

Regular Session, 2014

SENATE BILL NO. 460

BY SENATOR ADLEY

LEGISLATIVE AUDITOR. Provide that the legislative auditor has the authority to audit nonpublic schools that receive state monies through the voucher program. (8/1/14)

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AN ACT

To amend and reenact R.S. 17:4022(3) and R.S. 24:513(A)(1)(b)(iv), relative to the legislative auditor; to provide relative to public funds received by schools as tuition payments under the Student Scholarships for Educational Excellence Program; to provide authority to the legislative auditor; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:4022(3) is hereby amended and reenacted to read as follows:

§4022. Participating schools; requirements

* * *

(3) Submit to the department an independent financial audit of the school conducted by a certified public accountant who has been approved by the legislative auditor. Such audit shall be accompanied by the auditor's statement that the report is free of material misstatements and fairly presents the participating school's maximum tuition or actual cost of educating a student pursuant to R.S. 17:4016. The audit shall be limited in scope to those records necessary for the department to make scholarship payments to the participating school and shall be submitted to the legislative auditor for review and investigation of any irregularities or audit findings.

1 **The participating school shall account for all scholarship funds separately from**
 2 **other funds in a manner, prescribed by the legislative auditor, that allows**
 3 **thorough auditing of the receipt and expenditure of scholarship funds.** The
 4 participating school shall return to the state any funds that the legislative auditor
 5 determines were expended in a manner inconsistent with state law or program
 6 regulations. The cost of such audit shall be paid by the department from funds
 7 appropriated by the legislature to implement the provisions of this Chapter.

8 * * *

9 Section 2. R.S. 24:513(A)(1)(b)(iv) is hereby amended and reenacted to read as
10 follows:

11 §513. Powers and duties of legislative auditor; audit reports as public records;
 12 assistance and opinions of attorney general; frequency of audits;
 13 subpoena power

14 A.(1) * * *

15 (b) For the sole purpose of this Subsection, a quasi public agency or body is
16 defined as:

17 * * *

18 (iv) Any not-for-profit organization that receives or expends any local or state
 19 assistance in any fiscal year. Assistance shall include grants, loans, transfers of
 20 property, awards, ~~and~~ direct appropriations of state or local public funds, **and any**
 21 **scholarship program administered by the Louisiana Department of Education.**

22 Assistance shall not include guarantees, membership dues, vendor contracts for
 23 goods and services related to administrative support for a local or state assistance
 24 program, assistance to private or parochial schools, assistance to private colleges and
 25 universities, or benefits to individuals.

26 * * *

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Ashley Menou.

DIGEST

Adley (SB 460)

Present law provides that schools participating in the Student Scholarships for Educational Excellence Program must submit to the Department of Education an independent financial audit of the school.

Proposed law retains present law except to require that schools account for all scholarship funds separately from other funds in a manner prescribed by the legislative auditor that allows thorough auditing of the receipt and expenditure of scholarship funds.

Present law provides that any not-for-profit organization receiving state or local assistance is subject to audit by the legislative auditor.

Proposed law adds scholarship programs administered by the Department of Education to the types of assistance not-for-profit organizations receive that subject them to audit by the legislative auditor.

Effective August 1, 2014.

(Amends R.S. 17:4022(3) and R.S. 24:513(A)(1)(b)(iv))