

Additionally, outstanding limited obligation bonds of the Department of Transportation and the Maryland Transportation Authority amounted to \$850,145,000 and \$374,944,000, respectively, as of June 30, 1998. The State is also ultimately responsible to pay for certain debt of two of its component units via capital leases with these component units. As of June 30, 1998, the outstanding capital lease balance was \$312,895,000. Debt service on the Department of Transportation bonds is provided principally by excise taxes levied by statute. Debt service on the Maryland Transportation Authority is payable from revenues of Authority projects. Self-supporting revenue bonds outstanding as of June 30, 1998, amounted to \$3,468,989,000. As of June 30, 1998, long-term obligations for accrued annual leave of \$152,788,000, represent the value of accumulated earned but unused annual leave for general government employees and the accrual for unpaid self-insurance claims was \$127,920,000.

The following tabulation shows the general obligation bonds issued during the past three fiscal years:

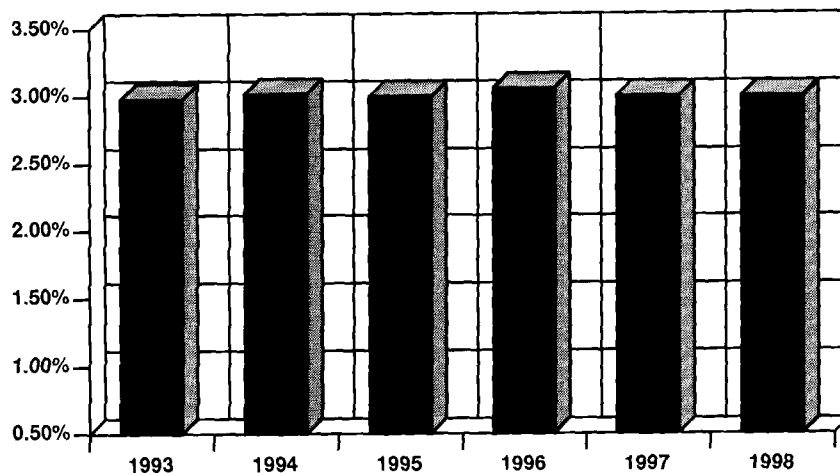
State of Maryland—General Obligation Bonds

<u>Date of Issue</u>	<u>Amount</u>	<u>Average Life in Years</u>	<u>Effective Interest Rate</u>	<u>Interest Cost Per Borrowed Dollar</u>
March 5, 1998	\$250,000,000	9.7	4.9 %	47.0¢
August 14, 1997	250,000,000	9.7	5.0	48.1
March 13, 1997	240,000,000	9.7	5.0	48.4
October 24, 1996	170,000,000	9.7	5.0	48.5
June 20, 1996	150,000,000	9.7	5.2	50.7
February 29, 1996	170,000,000	9.6	4.5	43.2
October 26, 1995	150,000,000	9.6	4.9	47.3

Maryland's general obligation bonds have been rated Aaa by Moody's Investors Service and AAA by Standard and Poor's and Fitch Investors, Inc., for a number of years.

In 1978, the Capital Debt Affordability Committee was created to study the State's debt structure and to recommend maximum limitations on annual debt authorizations. Although the recommendations of the Committee are not binding on the State's General Assembly, the amounts of annual general obligation bond authorizations effective for 1998 were within the limits established by the Committee. Maryland tax supported debt outstanding as a percent of personal income remains below the Capital Debt Affordability Committee Criteria Standard of 3.2% of personal income. For the fiscal year 1998, State tax supported debt outstanding amounted to \$4,614,822 which is, according to its Capital Debt Affordability Committee, 3.0% of Maryland's total projected 1998 personal income.

**State Tax Supported Debt Outstanding
as a Percentage of Personal Income**



Source: Report of the Maryland Capital Debt Affordability Committee, 1998.