

Changes in the Plan's fund balance for the year ended June 30, 1993, were as follows (amounts expressed in thousands):

Balance, July 1, 1992 .....	\$ 8,481
Increases:	
Employer contributions .....	8,467
Interest and other investment income .....	456
Decreases:	
Administrative expenses .....	(20)
Benefit Payments .....	(4,500)
Balance, June 30, 1993 .....	\$12,884

**18. Deferred Compensation Plan:**

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State subject only to the claims of the government's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

**19. Commitments:**

The State leases office space under various agreements that are accounted for as operating leases. Many of the agreements contain rent escalation clauses and renewal options. Rent expenditures for fiscal year 1993 were approximately \$36,174,000. Future lease expense commitments under these agreements as of June 30, 1993, follow (amounts expressed in thousands):

Years Ending June 30	Amounts
1994 .....	\$ 33,337
1995 .....	25,307
1996 .....	18,634
1997 .....	13,495
1998 .....	8,467
1999 and thereafter .....	10,074
	\$109,314

As of June 30, 1993, the Maryland Department of Transportation and Maryland Transportation Authority had commitments of approximately \$496,452,000 and \$28,000,000, respectively, for construction of highway and mass transit toll facilities. Approximately 47% of future expenditures related to the Maryland Department of Transportation commitments are expected to be reimbursed from proceeds of approved Federal grants when the actual costs are incurred. The remaining portion will be funded by other financial resources of the Department.

The Maryland Department of Transportation, as lessor, leases space at various marine terminals, airport facilities and office space pursuant to various operating leases. Minimum future rental revenues follow (amounts expressed in thousands):

Years Ending June 30	Operating Leases Minimum Future Rentals
1994 .....	\$ 36,607
1995 .....	35,507
1996 .....	33,510
1997 .....	25,992
1998 .....	19,199
1999 and thereafter .....	141,564
	\$292,379