
Section Two (continued)

Required Supplementary Information Other Than MD&A

STATE OF TEXAS

Budgetary Comparison Schedule

General Fund

For the Fiscal Year Ended August 31, 2015 (Amounts in Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Final to Actual Variance
	Original	Final		
REVENUES				
Taxes	\$ 47,071,127	\$ 49,160,354	\$ 45,579,695	\$ (3,580,659)
Federal	32,899,575	38,064,588	37,568,037	(496,551)
Licenses, Fees and Permits	2,627,260	3,025,381	3,086,250	60,869
Interest and Other Investment Income	137,730	106,887	156,023	49,136
Land Income	19,269	45,350	38,307	(7,043)
Settlement of Claims	530,363	541,745	561,507	19,762
Sales of Goods and Services	1,733,885	3,995,445	2,814,186	(1,181,259)
Other	4,083,849	4,246,882	4,503,836	256,954
Total Revenues	<u>89,103,058</u>	<u>99,186,632</u>	<u>94,307,841</u>	<u>(4,878,791)</u>
EXPENDITURES				
General Government	4,215,157	3,313,970	2,554,513	759,457
Education	26,063,938	26,757,253	26,124,975	632,278
Employee Benefits	1,653,531	16,827	10	16,817
Teacher Retirement Benefits	2,642,186	2,642,186	2,735,912	(93,726)
Health and Human Services	38,836,594	46,038,110	50,168,598	(4,130,488)
Public Safety and Corrections	4,497,984	5,599,850	5,006,841	593,009
Transportation	318,327	335,901	88,988	246,913
Natural Resources and Recreation	1,964,068	2,270,001	2,165,854	104,147
Regulatory Services	247,049	330,031	322,257	7,774
Total Expenditures	<u>80,438,834</u>	<u>87,304,129</u>	<u>89,167,948</u>	<u>(1,863,819)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>8,664,224</u>	<u>11,882,503</u>	<u>5,139,893</u>	<u>(6,742,610)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	1,351,417	1,782,490	4,705,511	2,923,021
Transfer Out	(8,250,584)	(9,300,092)	(8,916,673)	383,419
Sale of Capital Assets	6,393	7,764	7,977	213
Insurance Recoveries	250	975	22,091	21,116
Available Beginning Balances	9,033,131	11,367,066	9,433,179	(1,933,887)
Total Other Financing Sources (Uses)	<u>2,140,607</u>	<u>3,858,203</u>	<u>5,252,085</u>	<u>1,393,882</u>
Excess (Deficiency) of Revenues and Other				
Financing Sources Over (Under) Expenditures				
and Other Financing Uses	<u>\$ 10,804,831</u>	<u>\$ 15,740,706</u>	<u>\$ 10,391,978</u>	<u>\$ (5,348,728)</u>

STATE OF TEXAS

Budgetary Comparison Schedule

Major Special Revenue Fund – State Highway Fund

For the Fiscal Year Ended August 31, 2015 (Amounts in Thousands)

	Budgetary Amounts		Actual Amounts Budgetary Basis	Final to Actual Variance
	Original	Final		
REVENUES				
Taxes	\$ 44,034	\$ 44,100	\$ 2,576,347	\$ 2,532,247
Federal	4,281,540	4,474,147	3,049,755	(1,424,392)
Licenses, Fees and Permits	1,528,410	1,678,284	1,747,988	69,704
Interest and Other Investment Income	10,078	2,240	26,346	24,106
Land Income	8,066	12,628	15,590	2,962
Settlement of Claims	1,548	1,800	22,911	21,111
Sales of Goods and Services	168,657	408,811	34,854	(373,957)
Other	3,497	217,564	24,302	(193,262)
Total Revenues	<u>6,045,830</u>	<u>6,839,574</u>	<u>7,498,093</u>	<u>658,519</u>
EXPENDITURES				
General Government	10,020	13,368	11,680	1,688
Employee Benefits	108,858			
Public Safety and Corrections	631,242	793,173	558,636	234,537
Transportation	7,936,019	8,841,094	7,760,848	1,080,246
Regulatory Services	5,152	5,152	4,576	576
Total Expenditures	<u>8,691,291</u>	<u>9,652,787</u>	<u>8,335,740</u>	<u>1,317,047</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,645,461)</u>	<u>(2,813,213)</u>	<u>(837,647)</u>	<u>1,975,566</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	3,764,994	4,225,657	3,016,316	(1,209,341)
Transfer Out			(439,063)	(439,063)
Sale of Capital Assets	5,612	5,085	70,827	65,742
Insurance Recoveries	11,000	281	355	74
Available Beginning Balances	<u>2,648,320</u>	<u>419,519</u>	<u>2,829,260</u>	<u>2,409,741</u>
Total Other Financing Sources (Uses)	<u>6,429,926</u>	<u>4,650,542</u>	<u>5,477,695</u>	<u>827,153</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 3,784,465</u>	<u>\$ 1,837,329</u>	<u>\$ 4,640,048</u>	<u>\$ 2,802,719</u>

