
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, 2021 (Amounts in Thousands)

	Budgetary Amounts		Actual Amounts	Final to Actual Variance
	Original	Final		
REVENUES				
Taxes	\$ 45,026,163	\$ 45,026,163	\$ 51,691,761	\$ 6,665,598
Federal	43,837,363	110,649,618	76,225,636	(34,423,982)
Licenses, Fees and Permits	2,630,891	2,713,512	2,974,744	261,232
Sales of Goods and Services	4,648,042	5,935,336	4,035,573	(1,899,763)
Interest and Other Investment Income	296,468	296,615	533,353	236,738
Land Income	11,591	11,591	18,131	6,540
Settlement of Claims	482,307	482,698	727,299	244,601
Other Revenues	6,094,328	6,198,663	7,299,969	1,101,306
Total Revenues	<u>103,027,153</u>	<u>171,314,196</u>	<u>143,506,466</u>	<u>(27,807,730)</u>
EXPENDITURES				
General Government	6,805,707	23,934,417	4,369,184	19,565,233
Education	29,287,932	55,927,797	30,266,451	25,661,346
Employee Benefits	2,427,751	110,326	2,243	108,083
Teacher Retirement State Contributions	2,922,612	2,922,612	2,768,429	154,183
Health and Human Services	44,917,042	74,554,591	75,777,160	(1,222,569)
Public Safety and Corrections	5,334,325	8,547,333	6,221,941	2,325,392
Transportation	12,790	38,864	114,179	(75,315)
Natural Resources and Recreation	4,143,400	5,291,283	3,557,940	1,733,343
Regulatory Services	341,106	460,163	373,740	86,423
Total Expenditures	<u>96,192,665</u>	<u>171,787,386</u>	<u>123,451,267</u>	<u>48,336,119</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,834,488</u>	<u>(473,190)</u>	<u>20,055,199</u>	<u>20,528,389</u>
OTHER FINANCING SOURCES (USES)				
Available Beginning Balances	21,421,507	2,548,114	21,240,697	18,692,583
Sale of Capital Assets	6,668	6,760	36,416	29,656
Insurance Recoveries	8,000	8,081	3,764	(4,317)
Transfer In	2,356,385	2,033,930	11,023,613	8,989,683
Transfer Out	(5,689,154)	(6,400,175)	(11,859,238)	(5,459,063)
Total Other Financing Sources (Uses)	<u>18,103,406</u>	<u>(1,803,290)</u>	<u>20,445,252</u>	<u>22,248,542</u>
Excess of Revenues and Other Financing, Sources Over Expenditures and Other Financing Uses	<u>\$ 24,937,894</u>	<u>\$ (2,276,480)</u>	<u>\$ 40,500,451</u>	<u>\$ 42,776,931</u>

STATE OF TEXAS

Budgetary Comparison Schedule: Major Special Revenue Fund – State Highway Fund

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	Budgetary Amounts		Actual Amounts	Final to Actual Variance
	Original	Final		
REVENUES				
Taxes	\$ 3,699,413	\$ 3,699,413	\$ 5,389,710	\$ 1,690,297
Federal	5,097,456	5,097,456	5,452,582	355,126
Licenses, Fees and Permits	1,826,070	1,826,083	1,769,555	(56,528)
Sales of Goods and Services	45,243	49,743	48,286	(1,457)
Interest and Other Investment Income	28,950	28,950	83,815	54,865
Land Income	23,303	23,303	20,506	(2,797)
Settlement of Claims	21,020	21,020	43,473	22,453
Other Revenues	300	300	9,336	9,036
Total Revenues	<u>10,741,755</u>	<u>10,746,268</u>	<u>12,817,263</u>	<u>2,070,995</u>
EXPENDITURES				
General Government		569		569
Employee Benefits	107,798	297		297
Transportation	14,217,526	15,515,492	12,701,644	2,813,848
Total Expenditures	<u>14,325,324</u>	<u>15,516,358</u>	<u>12,701,644</u>	<u>2,814,714</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,583,569)</u>	<u>(4,770,090)</u>	<u>115,619</u>	<u>4,885,709</u>
OTHER FINANCING SOURCES (USES)				
Available Beginning Balances	6,475,627	4,998,526	6,918,887	1,920,361
Sale of Capital Assets	8,045	8,045	13,972	5,927
Transfer In	1,098,136	1,098,136	1,607,464	509,328
Transfer Out			(821,836)	(821,836)
Total Other Financing Sources (Uses)	<u>7,581,808</u>	<u>6,104,707</u>	<u>7,718,487</u>	<u>1,613,780</u>
Excess of Revenues and Other Financing, Sources Over Expenditures and Other Financing Uses				
	<u>\$ 3,998,239</u>	<u>\$ 1,334,617</u>	<u>\$ 7,834,106</u>	<u>\$ 6,499,489</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 table RSI-1.

Medical Assistance program are not budgeted by the Texas 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.

Reconciliation of Budgetary Basis to GAAP Basis		
Table RSI-1		
August 31, 2021 (Amounts in Thousands)		
	General Fund	State Highway Fund
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses – Actual Budgetary Basis	\$ 40,500,451	\$ 7,834,106
Basis of Accounting Differences:		
Receivables and Unearned Revenues	(9,757,266)	(68,582)
Payables	(1,875,563)	179,404
Perspective Differences:		
Beginning Cash Balances Reported as Other Financing Sources	(21,240,697)	(6,918,887)
Revenues and Other Financing Sources Not Budgeted	523,746	
Expenditures and Other Financing Uses Not Budgeted	<u>(265,523)</u>	<u>(122,701)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses – GAAP Basis	<u>\$ 7,885,148</u>	<u>\$ 903,340</u>

Excess of Actual Expenditures over Final Budget

General fund - The \$1.22 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 \$75.3 million variance in transportation is primarily attributable to an increase in aviation and public transportation projects due to the pandemic response.

