

Amend SB 703 (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Chapter 12, Agriculture Code, is amended by adding Section 12.00251 to read as follows:

Sec. 12.00251. FOOD AND NUTRITION DIVISION EFFICIENCY AUDIT. (a) For purposes of this section, "efficiency audit" means an investigation of the operations of the department's food and nutrition division by the state auditor to examine fiscal management, efficiency, and outcomes for children and families served by the department's public school food and nutrition programs, including consistency and quality of communications with stakeholders and the utilization of federal resources.

(b) During the state fiscal year ending August 31, 2022, and every fourth year after that date, the state auditor shall conduct an efficiency audit.

(c) In a year in which an efficiency audit is completed as required by this section, the efficiency audit may satisfy, to the extent applicable, the department's annual internal audit requirements under Chapter 2102, Government Code.

(d) The department shall pay the costs associated with an efficiency audit required under this section using money appropriated for administrative and internal audit operations in the state fiscal year the audit is conducted.

(e) If the department fails to pay the costs associated with an efficiency audit as required by Subsection (d), the amount appropriated to the department by the legislature for the next state fiscal biennium may not exceed the department's baseline budget.

(f) Not later than March 1 of the state fiscal year in which an efficiency audit is required under this section, the state auditor and commissioner, in collaboration with the food and nutrition division of the department, shall assess and recommend improvements to the efficiency of services and communications with stakeholders associated and involved with the department's food and nutrition programs.

(g) The state auditor shall complete the efficiency audit

not later than the 90th day after the date the audit is initiated.

(h) The state auditor and commissioner, in collaboration with public schools and other food and nutrition program stakeholders, shall establish the scope of the efficiency audit and determine the areas of investigation for the audit, including:

(1) reviewing the department's resources to determine whether they are being used effectively and efficiently to achieve desired outcomes for rural and urban school districts;

(2) reviewing the quality, choice, and nutritional balance of food prepared and provided to children and the impact to rural and urban families served by the food and nutrition division of the department;

(3) identifying cost savings or reallocations of resources; and

(4) identifying opportunities for improving services through consolidation of essential functions, outsourcing, and elimination of duplicative efforts.

(i) Not later than November 1 of the calendar year an efficiency audit is conducted, the state auditor shall prepare and submit a report of the audit and recommendations for efficiency improvements to the governor, the Legislative Budget Board, the commissioner, and the chairs of the standing committees of the senate and house of representatives with primary jurisdiction over the department.