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A Report on
**Salary Supplements at State
Agencies and Public Higher
Education Institutions**

February 2014
Report No. 14-703



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Overall Conclusion

Texas Government Code, Chapter 659, requires state agencies and public higher education institutions (including community colleges) to collect and report information regarding gifts, grants, donations, or other considerations they receive for the purpose of providing salary supplements to their employees (see text box for additional details). To facilitate that reporting, the State Auditor's Office distributed a questionnaire to 221 entities: 86 state agencies in the executive branch of state government and 135 public higher education institutions. The 135 public higher education institutions in this report include community college campuses, community college districts, universities, university systems, health-related institutions, the technical college system, and state colleges.

Responses to the questionnaire were as follows:

- A total of 19 entities (1 state agency, 12 community college campuses and community college districts, and 6 universities) reported that they received gifts, grants, donations, or other considerations designated for salary supplements for a named person, position, or endowment during fiscal year 2013 (see Chapter 1 for additional details).
- A total of 85 state agencies; 52 community college campuses and community college districts; and 65 universities, university systems, health-related institutions, the technical college system, and state colleges reported that they had not received gifts, grants, donations, or other considerations designated for salary supplements for a named person, position, or endowment during fiscal year 2013 (see Chapter 2 for additional details).

In addition:

- Three community colleges and three universities reported receiving gifts, grants, donations, or other considerations that exceeded \$10,000 during fiscal year 2013 (1) from an entity created solely to provide support for the

Background Information

House Bill 12 (83rd Legislature, Regular Session) amended the Texas Government Code by adding Section 659.0201, which created additional reporting requirements for state agencies and public higher education institutions (including community colleges). (See Appendix 4 for the text of House Bill 12).

Specifically, each state agency and public higher education institution, as defined by Section 61.003 of the Texas Education Code, is required to collect and report certain information related to gifts, grants, donations, or other considerations related to salary supplements provided to employees.

The State Auditor's Office is required to prepare a schedule and format to assist state agencies and public higher education institutions with those reporting requirements. As a result, the State Auditor's Office developed guidelines and a questionnaire for state agencies and public higher education institutions to report gifts, grants, donations, or other considerations related to salary supplements.

public higher education institution and (2) that were designated to be used as a salary supplement for a named person, position, or endowment.

- A total of 86 state agencies; 61 community college campuses and community college districts; and 68 universities, university systems, health-related institutions, the technical college system, and state colleges reported that they had not received gifts, grants, donations, or other considerations that exceeded \$10,000 during fiscal year 2013 (1) from an entity created solely to provide support for the state agency or public higher education institution and (2) that were designated to be used as a salary supplement for a named person, position, or endowment.

It is important to note that the state agencies and public higher education institutions completed the State Auditor's Office's questionnaire based on their own interpretations of the statutory reporting requirements as those requirements applied to their entities. The state agencies and public higher education institutions self-reported the data presented in this report, and the State Auditor's Office did not independently verify that data.

In addition to the reporting requirements in Texas Government Code, Chapter 659, discussed above, state agencies and public higher education institutions must comply with Section 3.02, page IX-18, the General Appropriations Act (82nd Legislature), which specifies requirements for reporting anticipated salary supplement-related information to the Office of the Comptroller of Public Accounts. In the interest of transparency, this report also includes information that state agencies and public higher education institutions reported to the Office of the Comptroller of Public Accounts (see Chapter 3 for additional details).

Summary of Objectives, Scope, and Methodology

The objectives of this project were to:

- Develop guidelines for the reporting of certain information related to employee salary supplements given to state agencies and higher education institutions in the form of a gift, grant, donation, or other considerations by a person.
- Collect data from each state agency receiving a gift, grant, donation, or other considerations from a person that the person designates to be used as a salary supplement for a named person, position, or endowment.
- Review salary supplement data.
- Report data related to salary supplements and conflicts of interest to the Legislature.

The scope of this project included the collection of fiscal year 2013 salary supplement-related data from state agencies defined as a board, commission,

department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Texas Education Code.

Using the language in House Bill 12 (83rd Legislature, Regular Session), the State Auditor's Office designed a two-part questionnaire to capture certain information related to employee salary supplements (see Appendices 2 and 3 for that questionnaire). In October 2013, the State Auditor's Office distributed the questionnaire to 221 state agencies and public higher education institutions (including community colleges). When necessary, the State Auditor's Office followed up with those entities for clarification on their responses.

Contents

Detailed Results

Chapter 1	
State Agencies and Public Higher Education Institutions That Reported They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements in Fiscal Year 2013	1
Chapter 2	
State Agencies and Public Higher Education Institutions That Reported They Had Not Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements During Fiscal Year 2013	10
Chapter 3	
State Agencies and Public Higher Education Institutions Reported Information on Anticipated Salary Supplemental Amounts to the Office of the Comptroller of Public Accounts as Required by the General Appropriations Act	25

Appendices

Appendix 1	
Objectives, Scope, and Methodology	34
Appendix 2	
State Auditor's Office's Salary Supplement Questionnaire - Part I	36
Appendix 3	
State Auditor's Office's Salary Supplement Questionnaire - Part II	38
Appendix 4	
House Bill 12 (83rd Legislature, Regular Session)	40

Detailed Results

Chapter 1

State Agencies and Public Higher Education Institutions That Reported They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements in Fiscal Year 2013

Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements

Types of Supporting Organizations

The Internal Revenue Service (IRS) defines a supporting organization as a charity that carries out its exempt purposes by supporting other exempt organizations (Section 509(a)(3) of the Internal Revenue Code). The IRS classifies a supporting organization as Type I, Type II, or Type III, based on the relationship it has with the organization it supports. Those types are defined as follows:

- **Type I** - Must be operated, supervised or controlled by its supported organization(s), typically by giving the supported organization(s) the power to appoint and replace a majority of the directors or trustees of the supporting organization.
- **Type II** - Must be supervised or controlled in connection with its supported organization(s), typically by having directors or trustees of the supported organization(s) serve as a majority of the trustees or directors of the supporting organization.
- **Type III** - Must be operated in connection with one or more publicly supported organizations.

For additional information on supporting organizations, including the types of supporting organizations, refer to the Internal Revenue Service.

Source: IRS Web site at [http://www.irs.gov/Charities-%26-Non-Profits/Section-509\(a\)\(3\)-Supporting-Organizations](http://www.irs.gov/Charities-%26-Non-Profits/Section-509(a)(3)-Supporting-Organizations).

Nineteen entities (1 state agency, 12 community college campuses and community college districts, and 6 universities) reported that they received gifts, grants, donations, or other considerations designated for salary supplements for a named person, position, or endowment during fiscal year 2013.

Table 1 on the next page provides information on the state agencies and public higher education institutions that reported they received gifts, grants, donations, or other considerations designated for salary supplements for a named person, position, or endowment during fiscal year 2013. It also provides information on supporting organizations as defined by the Internal Revenue Services (see text box for additional details).

Table 1

State Agencies and Public Higher Education Institutions That Reported They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements for a Named Person, Position, or Endowment Fiscal Year 2013					
State Agency or Public Higher Education Institution	Donor		Entity Details		State Agency or Public Higher Education Institution Oversight Procedures to Monitor the Use of Gifts, Grants, Donations, or Other Considerations (As Reported by the State Agency or Public Higher Education Institution)
	Donor (Individual or Entity)	Type of Entity	Supporting Organization (as Defined by the Internal Revenue Service)	Type and Name of Supporting Organization (if Classified as a Supporting Organization by the Internal Revenue Service)	
Agency					
Office of the Comptroller of Public Accounts	<i>Entity</i>	<i>Vendor</i>	<i>No</i>	Not Applicable	<i>Via contractual agreement, a vendor provides funding for two Comptroller employees hired for the purpose of fulfilling certain terms of the contract. All contract provisions are in accordance with the Texas Education Code, Chapter 54, Section 702, Powers and Duties of Board and Section 767, Use of Fund Assets.</i>
Community College Campuses and Community College Districts					
Alvin Community College	<i>Entity</i>	<i>Community College</i>	<i>No</i>	Not Applicable	<i>Internally, the ACC Business Office personnel monitors grant expenditures based on grant contracts.</i>
Cisco College	<i>Entities (2)</i>	<i>Non-profit entities</i>	<i>No</i>	Not Applicable	<i>Cisco College follows the Policy & Procedure Manual. (Policy number 3.15 & 3.16)</i>
College of the Mainland	<i>Entity</i>	<i>Community College</i>	<i>No</i>	Not Applicable	<i>Assign an activity code to segregate the specified funds from all other funds. Grant Accountant & Grant Manager monitor grant expenses & activity.</i>
College of the Mainland	<i>Entity</i>	<i>Department of Education</i>	<i>No</i>	Not Applicable	<i>Assign an activity code to segregate the specified funds from all other funds. Grant Accountant & Grant Manager monitor grant expenses & activity.</i>
College of the Mainland	<i>Entity</i>	<i>Houston Endowment</i>	<i>No</i>	Not Applicable	<i>Assign an activity code to segregate the specified funds from all other funds. Grant Accountant & Grant Manager monitor grant expenses & activity.</i>
El Paso County Community College District	<i>Entity</i>	<i>El Paso Health Care Systems (DBA Las Palmas and DeI Sol)</i>	<i>No</i>	Not Applicable	<i>4.06.02 Gifts Policy; 4.06.02.10 Donations Procedure; 4.04.01 Grants policy.</i>
Howard County Junior College District	<i>Entity</i>	<i>Limited Liability Partnership</i>	<i>No</i>	Not Applicable	<i>See Howard College Employee Handbook Policy 4.10 at http://www.howardcollege.edu/pdf/human_resou rces/Employee_Handbook.pdf.</i>

State Agencies and Public Higher Education Institutions That Reported
They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements
for a Named Person, Position, or Endowment

Fiscal Year 2013

State Agency or Public Higher Education Institution	Donor		Entity Details		State Agency or Public Higher Education Institution Oversight Procedures to Monitor the Use of Gifts, Grants, Donations, or Other Considerations (As Reported by the State Agency or Public Higher Education Institution)
	Donor (Individual or Entity)	Type of Entity	Supporting Organization (as Defined by the Internal Revenue Service)	Type and Name of Supporting Organization (if Classified as a Supporting Organization by the Internal Revenue Service)	
Navarro College	<i>Entity</i>	<i>Foundation</i>	Yes	<i>501c3 Nonprofit</i> <i>Type II 509(a)3 and Navarro College Foundation</i>	<i>Annual External Audit -- Navarro College Foundation included as a component unit.</i>
North Central Texas College	<i>Entity</i>	<i>Non-profit</i>	<i>No</i>	Not Applicable	<i>Annual external financial audit.</i>
Odessa College	<i>Entity</i>	<i>Hospital</i>	<i>No</i>	Not Applicable	<i>The gift is placed in a separate account used to pay the Director of Nursing annual salary.</i>
Paris Junior College	<i>Entity</i>	<i>Hospital</i>	<i>No</i>	Not Applicable	<i>Paris Junior College has a long standing agreement with the local hospital, Paris Regional Medical Center, to provide \$60,000 a year to go towards the salary of the Director of Health Occupations. The annual salary is determined based on the same considerations used for all other college employees or a percentage increase is added to the college portion of the salary. The Business Office, Human Resources Office, and budget manager are all involved in the annual process.</i>
Vernon College	<i>Entity</i>	<i>Hospital</i>	<i>No</i>	Not Applicable	<i>Annual Financial Audit; oversight by Dean of Instructional Services.</i>
Victoria College	<i>Entity</i>	<i>Victoria College Foundation, Inc., a 501C3 non-profit.</i>	Yes	<i>Type I 509(a)(3) and Victoria College Foundation, Inc.</i>	<i>The financials for both Victoria College and the Victoria College Foundation are audited by an external public accounting firm annually. The Foundation Bylaws require that at least two, but no more than three, of the elected Board of Trustees of Victoria College serve on the Foundation Board. The Foundation Board has a max membership of twenty-nine members. All Foundation board members are nominated by fellow members and appointed by the College Trustees.</i>
Weatherford College	<i>Entity</i>	<i>[Baseball] Booster Club</i>	Yes	<i>509 (a)(1) and Coyote Baseball Booster Club</i>	<i>The President of the Booster Club determines if a gift, grant, donation, or other consideration will be accepted. The Dean of Student Affairs reviews Booster Club expenditures.</i>

