



A Report on

Salary Supplements at Public Higher Education Institutions and State Agencies

- The State Auditor's Office surveyed public higher education institutions and state agencies regarding support received for the purpose of providing salary supplements.
- Fourteen public higher education institutions reported receiving salary supplements for fiscal years 2023, 2024, and 2025.

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Texas Government Code, Section 659.0201, requires public higher education institutions (including community colleges) and state agencies to collect and report to the State Auditor's Office information regarding gifts, grants, donations, or other considerations that they receive for the purpose of providing salary supplements.

To address this requirement, the State Auditor's Office surveyed 190 applicable state entities: 112 public higher education institutions and 78 state agencies in the executive branch of state government. All 190 state entities surveyed submitted a response to the survey.

- *Project Objective | p. 13*

This project was conducted in accordance with Texas Government Code, Section 659.0201.

NOT RATED

SALARY SUPPLEMENTS REPORTED

Fourteen public higher education institutions reported receiving gifts, grants, donations, or other considerations from a person that the person designated to be used as a salary supplement for a named person, position, or endowment during fiscal years 2023, 2024, and 2025.

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DETAILED RESULTS

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NOT RATED

Chapter 1

Salary Supplements Reported

Of the 112 public higher education institutions (including community colleges) surveyed about their salary supplements, 14 (13 percent) reported receiving gifts, grants, donations, or other considerations (salary supplements) from a person that the person designated to be used as a salary supplement for a named person, position, or endowment during fiscal years 2023, 2024, and 2025.

None of the 78 state agencies surveyed reported receiving salary supplements during those same fiscal years.



Summary of Reported Salary Supplements

Figure 1 on the next page presents a summary of the salary supplement information reported by the 14 public higher education institutions. These institutions reported receiving salary supplements from various types of organizations rather than an individual.

Figure 1

***Summary of Salary Supplements Reported for
Fiscal Years 2023, 2024, and 2025***

Fiscal Year	Number of Supplements	Type of Donor Entity	Type of Supporting Organization ^a
COMMUNITY COLLEGES			
Alvin Community College			
2023	1	State Entity	Non-applicable
2024	1	State Entity	Non-applicable
2025	1	State Entity	Non-applicable
Del Mar College District			
2023	1	Non-profit	509(a)(1) ^b
Hill College			
2023	1	State Entity	Non-applicable
2024	1	Business	Non-applicable
2025	6	Business (2 supplements) State Entity (4 supplements)	Non-applicable
Lone Star College System			
2023	6	Non-profit (2 supplements) Other ^c (2 supplements) State Entity (2 supplements)	501(c)(3)
2024	10	Non-profit (3 supplements) Other ^c (2 supplements) State Entity (5 supplements)	501(c)(3)
2025	15	Non-profit (5 supplements) Other ^c (5 supplements) State Entity (5 supplements)	501(c)(3)
Midland College			
2025	10	Hospital	Non-applicable

Fiscal Year	Number of Supplements	Type of Donor Entity	Type of Supporting Organization ^a
Tyler Junior College			
2023	1	Non-profit	Type III 509(a)(3) ^d
2024	1	Non-profit	Type III 509(a)(3) ^d
2025	1	Non-profit	Type III 509(a)(3) ^d
Victoria College			
2023	2	Non-profit	501(c)(3)
2024	2	Non-profit	501(c)(3)
2025	3	Non-profit	501(c)(3)
Weatherford College			
2023	4	Other ^e	Non-applicable
2024	5	Other ^e	Non-applicable
2025	4	Other ^e	Non-applicable
STATE COLLEGES			
Lamar State College Port Arthur			
2023	3	Other ^f (2 supplements) State Entity (1 supplement)	Non-applicable
2024	7	Business (1 supplement) Other ^f (1 supplement) State Entity (5 supplements)	Non-applicable
2025	8	Business (2 supplements) Other ^f (3 supplements) State Entity (3 supplements)	Non-applicable
UNIVERSITIES			
Texas A&M University – Kingsville			
2023	1	Endowment	Non-applicable
2024	1	Endowment	Non-applicable
2025	1	Endowment	Non-applicable
Texas A&M University – San Antonio			
2025	2	Non-profit	501(c)(3)