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

Basis of Budgeting

The state's budget is prepared on a cash basis. The *Texas Constitution* limits appropriations from the state treasury 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 Texas 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 Texas 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 Texas Legislature. At final passage of the *General Appropriations Act* by the Texas Legislature, it is sent to the Texas Comptroller of Public Accounts (Comptroller) for certification. If the Comptroller certifies that appropriated amounts are within the amounts estimated to be available in the affected funds, the bill is sent to the governor. If not certified, the Texas Legislature may pass the bill with a four-fifths majority vote. The governor has the option of vetoing the total bill or specific items of appropriations, but does not have the authority to reduce an 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 Texas 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 Texas 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. 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

For each of the fiscal years presented, the measurement date for the information on the schedules of changes in net pension liability and related ratios was the prior fiscal year-end.

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 in tables RSI-2, RSI-3 and RSI-4, respectively.

Schedule of Changes in Net Pension Liability and Related Ratios³

Table RSI-2: Employees Retirement System of Texas Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 1,827,864	\$ 1,346,986	\$ 1,445,557	\$ 1,457,263	\$ 1,146,791	\$ 1,231,203	\$ 1,139,451
Interest on the Total Pension Liability	2,516,723	2,694,084	2,559,723	2,510,128	2,522,625	2,373,850	2,324,180
Benefit Changes						(87,835)	
Difference between Expected and Actual Experience of the Total Pension Liability	510,657	(578,195)	91,881	115,632	133,557	(284,751)	(252,967)
Assumption Changes ¹	6,366,987	8,469,458	(1,982,914)	2,219,672	5,301,965	(3,429,167)	1,199,067
Benefit Payments and Refunds	(2,621,737)	(2,540,262)	(2,406,362)	(2,288,825)	(2,147,307)	(2,049,291)	(1,963,481)
Net Change in Total Pension Liability	8,600,494	9,392,071	(292,115)	4,013,870	6,957,631	(2,245,991)	2,446,250
Total Pension Liability – Beginning	57,336,383	47,944,312	48,236,427	44,222,557	37,264,926	39,510,917	37,064,667
Total Pension Liability – Ending	\$ 65,936,877	\$ 57,336,383	\$ 47,944,312	\$ 48,236,427	\$ 44,222,557	\$ 37,264,926	\$ 39,510,917
Plan Fiduciary Net Position							
Contributions – Employer	\$ 735,856	\$ 712,648	\$ 697,189	\$ 700,078	\$ 686,763	\$ 500,395	\$ 482,239
Contributions – Member	713,985	694,789	683,933	685,461	674,678	462,160	430,595
Pension Plan Net Investment Income	1,791,061	758,467	2,430,297	2,832,628	1,273,413	56,941	3,252,417
Benefit Payments and Refunds	(2,621,737)	(2,540,262)	(2,406,362)	(2,288,825)	(2,147,307)	(2,049,291)	(1,963,481)
Pension Plan Administrative Expense	(24,182)	(27,752)	(23,550)	(23,095)	(20,449)	(21,840)	(20,195)
Net Change in Plan Fiduciary Net Position	594,983	(402,110)	1,381,507	1,906,247	467,098	(1,051,635)	2,181,575
Plan Fiduciary Net Position – Beginning	27,351,224	27,753,334	26,371,827	24,465,580	23,998,482	25,050,117	22,868,542
Plan Fiduciary Net Position – Ending	\$ 27,946,207	\$ 27,351,224	\$ 27,753,334	\$ 26,371,827	\$ 24,465,580	\$ 23,998,482	\$ 25,050,117
Net Pension Liability – Beginning	29,985,159	20,190,978	21,864,600	19,756,977	13,266,444	14,460,800	14,196,125
Net Pension Liability – Ending	\$ 37,990,670	\$ 29,985,159	\$ 20,190,978	\$ 21,864,600	\$ 19,756,977	\$ 13,266,444	\$ 14,460,800
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	42.38%	47.70%	57.89%	54.67%	55.32%	64.40%	63.40%
Covered Payroll ²	\$ 7,158,435	\$ 6,947,625	\$ 6,811,926	\$ 6,859,707	\$ 6,742,143	\$ 6,150,195	\$ 5,955,461
Net Pension Liability as a Percentage of Covered Payroll	530.71%	431.59%	296.41%	318.74%	293.04%	215.71%	242.82%

Notes to Schedule:

¹ The change in the total pension liability is due to the change in the single discount rate is included as an assumption change. Assumption changes for fiscal 2017 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2017. Assumption changes for fiscal 2020 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2020.

² The covered payroll is the payroll on which contributions to pension plan are based for the measurement period.

³ This schedule is intended to present 10 years of information. Currently only seven years of information is available. Information for future years will be added when it becomes available.

