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Environment and Transportation
Committee

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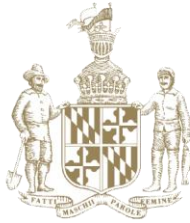
Land Use and Ethics Subcommittee

Joint Committee on Administrative,
Executive, and Legislative Review

Joint Committee on Ending
Homelessness

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Joint Committee on Pensions



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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

Testimony in Support of HB909

Maryland Teachers and State Employees Supplemental Retirement Plans – Use of Minority
Business Enterprises
Budget & Taxation Committee * March 29, 2022

What the bill does

House Bill 909 will:

- Amend State Personnel & Pensions § 35-302 by replacing the current reporting requirement from brokerage and investment management to reflect the practices of the Board with reporting on investment advisors and fund managers.
- Require the Maryland Teachers and State Employees Supplemental Retirement Plan Board (the Board) to use the Office of State Procurement's website to notify potential providers.

Why the bill is important

In 2012, the Maryland General Assembly passed Senate Bill 343 to require certain Departments and Commissions, including the Maryland Teachers' and State Employees' Supplemental Retirement Plans (MSRP) to attempt to use minority business enterprises (MBEs) to the greatest extent feasible to provide brokerage and investment management services. SB 343 (2012) also clarified a **reporting requirement** related to similar requirements that already applied in existing units of State Government. This bill will amend State Personnel & Pensions § 35-302 to ensure that reporting is consistent with the practices of the MSRP. Currently, SPP § 35-302 contains language that does not apply to the Maryland Supplemental requirement plans, which renders the State's Minority Owned Financial Services Firm Usage Annual Report Questionnaire unhelpful. For example, MSRP does not directly contract with investment managers or brokerage services, which the Questionnaire inquires about. **HB909 will clean up and clarify statute by replacing inapplicable language with language that reflects the types of contractors procured by MSRP** (i.e. its investment advisory and the fund manager of its investment contract pool). Amending SPP § 35-302 will yield more reliable and accurate responses to the Annual Report Questionnaire.

I urge you to vote favorably on HB909.