State Agencies and Public Higher Education Institutions That Reported
They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements
for a Named Person, Position, or Endowment

Fiscal Year 2013

State Agency or Public Higher Education Institution	Donor		Entity Details		State Agency or Public Higher Education Institution Oversight Procedures to Monitor the Use of Gifts, Grants, Donations, or Other Considerations (As Reported by the State Agency or Public Higher Education Institution)
	Donor (Individual or Entity)	Type of Entity	Supporting Organization (as Defined by the Internal Revenue Service)	Type and Name of Supporting Organization (if Classified as a Supporting Organization by the Internal Revenue Service)	
Weatherford College	Entity	[Rodeo] Booster Club	No	Not Applicable	<i>The President of the Booster Club determines if a gift, grant, donation, or other consideration will be accepted. The Dean of Student Affairs reviews Booster Club expenditures.</i>
Weatherford College	Entity	[Softball] Booster Club	No	Not Applicable	<i>The President of the Booster Club determines if a gift, grant, donation, or other consideration will be accepted. The Dean of Student Affairs reviews Booster Club expenditures.</i>
Universities					
Stephen F. Austin State University	Entity	Private 501(c)3	No	Not Applicable	<i>University oversight of gifts, grants, and donations begins with institutional policies that address gifts, grants, and donations. With respect to gifts and donations, SFA Policy 3.17, Gifts, Loans, Endowments, and Bequests governs the use of gifts and donations to the university. The policy outlines the process that must be followed regarding the solicitation, acknowledgment, restrictions, and use of gifts to the university. The web link to SFA Policy 3.17 is http://www.sfasu.edu/policies/gifts-loans-endowments-and-bequests.pdf. Oversight of university budgets that receive donations or gifts is guided by SFA Policy 3.5, Budget Control, which specifies that budget managers are responsible for budget control and sound budget practices. The web link to SFA Policy 3.5 is http://www.sfasu.edu/policies/budget-control.pdf. Independent of that departmental oversight is a procedure whereby gifts are reconciled by the controller's office on a monthly basis with amounts reported by the development office. In addition, the development office has been provided "view only" access to be able to monitor donation account activity. Oversight of grants to the university also begins with university policies that address grant acceptance and use. SFA Policy 8.3, Grants and Contracts Administration, provides oversight of grants with the establishment of procedures that are delineated in the "Grants and Contracts Procedures Manual" that is maintained in the Office of Research and Sponsored Programs (ORSP). The web link to SFA Policy 8.3 is</i>

State Agencies and Public Higher Education Institutions That Reported
They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements
for a Named Person, Position, or Endowment

Fiscal Year 2013

State Agency or Public Higher Education Institution	Donor		Entity Details		State Agency or Public Higher Education Institution Oversight Procedures to Monitor the Use of Gifts, Grants, Donations, or Other Considerations (As Reported by the State Agency or Public Higher Education Institution)
	Donor (Individual or Entity)	Type of Entity	Supporting Organization (as Defined by the Internal Revenue Service)	Type and Name of Supporting Organization (if Classified as a Supporting Organization by the Internal Revenue Service)	
					http://www.sfasu.edu/policies/grants-and-contract-administration.pdf . In addition, ORSP Staff, which includes a compliance officer for federal funding, review grant and contract activity.
Texas Southern University	Entity	National Aeronautics and Space Administration, a federal agency	No	Not Applicable	The University engages in periodic monitoring of selective grants through specialized Compliance Officers (i.e. Research) and/or its Institutional Compliance function.
Texas Woman's University	Entity	Hospital	No	Not Applicable	The Office of Research & Sponsored Programs assist faculty with the financial management of grants and compliance with the grant requirements. The Office of University Advancement provides oversight for gifts and donations to ensure compliance with the donor designations and restrictions. The Office of Internal Audits conducts independent and objective reviews of University operations.
The University of Texas at Austin	Individual	Not Applicable	No	Not Applicable	Endowment Services and Compliance in the University Development Office monitors all endowments on an annual basis for high balance, no expenditures, no recipients, and excess reinvestment. More in depth review takes place for 1/3 of our total endowment number each year when we review expenditures against endowment criteria to ensure compliance. All endowments are reviewed at this level at least every three years, but it is possible that some are reviewed more frequently. Provost's Office approves all appointments to holders of endowments. Fellows are approved at the dean level, but are reported to the Provost Office. Any salary supplements are approved via the normal salary review and approval process. In addition, the University of Texas System has the following oversight policies and procedures: - UTS 117, "Endowment Compliance Plan Systemwide Standards & Guidelines" http://www.utsystem.edu/bor/procedures/policy/policies/uts117.html

State Agencies and Public Higher Education Institutions That Reported
They Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements
for a Named Person, Position, or Endowment

Fiscal Year 2013

State Agency or Public Higher Education Institution	Donor		Entity Details		State Agency or Public Higher Education Institution Oversight Procedures to Monitor the Use of Gifts, Grants, Donations, or Other Considerations (As Reported by the State Agency or Public Higher Education Institution)
	Donor (Individual or Entity)	Type of Entity	Supporting Organization (as Defined by the Internal Revenue Service)	Type and Name of Supporting Organization (if Classified as a Supporting Organization by the Internal Revenue Service)	
					<ul style="list-style-type: none"> - UTS 138, "Gift Acceptance Procedures" http://www.utsystem.edu/bor/procedures/policy/policies/uts138.html - Sub-certification process - Account reconciliation
The University of Texas - Pan American	Entity	501(c)3-Non Profit	No	Not Applicable	<ul style="list-style-type: none"> •UTS 117, "Endowment Compliance Plan Systemwide Standards & Guidelines" http://www.utsystem.edu/bor/procedures/policy/policies/uts117.html •UTS 138, "Gift Acceptance Procedures" http://www.utsystem.edu/bor/procedures/policy/policies/uts138.html •Sub-certification process •Account reconciliation
University of North Texas	Entity	Nonprofit	Yes	509(a)(3) Supporting Organization - UNT Foundation	Monthly reporting; annual audit of UNT Foundation by third party auditor and annual audit of UNT Investments by UNTS internal audit.

Source: State agency's and public higher education institutions' responses to the State Auditor's Office's questionnaire.

Table 2 provides additional information the state agencies and public higher education institutions reported that explains how they may use gifts, grants, donations, or other considerations.

Table 2

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That a State Agency and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire	
State Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Agency	
Office of the Comptroller of Public Accounts	<i>For the last several years, the Texas Prepaid Higher Education Tuition Board has received \$200,000 per year from the vendor who acts as plan manager for the Board's programs. A portion of those funds is used to pay the salaries of employees in the Comptroller's office who perform marketing services for those programs. The salaries received by those employees are within the range for the classification applicable to the positions.</i> <i>If received, a monetary gift or donation would be used to offset agency expenditures or sent to the General Revenue fund.</i>
Community College Campuses and Community College Districts	
Alvin Community College	<i>Alvin Community College received a grant as a sub-recipient from El Paso Community College that was designated as stipends for five Nursing instructors.</i> <i>Alvin Community College expends gifts, grants, donations, etc. in accordance with directions and contracts from the revenue sources.</i>
Cisco College	<i>[Gifts, grants, donations, and other considerations are used] for the purposes as prescribed in the gifts, grants, donations, and other considerations.</i>
College of the Mainland	<i>College of the Mainland uses funds received as the agreement/contract specifically directs. If the agreement/contract states that some of the funds received should be used as salary supplements then that is the practice.</i>
El Paso County Community College District	<i>EPCC did receive a donation or other consideration from an entity that was designated via an affiliation agreement to be used as a salary supplement for a named position.</i> <i>Funds we receive are used for the promotion of student education programs including, but not limited to, program specific equipment and supplies, scholarships, faculty and staff professional development, faculty assignment projects, travel, and service stipends and agreements. A negligible amount of donations are received with the sole focus of salary supplement to a faculty position in radiation therapy, which is considered a health care high demand area. EPCC has an Affiliation Agreement with El Paso Health Care Systems (DBA Las Palmas and Del Sol) who will provide \$20,000 as a salary supplement for EPCC to maintain the Radiation Therapy faculty member. The money is taxable to the faculty member.</i>
Howard County Junior College District	<i>[Gifts, grants, donations, and other considerations are used] as specified by the grant or donor. As salary supplements only when specified.</i>
Navarro College	<i>The Navarro College Foundation reimburses Navarro College for 1/2 of the cost of employing an employee for the Navarro College Pearce Museum.</i>
North Central Texas College	<i>[Gifts, grants, donations, and other considerations are used for] salary.</i>
Odessa College	<i>This gift was used only as a salary supplement, donated by the Hospital District to offset the cost of our Director of Nursing, in our Associate Degree Nursing Program.</i>
Paris Junior College	<i>The \$60,000 is an annual amount that was started over 10 years ago to allow Paris Junior College to hire a qualified and proven Director of Health Occupations with a salary above what the college salary tables allowed. The annual contribution goes towards the salary of this individual. Raises are only applied to the college portion of the salary.</i>
Vernon College	<i>The Grant from Jackson County Memorial Hospital is used to supplement one nursing instructor's salary.</i>
Victoria College	<i>The Victoria College Foundation, Inc. Gifts, grants, donations from individuals are utilized for the designation specified by the donor or as outlined in the grant request, except in the case of unrestricted contributions.</i> <i>Most contributions in support of Victoria College are donated to the Victoria College Foundation, rather than directly to the College. The Foundation then awards the funds to the College program/scholarship account/department.</i>
Weatherford College	<i>[The] type of supporting organization is an organization operated for the benefit of a college or university owned or operated by a governmental unit described in Section 170 (b) (1)(A)(iv). [Use of] gifts, grants, donations, and other considerations it receives depend upon the restrictions in place.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That a State Agency and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire	
State Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Universities	
Stephen F. Austin State University	<i>From a policy perspective, gifts, grants, and donations are restricted to the purposes or uses specified by the individual or entity that provides them. An annual donation of \$25,000 is given to the university for a salary supplement. Based on university policy and procedure, the donation for the supplement is restricted according to the donor's wishes.</i>
Texas Southern University	<i>Gifts, grants, donations and other considerations received by the University are generally designated for a specific College, School, academic unit and/or visionary thrust at the University and may be disseminated in the form of scholarships, fellowships, program activities and the like. Personnel engaged on such programs and activities were observed in general in fiscal year 2013 to be fully utilized on the programs, thus making supplemental salary arrangements minimal.</i>
Texas Woman's University	<i>TWU utilizes monies received in accordance with the restrictions or designations of the gift, grant, or donation. These monies are not used for salary supplements, but can be used to offset a portion of an employee's salary.</i>
The University of Texas at Austin	<i>Gifts received are for current expenditure or for endowed purposes, and all are used in accordance with the donor's intent. Some gifts are given for unrestricted use and may be used for any purpose that supports the mission of the institution, while other gifts are restricted to use for a specific purpose. Gifts for current expenditure and for endowed purposes are used to support many things, including but not limited to, student scholarships, equipment purchases, faculty and programs, and such uses may include salary support and other professional support of faculty.</i>
The University of Texas -Pan American	<i>Gifts received are for current expenditure or for endowed purposes, and all are used in accordance with the donor's intent. Some gifts are given for unrestricted use and may be used for any purpose that supports the mission of the institution, while other gifts are restricted to use for a specific purpose. Gifts for current expenditure and for endowed purposes are used to support many things, including but not limited to, student scholarships, equipment purchases, faculty and programs, and such uses may include salary support and other professional support of faculty.</i>
University of North Texas	<i>Many faculty and staff have salaries that are supported by research grant funds, while very few are funded from gifts and donations. Some faculty or staff may receive additional pay related to revised work assignments or merit payments that are funded from research grants, gifts or donations. However, in FY 2013 these additional payments to faculty and staff were not from sources received by the institution from a person that designated they be used as a salary supplement for a named person, position or endowment. Gifts, grants, donations and other considerations are used in accordance with donor's specified intent if given for a restricted purpose. Some gifts, grants, donations and other considerations are given for unrestricted use. When funds are received for unrestricted use, then they are used for a purpose that supports the mission of the institution, which can include student scholarships, presidential initiatives, equipment purchases, programs and support of faculty. This usage could include supplementation of salary.</i>

Source: State agency's and public higher education institutions' responses to the State Auditor's Office's questionnaire.