Schedule of Changes in Net Pension Liability and Related Ratios³

Table RSI-3: Law Enforcement and Custodial Officer Supplemental Retirement Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 96,690	\$ 71,926	\$ 79,309	\$ 99,390	\$ 71,429	\$ 57,459	\$ 54,528
Interest on the Total Pension Liability	86,012	96,086	91,171	82,236	88,410	87,222	88,025
Difference between Expected and Actual Experience of the Total Pension Liability	(1,841)	(54,148)	(21,651)	(17,532)	(21,657)	(9,640)	(76,585)
Assumption Changes ¹	158,946	427,818	(87,015)	(144,398)	375,371	148,114	68,228
Benefit Payments and Refunds	(86,706)	(82,250)	(75,633)	(69,756)	(64,540)	(61,344)	(57,147)
Net Change in Total Pension Liability	<u>253,101</u>	<u>459,432</u>	<u>(13,819)</u>	<u>(50,060)</u>	<u>449,013</u>	<u>221,811</u>	<u>77,049</u>
Total Pension Liability – Beginning	<u>2,609,355</u>	<u>2,149,923</u>	<u>2,163,742</u>	<u>2,213,802</u>	<u>1,764,789</u>	<u>1,542,978</u>	<u>1,465,929</u>
Total Pension Liability – Ending	<u>\$ 2,862,456</u>	<u>\$ 2,609,355</u>	<u>\$ 2,149,923</u>	<u>\$ 2,163,742</u>	<u>\$ 2,213,802</u>	<u>\$ 1,764,789</u>	<u>\$ 1,542,978</u>
Plan Fiduciary Net Position							
Contributions – Employer	\$ 22,293	\$ 25,864	\$ 26,110	\$ 26,583	\$ 27,497	\$ 26,728	\$ 27,758
Contributions – Member	8,950	9,098	9,275	9,583	9,539	8,376	8,180
Pension Plan Net Investment Income	61,098	26,250	84,937	99,341	44,831	1,918	111,741
Benefit Payments and Refunds	(86,706)	(82,250)	(75,633)	(69,756)	(64,540)	(61,344)	(57,147)
Pension Plan Administrative Expense	(1,933)	(2,167)	(1,851)	(1,811)	(1,421)	(1,412)	(1,324)
Net Change in Plan Fiduciary Net Position	<u>3,702</u>	<u>(23,205)</u>	<u>42,838</u>	<u>63,940</u>	<u>15,906</u>	<u>(25,734)</u>	<u>89,208</u>
Plan Fiduciary Net Position – Beginning	<u>943,622</u>	<u>966,827</u>	<u>923,989</u>	<u>860,049</u>	<u>844,143</u>	<u>869,877</u>	<u>780,669</u>
Plan Fiduciary Net Position – Ending	<u>\$ 947,324</u>	<u>\$ 943,622</u>	<u>\$ 966,827</u>	<u>\$ 923,989</u>	<u>\$ 860,049</u>	<u>\$ 844,143</u>	<u>\$ 869,877</u>
Net Pension Liability – Beginning	<u>1,665,733</u>	<u>1,183,096</u>	<u>1,239,753</u>	<u>1,353,753</u>	<u>920,646</u>	<u>673,101</u>	<u>685,260</u>
Net Pension Liability – Ending	<u>\$ 1,915,132</u>	<u>\$ 1,665,733</u>	<u>\$ 1,183,096</u>	<u>\$ 1,239,753</u>	<u>\$ 1,353,753</u>	<u>\$ 920,646</u>	<u>\$ 673,101</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	33.09%	36.16%	44.97%	42.70%	38.85%	47.83%	56.38%
Covered Payroll ²	\$ 1,662,147	\$ 1,682,633	\$ 1,689,590	\$ 1,746,349	\$ 1,725,880	\$ 1,506,028	\$ 1,496,013
Net Pension Liability as a Percentage of Covered Payroll	115.22%	99.00%	70.02%	70.99%	78.44%	61.13%	44.99%

Notes to Schedule:

¹ The change in the total pension liability is due to the change in the single discount rate is included as an assumption change. Assumption changes for fiscal 2017 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2017. Assumption changes for fiscal 2020 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2020.

² The covered payroll is the payroll on which contributions to pension plan are based for the measurement period.

³ This schedule is intended to present 10 years of information. Currently only seven years of information is available. Information for future years will be added when it becomes available.

Schedule of Changes in Net Pension Liability and Related Ratios³

Table RSI-4: Judicial Retirement System of Texas Plan Two

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 28,965	\$ 16,415	\$ 16,056	\$ 20,420	\$ 19,429	\$ 16,244	\$ 17,805
Interest on the Total Pension Liability	35,247	36,104	34,440	31,671	30,980	30,786	28,004
Benefit Changes		(1,019)					
Difference between Expected and Actual Experience of the Total Pension Liability	(12,695)	26,592	(1,463)	5,091	(5,833)	(10,067)	(640)
Assumption Changes ¹	113,895	111,656		(56,699)	23,396	35,653	(25,924)
Benefit Payments and Refunds	(32,041)	(29,220)	(24,866)	(23,361)	(21,154)	(19,238)	(16,420)
Net Change in Total Pension Liability	133,371	160,528	24,167	(22,878)	46,818	53,378	2,825
Total Pension Liability – Beginning	648,299	487,771	463,604	486,482	439,664	386,286	383,461
Total Pension Liability – Ending	\$ 781,670	\$ 648,299	\$ 487,771	\$ 463,604	\$ 486,482	\$ 439,664	\$ 386,286
Plan Fiduciary Net Position							
Contributions – Employer	\$ 14,186	\$ 13,100	\$ 12,560	\$ 12,495	\$ 12,374	\$ 12,457	\$ 12,211
Contributions – Member	8,634	6,463	5,940	6,017	5,754	5,465	5,195
Pension Plan Net Investment Income	30,632	12,832	39,192	44,875	19,862	820	46,186
Benefit Payments and Refunds	(32,041)	(29,220)	(24,866)	(23,361)	(21,155)	(19,238)	(16,420)
Pension Plan Administrative Expense	(273)	(363)	(296)	(295)	(225)	(284)	(267)
Net Change in Plan Fiduciary Net Position	21,138	2,812	32,530	39,731	16,610	(780)	46,905
Plan Fiduciary Net Position – Beginning	456,193	453,381	420,851	381,120	364,510	365,290	318,385
Plan Fiduciary Net Position – Ending	\$ 477,331	\$ 456,193	\$ 453,381	\$ 420,851	\$ 381,120	\$ 364,510	\$ 365,290
Net Pension Liability – Beginning	192,106	34,390	42,753	105,362	75,154	20,996	65,076
Net Pension Liability – Ending	\$ 304,339	\$ 192,106	\$ 34,390	\$ 42,753	\$ 105,362	\$ 75,154	\$ 20,996
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	61.07%	70.37%	92.95%	90.78%	78.34%	82.91%	94.56%
Covered Payroll ²	\$ 88,579	\$ 79,711	\$ 78,772	\$ 78,190	\$ 78,261	\$ 77,501	\$ 77,441
Net Pension Liability as a Percentage of Covered Payroll	343.58%	241.00%	43.66%	54.68%	134.63%	96.97%	27.11%

