



An Audit Report on

The Distribution of the National Research University Fund

- The University of Texas at San Antonio (University) did not expend at least \$45 million in restricted research funds in fiscal year 2020.
- The University met the other eligibility requirements necessary.
- The University had effective general controls over key information technology systems.
- The Higher Education Coordinating Board had processes related to the National Research University Fund eligibility requirements.

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

Although the University of Texas at San Antonio (University) had processes for reporting restricted research awards and expenditures to the Higher Education Coordinating Board (Coordinating Board), those processes had weaknesses. As a result, the University reported expenditures to the Coordinating Board for fiscal years 2020 and 2021 that did not meet the requirements established for the National Research University Fund. The University met other criteria to be eligible for the National Research University Fund.

The Coordinating Board had processes for collecting and analyzing information that the University reported related to the National Research University Fund's eligibility requirements. The Coordinating Board's certification report was accurate and supported, based on the self-reported information the University provided.

- [Background](#) | p.4
- [Audit Objective](#) | p.13

This audit was conducted in accordance with Texas Education Code, Section 62.146.

HIGH

RESTRICTED RESEARCH EXPENDITURES

The University did not meet the eligibility requirements to receive a distribution from the National Research University Fund because it did not expend at least \$45 million in restricted research funds in fiscal year 2020. The University did expend at least \$45 million in restricted research funds in fiscal year 2021.

[Chapter 1-A | p. 6](#)

LOW

OTHER ELIGIBILITY CRITERIA

The University met four of the six other criteria to be eligible for the National Research University Fund for fiscal years 2020 and 2021.

[Chapter 1-B | p. 9](#)

For more information about this audit, contact Audit Manager Michael Simon or State Auditor Lisa Collier at 512-936-9500.

October 2022 | Report No. 23-003

LOW**INFORMATION TECHNOLOGY
CONTROLS**

The University had effective general controls over key information technology systems to help ensure the completeness, integrity, and availability of expenditure and student data.

[Chapter 1-C | p. 11](#)

LOW**THE HIGHER EDUCATION
COORDINATING BOARD'S PROCESSES**

The Coordinating Board fully implemented a prior recommendation addressed to it and used the most recently available data when it performed its annual analysis for its certification report.

[Chapter 2 | p. 12](#)

Summary of Management Response

Auditors made a recommendation to address the issues identified during this audit, provided at the end of Chapter 1-A. The University agreed with the recommendation.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

PRIORITY: Issues identified present risks or effects that if not addressed could *critically affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could *substantially affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could *moderately affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks *or* effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more information on the methodology for issue ratings, see the [Report Ratings](#) section in Appendix 1.

Background Information

National Research University Fund

The Texas Constitution, Article 7, Section 20, established the National Research University Fund to provide eligible higher education institutions with funds to support increased research capacity.

The Higher Education Coordinating Board (Coordinating Board) establishes the criteria for eligibility to receive those funds. Each fiscal year, the Coordinating Board is required to certify to the Legislature and the Office of the Comptroller of Public Accounts that it has verified information regarding higher education institutions' eligibility to receive National Research University Fund appropriations.

Texas Education Code, Section 62.146(c), specifies that both the information higher education institutions report to the Coordinating Board and the Coordinating Board's certifications are subject to a mandatory audit by the State Auditor's Office.

To be eligible to receive funds from the National Research University Fund, higher education institutions must meet certain eligibility requirements.

The eligibility requirements for receiving an appropriation from the National Research University Fund include:

- Designation as an emerging research university;
- Expending at least \$45 million in restricted research funds in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made; and
- Satisfying at least four of the following six criteria:
 - Having endowment funds of at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made.

- Awarding at least 200 doctor of philosophy degrees in each of the two academic years preceding the state fiscal year for which the appropriation is made.
- Having an entering freshman class of high academic achievement in each of the two academic years preceding the state fiscal year for which the appropriation is made.
- Being a member of a nationally recognized research or scholarly institution (such as the Association of Research Libraries or applicable honor societies).
- Having high quality faculty, as defined by the Coordinating Board, in the preceding two academic years.
- Demonstrating a commitment to high-quality graduate education, as defined by the Coordinating Board, in the preceding two academic years.

See [Appendix 2](#) for more information about the requirements.



