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MARYLAND TEACHERS AND STATE EMPLOYEES SUPPLEMENTAL RETIREMENT PLANS

EXECUTIVE DIRECTOR

POSITION SPECIFICATIONS

CLIENT

Our client, the **Maryland Supplemental Retirement Plans (MSRP or “the Plans”)**, was established for Maryland state employees in 1974. Enrollment began in 1975 and a seven-member **Board of Trustees** was appointed to administer the program.

Subsequent acts enacted in 1985 authorized a 403(b) Tax-Deferred Annuity Plan and a 401(k) Savings and Investment Plan to be offered along with the existing 457 Deferred Compensation Plan. These three plans, collectively, became known as the **Maryland Teachers and State Employees Supplemental Retirement Plans (MSRP)** to be governed by a nine-member **Board of Trustees**.

Trustees are appointed by the Governor to staggered four-year terms. The Governor selects three members from any of the following departments, agencies or boards: the Department of Budget and Management, the Department of Education, the Comptroller of the Treasury, the State Treasurer’s Office, the Maryland State Retirement and Pension Systems, or the Maryland Higher Education Commission. Three other members are eligible to participate in one or more of the **Plans**, and at least one is eligible for the 403(b) plan. Three additional members represent the general public and are not eligible to participate in the **Plans**. At least one of these members has experience with defined contribution and salary reduction plans.

Additional information about **MSRP** can be found here:

<https://msa.maryland.gov/msa/mdmanual/25ind/html/71teach.html#organ>

The members of the **Board of Trustees** are made fiduciaries by statute and are required to operate the **Plans** for the exclusive benefit of participating employees. The **Board** hires the necessary staff, administrators, consultants and accountants that are required for efficient and professional operation of the four plans and their \$4.39 billion in assets. The **Board** also submits an annual report about the **Plans** to the Governor and the General Assembly. All funds for **Plan** administration are paid by charges against participant accounts, including a direct charge that pays the expenses of **Board** staff. These charges are reflected on participant statements, and since 1987 the **Plan** administrator, **Nationwide Retirement Solutions (NRS)**, is prohibited by contract from accepting any additional, indirect compensation or commissions from investment providers. The current contract between the **Board** and **NRS** became effective October 1, 2019.

In 1998, the Maryland General Assembly authorized a match program which made a dollar-for-dollar matching contribution for eligible State employees that voluntarily contribute to one of the State sponsored supplemental retirement plans. State matching contributions were provided in the State budget, and capped at \$600 per employee per year. The State contributions for **MSRP** participants were paid into a separate qualified plan, the 401(a) plan. For the fiscal year ended June 30, 2009, the State contribution to the match plan was over \$20 million. No matching contributions have been authorized since that time.

The **Plans** are self-directed, so participants choose the investment options for their current deferrals and balances. Participating employee contributions are fully vested at all times. Employees electing to contribute to the **MSRP** have the following investment options:

- The investment contract pool (ICP). The ICP is a book value/constant principal investment fund that periodically adjusts the rates paid to participants in order to account for the income, gains and losses of the portfolio. It is made up of a collection of book value investments: a money market fund, guaranteed investment contracts written by insurance companies, and synthetic guaranteed investment contracts written by insurance companies and other financial institutions. This option is not available in the 403(b) Plan. The ICP is managed by Galliard Capital Management.
- Mutual funds and collective investment trusts, including target date funds which now comprise about 30% of plan assets and participant contributions.

The 401(k) Plan comprised the largest portion of the combined **Plan** assets at 49.5% and had, as of 12/31/19, 32,548 participants. The assets of the 457 plan represented 43.4% of the combined **Plan** assets. Participants in the 457 plan numbered 35,557.

In addition to **NRS**, the **Board** has a contract with **Segal Marco Advisors** for investment advice and defined contribution plan consulting services. The **Board** also maintains contracts with an independent auditing firm and, with the assistance and consultation of the Maryland State Treasurer's Office, with a bank for customary banking services to the **Plans**.

MSRP is based in Baltimore. The **Plans** directly employ a work force of 12 (including the vacant **Executive Director** role) with an additional 14 employed by **NRS** who are dedicated to MSRP activities. The **Executive Director** will oversee an operating budget of approximately \$2.9 million.

For more detailed information about **MSRP Plans**, please visit the **NRS** website at www.marylanddc.com.

ABOUT BALTIMORE

Located roughly 40 miles northeast of Washington, D.C., Baltimore is the largest city in the State of Maryland with a greater metro area population of 2.8 million. Dubbed the "city of neighborhoods", many of which have rich histories, the city is home to some of the earliest National Register Historic Districts in the nation.

Baltimore's downtown area known as the Inner Harbor is home to the Maryland Science Center, which opened in 1976, the Baltimore World Trade Center (1977), and the Baltimore Convention Center (1979), followed by the National Aquarium, Maryland's largest tourist destination, and the Baltimore Museum of Industry in 1981. In 1995, the city opened the American Visionary Arts Museum on Federal Hill. In 1992, the Baltimore Orioles baseball team moved from Memorial Stadium to Oriole Park at Camden Yards, located downtown near the harbor. Three years later the Baltimore Ravens football team moved into M&T Bank Stadium next to Camden Yards.

Baltimore enjoys a lively cultural arts, entertainment and dining scene. The City is known for its Maryland blue crabs, crab cakes, Old Bay Seasoning, pit beef, and the "chicken box." Food- and drink-rating site Zagat ranked Baltimore second in a list of the 17 best food cities in the country in 2015.