Public Higher Education Institutions That Reported They Received Gifts, Grants, Donations, or Other Considerations Exceeding \$10,000 Designated for Salary Supplements

A total of 86 state agencies reported that they had not received gifts, grants, donations, or other considerations that exceeded \$10,000 during fiscal year 2013 (1) from an entity created solely to provide support for the state agency or public higher education institution and (2) that were designated to be used as a salary supplement for a named person, position, or endowment.

Three community colleges and three universities reported that they received gifts, grants, donations, or other considerations exceeding \$10,000 during fiscal year 2013 (1) from an entity created solely to provide support for the public higher education institution and (2) that were designated to be used as a salary supplement for a named person, position, or endowment. Those three community colleges and three universities were:

- Navarro College.
- North Central Texas College.
- Stephen F. Austin State University.
- The University of Texas - Pan American.
- University of North Texas.
- Victoria College.

State Agencies and Public Higher Education Institutions That Reported They Had Not Received Gifts, Grants, Donations, or Other Considerations Designated for Salary Supplements During Fiscal Year 2013

A total of 85 state agencies; 52 community college campuses and community college districts; and 65 universities, university systems, health-related institutions, the technical college system, and state colleges reported that they had not received gifts, grants, donations, or other considerations designated for salary supplements for a named person, position, or endowment during fiscal year 2013. However, in some cases, they noted that (1) they did receive gifts, grants, donations, or other considerations to support operational expenses, to support program and project initiatives, or to further promote their mission and (2) they may have used gifts, grants, donations, or other considerations as salary supplements for their personnel.

Table 3 provides information that state agencies and public higher education institutions reported regarding how they have used gifts, grants, donations, and other considerations.

Table 3

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire	
Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Agencies	
Alcoholic Beverage Commission	<p>[The agency received grants and] <i>created a training video for the Alcoholic Beverage Industry related to TABC regulation of the three tier system. Created a public service announcement for the community about happy hour laws and educational materials that included an industry guide. Created a mobile website and phone/tablet application for the Industry Guide.</i></p> <p><i>Increased public safety by allowing TABC to accept credit cards at the border crossings for personnel importation of alcohol.</i></p> <p><i>Awarded community grants to local law enforcement agencies to prevent the sell and service of alcohol to minors. Also included educational programming for colleges, law enforcement, community members and retailers to prevent underage consumption.</i></p> <p><i>Created educational materials to distribute at South Padre Island and other Spring Break hot spots. Also created a mobile complaint application.</i></p> <p><i>None of the grants received were utilized to provide salary supplements for our agency employees.</i></p>
Animal Health Commission	<i>Not applicable. ^a</i>
Board of Architectural Examiners	<i>We don't have any gifts, grants, donations, or other considerations.</i>
Board of Chiropractic Examiners	<i>Not applicable. ^a</i>
Board of Examiners of Psychologists	<i>Our agency does not receive any gifts, grants, donations or other considerations.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Board of Pharmacy	<p>The Texas State Board of Pharmacy has received 2 grants.</p> <p>1) FY2011 - A \$1,000 grant from the State Agency Statewide Wellness Program administered by Dept. of State Health Services. Grant money used to promote agency's wellness program.</p> <p>2) FY2012 - A \$2,000 grant from the Mother Friendly Worksite Policy Initiative administered by Dept. of State Health Services. Grant money used to promote agency's Mother Friendly Program.</p>
Board of Plumbing Examiners	<p>Have never received any gift, grant or donation. If one was ever received, it would be used to provide additional services within the agency's specific goals.</p>
Board of Podiatric Medical Examiners	<p>The TSBPME does not accept/receive gifts, grants, donations and does not provide salary supplements.</p> <p>♦ Texas Government Code §659.020 "Salary Supplementation" provides that: "A state employee employed by a state agency as defined by Section 658.001 whose position is classified under Chapter 654 or whose exempt position is funded by the General Appropriations Act may not receive a salary supplement from any source unless a specific grant of authority to do so is provided by the General Appropriations Act or other law." ♦ Texas Government Code §659.021 "Administrative Head of Agency" provides that: "The administrative head of a state agency as defined by Section 658.001 whose salary as administrative head is established by the General Appropriations Act may not receive a salary higher than that established salary, even if the administrative head performs duties assigned to a position title classified in the state's position classification plan that is assigned to a salary group that would pay a higher salary, unless the General Appropriations Act specifically provides that a higher salary may be received." ♦ The TSBPME has 1 executive staff position (i.e. Executive Director). ♦ The Texas Legislature determines the agency's Executive Director's salary level. ♦ The agency's Executive Director is not eligible for a salary supplement and therefore does not receive a salary supplement in any form/manner/capacity.</p>
Board of Professional Engineers	<p>Our agency does not receive gifts, grants, donations or other considerations.</p>
Board of Professional Geoscientists	<p>No gifts, grants, donations or other considerations were received by the TBPG.</p>
Board of Professional Land Surveying	<p>TBPLS does not receive gifts, grants, donations, or other consideration outside of funds from General Revenue.</p>
Board of Public Accountancy	<p>TSBPA's general policy is to abide by all applicable federal and Texas laws, administrative rules, and TSBPA conduct policies.</p>
Board of Veterinary Medical Examiners	<p>We do not accept gifts, grants, donations or other items of this type.</p>
Bond Review Board	<p>This agency never has never rcvd gift, grant, donation or other salary supplements.</p>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Cancer Prevention and Research Institute of Texas	<p><i>In FY2013 CPRIT did not receive a gift, grant, donation, or other consideration from a person or entity that was designated to be used as a salary supplement for a named person, position, or endowment. However, in FY2013 the CPRIT Foundation, an entity that was created solely to provide support for the agency, provided salary supplements, as authorized in HB1, 82nd Leg. RS, Art 1, Rider 4, (2012-13 GAA), by direct payments to the following individuals in the amounts specified:</i></p> <p><i>Dr. Alfred Gilman, CPRIT Chief Scientific Officer through October 19, 2012, in the amount of \$34,666</i></p> <p><i>Dr. Margaret Kripke, CPRIT Chief Scientific Officer, beginning January 7, 2013, in the amount of \$213,913.04</i></p> <p><i>Mr. Bill Gimson, CPRIT Executive Director through December 21, 2012, in the amount of \$71,000</i></p> <p><i>The salary supplement payments were paid directly to these individuals and were not given, granted, donated, or otherwise paid to the state agency.</i></p> <p><i>The CPRIT Foundation has ceased operations. For FY 2014, Texas Health and Safety Code Section 102.056, prohibits the agency from supplementing the salary of any agency employee with a gift or grant received by the agency.</i></p>
Commission on Environmental Quality	TCEQ does not receive salary supplementation from outside sources.
Commission on Fire Protection	<p><i>Per statute, the agency is able to accept gifts, grants, and contributions from private individuals or foundations and from the federal government. In the past, this agency has received gifts which have been used to supplemental our library holdings. One gift was used to furnish the agency's conference room. Historically, the agency has not solicited or received gifts intended to supplement any agency employee's salary.</i></p>
Commission on Jail Standards	The agency does not have authority nor does it receive any gifts, grants (state or federal) and donations.
Commission on Law Enforcement	<p><i>No gifts, grants, donations or other considerations are used to provide salary supplements for any of our agency's employees. We do receive a small amount of donations in order to provide Texas flags for deceased peace officers of this state. No salary or salary supplements are provided from these donations.</i></p>
Commission on State Emergency Communications	Gifts, grants, donations, and other consideration are not used for salary supplementation.
Commission on the Arts	All donations received by the agency are used for the express purpose of grants-making.
Credit Union Department	<p><i>The Credit Union Commission has only accepted grants to help defray the cost associated with staff members attending educational offerings or regulatory conferences to further their professional development.</i></p>
Department of Aging and Disability Services	Not applicable - none received.
Department of Agriculture	<p><i>The Texas Department of Agriculture receives grants and donations. None are used for salary supplements.</i></p>
Department of Assistive and Rehabilitative Services	<p><i>DARS uses gifts, grants, donations, and other consideration it receives to support Program Operations for clients. DARS does not utilize any gifts, grants, donations, or other consideration from a person as a salary supplement for a named person, position, or endowment.</i></p>
Department of Banking	Does not receive gifts, grants or donations.

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Department of Criminal Justice	<p><i>Board Policy 01.01, Texas Board of Criminal Justice Responsibilities, explains the process for accepting donations. Please refer to the policy at the following link: http://www.tdcj.state.tx.us/documents/policy/BP0101.pdf</i></p>
Department of Family and Protective Services	<p><i>From time to time, DFPS employees become involved with donations from community members. These donations fall into two categories: monetary and non-monetary (in-kind). The issue for DFPS is the stewardship of those donations.</i></p> <p><i>Monetary Donations-There are two types of monetary donations:</i></p> <ul style="list-style-type: none"> ▪ <i>Non-appropriated funds are funds received directly by DFPS that were not appropriated by the Legislature, such as checks made payable to DFPS or cash given directly to DFPS.</i> ▪ <i>DFPS does not have legislative authority to set up or have local bank accounts in DFPS's name, outside the State Treasury. Any funds made payable to DFPS must be deposited into the State Treasury and are not available for use by DFPS unless the Legislature authorizes their use.</i> ▪ <i>Non-appropriated funds may not be placed in regional children's income accounts.</i> ▪ <i>Collaborative funds are funds raised by an external entity in collaboration with DFPS; or DFPS accepting donations on behalf of any collaborative entity. DFPS is only considered a temporary steward in the acceptance and transfer of such funds.</i> <p><i>Note: If the donor does not direct the donation to a specific client or project, leaving this determination up to DFPS staff, those funds must be received as non-appropriated funds.</i></p> <p><i>Non-Monetary (In-Kind) Donations</i></p> <ul style="list-style-type: none"> ▪ <i>In-kind donations are any non-monetary items donated to DFPS, its programs, or its clients, such as artwork, furniture, clothing, houseplants, and so on. Staff are encouraged to connect such items directly to a specific client in need. When a match is not possible or the donor requests that the donation stay within the agency, DFPS must account for and reconcile these donations. The procedures listed below do not apply to items matched directly with a specific client. When a match is not possible or the donor requests that the donation stay within the agency, DFPS must account for and reconcile these donations.</i>
Department of Housing and Community Affairs	<p><i>We do not allow gifts, grants, donations, and other considerations.</i></p>
Department of Information Resources	<p><i>Not applicable. DIR does not receive grants, donations and other considerations.</i></p>
Department of Insurance	<p><i>The Texas Department of Insurance (TDI) receives only grants and uses those funds to provide base salaries for FTEs employed in the program area supported by the grant. For example, federal grant funding is used to pay 90 percent of the base salaries for certain staff employed in the Occupational Safety & Health Consulting (OSHCON) program. Agency appropriated funds are used for the other 10 percent. The salaries and job classifications for these FTEs is in accordance with the State Auditor's Classification Plan.</i></p>

