Carmody (HB 560) **Act No. 367**

Existing law authorizes public postsecondary education institutions, including professional schools, to enter into performance agreements with the Board of Regents in order to be granted limited operational autonomy and flexibility in exchange for committing to meet established targets for performance objectives as applicable to the institution.

Prior law required, subject to the appropriation of funds for the purpose, the legislative auditor to conduct a performance audit of a postsecondary institution within six months of the institution entering into a performance agreement. Required the institution to provide certain information to the auditor to allow him to analyze "how well goals and objectives of postsecondary education [were] being met" and to perform an economy and efficiency study. New law repeals prior law.

New law requires the 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 existing law to ensure that the data is reliable. Requires the auditor to complete all such audits and to report his 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 existing law.

New law requires each institution to provide to the auditor all of the information that the auditor requests to conduct audits pursuant to new law. Provides that the auditor shall charge the actual costs of such audits to the institution being audited; however, provides that no institution shall be charged more than $10,000 for such audits in any single fiscal year unless a higher amount is authorized by the Legislative Audit Advisory Council. Provides that the council may authorize the auditor to charge an institution more than $10,000 if the additional actual costs are proven to be related to the scope of work described in new law.

New law specifies that it shall not be construed to limit the authority of the auditor under any other provision of law. Provides that the auditor shall, to the extent that he determines feasible and in the best interests of the state, take steps to minimize disruption of normal operations at the institutions, such as conducting such audits in conjunction with the institution's financial audit.

Effective upon signature of governor (June 29, 2011).

(Amends R.S. 17:3139(E))