HIGH

Chapter 1-A Restricted Research Expenditures

The University of Texas at San Antonio (University) did not meet the eligibility requirements to receive a distribution from the National Research University Fund because it did not expend at least \$45 million in restricted research funds in fiscal year 2020 (see Figure 1 on the next page for more information). The University did expend at least \$45 million in restricted research funds in fiscal year 2021.

The University reported expenditures to the Coordinating Board for fiscal years 2020 and 2021 that did not meet the requirements established for the National Research University Fund.

For fiscal year 2020, the University reported \$56,726,857 in expenditures for restricted research. Auditors identified \$13,375,794 in expenditures that are unallowable according to the Coordinating Board's *Standards and Accounting Methods for Reporting Restricted Research Expenditures*. For fiscal year 2021, the University reported \$58,550,310 in expenditures for restricted research. Auditors identified \$10,005,307 in expenditures that are unallowable according to the Coordinating Board's criteria. Those included:

- Non-expenditure transactions totaling \$10,811,054 for fiscal year 2020 and \$7,877,221 for fiscal year 2021. The University incorrectly recorded the transactions as expenditures.
- Unallowable expenditures and expenditures related to awards that were not sent to the Coordinating Board's Transparency Committee for review totaling \$2,090,042 for fiscal year 2020 and \$2,128,086 for fiscal year 2021. The unallowable expenditures included transactions that were not recorded in the correct fiscal year, did not have supporting documentation, and/or were unallowable according to the Coordinating Board's criteria.

- Expenditures totaling \$474,698 for fiscal year 2020 that were passed through to another higher education institution. According to the Coordinating Board’s criteria, the University cannot report those pass through funds as restricted research expenditures because they went to an entity that was eligible for the Texas Comprehensive Research Fund or the Core Research Support Fund.

Figure 1

Summary of The University of Texas at San Antonio’s Compliance with Expenditure Criteria for the National Research University Fund

Fiscal Year	Reported Amount	Unallowable Expenditures	Updated Amount
Fiscal Year 2020	\$56,726,857	\$13,375,794	\$43,351,063
Fiscal Year 2021	\$58,550,310	\$10,005,307	\$48,545,003

Sources: The Coordinating Board’s *National Research University Fund Eligibility Report* for September 1, 2020, through August 31, 2021, and the University’s expenditure data from its financial system (UTShare/PeopleSoft).

Recommendation

The University should strengthen its processes to ensure that only allowable expenditures are reported as restricted research funds to the Coordinating Board.

Management’s Response

The University agrees with the SAO recommendation to strengthen its processes over restricted research fund reporting. The University has implemented processes to ensure that expenditures from other financial reporting are vetted through distinct review processes for the specific NRUF and SAMs criteria. New or changed processes have been implemented to improve the reporting of restricted research awards to the THECB Transparency Committee and to eliminate expenditures that do not meet NRUF and SAMs criteria. The University also implemented processes to avoid reporting pass through funds as restricted research

expenditure when they are passed to an entity that is eligible for the Texas Comprehensive Research Fund (TCRF) or the Core Research Support Fund (CRSF).

Responsible Party: The Office of the Vice President for Research and Economic Development

LOW

Chapter 1-B Other Eligibility Criteria

The University met four of the six other criteria to be eligible for the National Research University Fund for fiscal years 2020 and 2021.

The University reported to the Coordinating Board in fiscal year 2022 that it had met the other eligibility requirements necessary. (See [Appendix 2](#) for more information about the requirements.) Auditors tested and verified the University’s compliance with the other statutory and Coordinating Board requirements that were in effect during fiscal years 2020 and 2021. Figure 2 summarizes the University’s compliance with the other eligibility criteria for the National Research University Fund.

Figure 2

Summary of The University of Texas at San Antonio’s Compliance With Other Eligibility Criteria for the National Research University Fund

Other Eligibility Criteria	Fiscal/ Academic Year 2020	Fiscal/ Academic Year 2021	Met Eligibility Requirements?	Requirement Description
Freshman Class of High Academic Achievement	58 percent	55 percent	Yes	At least 50 percent of the higher education institution’s first-time entering freshman class students must be in the top 25 percent of their high school class.
Memberships	Phi Kappa Phi	Phi Kappa Phi	Yes	A university must be designated as a member of the Association of Research Libraries, have a Phi Beta Kappa Chapter, or be a member of Phi Kappa Phi.
High-quality Faculty	5 National Academy Members	5 National Academy Members	Yes	There must be five or more recognitions of national or international distinction of tenured/tenure-track faculty through membership in one of the National Academies ^a , the American Academy of Arts and Sciences, or through receiving a Nobel Prize.