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Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Department of Licensing and Regulation	<i>The Texas Department of Licensing and Regulation accepts donations for one of its regulated programs - Licensed Breeders. The donated money is used to: Pay for information that results in disciplinary action against a person for acting as a dog or cat breeder in Texas without a license; Promote consumer awareness of the Licensed Breeders program, laws and rules; Support educational seminars and training activities designed to help implement the Licensed Breeder program. Donated money is not used to provide salary supplements.</i>
Department of Motor Vehicles	<i>Not applicable to the Texas Department of Motor Vehicles.</i>
Department of Public Safety	<i>DPS does not use gifts, grants, and or donations from a person to provide salary supplements for our employee's salaries. Federal grant monies used by DPS are reported and included in the Legislative Annual Request.</i>
Department of Savings and Mortgage Lending	<i>The Department's employees are not allowed to accept any gifts. Any gifts received are returned to the sender. If the gifts are perishable items, (i.e. flowers or chocolate) they are shared with the whole office staff.</i>
Department of State Health Services	<i>The department is authorized to accept and use gifts, grants, donations, and other considerations in the manner specifically prescribed for their use and as outlined in internal policy AA-5055 Acceptance or Acknowledgement of Gifts/Donations. The department does not use these gifts, grants, donations, and other considerations as salary supplements.</i>
Department of Transportation	<i>(No comments provided.)</i>
Employees Retirement System	<i>ERS does not receive gifts, grants, etc. for salary supplements.</i>
Executive Council of Physical Therapy and Occupational Therapy Examiners	<i>Not applicable. The agency is General Revenue funded only, and receives no gifts, grants, donations, or have any interest in any of these provisions.</i>
Facilities Commission	<i>Not applicable. ^a</i>
Finance Commission of Texas	<i>See the Department of Savings and Mortgage Lending's comment.</i>
Funeral Service Commission	<i>Our agency does not receive any gifts, grants, donations or other considerations.</i>
General Land Office	<i>The General Land Office receives donations for historical map and document restoration; donations in support of the Adopt-A-Beach program, Veterans Homes and preservation and maintenance of the Alamo Complex. Adopt-a-Map, Adopt-a-Document and Save Texas History donations are used to restore and preserve archival documents that have high historical value and are at risk of disintegrating. Adopt-a-Beach donations directly support education, outreach and operating costs involved in facilitating beach clean up events. Veterans Home donations directly benefit the residents who occupy those homes through amenities. Alamo Complex donations fund structural repair and restoration projects within the Alamo and Alamo Complex.</i>
Health and Human Services Commission	<i>(No comments provided.)</i>
Health Professions Council	<i>We've never received one. In the unlikely event that we did, however we would refer to SORM's HR manual on how to proceed.</i>
Higher Education Coordinating Board	<i>Gifts, grants, donations, and other considerations received by the agency are not spent to supplement salaries. Such funds are used in a manner to accomplish the mission of the agency, in accordance with donor or grantor restrictions.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Historical Commission	<i>The gifts, grants and donations that the Historical Commission receives are used for the purposes expressed by the donors and for operations of the historic sites. These items are not used as salary supplements by the Historical Commission.</i>
Juvenile Justice Department	<i>The agency does not use gifts, grants, donations, or other considerations it receives for the purposes of providing salary supplements. Periodic gifts and donations are received for the benefit of youth in the agency's care, for purposes such as purchasing sporting equipment. Donations of a value greater than \$500 are formally accepted by the TJJD Board in public meeting in compliance with Texas Government Code, Chapter 575. The agency receives federal and pass-through grants that primarily support educational programs, food services, and residential placement of youth in the juvenile justice system. Some staff salaries are paid with these funds, however the funds are not associated with named persons or positions and are not used to provide salary supplements.</i>
Library and Archives Commission	[For fiscal year 2013] <i>the only additional consideration our agency received was a one-time emergency legislative appropriation for an increase to the Director and Librarian salary.</i> <i>Gifts and donations to the agency are used for the intended purposes specified by the donor, most of which are to support agency programs. However, none of the funds received are used to supplement agency salaries.</i>
Military Department	<i>None received to date under Section 437.111 of the Government Code, the Texas Military Department may accept donations to support the Texas Military Forces or the Texas Military Forces Museum. Donations received -- if any -- would not be used to provide salary supplements for any employee of the agency.</i>
Office of the Attorney General	<i>We don't have any information to be included on this report.</i>
Office of Consumer Credit Commissioner	<i>Not applicable. No considerations received.</i>
Office of the Governor	<i>The Office of the Governor (OOG) does not accept gifts, grants, donations or other considerations from a person that the person designates to be used as a salary supplement for an employee of the OOG.</i>
Office of Injured Employee Counsel	<i>The Office of Injured Employee Counsel does not receive gifts, grants, donations, or other considerations.</i>
Office of Public Insurance Counsel	<i>This agency presently receives no gifts, grants, donations or other considerations. Not applicable.^a</i>
Office of Public Utility Counsel	<i>OPUC does not receive gifts, grants, donations and etc.</i>
Office of the Secretary of State	<i>The Office of the Secretary of State (SOS) does not accept gifts, grants, donations or other considerations from a person that the person designates to be used as a salary supplement for an employee of the SOS.</i>
Office of State-Federal Relations	<i>See the Office of the Governor's comment.</i>
Optometry Board	<i>The agency does not have authority to accept gifts. The agency does not apply for grants.</i>
Parks and Wildlife Department	<i>Any donations to the agency would be applied according to the donor's intent to support agency programs & initiatives. We have not had any donations, grants, gifts or other considerations that were intended for or used for salary supplements.</i>
Pension Review Board	<i>The agency did not receive any gifts, grants, or donations.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Preservation Board	<i>Gifts, grants and donations received by the State Preservation Board are used to support agency programs. They are not used to provide salary supplements. The State Preservation Board does not have statutory authority to provide salary supplements.</i>
Public Finance Authority	<i>TPFA has not received any gifts, grants or donations for salary supplementation.</i>
Public Utility Commission of Texas	<i>The PUC does not receive gifts, grants, or donations and does not supplement salaries. The PUC received federal grants associated with the 2009 American Recovery and Reinvestment Act. The grant funds were used to hire staff to work on specific projects outlined under the grant work plan and to pay their salaries. The ARRA grant funding ended 4/30/13.</i>
Racing Commission	<i>TxRC does not receive gifts, grants, donations, and other considerations.</i>
Railroad Commission	<i>A gift's use is dependent upon the type of gift. However, no gifts or donations are used as salary supplements. The Railroad Commission has not received any gifts, grants, donations and/or other considerations as salary supplements.</i>
Real Estate Commission	<i>TREC's Employee Handbook prohibits the acceptance of gifts.</i>
School for the Blind and Visually Impaired	<i>All gifts and donations are used for the benefit of the students. No gifts or donations provide salary supplements.</i>
School for the Deaf	<i>(No comments provided.)</i>
Securities Board	<i>The Securities Board periodically applies for grants from an investor protection group. The purpose of the grant is to create investor education materials. The Securities Board does not take possession of grant funds. The cost of the materials are billed directly to the investor protection group. The funds are not used to provide salary supplements for agency employees.</i>
Soil and Water Conservation Board	<i>Not applicable.^a</i>
State Office of Administrative Hearings	<i>The agency has not received and does not receive gifts, grants, donations, and other consideration.</i>
State Office of Risk Management	<i>[The] State Office of Risk Management does not receive any funding outside the regular appropriations for any purpose, including salaries.</i>
Teacher Retirement System	<i>TRS does not receive salary supplements for agency staff. As a matter of law, TRS as an agency does not have authority to accept gifts or donations. Accordingly, it cannot, and does not, use those items to provide salary supplements to TRS employees.</i>
Texas Board of Nursing	<i>Texas Occupations Code Section 301.156 allows the Texas Board of Nursing to receive gifts, grants, or other funds or assets. To this date, the Texas Board of Nursing has received several grants from the National Council of State Boards of Nursing that paid for temporary help to enter prospective student applications and to assist the Board with data integrity. These grants were not used to provide a salary supplement to any Texas Board of Nursing employee.</i>
Texas Education Agency	<i>[Gifts, grants, donations, and other considerations received are used] per the requirements and purpose of the grant or donation. No funds are used to provide salary supplements for agency employees.</i>
Texas Emergency Services Retirement System	<i>We have not historically received gifts, grants, donations, or other consideration.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Texas Lottery Commission	<i>I am unaware of any gifts, grants, donations or other considerations directed to our agency.</i>
Texas Medical Board	<i>If any gifts, grants, or donations are received, the money is utilized to the purpose of which it was given, i.e. IT projects.</i>
Texas State Board of Dental Examiners	<i>TSBDE has not received any gifts, grants or donations.</i>
Texas Workforce Commission	<i>TWC Rule §800.9 (Donations) establishes the rules for the acceptance of donations made to the Texas Workforce Commission. Donations are to be used for the purpose specified by the donor, to the extent possible, in accordance with any local, state and federal laws. Donations have not been used to provide salary supplements. The Commission encourages Local Workforce Development Boards to secure local public and private funds for the purpose of matching federal funds in order to maximize resources for child care needs in the community. The Commission receives these funds as a donation in accordance with TWC Rule §809.17 (Leveraging Local Resources). These local child care matching donations are not use to supplement salaries.</i>
Trusted Programs within the Office of the Governor	See the Office of the Governor's comment.
Veterans Commission	<i>All gifts grants and donations are received by the Agency's Fund for Veterans Assistance (in the agency's bill pattern) which is in turn distributed as grants to Veterans Organizations through a competitive application process twice a year.</i>
Veterans Land Board	See the General Land Office's comments.
Water Development Board	<i>The agency does not receive gifts, grants or donations to provide salary supplements to employees.</i>
Community College Campuses and Community College Districts	
Alamo Colleges	<i>Not applicable.</i> ^a
Alamo Colleges - NW Vista	See the Alamo Colleges comment.
Alamo Colleges - Palo Alto	See the Alamo Colleges comment.
Alamo Colleges - San Antonio	See the Alamo Colleges comment.
Alamo Colleges - St. Phillips	See the Alamo Colleges comment.
Amarillo College	<i>[Gifts, grants, donations, or other considerations received are used] in accordance to granting agency requirements or donor specifications.</i>
Angelina College	<i>All gifts and grants accepted must contribute to the College's mission, purpose and enhance overall College resources. The College does not accept items to provide salary supplements.</i>
Austin Community College District	<i>Gifts and Donations are specified by the donor for scholarships in nearly all cases. Exceptions are for classroom equipment. Grants are contracts through state and federal agencies requiring specific performance desired by the grantor. These typically fund the grant positions required to perform the service required by the grant, and do not supplement salaries for employees.</i>
Blinn College	<i>[Gifts, grants, donations, or other considerations received are used] for purchase of equipment/facilities infrastructure.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Brazosport College	<i>Gifts to the institution may have designated purposes; however, no gifts have been designated for named persons as a salary supplement. Grants are for the operational expenses of specific projects but do not include named individuals for salary supplements.</i>
Central Texas College District	[Gifts, grants, donations, and other considerations received are used] <i>in various ways all of which benefit educational programs. The funds received from gifts, grants, donations and other considerations have no requirement to be used as salary supplements.</i>
Clarendon College	<i>All gifts, grants, donations and other considerations are used as specified by the donor. If there are restrictions on the funds, the Board of Regents will decide how the money is to be spent. The unrestricted money has been used for scholarships and facility improvements.</i>
Coastal Bend College	<i>Coastal Bend College deposits gifts and donations into the Foundation to be restricted or used according to the wishes of the donors, but no funds are used as salary supplements.</i>
Collin County Community College District	<i>Collin County Community College District uses gifts and donations to fund scholarships for students. Grants are used to fund academic programs, new initiatives, equipment purchases, and programs. Grants, gifts and donations are not directly tied to an individual employee's salary as a salary supplement.</i>
Dallas County Community College District	<i>Gifts and donations are used to support student education such as scholarships and instructional equipment. DCCCD does not provide salary supplements from gifts or donations. All grant funded salaries are for salaried positions for work performed and are not salary supplements as defined by HB12.</i>
Dallas County Community College District - Brookhaven College	See the Dallas County Community College District's comment.
Dallas County Community College District - Cedar Valley College	See the Dallas County Community College District's comment.
Dallas County Community College District - Eastfield College	See the Dallas County Community College District's comment.
Dallas County Community College District - El Centro College	See the Dallas County Community College District's comment.
Dallas County Community College District - Mountain View College	See the Dallas County Community College District's comment.
Dallas County Community College District - North Lake College	See the Dallas County Community College District's comment.
Dallas County Community College District - Richland College	See the Dallas County Community College District's comment.
Del Mar College	<i>Gifts, grants and donations are used for various purposes such as purchasing instructional equipment, providing scholarships to students, supporting programs such as alumni support. Funding that is received is not used to supplement salaries for any employee working with these initiatives.</i>
Frank Phillips College	<i>All grants and donations from individuals are specifically designated for student scholarships. Grants and donations from entities are used for student scholarships, renovation of facilities, program offerings and other non-salary projects.</i>
Galveston College	[Gifts, grants, donations, or other considerations received are used for] <i>salary supplements, scholarships, lab and building enhancements.</i>

