

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4759-02
Bill No.: SB 766
Subject: Auditor, State; Education, Higher
Type: Original
Date: December 29, 2015

Bill Summary: This proposal requires the State Auditor to audit the University of Missouri system at least once annually.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$469,781)	(\$535,693)	(\$540,282)
Total Estimated Net Effect on General Revenue	(\$469,781)	(\$535,693)	(\$540,282)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	8 FTE	8 FTE	8 FTE
Total Estimated Net Effect on FTE	8 FTE	8 FTE	8 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Auditor's Office (SAO)** assume this proposal Section 29.200.8 of this bill requires the SAO to audit the University of Missouri system at least once annually. Currently, the State Auditor's Office has the ability to audit institutions of higher education as necessary to the extent deemed practicable and consistent with its overall responsibilities.

The University of Missouri system includes four campuses and many component units, including a medical center. This size and the amount of staff needed for previous State Auditor's Office audits of individual university campuses were considered when arriving at the fiscal impact. Additionally, a certified public accounting firm performs the University of Missouri System's annual audits for compliance with the federal Single Audit Act Amendments of 1996, Office of Management and Budget (OMB) Circular A-133. The university system also employs internal audit staff. This fiscal impact assumes that the State Auditor's Office would not duplicate work performed by these entities.

In summary, the SAO assumes this proposal would require 8 FTE at a cost of \$469,781 in FY '17, \$535,693 in FY '18, and \$540,282 in FY '19.

Officials from the **Department of Higher Education** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - SAO</u>			
Personal Service	(\$293,139)	(\$355,285)	(\$358,838)
Fringe Benefits	(\$134,018)	(\$177,800)	(\$178,771)
Expense and Equipment	(\$42,624)	(\$2,608)	(\$2,673)
<u>Total Cost - SAO</u>	<u>(\$469,781)</u>	<u>(\$535,693)</u>	<u>(\$540,282)</u>
FTE Change - SAO	8 FTE	8 FTE	8 FTE
ESTIMATED NET EFFECT TO THE GENERAL REVENUE	<u>(\$469,781)</u>	<u>(\$535,693)</u>	<u>(\$540,282)</u>
Estimated Net FTE change for General Revenue Fund	8 FTE	8 FTE	8 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

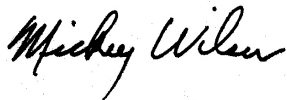
FISCAL DESCRIPTION

Currently, all or any part of the activities of public institutions of higher education may be audited on the initiative of the State Auditor as often as he or she deems necessary. This proposal requires the State Auditor to audit the University of Missouri system at least once annually.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
State Auditor's Office



Mickey Wilson, CPA
Director
December 29, 2015

Ross Strope
Assistant Director
December 29, 2015