



Legislative Requirement:

# An Audit of Diversity, Equity, and Inclusion Requirements at Institutions of Higher Education

Lisa R. Collier, CPA, CFE, CIDA  
State Auditor

The State Auditor's Office audited The University of Texas System's 14 institutions for compliance with the diversity, equity, and inclusion requirements in Texas Education Code, Section 51.3525. In addition, we audited 15 community colleges.

## THE UNIVERSITY OF TEXAS SYSTEM

All 14 of The University of Texas System institutions audited spent state funds in compliance with Texas Education Code, Section 51.3525.

[See Figure 1 on Page 2](#)

## COMMUNITY COLLEGES

All 15 community colleges audited spent state funds in compliance with Texas Education Code, Section 51.3525.

[See Figure 2 on Page 2](#)

Senate Bill 17 (88th Legislature) amended Texas Education Code to require the State Auditor's Office to determine whether institutions of higher education spent state money in violation of diversity, equity, and inclusion requirements in Section 51.3525. That statute also required the State Auditor's Office to evaluate compliance at each institution of higher education at least once every four years.

This is the second compliance audit conducted to address those requirements.<sup>1</sup>

<sup>1</sup> Results of the first compliance audit are presented in [A Report on Audits of Diversity, Equity, and Inclusion Requirements at Institutions of Higher Education](#) (SAO Report No. 25-018, February 2025).

Figure 1

***The University of Texas System Institutions Audited That Complied with DEI Requirements***

Institution Name	Institution Name
Stephen F. Austin State University	The University of Texas Medical Branch at Galveston
The University of Texas at Arlington	The University of Texas of the Permian Basin
The University of Texas at Austin	The University of Texas Rio Grande Valley
The University of Texas at Dallas	The University of Texas at San Antonio (including the Health Science Center)
The University of Texas at El Paso	The University of Texas Southwestern Medical Center
The University of Texas Health Science Center at Houston	The University of Texas System Administration Office
The University of Texas M.D. Anderson Cancer Center	The University of Texas at Tyler (including the Health Science Center)

Figure 2

***Community Colleges Audited That Complied with DEI Requirements***

Community College Name	Community College Name
Alvin College	Houston City College
Amarillo College	Lee College
Austin Community College District	Lone Star College System
Brazosport College	San Jacinto College District
Clarendon College	South Plains College
College of the Mainland	Victoria College
Frank Phillips College	Wharton County Junior College
Galveston College	



## Appendix 1

### Objective, Scope, and Methodology

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#### Objective

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The objective of this audit was to determine whether higher education institutions have spent state funds on diversity, equity, and inclusion initiatives in violation of Texas Education Code, Section 51.3525.

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#### Scope

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The scope of this audit included expenditures and employee compensation paid with state appropriations at 29 public higher education institutions between September 1, 2024, and August 31, 2025.

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The following members of the State Auditor’s staff performed the audit:



- Jeffrey D. Criminger, CFE (Project Manager)
- Jessica McGuire, MSA (Assistant Project Manager)
- Michael J. Jancaric
- Jason Morehouse
- Bianca F. Pineda, CIA, CISA, CFE, CGAP
- Emilie Scanlon
- Josh Tsao
- Quang Tran, CFE (Data Analyst)
- Dana Musgrave, MBA, CFE (Quality Control Reviewer)
- Jennifer D. Brantley, MS, CPA (Audit Manager)

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## Methodology

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We conducted this compliance audit from October 2025 through May 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to a higher education institution’s management for consideration.

### Addressing the Audit Objective

During the audit, we performed the following:

- Selected 29 higher education institutions—14 institutions of The University of Texas System and 15 community colleges—for the audit based on certain factors, such as geographic location and enrollment size.
- Interviewed higher education institution personnel to gain an understanding of the actions taken to comply with Texas Education Code, Section 51.3525; including actions related to policies and procedures, hiring practices, training requirements, promotion or merit determinations, and expenditure processes.
- Identified the relevant criteria:
  - Texas Education Code, Section 51.3525.
  - Policies and procedures from the higher education institutions audited.
- Collected and reviewed data from the higher education institutions including:
  - Personnel and expenditure data.
  - Information related to the hiring and promotion processes, such as hiring decision documentation, job postings, and job descriptions.

