33	4.700	4.685	4.750	1,792	05/28/2030
74153WCT4	24316	Prudential Insurance	08/28/2023	15,000,000.00	15,084,165.00	14,994,150.42	5.550	5.510	5.587	423	08/28/2026
21688AAY8	24473	RABOBANK NY	10/05/2023	100,000,000.00	100,318,300.00	99,880,614.81	5.500	5.527	5.604	461	10/05/2026
82622RAC0	27148	SIEMENS FUNDING BV	05/28/2025	10,000,000.00	9,990,477.83	9,990,477.83	4.600	4.559	4.622	1,792	05/28/2030
82622RAC0	27150	SIEMENS FUNDING BV	05/28/2025	10,000,000.00	9,965,347.17	9,965,347.17	4.600	4.616	4.680	1,792	05/28/2030
857449AC6	26248	State Street Bank & Trust	11/25/2024	100,000,000.00	100,000,000.00	100,000,000.00	4.594	4.531	4.594	512	11/25/2026
87019DAA5	27095	Swedbank	05/21/2025	40,000,000.00	40,000,000.00	40,000,000.00	5.083	5.013	5.083	1,785	05/21/2030
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	377	07/13/2026
89236TKX2	24279	Toyota Motor Corp	08/14/2023	45,000,000.00	44,793,720.00	44,979,682.08	5.000	4.975	5.044	409	08/14/2026
89236TKZ7	24405	Toyota Motor Corp	09/11/2023	23,000,000.00	23,086,342.00	22,999,619.86	5.600	5.532	5.609	72	09/11/2025
89236TMS1	26030	Toyota Motor Corp	10/10/2024	35,000,000.00	34,989,654.87	34,989,654.87	4.350	4.304	4.364	829	10/08/2027
89236TNO	27079	Toyota Motor Corp	05/15/2025	40,000,000.00	39,955,565.33	39,955,565.33	4.800	4.760	4.826	1,779	05/15/2030
9498816B8	24257	Wells Fargo	08/09/2023	80,000,000.00	80,094,800.00	79,997,573.03	5.550	5.508	5.585	31	08/01/2025
94106LCB3	26146	Waste Management	11/04/2024	70,000,000.00	69,874,449.71	69,874,449.71	4.500	4.511	4.574	988	03/15/2028

STATE OF MARYLAND INVENTORY BY MARKET VALUE

AS OF DATE: 06/30/2025 • 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	
95954A2A0	26994	Western-Southern Global	05/01/2025	30,000,000.00	29,963,170.00	29,963,170.00	4.900	4.861	4.929	1,765	05/01/2030
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	139	11/17/2025
961214FV0	26196	Westpac Banking Corp	11/20/2024	75,000,000.00	74,987,255.43	74,987,255.43	4.600	4.553	4.616	476	10/20/2026
TOTAL						\$ 2,449,591,629.40					
ASSET BACKED SECURITIES											
24704EAC2	26035	DELL Equipment Trust	10/16/2024	34,000,000.00	33,999,547.80	33,999,547.80	4.690	4.672	4.737	1,878	08/22/2030
24704EAE8	26037	DELL Equipment Trust	10/16/2024	12,500,000.00	12,498,950.00	12,498,950.00	4.590	4.574	4.637	1,878	08/22/2030
24703UAC7	26992	DELL Equipment Trust	05/01/2025	18,500,000.00	18,499,163.80	18,499,163.80	4.680	4.665	4.730	751	07/22/2027
55317WAB7	24175	Mass Mutual Asset Funding	07/21/2023	8,036,508.90	8,044,673.99	8,036,336.12	5.790	5.781	5.862	500	11/13/2026
TOTAL						73,033,997.72					
MONEY MARKET FUNDS											
4812CA538	23201	One United Bank	10/25/2022	226,260,492.45	226,260,492.45	226,260,492.45	4.180	4.123	4.180	1	
ACADEMY	21571	Academy	07/01/2021	1,277,335,910.70	1,277,335,910.70	1,277,335,910.70	4.180	4.123	4.180	1	
38150C762	23303	Drexel Hamilton	11/16/2022	169,479,527.58	169,479,527.58	169,479,527.58	4.180	4.123	4.180	1	
FIDELITY	19552	Fidelity Inv	07/01/2021	35,093,161.44	35,093,161.44	35,093,161.44	4.220	4.162	4.220	1	
MLGIP	11456	MLGIP	06/01/2021	1,798,475,386.68	1,798,475,386.68	1,798,475,386.68	4.320	4.261	4.320	1	
TOTAL						3,506,644,478.85					
TOTALS						\$18,821,306,666.13					

ACKNOWLEDGEMENTS

EDITOR-IN-CHIEF:

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FOR MORE INFORMATION OR ADDITIONAL COPIES CONTACT: MARYLAND STATE TREASURER'S OFFICE

Attn: Annual Report
Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401

(410) 260-7533 phone
(410) 974-3530 fax

E-mail: Treasurer@treasurer.state.md.us
Website: www.treasurer.state.md.us



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Treasury Building
80 Calvert Street, Room 109
Annapolis, MD 21401

PH: 410-260-7533
FAX: 410-974-3530

treasurer@treasurer.state.md.us
www.treasurer.state.md.us