LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 367

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

Date: July 27, 2011 7:58 AM
Author: CARMODY
Dept./Agy.: Legislative Auditor
Subject: Audits of Postsecondary Educational Institutions
Analyst: Evelyn McWilliams

LEGISLATIVE AUDITOR EN +$256,500 SG EX See Note

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

Requires the legislative auditor in cooperation and coordination with the Board of Regents, to annually audit data submitted or to be submitted by institutions to the Board of Regents as indicators of meeting performance objective targets established by or pursuant to present law to ensure the data is reliable. Requires the auditor to complete all such audits and to report findings to the Board of Regents and to the legislature prior to the board's annual vote on whether an institution will be able to exercise tuition authority and operational autonomies pursuant to present law. Provides that no institution shall be charged more than $10,000 for such audits in any single fiscal year, unless authorized by the Legislative Advisory Council.

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.	$256,500	$256,500	$256,500	$256,500	$256,500	**$1,282,500**
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	**$256,500**	**$256,500**	**$256,500**	**$256,500**	**$256,500**	**$1,282,500**

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.	$256,500	$256,500	$256,500	$256,500	$256,500	**$1,282,500**
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	**$256,500**	**$256,500**	**$256,500**	**$256,500**	**$256,500**	**$1,282,500**

EXPENDITURE EXPLANATION

Implementation of this legislation is anticipated to cost $256,500 annually. The cost estimate assumes the legislative auditor will spend approximately 75 hours per audit to audit data submitted to the Board of Regents by at least 36 higher education institutions annually. At the current billing rate of $95 per hour, this would cost $7,125 per institution or $256,500 annually. The legislation states that the legislative auditor shall charge the actual costs of the audits and no institution shall be charged more than $10,000 for such audits in any single fiscal year.

REVENUE EXPLANATION

The proposed legislation is anticipated to increase revenues to the Legislative Auditor in the amount of $256,500 annually.

Senate Dual Referral Rules House

[x] 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