Fiscal Year	Number of Supplements	Type of Donor Entity	Type of Supporting Organization ^a
Texas A&M University – Texarkana			
2023	2	Non-profit	Non-applicable
2024	3	Non-profit	Non-applicable
2025	3	Non-profit	Non-applicable
University of North Texas			
2025	33	Endowment ^g	Non-applicable
University of North Texas Health Fort Worth			
2023	1	Other ^h	Non-applicable
<p>^a Texas Government Code, Section 659.0201(i)(4), requires state entities to report a donor entity classified as a supporting organization by the U.S. Internal Revenue Service, which defines a supporting organization as a charity that carries out its exempt purpose by supporting other exempt organizations, usually through other public charities.</p> <p>^b A 509(a)(1) entity is a public charity that receives substantial support in the form of grants and contributions from governmental units, the general public, and other public charities.</p> <p>^c Lone Star College System reported receiving salary supplements from the U.S. Department of Education and the U.S. Department of State.</p> <p>^d A Type III 509(a)(3) entity is a supporting organization that must operate in connection with one or more publicly supported organizations.</p> <p>^e Weatherford College reported receiving salary supplements from booster clubs that supported basketball, baseball, softball, rodeo, and volleyball.</p> <p>^f Lamar State College Port Arthur reported receiving salary supplements from federal entities; however, those entities were not identified.</p> <p>^g University of North Texas reported the types of donor entities as "Other." The entities described in its survey responses were endowments for department chairs and professorships.</p> <p>^h University of North Texas Health Fort Worth reported receiving salary supplements from the National Institutes of Health.</p>			

Texas Government Code, Section 659.0201(i)(4), requires applicable state entities to report a donor entity classified as a supporting organization by the Internal Revenue Service. Figure 2 presents a list of the supporting organizations reported by each institution that reported receiving salary supplements for fiscal years 2023, 2024, and 2025.

Figure 2

List of Supporting Organizations

Entity	Name of Supporting Organization	Fiscal Year		
		2023	2024	2025
COMMUNITY COLLEGES				
Del Mar College District	Del Mar College Foundation	✓		
Lone Star College System	American Society of Mechanical Engineers	✓		✓
	Communities Foundation of Texas		✓	✓
	Dallas College Foundation		✓	✓
	Educate Texas			✓
	Gates Foundation			✓
	Gates Foundation Adjunct Success Program	✓		
	Houston Endowment		✓	✓
Tyler Junior College	The Tyler Junior College Foundation	✓	✓	✓
Victoria College	Victoria College Foundation Inc. ^a	✓	✓	✓
UNIVERSITIES				
Texas A&M University – San Antonio	Hector and Gloria Lopez Foundation			✓
	Greater Texas Foundation			✓
^a Victoria College reported that the Victoria College Foundation Inc. was founded in 1978 for the purpose of supporting Victoria College.				



Use and Oversight of Salary Supplements

Figure 3 shows how the 14 institutions reported using salary supplements.