Notes to Schedule:

¹ The change in the total pension liability is due to the change in the single discount rate is included as an assumption change.

Assumption changes for fiscal 2017 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2017.

Assumption changes for fiscal 2020 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2020.

² The covered payroll is the payroll on which contributions to pension plan are based for the measurement period.

³ This schedule is intended to present 10 years of information. Currently only seven years of information is available. Information for future years will be added when it becomes available.

Schedule of Changes in Total Pension Liability and Related Ratios

The measurement date for the information on the schedule of changes in total pension liability and related ratios was the prior fiscal year-end.

The schedule of changes in total pension liability and related ratios for the state's Judicial Retirement System Plan One (JRS1 Plan) is presented in table RSI-5.

Schedule of Changes in Total Pension Liability and Related Ratios^{3,4}

Table RSI-5: Judicial Retirement System of Texas Plan One

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	\$ 222	\$ 319	\$ 411	\$ 378	\$ 357
Interest on the Total Pension Liability	6,186	9,032	9,071	8,977	11,265
Difference between Expected and Actual					
Experience of the Total Pension Liability	(3,862)	(15,327)	(1,643)	(718)	5,488
Assumption Changes ²	2,195	17,173	(5,968)	(35,858)	26,760
Benefit Payments and Refunds	(19,941)	(21,479)	(23,057)	(24,281)	(25,536)
Net Change in Total Pension Liability	<u>(15,200)</u>	<u>(10,282)</u>	<u>(21,186)</u>	<u>(51,502)</u>	<u>18,334</u>
Total Pension Liability – Beginning	<u>245,074</u>	<u>255,356</u>	<u>276,542</u>	<u>328,044</u>	<u>309,710</u>
Total Pension Liability – Ending	<u>\$ 229,874</u>	<u>\$ 245,074</u>	<u>\$ 255,356</u>	<u>\$ 276,542</u>	<u>\$ 328,044</u>
Covered Payroll ¹	\$ 180	\$ 335	\$ 449	\$ 591	\$ 577
Total Pension Liability as a Percentage of Covered Payroll	127,884.19%	73,179.28%	56,868.89%	46,820.01%	56,891.02%

Notes to Schedule:

¹ The covered payroll is the actual annual payroll for the fiscal year as reported by ERS.

² The change in the total pension liability is due to the change in the single discount rate is included as an assumption change. Assumption changes for fiscal 2017 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2017. Assumption changes for fiscal 2020 include the impact of new assumption changes adopted by the Board effective Aug. 31, 2020.

³ There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 73 to pay related benefits.

⁴ This schedule is intended to present 10 years of information. Currently only five years of information is available. Information for future years will be added when it becomes available.

Schedules of Proportionate Share of Net Pension Liability

For each of the fiscal years presented, the measurement date for the information on the schedules of proportionate share of net pension liability was the prior fiscal year-end.

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 nonemployer contributing entity are presented in tables RSI-6 and RSI-7, respectively.

Schedule of Proportionate Share of Net Pension Liability²

Table RSI-6: Teacher Retirement System of Texas Plan - State as Employer

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021 ¹	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability	16.76%	17.65%	16.42%	15.55%	14.86%	14.11%	16.97%
State's proportionate share of the net pension liability	\$ 8,974,942	\$ 9,176,758	\$ 9,035,830	\$ 4,974,134	\$ 5,615,188	\$ 4,989,195	\$ 4,534,735
State's covered payroll	\$ 8,132,532	\$ 7,984,972	\$ 7,165,045	\$ 6,551,021	\$ 6,054,185	\$ 5,426,660	\$ 6,221,452
State's proportionate share of the net pension liability as a percentage of its covered payroll	110.36%	114.93%	126.11%	75.93%	92.75%	91.94%	72.89%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Notes to Schedule:

¹ The state's proportionate share of the net pension liability for the state as an employer consists of \$2,229,190 reported in governmental activity and \$6,745,752 reported in business-type activity.

² This schedule is intended to present 10 years of information. Currently only seven years of information are available. Information for future years will be added when it becomes available.

Schedule of Proportionate Share of Net Pension Liability¹

Table RSI-7: Teacher Retirement System of Texas Plan - State as Nonemployer Contributing Entity

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability	51.09%	49.65%	50.96%	51.82%	52.74%	53.75%	60.37%
State's proportionate share of the net pension liability	\$ 27,362,962	\$ 25,811,347	\$ 28,051,905	\$ 16,568,177	\$ 19,929,042	\$ 18,998,983	\$ 16,129,760
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

¹ This schedule is intended to present 10 years of information. Currently only seven years of information are 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 nonemployer contributing entity is presented in table RSI-8.

