

## 24-407 TEC Assurance

### Executive Summary

**Background:** The 88th Texas State Legislature passed, and the Texas Governor signed into law, Senate Bill 17, which amended Section 1, Subchapter G, Chapter 51 of the *Texas Education Code* by adding Section 51.3525, “Responsibility of Governing Boards Regarding Diversity, Equity, and Inclusion Initiatives” (TEC §51.3525). TEC §51.3525 requires the Board of Regents of The University of Texas (UT) System, as summarized below, to ensure that each unit of each UT institution does not, except as required by federal law:

- Establish or maintain a diversity, equity, and inclusion (DEI) office;
- Hire or assign an employee of the institution or contract with a third party to perform the duties of a DEI office;
- Compel, require, induce, or solicit any person to provide a DEI statement or give preferential consideration to any person based on the provision of a DEI statement;
- Give preference on the basis of race, sex, color, ethnicity, or national origin to an applicant for employment, an employee, or a participant in any function of the institution; and
- Require, as a condition of enrolling at the institution or performing any institutional function, any person to participate in DEI training, which includes a training, program, or activity designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation.

The UTHealth Science Center at Houston (UTHealth Houston) Auditing and Advisory Services department performed an audit to assess UTHealth Houston’s compliance with TEC §51.3525.

**Objective:** The primary objective of this engagement was to provide the president and executive leadership reasonable assurance as to whether UTHealth Houston has complied with the requirements of TEC §51.3525. This included determining whether UTHealth Houston has:

- Closed the DEI office or made appropriate changes to offices, divisions, or other units that were previously responsible for DEI initiatives.
- Complied with the restriction on hiring or assigning employees to perform DEI duties.
- Updated faculty and staff hiring and employment practices to remove requirements for DEI statements and to not provide preferential treatment based on race, sex, color, ethnicity, or national origin to an applicant for employment, an employee, or a participant in any function of the institution.
- Complied with the prohibition on requiring participation in DEI training as a condition of enrolling at the institution or performing any institutional function.
- Discontinued programs and activities which promote differential treatment of, or provide special benefits to, individuals based on race, color, or ethnicity.
- Developed or updated disciplinary policies and procedures, if necessary, to comply with TEC §51.3525.

**Conclusion on Compliance with TEC §51.3525:** Based on the procedures we performed, we believe that UTHealth Houston has achieved compliance with TEC §51.3525:

TEC §51.3525 Requirements	Based on Audit Procedures and Management Actions
“Does not, except as required by federal law: (A) establish or maintain a diversity, equity, and inclusion office[.]”	Complies
“Does not, except as required by federal law:... (B) hire or assign an employee of the institution or contract with a third party to perform the duties of a diversity, equity, and inclusion office[.]”	Complies
“Does not, except as required by federal law:... (C) compel, require, induce, or solicit any person to provide a diversity, equity, and inclusion statement or give preferential consideration to any person based on the provision of a diversity, equity, and inclusion statement [.]”	Complies
“Does not, except as required by federal law:... (D) give preference on the basis of race, sex, color, ethnicity, or national origin to an applicant for employment, an employee, or a participant in any function of the institution[.]”	Complies
“Does not, except as required by federal law:... (E) require as a condition of enrolling at the institution or performing any institution function any person to participate in diversity, equity, and inclusion training, which: (i) includes a training, program, or activity designed or implemented in reference to race, color, ethnicity, gender identity, or sexual orientation; and (ii) does not include a training, program, or activity developed by an attorney and approved in writing by the institution's general counsel and the Texas Higher Education Coordinating Board for the sole purpose of ensuring compliance with any applicable court order or state or federal law[.]”	Complies
“(2) adopts policies and procedures for appropriately disciplining, including by termination, an employee or contractor of the institution who engages in conduct in violation of Subdivision (1).”	Complies

In fall 2023, UT System implemented UTS 197 *Compliance with State Law Regarding Diversity, Equity, and Inclusion in Institutions of Higher Education* (UTS 197) to help achieve and enable ongoing compliance with TEC§51.3525. UTS 197 includes activities which are considered important but are not specifically required by statute. The secondary objective of this audit was to provide reasonable assurance that UTHealth Houston has complied with the requirements of UTS 197.

Based on the procedures we performed, we believe that UTHealth Houston has achieved compliance with the key requirements of UTS 197. However, while not specifically required by statute, we identified an opportunity as described below, to help ensure ongoing compliance with TEC§51.3525:

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Observations and Recommendations (by Rating)	Management Action Plans
<p>Medium: Management is in the final phase of developing a Senate Bill 17 Compliance subcommittee and compliance plan to provide reasonable assurance over ongoing compliance with UTS 197 and TEC §51.3525.</p> <p>Approve and implement a Risk Mitigation Plan to Ensure Ongoing Compliance with TEC §51.3525.</p>	<p>Management has drafted a Risk Mitigation Plan and will adopt, following discussion with the Executive Compliance Committee in October 2024.</p>

We will follow up on this action plan to determine the implementation status. Follow-up will help ensure that timely action is taken to address the observation in this report.



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