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Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Grayson County College	<i>Grayson College uses the gifts, grants, donations, and other considerations that it receives in accordance with the terms and conditions of those considerations. Those terms and conditions often direct the use of the considerations. Depending on the gift, grant, donations or other consideration, the uses include student scholarships, construction of facilities, funding of salaries and benefits, purchase of equipment and supplies. In only one case does Grayson College provide salary supplements. The college uses money that it receives from the State of Texas' Nursing Shortage Reduction Program to supplement the salaries of nursing faculty members in order to be able to attract qualified instructors in competition with other employers. Since supplementing faculty salaries is only one acceptable use of this funding and since the funding is not designated to be used as a salary supplement for a named person, position or endowment, Grayson College has not included this supplement in the other questions on this form.</i>
Hill College	<i>Appropriations and Revenue Sources (gifts, funds, donations from private sources); these items are NOT used to provide salary supplements for our employees.</i>
Houston Community College	<i>The Houston Community College Foundation enhances the quality of life of our community and of our fellow citizens through fundraising efforts that improve access to higher education, support career and technology training, and advance student learning at Houston Community College. The HCC Foundation supports HCC's mission by providing financial assistance in three main areas: Student Scholarships and Endowments, Capital Projects and Program Support and Faculty Grants and Awards. All gifts are utilized according to donor directive and in compliance with IRS regulations.</i>
Kilgore College	<i>(No comments provided.)</i>
Laredo Community College	<i>Grants received by Laredo Community College are used as stipulated in grant agreements. Any purchases made from gifts/donations comply with donor's intentions. Most grants/ gifts/donations are for restricted use and for specific programs within the institution. Funding provided by these grants/gifts/donations may be used for student scholarships, equipment purchases, professional development, or other program support costs, and may include salary for professional staff, support staff, and/or faculty.</i>
Lee College	<i>Funds from gifts, grants, or donations may be used for college operations specific to the purpose of the gift, grant or donation. Funds may be used for supplies, equipment, salaries and other cost. However, Lee College has not accepted any funds from an external source whereby a specific person was named to be paid from the funds received.</i>
Lone Star College System	<i>Lone Star College System does not receive any gifts, grants, donations or other considerations that are designated and/or used to provide salary supplements.</i>
McLennan Community College	<i>All gifts and donations go to the McLennan Community College Foundation. The College does receive grants that pay salary stipends according to grantor requirements, such as THECB Nursing grants. The College also pays the full salary of various grant employees from many federal and state grants, but no salary supplements. The McLennan Community College Foundation was created solely to provide support for our institution and students. The Foundation reimburses the College for an employee (entire salary and benefits) that works solely for the Foundation.</i>

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Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Midland College	<p><i>Midland College uses all gifts in accordance with the restrictions of the donors; however, the college does not accept gifts that have restrictions that would cause the college to violate its policies. The Board of Trustees have adopted policy 04:04:02 Gift Acceptance. This policy directs that discretion be used in determining whether or not to accept all gifts. Factors that must be considered include legal, moral, ethical, liability and public relations implications.</i></p> <p><i>The college does not prohibit donations that would provide salary supplements; however, in practice, the college has not received many donations of this nature. The only donation for the purpose of supplementing a salary was a 1979 endowment that created an endowed chair of journalism. The earnings from the endowment provide for a small salary supplement.</i></p>
Northeast Texas Community College	(No comments provided.)
Panola College	<p><i>Any funds received for our institution is primarily used for student scholarships or assistance with programs. Salaries are not affected by such funds.</i></p>
Ranger College	<p><i>We did not receive any.</i></p>
San Jacinto College District	<p><i>San Jacinto Community College District uses gifts, grants, donations and other consideration only to further the College mission and responsibilities to provide educational services to the public as authorized by Section 130.0011 of the Texas Education Code.</i></p>
San Jacinto College District - Central Campus	See the San Jacinto College District's comment.
San Jacinto College District - North Campus	See the San Jacinto College District's comment.
San Jacinto College District - South Campus	See the San Jacinto College District's comment.
South Plains College	<p><i>The primary use of gifts, grants, donations and other considerations received by South Plains College is for student financial aid. There are also funds designated for student academic assistance and the purchase of instructional equipment.</i></p>
South Texas College	<p><i>The College uses gifts, grants, donations, and other considerations it receives in accordance with the donor's or grantor's specific expense provisions which may include student tuition and fees, operating, travel, capital and employee salaries and benefits. None of the College's donors or grantors provide salary supplements to any of the College's employees.</i></p>
Southwest Texas Junior College	<p><i>We do not use gifts to supplement salaries.</i></p>
Tarrant County College District	(No comments provided.)
Temple College	(No comments provided.)
Texarkana College	<p><i>Gifts, grants, or donations made to Texarkana College are used for scholarships and/or general operating costs. These funds do not have specific designation for salary supplement.</i></p>
Texas Southmost College	<p><i>All gifts, grants, donations and other considerations are used in accordance with the requirements and restrictions prescribed from the source of funding. The received funds may be used for salary, wages, faculty overloads, overtime, benefits, maintenance and operations, if permitted within the requirements and restrictions of the funding source. TSC does not have any salary supplements that are related to a specific person, but may pay additional stipends or faculty overloads based on work beyond normal workloads.</i></p>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Trinity Valley Community College	<i>Trinity Valley Community College does not use gifts, grants, donations, and other consideration it receives to provide salary supplements. The college uses the funds for the purpose specified by the gift giver, grantor or donor. If no purpose is specified, the college uses the funds for general operating purposes.</i>
Tyler Junior College	<i>Gifts, grants and other considerations given to Tyler Junior College are received through the Tyler Junior College Foundation, a separate 501c(3), and allocated based on the gift or donation restrictions. Grants, whether local, state, or federal are set up in a restricted fund and allocated based on grant guidelines.</i>
Western Texas College	<i>All gifts received to date are for equipment purchases, scholarships or directly to an educational program. No gifts, grants or donations have been used for salary.</i>
Wharton County Junior College	(No comments provided.)
Universities, University Systems, Health-related Institutions, the Technical College System, and State Colleges	
Angelo State University	<i>[Gifts, grants, donations, or other considerations received are used] as the donor directs. We do not accept gifts for salary supplements as described in Government Code, Section 659.0201.</i>
Lamar State College - Orange	<i>All gifts, grants, donations and other consideration received by LSC-O are used in accordance with the donor's wishes in addition to applicable federal and state guidelines. Most gifts, grants and donations received by the campus are restricted to scholarship purposes. No funds were designated or used for the purpose of salary supplement.</i>
Lamar State College - Port Arthur	<i>Gifts, grants, donations and other considerations received by LSCPA are used in accordance with the donor(s) agreement as well as any other applicable state and federal laws. The majority of gifts, grants, donations and other considerations received by LSCPA are for student scholarships and no funds received are used as a salary supplement.</i>
Lamar University	<i>Gifts, grants, donations & other considerations are used by Lamar University in accordance with the donor(s) agreements as well as any applicable state and federal laws.</i>
Lamar Institute of Technology	<i>Gifts, grants, donations & other considerations are used in accordance with the donor(s) agreements as well as any applicable state and federal laws. Uses include student scholarships and financial aid. Lamar Institute of Technology does not utilize any consideration to provide salary supplements for any institution employees.</i>
Midwestern State University	<i>The institution uses these types of funds in a variety of ways based on the requirements of the donor or grantor. Usually the funds are restricted by the donor or grantor for various purposes such as scholarships, research, instruction, athletics, and student development. In some cases, the funds are used as a source of funding for staff or faculty salaries and benefits. These are all budgeted amounts approved by the Board of Regents and are not considered "supplemental pay" to the individual, but only a source of funding for their regular salary and benefits.</i>
Prairie View A&M University	See the Texas A&M University System's comment.
Sam Houston State University	<i>Gifts, grants, donations & other considerations are used in accordance with the donor(s) agreements as well as any applicable state and federal laws.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Sul Ross State University	<i>Gifts, grants, donations & other considerations are used in accordance with the donor(s) agreements as well as any applicable state and federal laws.</i>
Sul Ross State University - Rio Grande College	See Sul Ross State University's comment.
Tarleton State University	See the Texas A&M University System's comment.
Texas A&M AgriLife Extension Service	See the Texas A&M University System's comment.
Texas A&M AgriLife Research	See the Texas A&M University System's comment.
Texas A&M University - Central Texas	See the Texas A&M University System's comment.
Texas A&M Engineering Experiment Station	See the Texas A&M University System's comment.
Texas A&M Engineering Extension Service	See the Texas A&M University System's comment.
Texas A&M Forest Service	See the Texas A&M University System's comment.
Texas A&M International University	See the Texas A&M University System's comment.
Texas A&M University System	[Gifts, grants, donations, and other considerations received are used] <i>in accordance with A&M System policy, state law, and the intent of the donor.</i>
Texas A&M University System - Office of Sponsored Research	See the Texas A&M University System's comment.
Texas A&M University System - Office of Technology Commercialization	See the Texas A&M University System's comment.
Texas A&M Transportation Institute	See the Texas A&M University System's comment.
Texas A&M University	See the Texas A&M University System's comment.
Texas A&M University - Commerce	See the Texas A&M University System's comment.
Texas A&M University - Corpus Christi	See the Texas A&M University System's comment.
Texas A&M University - Kingsville	See the Texas A&M University System's comment.
Texas A&M University - San Antonio	See the Texas A&M University System's comment.
Texas A&M University - Texarkana	See the Texas A&M University System's comment.
Texas A&M University at Galveston	See the Texas A&M University System's comment.
Texas A&M University System Health Science Center	See the Texas A&M University System's comment.
Texas A&M Veterinary Medical Diagnostic Laboratory	See the Texas A&M University System's comment.
Texas State Technical College - Harlingen	See the Texas State Technical College System's comment.
Texas State Technical College - Marshall	See the Texas State Technical College System's comment.
Texas State Technical College - Waco	See the Texas State Technical College System's comment.
Texas State Technical College - West Texas	See the Texas State Technical College System's comment.
Texas State Technical College System	<i>Gifts, grants, donations and other considerations received are used in furtherance of TSTC's role and mission. In many situations, such funds allow TSTC to add depth to experiences provided to students through additional services that bolster retention or through the use of better equipment in TSTC labs. In some cases, these funds allow more research and development in improving TSTC learning outcomes. Some student scholarships are also provided from donated sources.</i>