Schedule of Proportionate Share of Net Pension Liability¹

Table RSI-8: Texas Emergency Services Retirement System Plan - State as Nonemployer Contributing Entity

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015
State's proportion of the net pension liability	28.51%	29.66%	27.75%	32.75%	34.57%	34.66%	33.79%
State's proportionate share of the net pension liability	\$ 7,188	\$ 8,408	\$ 6,009	\$ 7,860	\$ 10,070	\$ 9,252	\$ 6,140
Plan fiduciary net position as a percentage of the total pension liability	83.20%	80.20%	84.30%	81.40%	76.30%	76.90%	83.50%

¹ This schedule is intended to present 10 years of information. Currently only seven years of information are available. Information for future years will be added when it becomes available.

Schedules of Employer Contributions Related to Pension

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 in tables RSI-9, RSI-10 and RSI-11, respectively.

Schedule of Employer Contributions⁴

Table RSI-9: Employees Retirement System of Texas Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions ¹	\$ 1,148,701	\$ 985,001	\$ 946,266	\$ 933,915	\$ 713,528	\$ 679,806	\$ 737,111	\$ 727,892
Contributions in relation to the actuarially determined contributions	739,573	735,856	712,648	697,189	700,078	686,763	500,395	482,239
Contribution deficiency (excess)	409,128	249,145	233,618	236,726	13,450	(6,957)	236,716	245,653
Covered payroll ³	7,188,368	7,158,435	6,947,625	6,811,926	6,859,707	6,742,143	6,150,195	5,955,461
Contributions as a percentage of covered payroll ²	10.29%	10.28%	10.26%	10.23%	10.21%	10.19%	8.14%	8.10%

Notes to Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of Aug. 31 of the fiscal year. A new set of assumptions were adopted for the Aug. 31, 2020 actuarial valuation and are first reflected for the actuarially determined employer contribution determined for the fiscal year ended 2021.

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	Marked to market as of Aug. 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.3%
Salary Increases	0.00% to 8.80%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the class of employee. Updated for the 2020 valuation pursuant to an experience study of the five-year period from Sept. 1, 2014 through Aug. 31, 2019
Mortality	2020 State Retirees of Texas mortality table. Generational mortality improvements in accordance with the ultimate rates from the scale most recently published by Retirement Plans Experience Committee of the Society of Actuaries (Scale U-MP) and projected from the year 2020. Rates for male LECO members are set forward one year.

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 The covered payroll is the payroll on which contributions to pension plan are based for the fiscal year being reported.

⁴ This schedule is intended to present 10 years of information. Currently only eight years of information are available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions⁴

Table RSI-10: Law Enforcement and Custodial Officer Supplemental Retirement Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions ¹	\$ 59,019	\$ 56,679	\$ 54,854	\$ 53,560	\$ 45,332	\$ 43,167	\$ 38,131	\$ 40,205
Contributions in relation to the actuarially determined contributions	20,294	22,294	25,864	26,110	26,583	27,497	26,728	27,758
Contribution deficiency	38,725	34,385	28,990	27,450	18,749	15,670	11,403	12,447
Covered payroll ³	1,586,537	1,662,147	1,682,633	1,689,590	1,746,349	1,725,880	1,506,028	1,496,013
Contributions as a percentage of covered payroll ²	1.28%	1.34%	1.54%	1.55%	1.52%	1.59%	1.77%	1.86%

Notes to Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of Aug. 31 of the fiscal year. A new set of assumptions were adopted for the Aug. 31, 2020 actuarial valuation and are first reflected for the actuarially determined employer contribution determined for the fiscal year ended 2021.

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	Marked to market as of Aug. 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.30%
Salary Increases	3.75% to 8.75%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the five-year period from Sept. 1, 2014 through Aug. 31, 2019.
Mortality	2020 State Retirees of Texas mortality table. Generational mortality improvements in accordance with the ultimate rates from the scale most recently published by Retirement Plans Experience Committee of the Society of Actuaries (Scale U-MP) and projected from the year 2020. Rates for male LECO members are set forward one year.

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 The covered payroll is the payroll on which contributions to pension plan are based for the fiscal year being reported.

⁴ This schedule is intended to present 10 years of information. Currently only eight years of information are available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions⁴

Table RSI-11: Judicial Retirement System of Texas Plan Two

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contributions ¹	\$ 21,383	\$ 16,343	\$ 13,057	\$ 12,934	\$ 12,444	\$ 12,896	\$ 13,107	\$ 13,449
Contributions in relation to the actuarially determined contributions	14,322	14,186	13,100	12,560	12,494	12,374	12,457	12,211
Contribution deficiency (excess)	7,061	2,157	(43)	374	(50)	522	650	1,238
Covered payroll ³	89,583	88,579	79,711	78,772	78,190	78,261	77,501	77,441
Contributions as a percentage of covered payroll ²	15.99%	16.02%	16.43%	15.94%	15.98%	15.81%	16.07%	15.77%

Notes to Schedule of Contributions

Valuation Date

Actuarially determined contribution rates are calculated as of Aug. 31 of the fiscal year. A new set of assumptions were adopted for the Aug. 31, 2020 actuarial valuation and are first reflected for the actuarially determined employer contribution determined for the fiscal year ended 2021.

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	Marked to market as of Aug. 31, 2017. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Inflation	2.30%
Salary Increases	2.30%
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the five-year period from Sept. 1, 2014 through Aug. 31, 2019.
Mortality	2020 State Retirees of Texas mortality table. Generational mortality improvements in accordance with the ultimate rates from the scale most recently published by Retirement Plans Experience Committee of the Society of Actuaries (Scale U-MP) and projected from the year 2020.