Note to Budgetary Comparison Schedule

The budgetary comparison schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of these differences is presented in the table below.

Reconciliation of Budgetary Basis to GAAP Basis		
August 31, 2015 (Amounts in Thousands)		
	General Fund	State Highway Fund
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses – Actual Budgetary Basis	\$ 10,391,978	\$ 4,640,048
Basis of Accounting Differences:		
Receivables and Unearned Revenues	(652,556)	(68,792)
Payables	(260,789)	(33,135)
Perspective Differences:		
Beginning Cash Balances Reported as Other Financing Sources	(9,433,179)	(2,829,260)
Other Revenues Not Budgeted	427,770	3,542
Other Expenditures Not Budgeted	(359,400)	(115,648)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses – GAAP Basis	<u>\$ 113,824</u>	<u>\$ 1,596,755</u>

The major reconciling items between the budgetary comparison schedule actual and the GAAP financial statements are:

- **Basis of Accounting Differences:** Revenues and expenditures are reported on the cash basis of accounting in the budgetary comparison schedule but are reported on the modified accrual basis on the GAAP financial statements. Therefore, unearned revenues, receivables and payables are included as reconciling items.

- **Perspective Differences:** Certain revenues and expenditures, including debt service and the disproportionate share portion of the Federal Medical Assistance program, are not budgeted by the Legislature. The activity for these programs is excluded from the budgetary comparison schedule.

The beginning cash balances are included as other financing sources in the budgetary comparison schedule. The

beginning fund balances are not included as financing sources on the GAAP financial statements.

- **Entity Differences:** Budgets are not established for sources from capital leases. These financing sources are not included in the budgetary comparison schedule.

Excess of Actual Budgetary Basis Expenditures over Final Budget

General fund - The \$4.1 billion variance in health and human services is the result of increased expenditures made from the excess of federal revenues received over estimates by agencies in

this particular function. The \$93.7 million variance in teacher retirement benefits results from prior year contributions/allocations reappropriated in this fiscal year as stipulated by legislation.

Basis of Budgeting

The state's budget is prepared on a cash basis. The Texas Constitution limits appropriation bills to two years. The Legislative Budget Board (LBB) is required by statute to adopt an estimated rate of growth for the next biennium and calculate a limit on the amount of

state tax revenue, not dedicated by the Texas Constitution, that is available for spending in the next biennium. If the Legislature, by adoption of a resolution approved by a record vote of a majority of the members of each house, finds that an emergency exists and identifies the nature of the emergency, the Legislature may provide appropriations in excess of the adopted limit. The Governor's Budget Office and LBB initiate the process by submitting budget requests to the Legislature. At final passage of the General Appropriations Act by the Legislature, it is sent to the Comptroller for certification. If the Comptroller certifies that appropriated amounts are available in the affected funds, the bill is sent to the governor. If not certified, the Legislature may pass the bill with a four-fifths majority vote. The governor has the option of vetoing the total bill or specific line-item appropriations, but does not have the authority to reduce a line item of appropriation. Upon approval by the governor, the bill becomes law and is the budget authority for state agencies to spend state funds. The Comptroller is responsible for controlling, accounting and reporting expenditures in accordance with the expenditure budgets.

Legal Level of Budgetary Control

The Texas Constitution requires the Comptroller to submit a *Biennial Revenue Estimate* to the Legislature prior to each regular session. This document contains an itemized estimate of beginning cash balances, anticipated revenues based on laws then in effect and estimated expenditures from prior appropriations. The Texas Constitution also requires the Comptroller to submit supplementary revenue estimates at any special session of the Legislature and at other necessary times to show probable changes.