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
Texas State University	See the Texas State University System's comment.
Texas State University System	<i>Gifts, grants, donations & other considerations are used in accordance with the donor(s) agreements as well as any applicable state and federal laws.</i>
Texas Tech University	See the Texas Tech University System's comment.
Texas Tech University Health Sciences Center	See the Texas Tech University System's comment.
Texas Tech University Health Sciences Center at El Paso	See the Texas Tech University System's comment.
Texas Tech University System	<i>[Gifts, grants, donations, and other considerations received are used] as the donor directs. We do not accept gifts for salary supplements as described in Government Code, Section 659.0201.</i>
The University of Texas at Arlington	See the University of Texas System's comment.
The University of Texas at Brownsville	See the University of Texas System's comment.
The University of Texas at Dallas	See the University of Texas System's comment.
The University of Texas at El Paso	See the University of Texas System's comment.
The University of Texas at San Antonio	<i>We use the gifts/grants/donations and other considerations according to the expressed intention of the donor(s), within our gift acceptance policies, procedures and the rules and regulations of the Board of Regents of the University of Texas System.</i>
The University of Texas at Tyler	See the University of Texas System's comment.
The University of Texas Health Science Center at Houston	See the University of Texas System's comment.
The University of Texas Health Science Center at San Antonio	See the University of Texas System's comment.
The University of Texas Health Science Center at Tyler	See the University of Texas System's comment.
The University of Texas M.D. Anderson Cancer Center	See the University of Texas System's comment.
The University of Texas Medical Branch at Galveston	See the University of Texas System's comment.
The University of Texas of the Permian Basin	See the University of Texas System's comment.
The University of Texas Southwestern Medical Center	See the University of Texas System's comment.
The University of Texas System	<p><i>Gifts received are for current expenditure or for endowed purposes, and all are used in accordance with the donor's intent. Some gifts are given for unrestricted use and may be used for any purpose that supports the mission of the institution, while other gifts are restricted to use for a specific purpose.</i></p> <p><i>Gifts for current expenditure and for endowed purposes are used to support many things, including but not limited to, student scholarships, equipment purchases, faculty and programs, and such uses may include salary support and other professional support of faculty.</i></p>
University of Houston	<i>We use gifts in accordance with the instruction of the donor. For example; gifts might be endowed or directed as a scholarship for students in a particular college or department, or a gift might be for construction of a building.</i>
University of Houston - Clear Lake	See the University of Houston's comment.
University of Houston - Downtown	See the University of Houston's comment.
University of Houston - Victoria	See the University of Houston's comment.

Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations That State Agencies and Public Higher Education Institutions Provided on the State Auditor's Office's Questionnaire

Agency or Public Higher Education Institution	Comments and Explanations on the Use of Gifts, Grants, Donations, and Other Considerations
University of Houston System	See the University of Houston's comment.
University of North Texas at Dallas	See the University of North Texas System's comment.
University of North Texas Health Science Center at Fort Worth	<p><i>Gifts, grants, donations and other considerations are used in accordance with donor's specified intent if given for a restricted purpose. Some gifts, grants, donations and other considerations are given for unrestricted use. When funds are received for unrestricted use, then they are used for a purpose that supports the mission of the institution, which can include student scholarships, presidential initiatives, equipment purchases, programs and support of faculty. This usage could include supplementation of salary.</i></p> <p><i>Many faculty and staff have salaries that are supported by research grant funds, while very few are funded from gifts and donations. Some faculty or staff may receive additional pay related to revised work assignments or merit payments that are funded from research grants, gifts or donations. However, in FY 2013 these additional payments to faculty and staff did not exceed \$10,000 to any individual and were not designated to be used as a salary supplement for a named person, position or endowment from an entity created solely to provide support for the institution.</i></p>
University of North Texas System	<p><i>Gifts, grants, donations and other considerations are used in accordance with donor's specified intent if given for a restricted purpose. Some gifts, grants, donations and other considerations are given for unrestricted use. When funds are received for unrestricted use, then they are used for a purpose that supports the mission of the institution, which can include student scholarships, presidential initiatives, equipment purchases, programs and support of faculty. This usage could include supplementation of salary.</i></p>
West Texas A&M University	See the Texas A&M University System's comment.
<p>^a "Not applicable" was the state agency's or public higher education institution's response to the question regarding how it used gifts, grants, donations, and other considerations it received.</p>	

Source: State agencies' and public higher education institutions' responses to the State Auditor's Office's questionnaire.

State Agencies and Public Higher Education Institutions Reported Information on Anticipated Salary Supplemental Amounts to the Office of the Comptroller of Public Accounts as Required by the General Appropriations Act

**Section 3.02, page IX-18,
the General Appropriations Act (82nd
Legislature)**

Salary Supplementation. Funds appropriated by this Act to a state agency or to an institution of higher education may not be expended for payment of salary to a person whose classified or exempt salary is being supplemented from other than appropriated funds until a report showing the amount and source of salary being paid from other sources has been reported to the Secretary of State and Comptroller.

In addition to the reporting requirements in Texas Government Code, Chapter 659, the General Appropriations Act specifies requirements for reporting anticipated salary supplement-related information (see text box for additional details). For fiscal year 2013, state agencies and public higher education institutions were required to report that information to the Office of the Comptroller of Public Accounts and the Office of the Secretary of State by September 15, 2012, and they were required to submit changes before the 15th of the month in which the change was to become effective. (For additional details, see the Office of the Comptroller of Public Accounts' Web site at

[https://fm.x.cpa.state.tx.us/fm/pubs/paypol/general_provisions2/index.php?section=salary_supplementation&page=salary_supplementation.](https://fm.x.cpa.state.tx.us/fm/pubs/paypol/general_provisions2/index.php?section=salary_supplementation&page=salary_supplementation))

The 83rd Legislature amended that requirement in the General Appropriations Act by adding the State Auditor's Office to the list of recipients of anticipated salary supplement-related information starting in fiscal year 2014 (see Section 3.02, page IX-19, the General Appropriations Act (83rd Legislature)).

Table 4 displays information on anticipated salary supplements and the funding sources of those salary supplements that one state agency reported to the Office of the Comptroller of Public Accounts for fiscal year 2013 as required by Section 3.02, page IX-18, the General Appropriations Act (82nd Legislature).

Table 4

Information on Anticipated Salary Supplement Amounts That One Agency Reported to the Office of the Comptroller of Public Accounts For Fiscal Year 2013							
Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/13/2012	542	Cancer Prevention and Research Institute of Texas	Chief Scientific Officer	\$212,000.00	\$34,666.00	\$246,666.00	CPRIT Foundation
9/10/2012	542	Cancer Prevention and Research Institute of Texas	Executive Director	\$214,000.00	\$71,000.00	\$285,000.00	CPRIT Foundation
9/17/2013 ^a	542	Cancer Prevention and Research Institute of Texas	Chief Scientific Officer	\$212,000.00	\$213,913.04	\$425,913.04	CPRIT Foundation

^a The salary supplement report was submitted late, via electronic mail; the report was not submitted through the Office of the Comptroller of Public Accounts' online salary supplement reporting system.

Source: Office of the Comptroller of Public Accounts.

The General Appropriations Act limits the amount of appropriated funds that may be expended for the salary of a president or chancellor in the Texas State Technical College System and authorizes the supplementation of those salaries from different funding sources (see page III-208, the General Appropriations Act (82nd Legislature)). Specifically:

- **Campus President Salaries.** Out of the funds appropriated to each campus of Texas State Technical College, an amount not to exceed \$63,654 in 2012 and \$63,654 in 2013 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from private sources. If an institutionally owned house is not available an amount not to exceed \$7,200 per year from the appropriations above, and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.
- **Chancellor Salary.** Out of the funds appropriated, transferred, or contracted to the system office, an amount not to exceed \$70,231 in 2012 and \$70,231 in 2013 may be expended for the salary of a chancellor. The chancellor may receive in addition to the above amount a house, utilities, and/or supplement from private sources. If a system owned house is not available an amount not to exceed \$7,200 per year from the system office appropriation and additional funds from gifts and grants where required, may be provided in lieu of house and utilities.

The General Appropriations Act limits the amount of appropriated funds that may be expended for the salary of a president or chancellor of state agencies of higher education and authorizes the supplementation of those salaries from different funding sources (see page III-230, the General Appropriations Act (82nd Legislature)). Specifically:

- **President Salaries.** Out of the educational and general funds appropriated to the general academic institutions, community colleges, health centers, health science centers, and medical education programs, an amount not to exceed \$65,945 in 2012 and \$65,945 in 2013 may be expended for the salary of a president. All presidents may receive in addition to the above amounts a house, utilities, and/or supplement from institutional funds. If a house owned by the institution, center, or program is not available, an amount not to exceed \$7,200 per year from the appropriation to the institution, center, or program, and additional amounts from institutional funds where required, may be provided in lieu of house and utilities.
- **Chancellor Salaries.** Out of the funds appropriated, transferred, or contracted to the system offices and community colleges, an amount not to exceed \$70,231 in 2012 and \$70,231 in 2013 may be expended for the salary for a chancellor. All chancellors may receive in addition to the above amounts a house, utilities, and/or supplement from institutional

funds. If a system owned house is not available, an amount not to exceed \$7,200 per year from the system office appropriation and additional amounts from private and institutional funds where required may be provided in lieu of house and utilities.

Table 5 displays information on anticipated salary supplements and the funding sources for those salary supplements that certain higher education institutions reported to the Office of the Comptroller of Public Accounts for fiscal year 2013, as required by Section 3.02, page IX-18, the General Appropriations Act (82nd Legislature).

