

BILL ANALYSIS

Senate Research Center

H.B. 2374
By: Sanford et al. (Kolkhorst)
Health & Human Services
5/10/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

It is likely that an audit examining fiscal management, efficiency, utilization of resources, and outcomes for the children and families served by the Department of Family and Protective Services (DFPS) will identify areas of improvement and promote innovation of services and processes. Such an audit would be critical as the state continues to work towards successful compliance with certain remedial actions. H.B. 2374 seeks to help ensure DFPS is achieving beneficial outcomes for those children and families in a cost-effective manner by providing for an efficiency audit during the 2022 state fiscal year and every fourth year thereafter.

H.B. 2374 amends current law relating to efficiency audits of the Department of Family and Protective Services.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 40, Human Resources Code, by adding Section 40.045, as follows:

Sec. 40.045. EFFICIENCY AUDIT. (a) Defines "efficiency audit."

(b) Requires the Department of Family and Protective Services (DFPS), during the state fiscal year ending August 31, 2022, and every fourth year after that date, to conduct an efficiency audit.

(c) Requires that the efficiency audit, in a year in which an efficiency audit is completed as required by this section, satisfy DFPS's annual internal audit requirements under Chapter 2102 (Internal Auditing), Government Code.

(d) Requires DFPS to 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) Requires the commissioner of DFPS (commissioner), in collaboration with the Family and Protective Services Council (council), DFPS's chief financial officer, and DFPS's internal audit director, not later than March 1 of the state fiscal year in which an efficiency audit is required under this section, to select an external auditor to conduct the efficiency audit..

(f) Requires the external auditor to be independent of DFPS's direction.

(g) Requires the external auditor to complete the audit not later than the 90th day after the date the auditor is selected.

(h) Requires the Legislative Budget Board (LBB) to establish the scope of the efficiency audit and determine the areas of investigation for the audit, including:

(1) reviewing DFPS's resources to determine whether they are being used effectively and efficiently to achieve desired outcomes for children and families served by DFPS, including the following outcomes:

(A) ensuring the safety of children in placements;

(B) preventing entry into foster care through the use of family preservation services;

(C) reducing the amount of time that a child is placed in substitute care and is in the conservatorship of DFPS;

(D) increasing the placement of children with relative or kinship caregivers when possible;

(E) ensuring sufficient state capacity for foster care and kinship placements;

(F) reducing the number of children who age out of care and enhancing supports for youth at risk of aging out of care; and

(G) increasing the reunification of children with the biological parents of the children when possible;

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

(3) identifying opportunities for DFPS to partner with other state agencies and community organizations to improve services through consolidation of essential functions, outsourcing, and elimination of duplicative efforts.

(i) Requires the auditor, not later than November 1 of the calendar year an efficiency audit is conducted, to prepare and submit a report of the audit and recommendations for efficiency improvements to the governor, the LBB, the state auditor, the commissioner, the council, and the chairs of the House Human Services Committee and the Senate Health and Human Services Committee.

SECTION 2. Effective date: September 1, 2021.