The level of legal control for the budget is established at the strategy (line item) level by agency. For example, "Highway Patrol" and "Vehicle Inspection Program" are two of the strategies for the Texas Department of Public Safety. The legal level of budgetary control is defined as the level at which the governing body must approve any over-expenditure of appropriations or transfers of appropriated amounts. Agencies are authorized limited transfer authority between strategies, not to exceed 20 percent, by the General Appropriations Act. Transfers and expenditures are monitored against the original budget by the Comptroller's office to ensure the agency's authorized budget is not exceeded.

The level of legal control for all agencies is documented in the *Appropriation Summary Report*, which is available by request from the Comptroller's office. This separate document includes budget and actual data by appropriation line item for each state agency. State agencies cannot exceed approved appropriations. In certain emergency situations, the governor may authorize additional appropriations from deficiency and emergency appropriation reserves. During fiscal 2015, there were no deficiency or emergency appropriations. Unexpended appropriations generally lapse 60 days after the fiscal year unless they are encumbered during the 60-day "lapse" period. Other appropriations referred to as "reappropriated unexpended balances" represent the continuation of a prior year's balances for completion of a program.

Schedules of Changes in Net Pension Liability and Related Ratios

The information on the schedules of changes in net pension liability and related ratios was determined as of the Aug. 31, 2014, measurement date of the net pension liability.

The schedules of changes in net pension liability and related ratios for the state's Employees Retirement System of Texas Plan (ERS Plan), Law Enforcement and Custodial Officer Supplemental Retirement Plan (LECOS Plan) and Judicial Retirement System of Texas Plan Two (JRS2 Plan) are presented below:

Schedule of Changes in Net Pension Liability and Related Ratios***

Employees Retirement System of Texas Plan

(Amounts in Thousands)

	2015
Total Pension Liability	
Service Cost	\$ 1,139,451
Interest on the Total Pension Liability	2,324,180
Difference between Expected and Actual Experience of the Total Pension Liability	(252,967)
Assumption Changes	1,199,067 *
Benefit Payments and Refunds	(1,963,481)
Net Change in Total Pension Liability	<u>2,446,250</u>
Total Pension Liability – Beginning	37,064,667
Total Pension Liability – Ending	<u>\$ 39,510,917</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 482,239
Contributions – Member	430,595
Pension Plan Net Investment Income	3,252,417
Benefit Payments and Refunds	(1,963,481)
Pension Plan Administrative Expense	(20,195)
Net Change in Plan Fiduciary Net Position	<u>2,181,575</u>
Plan Fiduciary Net Position – Beginning	22,868,542
Plan Fiduciary Net Position – Ending	<u>\$ 25,050,117</u>
Net Pension Liability – Beginning	14,196,125
Net Pension Liability – Ending	<u>\$ 14,460,800</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.40%
Covered Employee Payroll	\$ 5,955,461 **
Net Pension Liability as a Percentage of Covered Employee Payroll	242.82%

Notes to Schedule:

* The change in the total pension liability due to the change in the single discount rate is included as an assumption change.

** The covered employee payroll is the actual annual payroll for fiscal 2014 – the measurement period.

*** This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

Schedule of Changes in Net Pension Liability and Related Ratios***

Law Enforcement and Custodial Officer Supplemental Retirement Plan

(Amounts in Thousands)

	2015
Total Pension Liability	
Service Cost	\$ 54,528
Interest on the Total Pension Liability	88,025
Difference between Expected and Actual Experience of the Total Pension Liability	(76,585)
Assumption Changes	68,228 *
Benefit Payments and Refunds	(57,147)
Net Change in Total Pension Liability	<u>77,049</u>
Total Pension Liability – Beginning	<u>1,465,929</u>
Total Pension Liability – Ending	<u>\$ 1,542,978</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 27,758
Contributions – Member	8,180
Pension Plan Net Investment Income	111,741
Benefit Payments and Refunds	(57,147)
Pension Plan Administrative Expense	(1,324)
Net Change in Plan Fiduciary Net Position	<u>89,208</u>
Plan Fiduciary Net Position – Beginning	<u>780,669</u>
Plan Fiduciary Net Position – Ending	<u>\$ 869,877</u>
Net Pension Liability – Beginning	<u>685,260</u>
Net Pension Liability – Ending	<u>\$ 673,101</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	56.38%
Covered Employee Payroll	\$ 1,496,013 **
Net Pension Liability as a Percentage of Covered Employee Payroll	44.99%