Summary of The University of Texas at San Antonio's Compliance With Other Eligibility Criteria for the National Research University Fund

Other Eligibility Criteria	Fiscal/ Academic Year 2020	Fiscal/ Academic Year 2021	Met Eligibility Requirements?	Requirement Description
High-quality Graduate Education	<ul style="list-style-type: none"> 93 Graduate-Level Programs 77 percent Master's Graduation Rate 59 percent Doctoral Graduation Rate 	<ul style="list-style-type: none"> 95 Graduate Level Programs 73 percent Master's Graduation Rate 63 percent Doctoral Graduation Rate 	Yes	<ul style="list-style-type: none"> The number of graduate-level programs at the institution must be equal to or greater than 50. The Master's Graduation Rate at the institution must be 56 percent or higher. The Doctoral Graduation Rate must be 58 percent or higher. <p>In addition, the higher education institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities.</p>
Endowment Funds of at Least \$400 Million	Not Applicable	Not Applicable	Not Applicable	The University did not choose to apply for meeting this requirement.
Awarded at Least 200 Doctor of Philosophy Degrees	Not Applicable	Not Applicable	Not Applicable	The University did not choose to apply for meeting this requirement.

^a This includes the National Academy of Sciences, National Academy of Engineering, and National Academy of Medicine.

Sources: Title 19, Texas Administrative Code, Sections 15.43(b)(3)(C)(i), 15.43(b)(3)(D), 15.43(b)(3)(E)(i), and 15.43(b)(3)(F); expenditure data from the University for fiscal years 2020 and 2021; and student information data from the University for academic years 2020 and 2021.

LOW

Chapter I-C Information Technology Controls

The University had effective general controls over key information technology systems to help ensure the completeness, integrity, and availability of expenditure and student data.

For the two key information technology systems reviewed (see text box), the University:

- Implemented and maintained information security policies, standards, and procedures that met or exceeded regulatory and legal requirements.
- Appropriately limited access to current employees whose job duties require the access.
- Implemented adequate controls to manage changes made to the systems.

Key Systems

The University uses the following systems to track expenditure and student information:

- Banner, which is the University's student information system.
- UTShare/PeopleSoft, which is the University's accounting system.

Source: The University.

LOW

Chapter 2

The Higher Education Coordinating Board's Processes

The Coordinating Board had processes for collecting and analyzing information that the University reported related to the National Research University Fund eligibility requirements.

The Higher Education Coordinating Board's (Coordinating Board) certification report to the Texas Legislature and the Office of the Comptroller of Public Accounts was accurate and supported based on the self-reported information the University provided. Specifically, the Coordinating Boarding used the most recently available data that the University submitted when it performed its annual analysis for its certification report (see text box for more information about the certification report requirement).

Because it ensured that it used the most recently available data, the Coordinating Board fully implemented the recommendation addressed to it in *An Audit Report on the Distribution of the National Research University Fund* (State Auditor's Office Report No. 22-007, November 2021).

Certification Report Requirements

Texas Education Code, Section 62.146, requires the Coordinating Board to perform an annual analysis and report to the Office of the Comptroller of Public Accounts and the Legislature on the higher education institutions that meet or will meet the minimum requirements to become eligible to receive distributions from the National Research University Fund. That report is based on verified information the higher education institution submitted to the Coordinating Board.



Appendix 1

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine whether the institution of higher education, as identified by the Higher Education Coordinating Board (Coordinating Board), is eligible to receive distributions from the National Research University Fund, based on criteria established in the Texas Education Code and any other applicable requirements.

Scope

The scope of this audit covered The University of Texas at San Antonio's (University's) National Research University Fund eligibility, as well as the Coordinating Board's processes, from September 1, 2019, to August 31, 2021. The scope also included a review of significant internal control components related to the University's restricted funds awarded and expenditure of those funds.

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



- Lilia Christine Srubar, CPA (Project Manager)
 - Kirstin Adamcik, MBA, CFE (Assistant Project Manager)
 - Charlotte Carr, M.Ed.
 - Derek Lopez, MBA
 - Jenna Perez, MAcy
 - Quang Tran, CFE
 - Minh Trang
 - Kiara White, CFE
 - Grace L. Wicke, CPA
 - Dana Musgrave, MBA, CFE (Quality Control Reviewer)
 - Michael Anthony Simon, MBA, CGAP (Audit Manager)
-

Methodology

We conducted this performance audit from June 2022 through August 2022 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to University management for consideration.

