

During fiscal year 1997, these benefits paid amounted to \$79,840,000. There are 21,991 participants currently eligible to receive benefits.

16. Deferred Compensation Plan (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 value of the deferred account for each participant. The Plan is accounted for as an Agency Fund. As allowed under recent IRS regulations, the State is considering transferring the assets of the deferred compensation plan to a trust fund.

It is the opinion of the State's after consulting with 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 third party administrator under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

17. 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 1997 were approximately \$35,378,000. Future lease commitments under these agreements as of June 30, 1997, are as follows (amounts expressed in thousands).

Years ending June 30,	Amounts
1998.....	\$ 32,941
1999.....	28,467
2000.....	25,537
2001.....	19,964
2002.....	11,827
2003 and thereafter.....	14,754
	<u>\$133,490</u>

As of June 30, 1997, the State had commitments of approximately \$350,000,000 for the completion of projects under construction.

As of June 30, 1997, the Department of Transportation and Maryland Transportation Authority had commitments of approximately \$1,036,539,000, and \$89,000,000, respectively, for construction of highway and mass transit facilities. Approximately 47% of future expenditures related to the 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 of Transportation.

The 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 are as follows (amounts expressed in thousands).

Years ending June 30,	Noncancellable Operating Leases Minimum Future Rentals
1998.....	\$ 53,652
1999.....	47,775
2000.....	44,781
2001.....	40,598
2002.....	34,410
2003 and thereafter.....	91,765
	<u>\$312,981</u>

Total minimum future rental revenues do not include contingent rentals that may be received under certain concession leases on the basis of a percentage of the concessionaire's gross revenue in excess of stipulated