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 The covered payroll is the payroll on which contributions to pension plan are based for the fiscal year being reported.

⁴ This schedule is intended to present 10 years of information. Currently only eight years of information are 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 nonemployer contributing entity are presented in tables RSI-12 and RSI-13, respectively.

Schedule of Employer Contributions¹

Table RSI-12: Teacher Retirement System of Texas Plan - State as Employer

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 703,233	\$ 683,487	\$ 612,078	\$ 516,850	\$ 495,500	\$ 466,216	\$ 417,698	\$ 430,321
Contributions in relation to the statutorily required contributions	703,233	683,487	612,078	516,850	495,500	466,216	417,698	430,321
Contribution deficiency (excess)	0	0	0	0	0	0	0	0
Covered payroll	8,355,310	8,567,320	7,425,351	6,789,858	6,257,506	5,750,539	5,408,293	6,221,452
Contributions as a percentage of covered payroll	8.42%	7.98%	8.24%	7.61%	7.92%	8.11%	7.72%	6.92%

¹ This schedule is intended to present 10 years of information. Currently only eight years of information is available. Information for future years will be added when it becomes available.

Schedule of Employer Contributions¹

Table RSI-13: Teacher Retirement System of Texas Plan - State as Nonemployer Contributing Entity

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$2,140,553	\$2,107,999	\$1,737,853	\$1,715,785	\$1,697,963	\$1,675,631	\$1,591,483	\$1,530,624
Contributions in relation to the statutorily required contributions	2,140,553	2,107,999	1,737,853	1,715,785	1,697,963	1,675,631	1,591,483	1,530,624
Contribution deficiency (excess)	0	0	0	0	0	0	0	0

¹ This schedule is intended to present 10 years of information. Currently only eight years of information is available. Information for future years will be added when it becomes available.

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 nonemployer contributing entity is presented in table RSI-14.

Schedule of Employer Contributions²								
Table RSI-14: Texas Emergency Services Retirement System Plan - State as Nonemployer Contributing Entity								
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)								
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	\$ 1,329	\$ 1,329	\$ 1,329	\$ 1,329	\$ 1,584	\$ 1,584	\$ 1,637	\$ 1,530
Contributions in relation to the statutorily required contributions ¹	1,329	1,329	1,329	1,329	1,584	1,584	1,637	1,530
Contribution deficiency (excess)	0	0	0	0	0	0	0	0
Notes to Schedule:								
¹ Texas Emergency Services Retirement System was appropriated \$1,329 in the following fiscal years 2018-2021.								
² This schedule is intended to present 10 years of information. Currently only eight years of information is available. Information for future years will be added when it becomes available.								

Schedules of Proportionate Share of Net OPEB Liability

For each of the fiscal years presented, the measurement date for the information on the schedules of proportionate share of net OPEB liability was the prior fiscal year-end.

The schedules of proportionate share of the net OPEB liability for the state's Employees Retirement System of Texas State Retiree Health Plan (SRHP) for the state as an employer and as a nonemployer contributing entity is presented in table RSI-15.

Schedule of Proportionate Share of Net OPEB Liability¹

Table RSI-15: State Retiree Health Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021 ⁵	2020 ⁴	2019 ³	2018 ²
State as employer proportion of the net OPEB liability	85.34%	85.41%	85.44%	89.45%
Proportionate Shares of the Net OPEB Liability				
State as employer	\$ 28,199,026	\$ 29,518,613	\$ 25,323,500	\$ 30,477,926
State as nonemployer contributing entity	2,023,621	2,183,063	1,821,019	1,637,246
Total net OPEB liability recognized by the state	<u>\$ 30,222,647</u>	<u>\$ 31,701,676</u>	<u>\$ 27,144,519</u>	<u>\$ 32,115,172</u>
State's covered-employee payroll	\$ 10,799,504	\$ 10,522,049	\$ 10,293,511	\$ 10,506,048
State's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	261.11%	280.54%	246.01%	290.10%
Plan fiduciary net position as a percentage of the total OPEB liability	0.32%	0.17%	1.30%	2.00%

Notes to Schedule:

¹ This schedule is intended to present 10 years of information. Currently only four years of information are available. Information for future years will be added when it becomes available.

² Changes in assumptions for measurement year ended Aug. 31, 2017 include (a) demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for select classes of State Agency members), (b) assumed aggregate payroll increases and rate of general inflation, (c) discount rate increased from 2.84% to 3.51%, (d) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (e) proportion of future retirees covering dependent children, (f) percentage of members assumed to be married and electing coverage for their spouse, and (g) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

³ Changes in assumptions for measurement year ended Aug. 31, 2018 include (a) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (b) discount rate increased from 3.51% to 3.96%, (c) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (d) percentage of members assumed to be married and electing coverage for their spouse, and (e) assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost Retiree Contribution, and Expense trends.

⁴ Changes in assumptions for measurement year ended Aug. 31, 2019 include (a) discount rate decreased from 3.96% to 2.97%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of male members assumed to be married and electing coverage for their spouse, (d) percentage of future retirees and future retiree spouses assumed to use tobacco, and (e) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

⁵ Changes in assumptions for measurement year ended Aug. 31, 2020 include (a) demographic assumptions (including rates of retirement, termination and mortality and assumed salary increases for select classes of State Agency members), (b) assumed aggregate payroll increases and rate of general inflation, (c) discount rate decreased from 2.97% to 2.20%, (d) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (e) percentage of female members assumed to be married and electing coverage for their spouse, (f) proportion of future retirees assumed to cover dependent children, (g) assumed PCORI fees and (h) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

The schedules of proportionate share of the net OPEB liability for the state's Teacher Retirement System of Texas Public School Retired Employees Group Insurance Program (TRS-Care) for the state as a nonemployer contributing entity is presented in table RSI-16.