Table 5

Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the Office of the Comptroller of Public Accounts For Fiscal Year 2013							
Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/5/2012	506	The University of Texas M. D. Anderson Cancer Center	President	\$63,696.00	\$1,781,304.00	\$1,845,000.00	University Cancer Foundation PRS - Professional Services Federal Sponsored Programs
9/11/2012 ^a	709	Texas A&M Health Science Center	President	\$65,945.00	\$350,567.00	\$416,512.00	<ul style="list-style-type: none"> ▪ Interest Income \$343,367.00 State Funds ▪ \$7,200 (housing allowance)
9/11/2012 ^a	709	Texas A&M Health Science Center	Vice Chancellor for Health Affairs	This field was reported blank.	\$235,388.00	\$235,388.00	This field was reported blank.
8/28/2012	710	Texas A&M University System	Chancellor	\$65,949.00	\$441,351.00	\$507,300.00	441,351.00 Local Funds
8/28/2012	711	Texas A&M University	President	\$65,918.00	\$359,082.00	\$425,000.00	<ul style="list-style-type: none"> ▪ \$251,260.00 - Designated ▪ \$107,822.00 - Gift
9/21/2012	713	Tarleton State University	President	\$65,945.00	\$199,055.00	\$265,000.00	Designated Tuition Funds
6/7/2013 ^b	714	The University of Texas at Arlington	President	\$65,945.00	\$419,055.00	\$485,000.00	Designated Funds
9/11/2012	715	Prairie View A&M University	President	\$65,927.00	\$333,073.00	\$399,000.00	Salary supplementation sources are endowment income and Designated Tuition (does not include \$20,000 deferred compensation).
8/28/2012	718	Texas A&M University-Galveston	President	\$65,941.00	\$149,059.00	\$215,000.00	149,059.00 - Local Funds

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
11/14/2012	719	Texas State Technical College System	President, TSTC West Texas	\$70,848.00	\$93,984.00	\$164,832.00	Designated Tuition
11/14/2012	719	Texas State Technical College System	President, TSTC Harlingen	\$70,848.00	\$108,372.00	\$179,220.00	Auxiliary Funds
11/14/2012	719	Texas State Technical College System	Chancellor	\$70,224.00	\$164,772.00	\$234,996.00	Designated Tuition
11/14/2012	719	Texas State Technical College System	President, TSTC Waco	\$70,848.00	\$111,192.00	\$182,040.00	Auxiliary Funds
11/14/2012	719	Texas State Technical College System	President, TSTC Marshall	\$70,854.00	\$100,176.00	\$171,030.00	Designated Tuition
9/5/2012	720	The University of Texas System Administration	Chancellor	\$70,231.00	\$679,769.00	\$750,000.00	<ul style="list-style-type: none"> ▪ Chancellor's Council ▪ Jamail Regents' Chair in Higher Education Leadership ▪ Bass Chancellor's Excellence Fund, Chancellor's Excellence Funds
9/5/2012	721	The University of Texas at Austin	President	\$65,945.00	\$558,405.00	\$624,350.00	<ul style="list-style-type: none"> ▪ Maud McCain Harding Fund - Gift Fund ▪ Nancy Lee & Perry R. Bass President's Excellence Fund - Gift Fund ▪ Designated Funds - Interest on Temporary Investments
9/5/2012	723	The University of Texas Medical Branch at Galveston	President	\$65,945.00	\$788,415.00	\$854,360.00	Designated Funds
9/5/2012	724	The University of Texas at El Paso	President	\$65,945.00	\$325,810.00	\$391,755.00	F. B. Cotton Trust

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/5/2012	729	The University of Texas Southwestern Medical Center	President	\$65,945.00	\$1,137,610.00	\$1,203,555.00	<ul style="list-style-type: none"> ▪ Centralized Services Administration (MSRDP) - General and Administrative Fund ▪ The Doris and Bryan Wildenthal Distinguished Chair
8/21/2012	731	Texas Woman's University	Chancellor and President	\$65,945.00	\$364,055.00	\$430,000.00	Investment Income
9/11/2012	732	Texas A&M University - Kingsville	President	\$0.00	\$250,000.00	\$250,000.00	Source of funds from Account 218030- Designated Funds This amount includes \$20,000 deferred compensation award payable in FY 2013.
6/18/2013 ^b	733	Texas Tech University	President	\$65,945.00	\$361,055.00	\$427,000.00	361,055.00 Institutional Funds Interest Earnings
9/4/2012	734	Lamar University	President	\$66,979.00	\$292,362.00	\$359,341.00	University Designated Funds, BRP of \$1,034 is included in Base Salary
8/21/2012	735	Midwestern State University	President	\$65,889.00	\$207,099.00	\$272,988.00	<ul style="list-style-type: none"> ▪ President's Office \$162,099 ▪ Deferred Compensation \$45,000.00
9/5/2012	736	The University of Texas - Pan American	President	\$65,945.00	\$241,555.00	\$307,500.00	Quasi Endowment Income U. T. P. A. Foundation
11/8/2012	737	Angelo State University	President	\$65,945.00	\$124,055.00	\$190,000.00	Designated Tuition
9/5/2012	738	The University of Texas at Dallas	President	\$65,945.00	\$448,974.00	\$514,919.00	Designated Tuition Excellence Funds (Designated Funds)
5/2/2013 ^b	739	Texas Tech University Health Sciences Center	President	\$65,945.00	\$407,095.00	\$473,040.00	This field was reported blank.
9/5/2012	742	The University of Texas of the Permian Basin	President	\$65,945.00	\$269,248.00	\$335,193.00	U. T. P. B. Support for Excellence Funds Designated Funds
9/5/2012	743	The University of Texas at San Antonio	President	\$65,945.00	\$315,346.00	\$381,291.00	Designated Funds - President's Office Operations

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/5/2012	744	The University of Texas Health Science Center at Houston	President ad interim	\$65,945.00	\$779,680.00	\$845,625.00	MSRDP
9/5/2012 ^b	745	The University of Texas Health Science Center - San Antonio	President	\$65,945.00	\$820,233.00	\$886,178.00	MSRDP
9/5/2012	745	The University of Texas Health Science Center at San Antonio	President ad interim	\$65,945.00	\$434,730.00	\$500,675.00	MSRDP
9/5/2012	747	The University of Texas at Brownsville	President	\$65,945.00	\$245,838.00	\$311,783.00	Designated Tuition
8/16/2012	749	Texas A&M University - San Antonio	President	\$65,945.00	\$184,056.00	\$250,001.00	Designated Tuition
9/5/2012	750	The University of Texas at Tyler	President	\$65,945.00	\$289,804.00	\$355,749.00	<ul style="list-style-type: none"> ▪ Restricted Funds - Lindsey Income ▪ Restricted Funds - Ben R. Fisch Endowed Professorship ▪ Laura Ruggles-Gates Endowment
9/12/2012	751	Texas A&M University - Commerce	President and CEO	\$65,945.00	\$164,055.00	\$230,000.00	Designated Tuition
9/10/2012	752	University of North Texas	President	\$65,945.00	\$344,055.00	\$410,000.00	Institutional funds.
9/11/2012	753	Sam Houston State University	President	\$65,945.00	\$316,555.00	\$382,500.00	Designated Tuition
9/18/2012	754	Texas State University - San Marcos	President	\$65,945.00	\$344,055.00	\$410,000.00	Institutional Funds
9/12/2012	755	Stephen F. Austin State University	President	\$65,945.00	\$209,055.00	\$275,000.00	Pledged Auxiliary
9/14/2012	756	Sul Ross State University	President	\$65,945.00	\$195,856.00	\$261,801.00	Designated Funds
9/5/2012	757	West Texas A&M University	President/CEO	\$65,945.00	\$199,055.00	\$265,000.00	Designated Funds Interest Income

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/4/2012	758	Texas State University System	Chancellor	\$70,231.00	\$429,769.00	\$500,000.00	Local funds from the component institutions of the Texas State University System.
9/12/2012	759	University of Houston - Clear Lake	President	\$65,945.00	\$212,155.00	\$278,100.00	Locally generated funds
9/10/2012	760	Texas A&M University-Corpus Christi	President/CEO	\$65,945.00	\$241,076.45	\$307,021.45	<ul style="list-style-type: none"> ▪ 15-245320 - \$82,028.00 Supplemental Pay ▪ 15-284501 - \$82,027.00 Supplemental Pay ▪ 15-121061 - \$1,256.00 Longevity Pay ▪ 15-245320 - \$1,562.00 Longevity Pay ▪ 15-284501 - \$1,562.00 Longevity Pay ▪ 15-120001 - \$7,200.00 Housing Allowance ▪ 15-284500 - \$42,800.00 Housing Allowance ▪ 15-284501 - \$22,641.45 Deferred Comp.
12/3/2012	761	Texas A&M International University	President	\$65,945.00	\$234,055.00	\$300,000.00	<ul style="list-style-type: none"> ▪ State Appropriate - \$7,200.00 ▪ Designated Funds - \$206,855.00 ▪ Designated Funds - \$20,000.00 457(f)Deferred Compensation Plan
8/17/2012	763	University of North Texas Health Science Center	President	\$65,945.00	\$838,617.00	\$904,562.00	<ul style="list-style-type: none"> ▪ Base Salary - \$65,945 ▪ E&G Appropriated Funds Salary Supplement - \$838,617 Designated funds
9/6/2012	764	Texas A&M University-Texarkana	Acting President	\$65,940.00	\$144,060.00	\$210,000.00	Designated Funds

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
9/18/2012	765	University of Houston - Victoria	President	\$65,945.00	\$214,855.00	\$280,800.00	Local Funds
by mail	768	Texas Tech University System	Chancellor	\$70,012.00	\$350,228.00	\$420,240.00	Endowment Earnings; Institutional Funds
9/4/2012	769	University of North Texas System	Chancellor	\$70,231.00	\$508,876.00	\$579,107.00	<ul style="list-style-type: none"> ▪ State E&G (base) - \$70,231.00 ▪ Institutional funds (supplemental) \$508,876.00
9/3/2012	773	University of North Texas at Dallas	President	\$65,945.00	\$210,089.01	\$276,034.01	Local funds
9/14/2012	783	University of Houston System Administration	Chancellor/President	\$70,231.00	\$429,769.00	\$500,000.00	University designated funds
10/16/2012	784	University of Houston - Downtown	President	\$65,945.00	\$247,936.00	\$313,881.00	Tuition-Designated
9/5/2012	785	The University of Texas Health Science Center at Tyler	President	\$65,945.00	\$449,009.00	\$514,954.00	MSRDP
9/11/2012	787	Lamar State College - Orange	President	\$65,945.00	\$154,671.00	\$220,616.00	<ul style="list-style-type: none"> ▪ E&G - Housing \$7,200.00 Designated - Salary \$124,671.00 ▪ Housing \$10,800.00 ▪ Auto \$12,000.00
9/14/2012	788	Lamar State College - Port Arthur	President	\$65,945.00	\$154,190.00	\$220,135.00	<ul style="list-style-type: none"> ▪ E&G Housing Allowance \$7,200.00 ▪ Designated Funds Salary Supplement \$68,095.00 ▪ Housing Allowance \$10,800.00 ▪ Auxiliary (Miscellaneous Bookstore Revenue) Salary Supplement \$68,095.00
9/10/2012	789	Lamar Institute of Technology	President	\$65,945.00	\$124,145.00	\$190,090.00	Institutional Funds - \$124,145.00

**Information on Anticipated Salary Supplement Amounts That Higher Education Institutions Reported to the
Office of the Comptroller of Public Accounts
For Fiscal Year 2013**

Date	Number	Name	Employee Title	Employee's Base Salary	Employee's Supplemental Amount	Employee's Total	Supplemental Sources
<p>^a The President position and the Vice Chancellor for Health Affairs position at the Texas A&M Health Science Center were occupied by the same individual.</p> <p>^b The initial salary supplement report was updated with new data.</p>							

Source: Office of the Comptroller of Public Accounts.