Addressing the Audit Objectives

During the audit, we performed the following:

- Determined whether the Coordinating Board’s *National Research University Fund Eligibility Report* for September 1, 2020, through August 31, 2021, was complete, accurate, and compiled using the most recent self-reported data from the University by:
 - Interviewing the Coordinating Board’s management and staff about its process for compiling and preparing the report.
 - Reviewing the queries the Coordinating Board used to pull the self-reported data.
 - Comparing that data to the information in the report.
- Determined whether the University reported restricted research expenditures in compliance with the Coordinating Board’s *Standards and Accounting Methods for Reporting Restricted Research Expenditures* by:
 - Testing the nonstatistical payroll and non-payroll samples described in Figure 3 on the next page to determine whether they were supported, allowable, and within the correct time period.

- Identifying all awards related to restricted research expenditures in fiscal years 2020 and 2021 and compared them to the Coordinating Board's list of restrict research awards for which universities can report expenditures to qualify for a distribution from the National Research University Fund.
- Determined whether the University met the four optional criteria by testing the nonstatistical samples described in Figure 4 to determine whether they met the eligibility requirements.
- Determined the University's compliance with information technology-related requirements, including change management, as required by the Department of Information Resources' *Security Controls Standards Catalog 2.0* and the University's policies and procedures, by:
 - Testing selected general controls over the University's accounting system (UTShare/PeopleSoft) and student information system (Banner).
 - Testing the nonstatistical samples described in Figure 5.

Sampling

Figure 3 on the next page identifies the sampling methodologies used for testing restricted research expenditures. Auditors selected a nonstatistical sample of restricted research expenditures, primarily through random selection, designed to be representative of the population. In those cases, test results may be projected to the population, but the accuracy of the projection cannot be measured. For non-payroll transactions, auditors selected additional restricted research expenditures based on risk. Those sample items generally were not representative of the population; therefore, it would not be appropriate to project those test results to the population.

Figure 3

Total Populations and Samples Selected for Restricted Research Expenditures

Description	Population		Sample Size		Sampling Methodology ^a	Representative Determination
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021		
Payroll Expenditures	65,224	67,933	25	25	Directed random selection	Representative
Non-Payroll Expenditures	14,669	13,779	81	70	Directed random selection	Representative
Non-Payroll Expenditures	14,669	13,779	21	10	Risk-Based	Not Representative

^a **Directed Random sample** was chosen to ensure that the sample included a cross section of expenditure types. **Risk-based sample** was chosen to address specific risk factors identified in the population; the selected items had a high potential for error.

Figure 4 and Figure 5 identify the sampling methodologies used to test compliance with other eligibility requirements and information technology controls. The figures include the determination of whether the samples were representative. If a sample was representative, it would be appropriate to project those test results to the population, but the accuracy of the projection could not be measured. If a sample was not representative, it would not be appropriate to project those test results to the populations.

Figure 4

Total Populations and Samples Selected for Other Criteria

Description	Population		Sample Size		Sampling Methodology ^a	Representative Determination
	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2021		
Graduated Students - Master's	650	692	25	25	Random selection	Representative
Graduated Students - Doctoral	104	100	11	10	Random selection	Representative
Top 25 Percent Freshman Class	2,625	2,909	25	25	Random selection	Representative

^a **Random sample** was chosen to ensure that the sample included a cross section of expenditure types.

Figure 5

Total Populations and Samples Selected for Information Technology Systems

Description	Population	Sample Size	Sampling Methodology ^a	Representative Determination
UTShare/PeopleSoft Changes	166	17	Random selection	Representative
Banner Changes	203	20	Random selection	Representative
Banner Database Users	5,462	35	Risk Based	Not-Representative
Banner Application Users	104	34	Risk Based	Not-Representative

^a **Risk-based sample** was chosen to address specific risk factors identified in the population; the selected items had a high potential for error.

Data Reliability and Completeness

Auditors determined the reliability of data by (1) interviewing University management about the data and (2) reviewing data for validity and completeness. Auditors determined that the following data sets were sufficiently reliable for the purposes of the audit:

- Expenditure data for fiscal years 2020 and 2021.
- Student information, including enrollment date, graduation date, and high school class ranking.
- The University's change management logs and list of users and access rights for UTShare/PeopleSoft and Banner systems.

