LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 560** HLS 11RS 723
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 3, 2011 6:41 PM
Author: CARMODY
Dept./Agy.: Legislative Auditor
Subject:
Analyst: Evelyn McWilliams

LEGISLATIVE AUDITOR OR +$225,625 SG EX See Note

Provides relative to the duties of the Legislative Auditor relative to conducting performance audits of postsecondary education institutions

Authorizes the legislative auditor to conduct periodic performance audits of post-secondary institutions. Requires the audit to include an examination of indicators of student success such as retention rates, the time it takes to obtain a degree, the fraction of undergraduate body graduating, etc. Requires the legislative auditor to audit each institution's data submitted or to be submitted to the Board of Regents as indicators of progress towards meeting its targets for its performance objectives. Requires the institution being audited to pay the actual costs related to the audit.

EXPENDITURES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$225,625	$225,625	$225,625	$225,625	$225,625	**$1,128,125**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$225,625**	**$225,625**	**$225,625**	**$225,625**	**$225,625**	**$1,128,125**

REVENUES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

Implementation of this legislation is anticipated to cost $225,625 annually. The cost estimate assumes the legislative auditor will do 2 performance audits per year and 5 data reliability audits per year. The bill does not specify how many audits are to be conducted each year. Reviewing LA Grad Act data for reliability is estimated to require an average of 75 hours per institution and cost $7,125 per institution per year ($7,125 x 5 data reliability audits = $35,625). Conducting a performance audit is estimated to require an average of 1,000 hours per institution and cost $95,000 per institution per year. The billing rate is calculated at $95 per hour ($95,000 x 2 performance audits = $190,000).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules House

☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}
☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}
☐ 6.8(F)2 >= $100,000 Annual SGF Cost {H&S}
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director