- Transactional support related to expenditures, such as requisition forms, purchase orders, contracts, and invoices.
- Conducted tests of compliance and performed analytical procedures. This included:
  - Performing analytical procedures on expenditure and personnel data to identify instances of noncompliance.
  - Compliance testing for samples of all employees, new hires, promotions or merit increases, and expenditure transactions. (The populations and samples are listed in Figure 3, Figure 4, and Figure 5 on the following pages.)
  - Reviewing the institutions' processes for certifying compliance with Texas Education Code, Section 51.3525, to the Higher Education Coordinating Board.
  - Reviewing trainings, programs, or activities required of students or employees for instances of noncompliance.
  - Reviewing websites, announcements, and other documentation related to former diversity, equity, and inclusion offices and determining compliance.
  - Determining whether the institutions had adopted policies and procedures for disciplining an employee or contractor in violation of Texas Education Code, Section 51.3525.

### **Data Reliability and Completeness**

Auditors determined that the following data sets, limited to transactions that were paid with state funds during the audit scope, were sufficiently reliable for the purposes of the audit:

- Employees.
- New hires.
- Merit increases and promotions.
- Expenditures.

To determine reliability, auditors (1) interviewed institution and college staff, (2) reviewed query language used to generate the data, (3) observed the data extracts, and (4) reconciled data with reported expenditures to the Uniform Statewide Accounting System.

## Sampling Methodology

Auditors selected random samples of (1) faculty and staff paid with state funds, (2) employees identified as new hires, and (3) employees receiving a merit increase or promotion. For the testing presented in Figure 3 and Figure 4, auditors selected random samples of the lesser of 25 employees or 10 percent of the population (for populations less than 250 employees).

Random samples were chosen to evaluate a cross section of the populations. However, it would not be appropriate to project those test results to the populations.

Figure 3

### *All Employee Review: Total Populations and Samples Selected for Testing*

Institution Name	Population	Sample Size
<b>The University of Texas System<sup>2</sup></b>		
Stephen F. Austin State University	1,007	25
The University of Texas at Arlington	3,636	25
The University of Texas at Austin	8,397	25
The University of Texas at Dallas	2,170	25
The University of Texas at El Paso	2,433	25
The University of Texas Health Science Center at Houston	3,336	25
The University of Texas M.D. Anderson Cancer Center	14,596	25
The University of Texas Medical Branch at Galveston	8,743	25
The University of Texas of the Permian Basin	539	25
The University of Texas Rio Grande Valley	3,162	25
The University of Texas at San Antonio	3,473	25
The University of Texas Health Science Center at San Antonio	3,300	25
The University of Texas Southwestern Medical Center	3,228	25
The University of Texas System Administration	16	2
The University of Texas at Tyler	695	25
The University of Texas Health Science Center at Tyler	950	25

<sup>2</sup> Both The University of Texas at San Antonio and The University of Texas at Tyler have a health science center that was merged with the academic university to form a singular institution. However, both institutions maintained different processes during the audit scope. Due to those differing processes, the health science center and general academic university were reviewed, sampled, and tested separately.

Institution Name	Population	Sample Size
<b>Community Colleges</b>		
Alvin College	699	25
Amarillo College	622	25
Austin Community College District	2,085	25
Brazosport College	101	11
Clarendon College	120	13
College of the Mainland	786	25
Frank Phillips College	258	25
Galveston College	199	20
Houston City College	3,109	25
Lee College	602	25
Lone Star College System	3,925	25
San Jacinto College District	898	25
South Plains College	586	25
Victoria College	302	25
Wharton County Junior College	351	25