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

Appendix 2

National Research University Fund Eligibility Requirements

The Texas Education Code, Section 62.146, requires the Higher Education Coordinating Board (Coordinating Board) to certify verified information related to criteria used in determining higher education institutions' eligibility to receive funds from the National Research University Fund (Fund). In addition, both the information that higher education institutions submit to the Coordinating Board to establish Fund eligibility and the Coordinating Board's certification or verification of that information are subject to a mandatory audit by the State Auditor in accordance with Texas Government Code, Chapter 321.

The following excerpts from Title 19, Texas Administrative Code, Section 15.43, outline the eligibility criteria:

(a) The eligibility criteria for a general academic teaching institution to receive distributions from the Fund include: having an entering freshman class of high academic achievement; receiving recognition of research capabilities and scholarly attainment of the institution; having a high-quality faculty; and demonstrating commitment to high-quality graduate education.

(b) A general academic teaching institution is eligible to receive an initial distribution from the Fund appropriated for each state fiscal year if:

(1) the institution is designated as an emerging research university under the coordinating board's accountability system;

(2) in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made, the institution expended at least \$45 million in restricted research funds; and

(3) the institution satisfies at least four of the following six criteria:

(A) the value of the institution's endowment funds is at least \$400 million in each of the two state fiscal years preceding the state fiscal year for which the appropriation is made;

(B) the institution awarded at least 200 doctor of philosophy degrees during each of the two academic years preceding the state fiscal year for which the appropriation is made;

(C) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the entering freshman class of the institution demonstrated high academic achievement as reflected in the following criteria:

(i) At least 50 percent of the first-time entering freshman class students at the institution are in the top 25 percent of their high school class; or

(ii) The average SAT score of first-time entering freshman class students at or above the 75th percentile of SAT scores was equal to or greater than 1210 prior to fall 2017, consisting of the Critical Reading (CR) and Mathematics (M) Components, or equal to or greater than 1280 starting with fall 2017, consisting of the Evidence-Based Reading and Writing (ERW) and Mathematics (M) Components, or the average ACT score of first-time entering freshman class students at or above the 75th percentile of ACT scores was equal to or greater than 26; and

(iii) The composition of the institution's first-time entering freshman class demonstrates progress toward reflecting the population of the state or the institution's region with respect to underrepresented students and shows a commitment to improving the academic performance of underrepresented students. One way in which this could be accomplished is by active participation in one of the Federal TRIO Programs, such as having one or more McNair Scholars in a particular cohort.

(D) the institution is designated as a member of the Association of Research Libraries, has a Phi Beta Kappa chapter, or is a member of Phi Kappa Phi;

(E) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the faculty of the institution was of high quality as reflected in the following:

(i) There must be five or more recognitions of national or international distinction of tenured/tenure-track faculty through membership in one of the National Academies (including National Academy of Sciences, National Academy of Engineering, and

National Academy of Medicine), the American Academy of Arts and Sciences, or through receiving a Nobel Prize; or

(ii) The annual number of awards of national and international distinction received by tenured/tenure-track faculty during a given academic year in any of the following categories is equal to or greater than 7 for each year.

- (I) American Academy of Nursing Fellows
- (II) American Council of Learned Societies Fellows
- (III) American Law Institute Members
- (IV) Beckman Young Investigators
- (V) Burroughs Wellcome Fund Career Award Winners
- (VI) Cottrell Scholars
- (VII) Getty Scholars in Residence
- (VIII) Guggenheim Fellows
- (IX) Howard Hughes Medical Institute Investigators
- (X) Lasker Medical Research Award Winners
- (XI) MacArthur Foundation Fellows
- (XII) Andrew W. Mellon Foundation Distinguished Achievement Award Winners
- (XIII) National Endowment for the Humanities Fellows
- (XIV) National Humanities Center Fellows
- (XV) National Institutes of Health MERIT (R37) Winners
- (XVI) National Medal of Science Winners
- (XVII) National Medal of Technology and Innovation Winners
- (XVIII) National Science Foundation CAREER Award Winners (excluding those who are also PECASE winners)
- (XIX) Newberry Library Long-term Fellows
- (XX) Pew Scholars in Biomedicine
- (XXI) Pulitzer Prize Winners
- (XXII) Presidential Early Career Awards for Scientists and Engineers (PECASE) Winners