Figure 3

Use of Salary Supplements Reported by the Public Higher Education Institutions

Entity	Use of Salary Supplements
COMMUNITY COLLEGES	
Alvin Community College	Grant specifies salary supplements for the higher education institution's employees.
Del Mar College District	In accordance with the designated use as outlined in the consideration and administrative and grant procedures and in such a manner as to ensure no conflict of interest exists. Currently, one consideration is for salary supplements for instructional positions in industrial critical need areas.
Hill College	Gifts, grants, donation are funded in accordance to grant documents or MOU's.
Lone Star College System	Lone Star College does not receive gifts or donations directly. Grants awarded to LSCS are used to fund new programs, initiatives, create positions for new curriculum programs or to supplement faculty pay for additional responsibilities assumed as a result the grant.
Midland College	The College District shall not accept any gift that would violate or conflict with policies of or actions by the Board or with federal or state law. The College District shall not accept gifts that discriminate against any person on the grounds of sex, gender, race, color, religion, national origin, age, or disability. Before the College President accepts a gift or recommends acceptance of a gift to the Board, as applicable, the College President shall consider whether the gift: Has a purpose consistent with the College District's educational philosophy, goals, and objectives; Places any restrictions on a campus or College District program; Would support a program that the Board may be unable or unwilling to continue when the donation of funds is exhausted; Would result in ancillary or ongoing costs for the College District; Requires employment of additional personnel; Requires or implies the endorsement of a specific business or product [...]; Would result in inequitable funding, equipment, or resources among College District schools or programs; Obligates the College District or a campus to engage in specific actions; Affects the physical structure of a building or would require extensive maintenance on the part of the College District; or Creates a conflict of interest, and if so, the College District will eliminate or manage the conflict. Upon Acceptance Once accepted, a gift becomes the sole property of the College District.
Tyler Junior College	During the research for this survey, the College identified a single instance of an acceptance of gift funds for a designated salary supplement received by the TJC Foundation, and this single instance of the acceptance gift funds for a designated salary supplement was terminated effective December 31, 2025.
Victoria College	The gifts were used as salary supplements.

Entity	Use of Salary Supplements
Weatherford College	Weatherford College Business Office is provided with letters from the athletics booster club instructing the Business Office to transfer funds from the Booster Club agency accounts for the monthly auto allowances for the coaches.
STATE COLLEGES	
Lamar State College Port Arthur	All grant funds are used according to the purpose for which the award was made, some for salary supplement, some for training, some for equipment, and others for construction.
UNIVERSITIES	
Texas A&M University – Kingsville	In accordance with the agreement criteria provided.
Texas A&M University – San Antonio	TAMUSA and the Foundation ensure compliance with grant and gift contracts. In addition, there are controls to verify gifts are used as intended. Salary specific supplementation will be dependent on each gift/grant contract.
Texas A&M University – Texarkana	The three (3) reported salary supplements are used to provide salary supplements to three (3) University/higher education institution employees. Other gifts, grants, donations are used for scholarships, endowments, program implementation, 100% federally funded program salaries (not salary supplements) and to meet operational/strategic goals of the University.
University of North Texas	UNT utilizes gifts and donations to support its students in multiple ways; including student scholarships which may be based on donor-specified criteria, purchase of materials, supplies, or services that benefit students or learning/ research in some capacity potentially including salary-support for internal UNT personnel. Grants are earned through an application and award process, and similarly utilized to benefit students, eg financial aid grants, or to advance learning or research. Similar to gifts and donations, grants may be used to purchase materials, supplies, or services that benefit students or learning and research.
University of North Texas Health Fort Worth	Pursuant to Texas Government Code, Section 659.0201, the institution reviews and approves all gifts designated for salary supplements, documents donor restrictions, tracks funds in restricted accounts, processes supplements through standard payroll and compensation approval processes, and subjects such funds to internal review and annual independent external audit.

Figure 4 shows the procedures reported by the 14 institutions for monitoring the use of salary supplements.

