

AUDIT PROPOSAL

Reviewing Diversity, Equity, and Inclusion Spending and Foreign Income at State Universities

SOURCE

This audit proposal was requested by Representative Steven Howe.

BACKGROUND

Kansas has six state universities that are located across the state: Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, University of Kansas, and Wichita State University.

Those universities promote diversity, equity, and inclusion (DEI) through things like multicultural programs, student life initiatives, recruitment and retention programs, and scholarship programs. Universities can create offices or departments that focus on these issues, or they may hire an individual diversity officer. The structure of universities' diversity efforts, the number of staff involved, and the amount of state funding they spend varies by school. For example, in FY 2022 universities reported employing anywhere from 15 to 135 FTE for DEI-related programs.

State universities also may receive financial contributions from individuals, companies, or governments from foreign countries. This could include private donations from international alumni, monetary gifts, contracts, or sponsorships from foreign companies for research projects, or tuition assistance for international students. Federal law requires universities to report any contracts and contributions from a foreign source valued at \$250,000 or more in a year.

In recent years, both topics—DEI spending and contributions from foreign countries—have received attention from the Kansas Legislature. Those discussions have raised questions about the size and scope of such spending and financial contributions. Specifically, legislators have expressed interest in understanding how much state funding universities spend on DEI offices and staff as well as the amount of contributions they receive from foreign entities.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How much state funding did each state university report spending on diversity related departments and staffing in the most recent year? Our tentative methodology would include the following:

- Work with the Kansas Board of Regents (KBOR) and staff from the six state universities to understand what DEI looks like at each university and to develop a

consistent definition of DEI spending across schools.

- Collect data from university staff to determine how many departments they've operated and staff they've employed for DEI-related purposes in the last year. This would include information about the main purpose of each department and staff person, when they were established or hired, and the amount of state funding the university spent on those departments and staff.
- Also collect data from university staff to determine how much state funding the university spent to provide DEI-related training to university staff in the most recent year. If possible, this would include information about the main topic of the training sessions and whether the training was voluntary or mandatory.

Objective 2: How much in financial contributions and contracts from foreign countries did each state university report receiving in the most recent year? Our tentative methodology would include the following:

- Work with the Kansas Board of Regents (KBOR) and staff from the six state universities to understand why and how universities receive financial contributions from foreign countries.
- Collect data from university staff and analyze foreign income data that universities report to the federal government to determine the amount of financial contributions each university received from individuals, companies, governments, or other entities from foreign countries in the last year. This would include the countries the contributions came from.
- Interview university staff to understand the purpose of any contributions the universities received and what the contributions were used for.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).