Appendices

Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this project were to:

- Develop guidelines for the reporting of certain information related to employee salary supplements given to state agencies and higher education institutions in the form of a gift, grant, donation, or other considerations by a person.
- Collect data from each state agency receiving a gift, grant, donation, or other considerations from a person that the person designates to be used as a salary supplement for a named person, position, or endowment.
- Review salary supplement data.
- Report data related to salary supplements and conflicts of interest to the Legislature.

Scope

The scope of this project included the collection of fiscal year 2013 salary supplement-related data from state agencies defined as a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Texas Education Code.

Methodology

Using the language in House Bill 12 (83rd Legislature, Regular Session), the State Auditor's Office designed a two-part questionnaire to capture certain information related to employee salary supplements (see Appendices 2 and 3 for that questionnaire). The State Auditor's Office distributed the questionnaire to 221 state agencies and public higher education institutions (including community colleges). When necessary, the State Auditor's Office followed up with those entities for clarification on their responses.

The data collection began in October 2013 and was completed in January 2014.

Information collected and reviewed included the following:

- State agency and public higher education responses to the State Auditor's Office's questionnaire.
- Salary supplementation reports for fiscal year 2013 that agencies and public higher education institutions submitted to the Office of the Comptroller of Public Accounts as required by Section 3.02, page IX-18, the General Appropriations Act (82nd Legislature).

Procedures conducted included the following:

- Distributed a questionnaire designed to capture salary supplement-related information as identified in House Bill 12 (83rd Legislature, Regular Session) to state agencies and public higher education institutions (see Appendix 4 for House Bill 12).

Criteria used included the following:

- Texas Government Code, Chapter 659, as amended by House Bill 12 (83rd Legislature, Regular Session).
- General Appropriations Acts (82nd Legislature and 83rd Legislature).

Project Information

Fieldwork was conducted from October 2013 through January 2014. This project was not an audit, and the information in this report was not subjected to all the tests and confirmations that would be performed in an audit. The following members of the State Auditor's staff completed this project:

- Kendra Campbell, MSIS, PHR (Project Manager)
- Sharon Schneider, CCP, PHR
- Becky Beachy, CIA, CGAP (Quality Control Reviewer)
- John Young, MPAff (Audit Manager)

State Auditor's Office's Salary Supplement Questionnaire - Part I

The illustration below reflects the first part of the questionnaire the State Auditor's Office used for state agencies and public higher education institutions to report gifts, grants, donations, or other considerations designated to be used as a salary supplement for a named person, position, or endowment.

Salary Supplement Reporting - Part I	
<p>In accordance with Texas Government Code, Section 659.0201(i), each state agency (agency) and higher education institution as defined by Section 61.003 of the Texas Education Code, receiving a gift, grant, donation, or other consideration from a person <u>that is designated to be used as a salary supplement for a named person, position, or endowment</u> shall report certain information to the State Auditor. This questionnaire is designed to collect that information, which will be reported to the Legislature. Any questions concerning the interpretation of this section of the Texas Government Code should be directed to your agency's or higher education institution's legal counsel.</p>	
<p>Please complete this section of the questionnaire (Part I) and return it to the State Auditor's Office. Questionnaires should be e-mailed directly to xxxx at xxx, no later than mm/dd/yyyy. Please note that reporting requirements that are specified in Article IX, Section 3.02, General Appropriations Act (83rd Legislature), should be reported separately. To report information as required by Texas Government Code, Section 659.0201 (d), please complete Part II of this questionnaire.</p>	
Contact Information	
Agency/Higher Education Institution:	
Name:	
Title:	
Phone Number:	
Email Address:	
Questionnaire	
<p>1. In fiscal year 2013, did your agency or higher education institution receive a gift, grant, donation, or other consideration from a person that was designated to be used as a salary supplement for a named person, position, or endowment?</p>	
<p>(Please place answer to question 1 here.)</p>	
<p>2. If the answer to question 1 was "yes," please complete the information in the table below <u>for each individual salary supplement</u>. Please insert additional rows if necessary. If the answer to question 1 was "no," please go to question number 3.</p>	

State Auditor's Office's Salary Supplement Questionnaire - Part II

The illustration below reflects the second part of the questionnaire the State Auditor's Office used for state agencies and public higher education institutions to report gifts, grants, donations, or other considerations designated to be used as a salary supplement for a named person, position, or endowment in an amount or having a value that exceeds \$10,000 from an entity created solely to provide support for a state agency or public higher education institution.

Salary Supplement Reporting - Part II	
<p>In accordance with Texas Government Code, Section 659.0201(d), (e), (f), (g), and (h) each state agency (agency) and higher education institution receiving a gift, grant, donation, or other consideration, in an amount or having a value that exceeds \$10,000 from an entity created solely for the support of an agency or higher education institution, <u>that is designated to be used as a salary supplement for a named person, position, or endowment</u>, shall report certain information to the State Auditor. This questionnaire is designed to collect that information, which may be reviewed by the State Auditor's Office to identify any conflicts of interest or any other areas of risk. The State Auditor's Office will report audit results to the Legislature. Any questions concerning the interpretation of this section of the Texas Government Code should be directed to your agency's or higher education institution's legal counsel.</p>	
<p>Please complete this section (Part II) of the questionnaire and return it to the State Auditor's Office. Questionnaires should be e-mailed directly to xxxx@xxx, no later than mm/dd/yyyy. Please note that reporting requirements that are specified in Article IX, Section 3.02, General Appropriations Act (83rd Legislature), should be reported separately. To report information as required by Texas Government Code, Section 659.0201 (i), please complete Part I of this questionnaire.</p>	
Contact Information	
Agency/Higher Education Institution:	
Name:	
Title:	
Phone Number:	
Email Address:	
Questionnaire	
<p>1. In fiscal year 2013, did your agency or higher education institution receive a gift, grant, donation, or other consideration in an amount or having a value that exceeds \$10,000 from an entity created solely to provide support for your agency, that was designated to be used as a salary supplement for a named person, position, or endowment?</p>	
<p>(Please place answer to question 1 here.)</p>	
<p>2. If the answer to question 1 was "yes," please complete the information in the table below <u>for each individual salary supplement</u>. (Please insert additional rows if necessary.) If the answer to question 1 was "no," please continue to the Additional Comments Section.</p>	

Salary Supplement Reporting - Part II (continued)

Detailed Information for Each Salary Supplement

Please list the name of the entity created solely to provide support for your agency or higher education institution.

Please list the name of each person who makes gifts, grants, or donations, or provides other considerations to the entity, in an amount or having a value that exceeds \$10,000, unless the person has made a request to the entity to remain anonymous. (If the person requested to remain anonymous, please place the word "Anonymous" in the column.) Information provided to an higher education institution under Texas Government Code, Subsection (d), is not subject to disclosure under Chapter 552.

If the amount or value of each specific gift, grant, donation, or other consideration exceeded \$10,000, what was the amount? Information provided to an higher education institution under Texas Government Code, Subsection (d), is not subject to disclosure under Chapter 552.

Please include any additional comments in the box below.

(Please place answer to question 1 here.)

House Bill 12 (83rd Legislature, Regular Session)

The text of House Bill 12 (83rd Legislature, Regular Session) is presented below.

AN ACT

relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 659, Government Code, is amended by adding Sections 659.0201 and 659.026 to read as follows:

Sec. 659.0201. GIFTS, GRANTS, AND DONATIONS FOR SALARY SUPPLEMENT; REPORTING. (a) In this section, "state agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency that accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of the agency shall post on the agency's Internet website, in addition to the information required by Section 659.026, the amount of each gift, grant, donation, or other consideration provided by the

person that is designated to be used as a salary supplement for an employee of the agency. The agency may not post the name of the person.

(c) A state agency described by Subsection (b) by rule shall adopt conflict of interest provisions regarding the acceptance by the agency of a gift, grant, donation, or other consideration to be used as a salary supplement for an employee of the agency. The governing board of an institution of higher education shall adopt the conflict of interest provisions required by this subsection in the same manner as the board adopts other policies applicable to the institution. The agency shall post the conflict of interest provisions on the agency's Internet website.

(d) If the person making a gift, grant, or donation or providing other consideration to the state agency for the purpose of a salary supplement is an entity created solely to provide support for the state agency, the entity shall report to the agency:

(1) the name of each person who makes gifts, grants, or donations, or provides other consideration to the entity, in an amount or having a value that exceeds \$10,000, unless the person has made a request to the entity to remain anonymous; and

(2) the amount or value of each specific gift, grant, donation, or other consideration.

(e) A state agency that receives a gift, grant, donation, or other consideration described by Subsection (d) shall compile the information the

agency receives under Subsection (d) into a report and submit the report to the state auditor and the legislature.

(f) Information provided to an institution of higher education under Subsection (d) is confidential and is not subject to disclosure under Chapter 552.

(g) The state auditor may review the report submitted under Subsection (e) to identify any conflicts of interest or any other areas of risk. The state auditor shall report the results of an audit performed under this section to the legislature.

(h) The state auditor shall adopt a schedule and format for reporting information required by this section that does not require the release of information that identifies an anonymous donor.

(i) Each state agency receiving a gift, grant, donation, or other consideration from a person that is designated to be used as a salary supplement for a named person, position, or endowment shall report the following information to the state auditor in the form determined by the state auditor:

(1) whether the person making the gift, grant, or donation or providing other consideration to the state agency is an individual or an entity;

(2) if the person is an entity, the type of entity;

(3) if the entity is a nonprofit entity or organization, whether the entity is classified as a supporting organization by the Internal Revenue Service;

(4) if the entity is classified as a supporting organization by the Internal Revenue Service, the type of supporting organization, the name of the supported organization, and any other information relating to that classification;

(5) any internal or external oversight procedures the state agency has established to monitor the use of any gift, grant, donation, or other consideration the agency receives; and

(6) how the state agency uses gifts, grants, donations, and other consideration the agency receives, including whether they are used to provide salary supplements for agency employees.

(j) The state auditor shall compile the information received under Subsection (i) into a report and submit the report to the legislature.

Sec. 659.026. INFORMATION REGARDING STAFF COMPENSATION. (a) In this section:

(1) "Compensation" includes an emolument provided in lieu of base salary or wages or a supplement to base salary or wages.

(2) "Executive staff" means:

(A) the director, executive director, commissioner, administrator, or other individual who is appointed by the governing body of a state agency or by another state officer to act as the chief executive officer or administrative head of the agency and who is not an appointed officer; and

(B) other management or senior level staff members of a state agency who directly report to the individual listed in Paragraph (A).

(3) "State agency" means a board, commission, department, institute, office, or other agency in the executive branch of state government that is created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code.

(b) A state agency shall make available to the public by posting on the agency's Internet website:

(1) the number of full-time equivalent employees employed by the agency;

(2) the amount of legislative appropriations to the agency for each fiscal year of the current state fiscal biennium;

(3) the agency's methodology, including any employment market analysis, for determining the compensation of executive staff employed by the agency, along with the name and position of the person who selected the methodology;

(4) whether executive staff are eligible for a salary supplement;

(5) the market average for compensation of similar executive staff in the private and public sectors;

(6) the average compensation paid to employees employed by the agency who are not executive staff; and

(7) the percentage increase in compensation of executive staff for each fiscal year of the five preceding fiscal years and the percentage

increase in legislative appropriations to the agency each fiscal year of the five preceding fiscal years.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair

The Honorable Joe Straus III, Speaker of the House, Joint Chair

The Honorable Jim Pitts, House Appropriations Committee

The Honorable Harvey Hilderbran, House Ways and Means Committee

Office of the Governor

The Honorable Rick Perry, Governor

Executive Directors and Presidents of All Agencies and Public Higher Education Institutions That Completed the State Auditor's Office's Questionnaire



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