Notes to Schedule:

- * The change in the total pension liability due to the change in the single discount rate is included as an assumption change.
- ** The covered employee payroll is the actual annual payroll for fiscal 2014 – the measurement period.
- *** This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

Schedule of Changes in Net Pension Liability and Related Ratios***

Judicial Retirement System of Texas, Plan Two

(Amounts in Thousands)

	2015
Total Pension Liability	
Service Cost	\$ 17,805
Interest on the Total Pension Liability	28,004
Difference between Expected and Actual Experience of the Total Pension Liability	(640)
Assumption Changes	(25,924) *
Benefit Payments and Refunds	(16,420)
Net Change in Total Pension Liability	<u>2,825</u>
Total Pension Liability – Beginning	<u>383,461</u>
Total Pension Liability – Ending	<u>\$ 386,286</u>
Plan Fiduciary Net Position	
Contributions – Employer	\$ 12,211
Contributions – Member	5,195
Pension Plan Net Investment Income	46,186
Benefit Payments and Refunds	(16,420)
Pension Plan Administrative Expense	(267)
Net Change in Plan Fiduciary Net Position	<u>46,905</u>
Plan Fiduciary Net Position – Beginning	<u>318,385</u>
Plan Fiduciary Net Position – Ending	<u>\$ 365,290</u>
Net Pension Liability – Beginning	<u>65,076</u>
Net Pension Liability – Ending	<u>\$ 20,996</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.56%
Covered Employee Payroll	\$ 77,441 **
Net Pension Liability as a Percentage of Covered Employee Payroll	27.11%

Notes to Schedule:

- * The change in the total pension liability due to the change in the single discount rate is included as an assumption change.
- ** The covered employee payroll is the actual annual payroll for fiscal 2014 – the measurement period.
- *** This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

Schedules of Proportionate Share of Net Pension Liability

The information on the schedules of proportionate share of net pension liability was determined as of the Aug. 31, 2014, measurement date of the collective net pension liability.

The schedules of proportionate share of the net pension liability for the state's Teacher Retirement System of Texas Plan (TRS Plan) for the state as an employer and as a non-employer contributing entity are presented below:

Schedule of Proportionate Share of Net Pension Liability* Teacher Retirement System of Texas Plan State as Employer (Amounts in Thousands)	
	2015
State's proportion of the net pension liability (asset)	16.97%
State's proportionate share of the net pension liability (asset)**	\$ 4,534,735
State's covered payroll	\$ 6,221,452
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.89%
Plan fiduciary net position as a percentage of the total pension liability	83.25%

* This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

** The state's proportionate share of the net pension liability for the state as an employer consists of \$1,266,744 reported in governmental activity and \$3,267,991 reported in business-type activity.

Schedule of Proportionate Share of Net Pension Liability*

Teacher Retirement System of Texas Plan

State as Non-Employer Contributing Entity (Amounts in Thousands)

	2015
State's proportion of the net pension liability (asset)	60.37%
State's proportionate share of the net pension liability (asset)	\$ 16,129,760
Plan fiduciary net position as a percentage of the total pension liability	83.25%

* This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

The schedule of proportionate share of the net pension liability for the Texas Emergency Services Retirement System Plan (TESRS Plan) for the state as a non-employer contributing entity is presented below:

Schedule of Proportionate Share of Net Pension Liability*

Texas Emergency Services Retirement System Plan

State as Non-Employer Contributing Entity (Amounts in Thousands)

	2015
State's proportion of the net pension liability (asset)	33.79%
State's proportionate share of the net pension liability (asset)	\$ 6,140
Plan fiduciary net position as a percentage of the total pension liability	83.5%

* This schedule is intended to present 10 years of information. Currently only one year of information is available. Information for future years will be added when it becomes available.

Schedules of Employer Contributions

The information on the schedules of employer contributions was determined as of the end of the fiscal years presented.