For more information about Baltimore, please see:

Official City Website	www.baltimorecity.gov
Baltimore Chamber of Commerce	www.baltimorecitychamber.org
Baltimore Sun Newspaper	www.baltimoresun.com
Visit Baltimore	www.baltimore.org

RESPONSIBILITIES

The **Executive Director** is the Chief Executive Officer of **MSRP** and is appointed by and reports to the nine-member fiduciary oversight and policy **Board of Trustees**. The **Executive Director** is advised on legal matters by the Office of the Attorney General, who appoints an Assistant Attorney General to serve as counsel to the **Plans** and the **Board**. The **Executive Director** oversees four direct reports comprised of the Director of Finance, the Director of Operations & Technology, the Director of Participant Services, and an Executive Assistant.

Key responsibilities of the Executive Director include:

- Planning and leading operations of all aspects of the **Plans**, including internal agency personnel and external contractual partners as appropriate;
- Consistent with state personnel procedures, appointing and directing **MSRP** staff and ensuring a positive work environment and culture for the agency and staff;
- With oversight of the **Board** and consistent with state procurement procedures, ensuring procurement and management of outsourced services, including, but not limited to record-keepers, investment advisors, investment managers, auditors and other related organizations;
- Representing **MSRP** and ensuring clear communications in relations with participants and beneficiaries, the public, media, and other agencies of state government, including the General Assembly and Executive Branch agencies.
- Ensuring sound, productive working relationships with external advisors, contractors, and other stakeholders;
- Establishing overall annual **Plan** and budget goals to accomplish the mission as defined by the **Board**;
- Providing strategic leadership, framing issues appropriately for the **Board** to support informed decision making;
- Enabling the effective functioning of the **Board** through accurate and timely reporting and advising on matters such as updates on strategic goals and plan implementation, current significant issues regarding **MSRP** or defined contribution plans, key agency and plan performance indicators, risk and compliance updates, and any other appropriate matters. The **Executive Director** is expected to facilitate and enable regular meetings of the **Board** and its committees, working closely with the **Board** and Committee Chairs as appropriate;
- Ensuring that the management, accounting, record-keeping and oversight of **Plan** financial transactions meet the requirements of fiduciary responsibility and all appropriate national accounting and record-keeping standards;
- Ensuring appropriate administration of plan participant accounts, either directly or through a contractual record-keeper.

EDUCATION AND EXPERIENCE

The following are required:

- Bachelor's degree in business or related field from an accredited college or university. A Master's degree in business or a related field may be substituted for 2 years of required experience
- A minimum of 6-8 years of progressive senior management experience in a financial or executive leadership position
- Demonstrated success leading senior and executive staff with diverse competencies (audit, finance, technology, legal and investment) in a collaborative and team-oriented fashion
- Positive experience working with an oversight or policy board and external stakeholders

The following are preferred and will distinguish the most attractive candidates:

- Experience in managing a state or state-like organization, mindful of compliance, budgetary-control, and inter-departmental communication aspects of such a role.
- An advanced degree in business, finance, economics or public administration
- Experience of knowledge of customer service, benefits administration, funding, regulatory compliance and technology integration
- Experience in state or local government, particularly experience or familiarity with the operations of Maryland State government, including the fiscal, personnel and procurement procedures
- Experience working with legislative bodies, individual plan participants, State agencies and instrumentalities, the general public, and other external stakeholders
- Knowledge of the legal and regulatory requirements of administering a government defined contribution plan
- Experience in institutional investing
- Experience managing an operating budget and staff complement
- Success in serving as the public “face” to legislators, participants, state agencies and instrumentalities, the general public, and other relevant stakeholders
- The ability to travel to meet with groups across the State of Maryland and to participate in national industry conferences and events, as necessary

PERSONAL CHARACTERISTICS

- Unassailable personal character, values and integrity
- Projects confidence but with humility; a servant leader
- Open and welcoming; approachable and visible to **Board**, staff, employers and participants; empathetic, with strong emotional intelligence
- A thoughtful decision-maker who values both people and process; willing to get input in the decision-making process; makes the decision and is willing to admit mistakes in adverse situations if necessary
- Integrity and backbone; will do what’s right for **MSRP** and its participants
- Excellent communication skills, including outstanding presentation speaking skills, writing and listening
- Strong customer service focus
- High energy level and strong work ethic
- Commitment to the mission and vision of **MSRP**
- Flexible, versatile, persuasive and influential

COMPENSATION

This **Executive Director** role is rated as an ES7 in the State of Maryland’s Executive Service Pay Plan. The midpoint salary for this rating is \$123,623 annually. The state’s comprehensive benefits package includes medical, prescription, dental and vision coverage; life, accidental death and dismemberment insurance plans; and participation in the contributory defined benefit plan and voluntary defined contribution plans offered by the State of Maryland. For the defined benefit plan, 10-year vesting is applicable, and an employee who leaves before that time would receive his/her contributions back, plus 5%. Other post-employment benefits include medical insurance. The state also offers competitive leave benefits including annual, personal, holiday and sick leave.

APPLICATION PROCESS

EFL Associates, an executive search firm, is assisting **MSRP's Board of Trustees** with this important search. All calls and inquiries should be made through the search firm. Referrals and applications will be held in confidence. Review of applications will begin immediately and will continue until the position is filled.

NON-DISCRIMINATION

MSRP and EFL Associates firmly support the principle and philosophy of equal opportunity for all individuals, regardless of age, race, gender, creed, national origin, disability, veteran status or any other protected category pursuant to applicable federal, state or local law.

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