Figure 4

Oversight Procedures Reported by the Public Higher Education Institutions

Entity	Procedures
COMMUNITY COLLEGES	
Alvin Community College	The Business Office reviews the Salary Supplements that are awarded to the employees.
Del Mar College District	Del Mar College uses the gifts, grants, donations, and other considerations in accordance with the terms of the considerations and implements using internal protocols for such.
Hill College	Procedures have been developed for all grant funding received. We also have procedures in our hiring guide that establish guidelines for grant and private/business funded stipends.
Lone Star College System	All grant agreements must be reviewed and approved by our Office of General Counsel prior to signature. Final authorization requires the signature of the Chancellor or Chief Financial Officer. Additionally, all state and federal grant agreements must be submitted to the Grants Development and Compliance (GDC) office for processing.
Midland College	A salary supplement is any addition to the salary paid for a position that is not the result of the assignment of additional duties for that position. A salary supplement may be used in those instances where the normal salary schedule, or the normal rate of pay for those positions not on a salary schedule, is not sufficient to attract and retain individuals with particular sets of job skills or credentials for the College District. A salary supplement shall have prior approval before it may be granted. If the supplement is to be granted to the College President, the prior approval shall come from the Board. If the supplement is to be granted for any position other than the College President, the prior approval shall come from the College President. The College President or the Board shall not approve any salary supplement that would result in a conflict of interest being developed between a grantor of funds for a supplement and the College District or between a grantor of funds for a supplement and the employee who would receive it. If any salary supplement is to be funded by a gift, grant, donation, or other consideration from an outside person, including a foundation or other entity, the gift, grant, donation, or other consideration must be approved by the Board.
Tyler Junior College	Tyler Junior College (TJC) and the Tyler Junior College Foundation (TJC Foundation) have procedures in place to monitor expenditures from the proceeds of gifts, grants, donations, or other proceeds according to donor intentions, per the award documentation. Both entities are audited annually by external firms. Procedures have been explicitly enhanced to ensure stated donor intentions do not go against College and Foundation policies.

Entity	Procedures
Victoria College	The College and the VC Foundation, Inc share an accounting system and regularly balance and pay resulting the interfund receivable/payable accounts. Both entities have are audited annually and the Foundation's financial statements are presented as a discrete component unit of the Victoria College Annual Financial Statements.
Weatherford College	Weatherford College Athletics Department is responsible for gathering the authorizations from the participating booster clubs and submitting copies of the authorizations to the Payroll Manager and the Controller. The Payroll Manager pays the coaches what is authorized in the letter. The Controller submits a journal entry to move funds donated from the booster club agency accounts to the College based on the authorization received.

STATE COLLEGES

Lamar State College Port Arthur	All grants and gifts of funds are reviewed by the office of the president in conjunction with the guidance of the Executive Vice President of Finance. The president, who bears signature authority, is the only person who can agree for the college to participate in a grant or in the receipt of a gift of funds. Accounting of grant funds, and of all gifts of funds is carried out the college's department of accounting. Gifts of funds beyond \$10,000, are accepted only with the approval of the system office.
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UNIVERSITIES

Texas A&M University – Kingsville	In accordance with A&M System policy, state law, and the intent of the donor.
Texas A&M University – San Antonio	TAMUSA follows GAAP, GASB, and state quality control procedures to ensure compliance, accuracy, and timeliness of all gifts and grants.
Texas A&M University – Texarkana	<i>Texas A&M University – Texarkana adopted policies and procedures on benefits, gifts, honoraria; ethics; and conflicts of interest, dual office holding, and political activities.</i> ^a
University of North Texas	Gift and donations administration and oversight is jointly overseen by UNT's Advancement organization and UNT Foundation, a 501(c)(3) charitable organization. UNT Advancement is overseen by the VP of Advancement a member of the UNT President's Cabinet. Grant administration and oversight is through UNT's Research Organization encompassing responsibility and oversight for pre-award, post-award, Research Integrity and Compliance, Research Development, and Innovation and Commercialization. The Research Organization is overseen by the VP of Research a member of the UNT President's Cabinet. Additional oversight may be provided by College financial support personnel at a granular level, and UNT's President, Chief Financial Officer, and Chief Compliance Officer at a higher level. UNT System organizations and personnel, eg UNT System Chief Audit Executive, Chief Compliance Officer, and Deputy Chancellor for Finance and Operations may provide additional high-level oversight.