The schedules of employer contributions comparing the actuarially determined contributions and the contributions recognized by the pension plan in relation to the actuarially determined contributions for the state's ERS, LECOS and JRS2 Plans are presented below:

Schedule of Employer Contributions⁴ Employees Retirement System of Texas Plan

(Amounts in Thousands)

	2015	2014
Actuarially determined contributions	\$ 737,111	\$ 727,892
Contributions in relation to the actuarially determined contributions	500,395	482,239
Contribution deficiency (excess)	236,716	245,653
Covered-employee payroll	6,150,195	5,955,461
Contributions as a percentage of covered-employee payroll	8.14%	8.10%

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated based on the actuarial valuation as of Aug. 31 of the fiscal year.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	31 years
Asset Valuation Method	20% of market plus 80% of expected actuarial value
Inflation	3.5%
Salary Increases	0% to 11.5%
Investment Rate of Return	8.0%
Retirement Age	Experience-based table of rates that are specific to the class of employee. Last updated for the 2013 valuation pursuant to an experience study of the 5-year period from Sept. 1, 2006 through Aug. 31, 2011.
Mortality	1994 Group Annuity Mortality with no setback for males and set forward two years for females. Generational mortality improvements in accordance with Scale AA are projected from the year 2000.

Other Information:

1. Actuarially determined contributions are adjusted for actual payroll and administrative expenses.
2. Members and employers contribute based on statutorily fixed rates.
3. There were no benefit changes during the year.
4. This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions⁴

Law Enforcement and Custodial Officer Supplemental Retirement Plan

(Amounts in Thousands)

	2015	2014
Actuarially determined contributions	\$ 38,131	\$ 40,205
Contributions in relation to the actuarially determined contributions	26,728	27,758
Contribution deficiency (excess)	11,403	12,447
Covered-employee payroll	1,506,028	1,496,013
Contributions as a percentage of covered-employee payroll	1.77%	1.86%

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the fiscal year.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	31 years
Asset Valuation Method	20% of market plus 80% of expected actuarial value
Inflation	3.5%
Salary Increases	5% to 11.5%
Investment Rate of Return	8.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to an experience study of the 5-year period from Sept. 1, 2006 through Aug. 31, 2011.
Mortality	1994 Group Annuity Mortality with no setback for males and set forward two years for females. Generational mortality improvements in accordance with Scale AA are projected from the year 2000.

Other Information:

1. Actuarially determined contributions are adjusted for actual payroll and administrative expenses.
2. Members and employers contribute based on statutorily fixed rates.
3. There were no benefit changes during the year.
4. This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions⁴

Judicial Retirement System of Texas Plan Two

(Amounts in Thousands)

	2015	2014
Actuarially determined contributions	\$ 13,107	\$ 13,449
Contributions in relation to the actuarially determined contributions	12,457	12,211
Contribution deficiency (excess)	650	1,238
Covered-employee payroll	77,501	77,441
Contributions as a percentage of covered-employee payroll	16.07%	15.77%

Notes to Schedule of Contributions

Valuation Date Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the fiscal year.

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	31 years
Asset Valuation Method	20% of market plus 80% of expected actuarial value
Inflation	3.5%
Salary Increases	3.5%
Investment Rate of Return	8.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to an experience study of the 5-year period from Sept. 1, 2006 through Aug. 31, 2011.
Mortality	1994 Group Annuity Mortality with no setback for males and set forward two years for females. Generational mortality improvements in accordance with Scale AA are projected from the year 2000.

Other Information:

1. Actuarially determined contributions are adjusted for actual payroll and administrative expenses.
2. Members and employers contribute based on statutorily fixed rates.
3. There were no benefit changes during the year.
4. This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

The schedules of employer contributions comparing the statutorily required contributions and the contributions recognized by the pension plan in relation to the statutorily required contributions for the state's TRS Plan for the state as an employer and as a non-employer contributing entity are presented below:

The schedule of contributions comparing the statutorily required contributions and the contributions recognized by the pension plan in relation to the statutorily required contributions for TESRS plan for the state as a non-employer contributing entity is presented below:

Schedule of Employer Contributions*
Teacher Retirement System of Texas

State as Employer
(Amounts in Thousands)

	2015	2014
Statutorily required contributions	\$ 417,698	\$ 430,321
Contributions in relation to the statutorily required contributions	417,698	430,321
Contribution deficiency (excess)	0	0
Covered-employee payroll	5,408,293	6,221,452
Contributions as a percentage of covered-employee payroll	7.72%	6.92%

* This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions*
Texas Emergency Services Retirement System Plan

State as Non-Employer Contributing Entity
(Amounts in Thousands)