(XXIII) Robert Wood Johnson Health Policy Fellows

(XXIV) Searle Scholars

(XXV) Sloan Research Fellows

(XXVI) Fellows of the Woodrow Wilson Center

(iii) In lieu of meeting either clause (i) or (ii) of this subparagraph, an institution may request that a comprehensive review of the faculty in five of the institution's Doctoral degree programs be conducted by external consultants selected by Coordinating Board staff in consultation with the institution and said review must demonstrate that the faculty are comparable to and competitive with faculty in similar programs at public institutions in the Association of American Universities. Costs for the review shall be borne by the institution. This review is only available if the institution has already met or, as determined by Coordinating Board staff, is on track to meet three of the other eligibility criteria listed in subparagraphs (A) - (D) of this paragraph;

(F) in each of the two academic years preceding the state fiscal year for which the appropriation is made, the institution has demonstrated a commitment to high-quality graduate education as reflected in the following:

(i) The number of Graduate-level programs at the institution is equal to or greater than 50;

(ii) The Master's Graduation Rate at the institution is 56 percent or higher and the Doctoral Graduation Rate is 58 percent or higher; and

(iii) The institution must demonstrate that the overall commitment to five Doctoral degree programs, including the financial support for Doctoral degree students, is competitive with that of comparable high-quality programs at public institutions in the Association of American Universities. The five Doctoral degree programs selected for this review must be those selected in subparagraph (E)(iii) of this paragraph or, if subparagraph (E)(iii) of this paragraph is not chosen by the institution, then any five Doctoral degree programs at the institution. Costs for the review shall be borne by the institution.

Appendix 3

Eligibility Determination Letter



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

August 31, 2022

Dr. T. Taylor Eighmy, President
The University of Texas at San Antonio
One UTSA Circle
San Antonio, TX 78249-0601

Subject: The University of Texas at San Antonio’s Eligibility for the National Research University Fund

Dear Dr. Eighmy:


The State Auditor’s Office has reviewed the report that the Higher Education Coordinating Board (Coordinating Board) submitted in May 2022 indicating that The University of Texas at San Antonio (University) had met the eligibility requirements for distribution of funds from the National Research University Fund. In accordance with Texas Education Code, Section 62.146(c), the State Auditor’s Office conducted the required audit of information that the University submitted to the Coordinating Board for the purposes of establishing eligibility.

The State Auditor’s Office determined that the University did not meet all of the criteria established in the Texas Education Code and by the Coordinating Board for expenditures for restricted research. Specifically, for fiscal year 2020, the University did not meet the requirement that it expend at least \$45 million in restricted research funds. Therefore, the State Auditor’s Office concluded that the University is not eligible to receive funds from the National Research University Fund at this time. The determination that the University did not meet the eligibility requirements applies to those requirements as they existed during fiscal years 2020 and 2021.

If you have any questions, please contact Michael Simon, Audit Manager, or me at (512) 936-9500.

Sincerely,

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

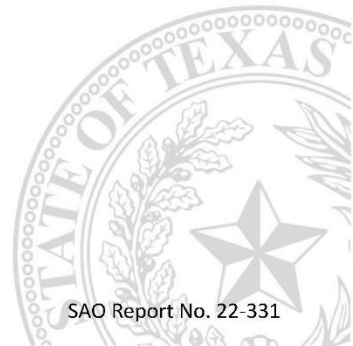
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SAO Report No. 22-331

Dr. T. Taylor Eighmy, President
The University of Texas at San Antonio
August 31, 2022
Page 2

cc: Members of The University of Texas System Board of Regents
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Ms. Janiece Longoria, Vice Chairman
Mr. James C. "Rad" Weaver, Vice Chairman
Ms. Christina Melton Crain
Mr. R. Steven Hicks
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Dr. Bernard Arulanandam, Vice President for Research, Economic Development, and
Knowledge Enterprise, The University of Texas at San Antonio
Mr. Jay Rossello, Chief Legal Officer, The University of Texas at San Antonio
Mr. Paul A. Tyler, Chief Audit Executive, The University of Texas San Antonio

Appendix 4

Related State Auditor's Office Reports

Figure 6

Report Number	Report Name	Release Date
22-007	<i>An Audit Report on the Distribution of the National Research University Fund</i> (For The University of Texas at Arlington)	November 2021
18-036	<i>An Audit Report on the Distribution of the National Research University Fund</i> (For The University of Texas at Dallas)	July 2018



Copies of this report have been distributed to the following:

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The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

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Members of the University of Texas System Board of Regents

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