



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 341** SLS 18RS 447

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 11, 2018	12:48 PM	Author: DONAHUE
Dept./Agy.: Statewide		
Subject: Performance audits for stat deds including fee for service		Analyst: Alan M. Boxberger

FUNDS/FUNDING

OR +\$16,000 GF EX See Note

Page 1 of 1

Provides for performance audits for statutory dedications that include a fee for service. (gov sig)

Present law provides for the duties of the legislative auditor and provides that he shall conduct performance audits to evaluate the effectiveness and operation of programs and activities.

Proposed law requires the legislative auditor to conduct a performance audit on each statutory dedication that includes a fee for service at least once every four years to determine if the fees are adequate to cover the costs associated with the service.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$80,000
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	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$80,000

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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

Proposed law will result in an increase in expenditures of approximately \$16,060 annually by the legislative auditor relative to conducting performance audits on each statutory dedication that includes a fee for service at least once in every four year period. There are currently 391 active statutory dedications, and approximately 73 of that number include a fee for service.

The legislative auditor estimates that each performance audit would require a minimum of 8 hours. Assuming that the 73 statutory dedications including a fee were audited once in every four-year period, the legislative auditor would realize a minimal increased workload of approximately 146 hours at a cost of \$16,060 annually (73 statutory dedications ÷ 4 years = 18.25 annual audits, 18.25 annual audits X 8 hours X \$110 hourly rate = \$16,060).

The LFO assumes the legislative auditor’s costs of performing the audits will be reimbursed by the corresponding agencies administering the statutory dedications where applicable, which will result in a nominal increase of \$880 per statutory dedication on a rotating four-year basis. For simplicity, this fiscal note reports an increase in SGF expenditures, but agencies may utilize all means of finance categories for eligible expenditures.

REVENUE EXPLANATION

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