	2015	2014
Statutorily required contributions	\$ 1,637	\$ 1,530
Contributions in relation to the statutorily required contributions	1,637	1,530
Contribution deficiency (excess)	0	0

* This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions*
Teacher Retirement System of Texas

State as Non-Employer Contributing Entity
(Amounts in Thousands)

	2015	2014
Statutorily required contributions	\$ 1,591,483	\$ 1,530,624
Contributions in relation to the statutorily required contributions	1,591,483	1,530,624
Contribution deficiency (excess)	0	0

* This schedule is intended to present 10 years of information. Currently only two years of information is available. Information for future years will be added when it becomes available.

Schedules of Funding Progress

The schedule of funding progress for the state's Judicial Retirement System Plan One (JRS1 Plan) for the three most recent actuarial valuations is presented in the table below:

Schedule of Funding Progress – Pension						
(Amounts in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)** (b)	Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Judicial Retirement System Plan One (JRS1 Plan)*						
08/31/15	\$ 0	\$ 309,710	\$ 309,710	0.0%	\$ 1,470	21,068.7%
08/31/14	0	332,238	332,238	0.0%	1,764	18,834.4%
08/31/13	0	252,943	252,943	0.0%	1,904	13,284.8%

* Address for obtaining the financial report for the JRS1 pension plan is provided in Note 9.
 ** AAL for JRS1 is determined based on a 3.79 percent discount rate as of Aug. 31, 2015, a 4.17 percent as of Aug. 31, 2014, and 8.00 percent as of Aug. 31, 2013.

The schedule of funding progress for the state's other postemployment benefit (OPEB) plans for the three most recent actuarial valuations are presented in the table below:

Schedule of Funding Progress – OPEB*						
(Amounts in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
UT System Employee Group Insurance Program (UT Plan)						
12/31/14	\$ 0	\$ 8,274,414	\$ 8,274,414	0.0%	\$ 5,842,410	141.6%
12/31/12	0	6,939,197	6,939,197	0.0%	5,674,298	122.3%
12/31/10	0	5,956,798	5,956,798	0.0%	5,309,413	112.2%
A&M Care Health and Life Plan (A&M Plan)						
09/01/14	\$ 0	\$ 2,002,649	\$ 2,002,649	0.0%	\$ 1,440,510	139.0%
09/01/12	0	1,924,980	1,924,980	0.0%	1,149,300	167.5%
09/01/10	0	1,854,690	1,854,690	0.0%	1,313,538	141.2%

* Addresses for obtaining the financial reports of the OPEB plans are provided in Note 11.

Significant Factors Affecting the Comparability of Amounts Reported

Pension Plans

The state implemented GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* in fiscal 2015. The schedules of changes in net pension liability and schedules of proportionate share of net pension liability under GASB Statement No. 68 in this section are presented for implementation year only. Therefore, the state does not disclose factors affecting the trend of amounts reported in these schedules.

There is no change in the actuarial methods and assumptions used to develop the required contributions in the schedules of employer contributions for the ERS, LECOS and JRS2 Plans since fiscal 2014.

There are no factors that significantly affect trends in the amounts reported in the schedules of employer contributions for the TRS and TESRS Plans.

For the JRS1 Plan, beginning Aug. 31, 2015, the actuarial accrued liability is determined based on a discount rate derived from a current municipal bond rate. Before Aug. 31, 2015, an 8 percent rate was used.

OPEB Plans

The University of Texas System (UT) and the Texas A&M University System (A&M) opted to perform actuarial valuations of their respective OPEB plans on a biennial basis rather than on an annual basis starting with fiscal 2012. A new valuation was performed on Dec. 31, 2014 and Sept. 1, 2014 for UT and A&M respectively.

The following methods and assumptions were modified since the prior valuation of the UT and A&M Plans:

- The Assumed Per Capita Health Benefit Costs and Assumed Expenses for retirees and dependents have been updated to reflect claims and expense experience in the 24 months following the date as of which the prior valuation's assumptions were determined.
- The Health Benefit Cost Trend has been updated to reflect changes in short-term expectations of the annual rate of increase of the Assumed Per Capita Health Benefit Costs.

In addition, the Assumed Per Capita Health Benefit Costs reflect the impact of benefit changes that occurred on Sept. 1, 2015 for the UT Plan.