Schedule of Proportionate Share of Net OPEB Liability³

Table RSI-16: TRS-Care Plan - State as Nonemployer Contributing Entity

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018
State's proportion of the net OPEB liability	57.33%	57.05%	57.43%	58.44%
State's proportionate share of the net OPEB liability ^{1,2}	\$ 21,795,060	\$ 26,983,897	\$ 28,673,029	\$ 25,413,891
Plan fiduciary net position as a percentage of the total OPEB liability	4.99%	2.66%	1.57%	0.91%

Notes to Schedule:

¹ Changes of assumptions include:

- 2020 change in assumption assumed a discount rate change from 2.63% as of Aug. 31, 2019 to 2.33% as of Aug. 31, 2020, lowering the participation rate assumption for employees who retire after the age of 65, and lowering the ultimate health care trend assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.
- 2019 change in assumption assumed a discount rate change from 3.69% as of Aug. 31, 2018 to 2.63% as of Aug. 31, 2019, lower participation rates, and updates to the health care trend assumptions as of Aug. 31, 2019.
- 2018 change in assumption assumed an updated health care trend assumption, revised demographic and economic assumptions based on the TRS experience study and a discount rate change from 3.42% as of Aug. 31, 2017 to 3.69% as of Aug. 31, 2018.
- 2017 change in assumption assumed a discount rate change from 2.98% as of Aug. 31, 2016 to 3.42% as of Aug. 31, 2017, and assumed Medicare Part D reimbursements will continue (removing the phase out assumption).

² Changes of benefit terms—effective Jan. 1, 2018, only one health plan option is offered and all retirees are required to contribute monthly premiums for coverage.

³ This schedule is intended to present 10 years of information. Currently only four years of information are available. Information for future years will be added when it becomes available.

Schedule of Changes in Total OPEB Liability and Related Ratios

The measurement date for the information on the schedule of changes in total OPEB liability and related ratios is presented in each of the following tables for both plans.

The schedule of changes in total OPEB liability and related ratios for the state's Texas A&M University System Retiree Group Insurance Program (A&M Plan) and University of Texas System Employee Group Insurance Program (UT Plan) are presented in tables RSI-17 and RSI-18, respectively.

Schedule of Changes in Total OPEB Liability and Related Ratios^{1,4}

Table RSI-17: Texas A&M University System Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018
Measurement Date	Sept. 1, 2020	Sept. 1, 2019	Sept. 1, 2018	Sept. 1, 2017
Total OPEB Liability				
Service Cost	\$ 149,149	\$ 127,112	\$ 173,615	\$ 248,902
Interest on the Total OPEB Liability	115,360	137,392	163,593	159,723
Changes of benefit terms			(1,050,344)	
Difference between Expected and Actual Experience in the measurement of the Total OPEB Liability		(111,380)		(95,295)
Changes of assumptions or other inputs ³	473,101	309,034	(361,071)	(1,128,792)
Benefit Payments (employer) ²	<u>(69,061)</u>	<u>(70,025)</u>	<u>(71,054)</u>	<u>(73,981)</u>
Net Change in Total OPEB Liability	668,549	392,133	(1,145,261)	(889,443)
Total OPEB Liability – Beginning	<u>3,769,546</u>	<u>3,377,413</u>	<u>4,522,674</u>	<u>5,412,117</u>
Total OPEB Liability – Ending	<u>\$ 4,438,095</u>	<u>\$ 3,769,546</u>	<u>\$ 3,377,413</u>	<u>\$ 4,522,674</u>
Covered-Employee Payroll	\$ 1,833,341	\$ 1,770,957	\$ 1,619,640	\$ 1,607,611
Total OPEB Liability as a Percentage of Covered-Employee Payroll	242.08%	212.85%	208.53%	281.33%

Notes to Schedule:

¹ There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

² Included Changes in benefit terms: Adopted in Jan. 2018 and effective Jan. 1, 2019, prescription drug coverage for all Medicare-primary participants is provided through a self-funded Employer Group Waiver Plan with Commercial Wrap (EGWP plus Wrap).

³ Included Changes in Assumptions or Other Inputs: Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal 2021 - 2.20%
Fiscal 2020 - 2.97%
Fiscal 2019 - 3.96%
Fiscal 2018 - 3.51%
Fiscal 2017 - 2.84%

In fiscal 2018, amounts reflect a 1-percentage-point decrease in the assumed rate of general inflation and adjustments to assumptions for expenses, assumed per capita health benefit costs and assumed trend for health benefit costs, retiree contributions and expenses.

In fiscal 2019, the Assumed Per Capital Health Benefit Costs were updated to reflected the changes in benefit terms due to the implementation of EGWP plus Wrap.

In fiscal 2020, amounts reflect updated assumed rates of retirement, disability, termination and mortality, assumed inflation and salary increases, assumed expenses, assumed per capita health benefit costs and assumed trend for health benefit costs, retiree contributions and expenses.

⁴ This schedule is intended to present 10 years of information. Currently only four years of information are available. Information for future years will be added when it becomes available.

