



# MEMORANDUM

Legislative Division of Post Audit  
800 SW Jackson, Suite 1200  
Topeka, KS 66612-2212  
voice: 785.296.3792  
fax: 785.296.4482  
web: [www.kslpa.org](http://www.kslpa.org)

TO: Members, Senate Committee on Education  
FROM: Justin Stowe, Interim Legislative Post Auditor  
DATE: March 20, 2018  
SUBJECT: Response to Questions Concerning SB 424

At the March 15 hearing on SB 424, Senator Sykes asked what it would cost for LPA to perform the audits outlined in the bill instead of the Education Inspector General position created through SB 424. Although numerous factors would affect a final cost estimate, this memo provides a rough estimate of the potential cost.

In the fiscal note for SB 424, the State Treasurer's Office estimated it would need three positions (the Education Inspector General, a Public Service Administrator II position, and an Administrative Specialist) to perform audits pursuant to the provisions of SB 424. The Treasurer's office estimated it would need \$228,300 from the State General Fund to fund these positions. The State Treasurer's Office also noted that the number of audits that would be required under the bill is unknown and as a result, this staffing estimate may need further adjustments.

We assumed LPA would adopt a similar three-person staffing model devoted to these education audits. This newly formed team would either require additional funding, or a reduction in the number of performance audits we perform.

- **If additional staff were added for this function, LPA's costs would likely be similar to those estimated by the State Treasurer's Office in the fiscal note for SB 424.** Clearly, any estimate of how much it would cost to perform the audits described in SB 424 depends heavily on how many audits are needed and how staff would be structured. In general, the 3-person model proposed by the State Treasurer's seems reasonable. In our office, a comparable team would likely include an audit manager position and two auditors for an estimated cost of \$237,000 in state general fund money.
- **If additional staff were not added for this function, LPA would have to replace about one-third of the performance audits we currently perform each year.** Currently, we perform about 10 to 12 performance audits a year at the direction of the Legislative Post Audit Committee. If we dedicated a three-person team to conduct the types of education audits described in SB 424, it would likely result in a subsequent reduction of about 3 to 4 performance audits each year.

If committee members would like more information on this topic, they can contact Justin Stowe directly at (785) 296-7977.