



MARYLAND STATE TREASURER
Dereck E. Davis

Testimony of the Maryland State Treasurer’s Office

Senate Bill 547: Commission to Study Health Insurance Pooling - Establishment

Position: Favorable with Amendments

Senate Finance Committee

February 12, 2025

Senate Bill 547 requires the State Treasurer or a designee to serve on the two-year Commission to Study Health Insurance Pooling, chaired by the Secretary of Budget and Management. While the State Treasurer’s Office (STO) supports exploring the concept of pooling public employee health insurance purchasing, the bill exacerbates a reality that STO has faced in recent years – constrained resources. In addition to fulfilling various Constitutional and statutory responsibilities related to banking, debt management, and insurance, the Treasurer serves on 21 State boards and commissions. This session, the General Assembly is considering legislation to add the Treasurer to a few additional entities.

For the reasons discussed below, STO respectfully requests an amendment to remove the State Treasurer or the State Treasurer’s designee from the Commission.

Expanded Portfolio

[Chapter 113](#) of the Acts of 2023 abolished the Maryland 529 Board, transferring the Maryland 529 Program under STO. That transfer, coupled with the staff resources that STO is dedicating to integrating the agency and addressing the Program’s issues, significantly added to STO’s workload. While STO has resolved many of the initial operational challenges, the Treasurer remains the sole Trustee under the plans, requiring much more time than STO had previously dedicated to supporting the Treasurer as a member of the Maryland 529 Board.

Limited Staff Resources

Only a handful of STO employees have the experience and capacity to serve as designees for the Treasurer. Meeting obligations vary from bimonthly to periodically every few years (see “State

Treasurer’s Board Responsibilities” chart on page 3 of this testimony). Aside from official meetings, several of the boards require STO to expend a substantial amount of staff resources in between meetings to coordinate briefings with other agencies and public officials, collect background information, and prepare for votes and discussion. The Treasurer’s two most time-consuming board responsibilities are the Board of Trustees of the Maryland State Retirement and Pension System, for which the Treasurer serves as Chair, and the Board of Public Works.

Removal of the Treasurer and his designee from the Commission will allow staff to dedicate working time to other responsibilities.

Nexus to STO’s Core Responsibilities

STO recently undertook a review of the Treasurer’s board commitments to identify those that reflected the weakest nexus to the Office’s core responsibilities. After much consideration, STO determined that the work of the Commission would not pose as strong of a connection to the Office’s other work.

2024 Legislation

During the 2024 session, the General Assembly passed departmental legislation ([Senate Bill 777/House Bill 918](#)) that alleviated some of the Treasurer’s membership responsibilities. As introduced, the bills would have removed the Treasurer from an additional board, the Board of Directors for the Maryland Environmental Service (MES Board). During the 2025 session, [Senate Bill 315/House Bill 344](#) proposes to remove the Treasurer from the MES Board to alleviate STO’s workload.

For the foregoing reasons, STO requests that the Committee give Senate Bill 547 a favorable with amendments report with the amendment referenced below. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

PROPOSED AMENDMENT

BY: Chair, Senate Finance Committee
(To be offered in the Senate Finance Committee)

AMENDMENT TO SENATE BILL 547 (First Reading File Bill)

On page 2, in line 17, strike “(7) State Treasurer or the State Treasurer’s designee;” and in lines 18, 20, 22, 24, 26, and 28, respectively, strike “(8)”, “(9)”, “(10)”, “(11)”, “(12)”, and “(13)”, respectively, and substitute “(7)”, “(8)”, “(9)”, “(10)”, “(11)”, and “(12)”, respectively.

On page 3, in lines 1, 4, 7, 10, and 12, respectively, strike “(14)”, “(15)”, “(16)”, “(17)”, and “(18)”, respectively, and substitute “(13)”, “(14)”, “(15)”, “(16)”, and “(17)”, respectively.

State Treasurer's Board Responsibilities

Board of Public Works	Bi-monthly
Capital Debt Affordability Committee	October (3 meetings)
Commission on State Debt	April
Board of Trustees of the Maryland State Retirement and Pension Systems	Monthly
Board of Revenue Estimates	March, September, December
Maryland Environmental Services Board	Monthly
Maryland Supplemental Retirement Board	Monthly
Maryland Small Business Retirement Savings Board	Quarterly
Maryland Health and Higher Education Facilities Authority	Monthly
Maryland Green Purchasing Committee	Quarterly
Maryland Efficient Grant Application Council	Quarterly
Financial Education and Capability Commission	Required to meet at least twice yearly
Procurement Improvement Council	Quarterly
IWIF Board	Quarterly
eMaryland Marketplace Advantage Steering Committee	As needed
Revenue Bond Advisory Board (DHCD)	Monthly
Revenue Monitoring Committee	Monthly
Hall of Records Commission	Semi-annually
Board of State Canvassers	Periodically during election years (After a presidential primary election, a State general election, or a general or special general election that includes a candidate for Congress)
Governor's Salary Commission	Periodically every four years
21st Century Financial Systems Enterprise (21CFSE)	As needed