Entity	Procedures
University of North Texas Health Fort Worth	The institution maintains formal oversight of gifts, grants, donations, and other considerations through established policies and internal controls. Oversight includes pre-award review and approval, post-award financial monitoring, donor restriction tracking, effort and expenditure certification, and compliance with Uniform Guidance (2 CFR 200). Monitoring is conducted by Research Administration, Finance, Development, and Compliance offices, with periodic review by Internal Audit and institutional leadership.

^a Texas A&M University – Texarkana's original response provided web addresses to its policies and procedures posted on its website. The information shown is a summary of those policies and procedures.



Required Information on Salary Supplements

Figure 5 on the next page summarizes responses from each institution that reported salary supplements for fiscal years 2023, 2024, and 2025 regarding whether required information was posted on its website in accordance with Texas Government Code, Section 659.0201(b) and (c).

Figure 5

***Summary of Public Higher Education Institutions' Responses
on Posting Required Salary Supplement Information***

Entity	Amount of Each Salary Supplement ^a	Conflict of Interest Provisions ^b
COMMUNITY COLLEGES		
Alvin Community College	Yes	Yes
Del Mar College District	No ^c	Yes ^d
Hill College	No ^c	No
Lone Star College System	Yes	Yes
Midland College	No ^c	Yes
Tyler Junior College	No	No
Victoria College	Yes	Yes
Weatherford College	Yes	Yes
STATE COLLEGES		
Lamar State College Port Arthur	Yes	Yes
UNIVERSITIES		
Texas A&M University – Kingsville	No	Yes
Texas A&M University – San Antonio	No	No
Texas A&M University – Texarkana	No	Yes
University of North Texas	No Response ^e	Yes
University of North Texas Health Fort Worth	No	Yes

^a As required by Texas Government Code, Section 659.0201(b).

^b As required by Texas Government Code, Section 659.0201(c).

^c The institution reported that the salary supplements were received from entities rather than an individual; therefore, the institution did not post this information on its website.

^d Del Mar College District reported having conflict of interest policies posted on its website. However, it was unsure whether non-employees could access the policies.

^e University of North Texas reported it was unable to determine its compliance with the requirement.



APPENDICES

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Appendix 1

Objective, Scope, and Methodology

Objective and Scope

The objective of this project was to collect data from each public higher education institution or state agency receiving a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for a named person, position, or endowment.

The scope of this project was fiscal years 2023, 2024, and 2025.

Methodology

The State Auditor's Office developed survey questions designed to collect information required by Texas Government Code, Section 659.0201. Surveys were distributed via email to 190 applicable public higher education institutions and state agencies. The survey was open from December 8, 2025, through January 22, 2026. The State Auditor's Office followed up for clarification on the public higher education institutions' responses when necessary.

The following members of the State Auditor's staff performed the project:



- Jacob McGill (Project Manager)
- Alariyah Burr
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Willie Hicks, CIA, CISA, CGAP, MBA (Audit Manager)

This Report

The information in this report was not subjected to all the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to ensure accuracy.

The public higher education institutions and state agencies completed the State Auditor's Office questionnaire based on their own interpretations of the statutory reporting requirements. The survey responses received from the entities are presented in this report, and the State Auditor's Office did not independently verify the survey responses provided.

The State Auditor's Office reviewed the completed surveys and summarized responses from public higher education institutions that reported salary supplements.

Appendix 2

Texas Government Code, Section 659.0201

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 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.



Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair
The Honorable Dustin Burrows, Speaker of the House, Joint Chair
The Honorable Joan Huffman, Senate Finance Committee
The Honorable Robert Nichols, Member, Texas Senate
The Honorable Greg Bonnen, House Appropriations Committee
The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Presidents of the Following Public Higher Education Institutions

Alvin Community College
Del Mar College District
Hill College
Lamar State College Port Arthur
Lone Star College System
Midland College
Texas A&M University – Kingsville
Texas A&M University – San Antonio
Texas A&M University – Texarkana
Tyler Junior College
University of North Texas
University of North Texas Health Fort Worth
Victoria College
Weatherford College



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