Figure 4

***New Hires and Merits/Promotions Review:  
Total Populations and Samples Selected for Testing***

Institution Name	New Hires		Merits/Promotions	
	Population	Sample Size	Population	Sample Size
<b>The University of Texas System<sup>2</sup></b>				
Stephen F. Austin State University	108	11	39	4
The University of Texas at Arlington	229	23	2226	25
The University of Texas at Austin	1,325	25	6,611	25
The University of Texas at Dallas	161	17	1,719	25
The University of Texas at El Paso	313	25	1,458	25
The University of Texas Health Science Center at Houston	346	25	2,460	25
The University of Texas M.D. Anderson Cancer Center	256	25	14,140	25
The University of Texas Medical Branch at Galveston	755	25	7,201	25
The University of Texas of the Permian Basin	114	12	88	9
The University of Texas Rio Grande Valley	332	25	2,277	25
The University of Texas at San Antonio	416	25	2,168	25
The University of Texas Health Science Center at San Antonio	326	25	1,300	25
The University of Texas Southwestern Medical Center	375	25	312	25
The University of Texas System Administration	1	1	11	2
The University of Texas at Tyler	27	3	139	14
The University of Texas Health Science Center at Tyler	241	25	335	25
<b>Community Colleges</b>				
Alvin College	146	15	1	1
Amarillo College	100	10	19	2
Austin Community College District	118	12	68	7
Brazosport College	2	2	2	2
Clarendon College	21	3	0	0
College of the Mainland	108	11	0	0

Institution Name	New Hires		Merits/Promotions	
	Population	Sample Size	Population	Sample Size
Frank Phillips College	19	2	0	0
Galveston College	64	7	3	3
Houston City College	620	25	12	2
Lee College	78	8	64	7
Lone Star College System	286	25	27	3
San Jacinto College District	38	4	701	25
South Plains College	77	8	0	0
Victoria College	40	4	0	0
Wharton County Junior College	27	3	4	1

Through data analysis, auditors identified certain subpopulations of expenditures at The University of Texas System institutions and two colleges<sup>3</sup> that required further inquiry. Auditors selected targeted samples from those subpopulations of expenditures for further review. Therefore, it would not be appropriate to project those test results to the populations. Those subpopulations and number of expenditures tested are listed in Figure 5. Auditors did not identify expenditures that were at a high risk of noncompliance at The University of Texas Health Science Center at Tyler; therefore, no expenditures were tested there outside of employee compensation (see Figure 3 and Figure 4 above).

Figure 5

***Expenditures: Subpopulations and Expenditures Selected  
from the Population for Testing***

Institution Name	Subpopulation	Expenditures Tested
<b>The University of Texas System<sup>2</sup></b>		
Stephen F. Austin State University	142	12
The University of Texas at Arlington	3,418	17
The University of Texas at Austin	8,249	25
The University of Texas at Dallas	1,619	5
The University of Texas at El Paso	856	13
The University of Texas Health Science Center at Houston	1,165	8
The University of Texas M.D. Anderson Cancer Center	311	10
The University of Texas Medical Branch at Galveston	239	18
The University of Texas of the Permian Basin	125	6
The University of Texas Rio Grande Valley	968	16
The University of Texas at San Antonio	366	6
The University of Texas Health Science Center at San Antonio	92	6

<sup>3</sup> Texas Education Code, Section 130.003(c), states that funding appropriated through the Public Junior College State Finance Program shall be used exclusively for the purpose of paying salaries of the instructional and administrative forces of the institution and the purchase of supplies and materials for instructional purposes. Only 2 of the 15 community colleges audited expended state funds on expenditures other than salaries and wages; therefore, the 13 remaining community colleges did not have expenditures for further review.

Institution Name	Subpopulation	Expenditures Tested
The University of Texas Southwestern Medical Center	206	3
The University of Texas System Administration	406	12
The University of Texas at Tyler	724	6
<b>Community Colleges</b>		
Clarendon College	1,108	25
Frank Phillips College	158	6



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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

## **Boards, Chancellors, and Presidents of the Following Institutions of Higher Education**

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Austin Community College District

Brazosport College

Clarendon College

College of the Mainland

Frank Phillips College

Galveston College

Houston City College

Lee College

Lone Star College System

San Jacinto College District

South Plains College

Victoria College

Wharton County Junior College

The University of Texas System

Stephen F. Austin State University

The University of Texas at Arlington

The University of Texas at Austin

The University of Texas at Dallas

The University of Texas at El Paso

The University of Texas Health Science Center at Houston

The University of Texas M.D. Anderson Cancer Center

The University of Texas Medical Branch at Galveston

The University of Texas of the Permian Basin

The University of Texas Rio Grande Valley

The University of Texas at San Antonio (including the Health Science Center)

The University of Texas Southwestern Medical Center

The University of Texas System Administration

The University of Texas at Tyler (including the Health Science Center)



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