Schedule of Changes in Total OPEB Liability and Related Ratios^{1,3}

Table RSI-18: University of Texas System Plan

For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)

	2021	2020	2019	2018
Measurement Date	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017
Total OPEB Liability				
Service Cost	\$ 818,274	\$ 593,495	\$ 692,255	\$ 737,751
Interest on the Total OPEB Liability	417,914	556,673	498,239	552,440
Difference between Expected and Actual Experience in the Measurement of the Total OPEB Liability		(112,255)		(177,101)
Changes of assumptions or other inputs ²	1,940,581	601,825	(1,805,442)	(1,012,995)
Benefit Payments (employer)	<u>(187,994)</u>	<u>(191,309)</u>	<u>(193,743)</u>	<u>(177,742)</u>
Net Change in Total OPEB Liability	2,988,775	1,448,429	(808,691)	(77,647)
Total OPEB Liability – Beginning	<u>14,528,033</u>	<u>13,079,604</u>	<u>13,888,295</u>	<u>13,965,942</u>
Total OPEB Liability – Ending	<u>\$17,516,808</u>	<u>\$14,528,033</u>	<u>\$13,079,604</u>	<u>\$13,888,295</u>
Covered-Employee Payroll	\$ 6,791,262	\$ 6,425,556	\$ 6,062,198	\$ 5,820,998
Total OPEB Liability as a Percentage of Covered-Employee Payroll	257.93%	226.10%	215.76%	238.59%

Notes to Schedule:

¹ There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

² Included Changes in Assumptions or Other Inputs: Changes of assumptions and other inputs reflect the changes in the discount rate each period. The following are the discount rates used in each period:

Fiscal 2021 - 2.12%

Fiscal 2020 - 2.74%

Fiscal 2019 - 4.10%

Fiscal 2018 - 3.44%

Fiscal 2017 - 3.78%

In fiscal 2018, amounts reflect a 1-percentage-point decrease in the assumed rate of general inflation and adjustments to assumptions for expenses, assumed per capita health benefit costs and assumed trend for health benefit costs, retiree contributions and expenses.

In fiscal 2020, amounts reflect updated assumed rates of retirement, disability, termination and mortality, and assumed inflation and salary increases, adjustments to assumptions for expenses, percentage of future retirees assumed to be married and electing coverage for their spouse, proportion of future retirees covering dependent children, percentage of future retirees and future retiree spouses assumed to use tobacco, percentage of future Service Retirees assumed to elect health coverage at retirement and remain covered until death, assumed per capita health benefit costs and assumed trend for health benefit costs and retiree contributions.

³ This schedule is intended to present 10 years of information. Currently only four years of information are available. Information for future years will be added when it becomes available.

Schedules of Employer Contributions Related to OPEB

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

The schedule of employer contributions comparing the statutorily required contributions and the contributions recognized by the OPEB plan in relation to the statutorily required contributions for the SRHP plan for the state as an employer is presented in table RSI-19.

Schedule of Employer Contributions¹					
Table RSI-19: State Retiree Health Plan - State as Employer					
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)					
	2021	2020	2019	2018	2017
Statutorily required contributions	\$ 631,381	\$ 614,312	\$ 330,295	\$ 288,822	\$ 837,982
Contributions in relation to the statutorily required contributions	631,381	614,312	330,295	288,822	837,982
Contribution deficiency (excess)	0	0	0	0	0
Covered-employer payroll	10,740,744	10,808,345	10,526,653	10,776,055	10,506,048
Contributions as a percentage of covered-employee payroll	6.42%	6.23%	3.43%	2.70%	7.98%

¹ This schedule is intended to present 10 years of information. Currently only five years of information are available. Information for future years will be added when it becomes available.

The schedule of employer contributions comparing the state as a nonemployer contributing entity's proportionate share of the net OPEB liability and contributions recognized in the SRHP plan is presented in table RSI-20.

Schedule of Employer Contributions¹				
Table RSI-20: State Retiree Health Plan - State as Nonemployer Contributing Entity				
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)				
	2021	2020	2019	2018
State's proportionate share of the net OPEB liability	\$ 2,023,621	\$ 2,183,063	\$ 1,821,019	\$ 1,637,246
Contributions recognized by the OPEB plan during the fiscal year	\$ 49,362	\$ 48,140	\$ 19,884	\$ 45,016

¹ This schedule is intended to present 10 years of information. Currently only four years of information are available. Information for future years will be added when it becomes available.

The schedule of contributions comparing the statutorily required contributions and the contributions recognized by the OPEB plan in relation to the statutorily required contributions for TRS-Care plan for the state as a nonemployer contributing entity is presented in table RSI-21.

Schedule of Employer Contributions¹					
Table RSI-21: TRS-Care Plan - State as Nonemployer Contributing Entity					
For the Fiscal Year Ended August 31, 2021 (Amounts in Thousands)					
	2021	2020	2019	2018	2017
Statutorily required contributions	\$ 452,858	\$ 666,526	\$ 478,578	\$ 790,189	\$ 319,320
Contributions in relation to the statutorily required contributions	452,858	666,526	478,578	790,189	319,320
Contribution deficiency (excess)	0	0	0	0	0

¹ This schedule is intended to present 10 years of information. Currently only five years of information are available. Information for future years will be added when it becomes available.

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 state implemented GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, in fiscal 2017. Paragraph 7 of GASB Statement No. 82 is not applicable to the state. All pension schedules related to ERS, LECOS, JRS2, TRS and TESRS plans present information in accordance with the GASB Statement No. 68 and 82 standards. The state implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and*

Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, in fiscal 2017. Pension schedule for JRS1 plan presents information in accordance with GASB Statement No. 73.

More detailed information on each pension plans' actuarial methods, assumptions and benefits may be obtained from Note 9.

OPEB Plans

The state implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal 2018.

More detailed information on each OPEB plans' actuarial methods, assumptions and benefits may be obtained from Note 11.