

BILL ANALYSIS

H.B. 2374
By: Sanford
Human Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2374 amends the Human Resources Code to require the Department of Family and Protective Services (DFPS) to conduct an efficiency audit during the 2022 state fiscal year and every fourth year thereafter examining fiscal management, efficiency, outcomes for the children and families it serves, and utilization of resources. The bill requires the DFPS commissioner, in collaboration with the Family and Protective Services Council, the DFPS CFO, and the DFPS internal audit director, to select an external auditor who is independent of DFPS direction to conduct the audit. The auditor must be selected not later than March 1 of the state fiscal year in which the audit is required, and the auditor must complete the audit not later than the 90th day after the date of selection. With respect to the audit, the bill establishes the following:

- in a year in which the audit is completed, that audit satisfies DFPS's annual internal audit requirements;
- DFPS must pay the audit costs using money appropriated for administrative and internal audit operations in the state fiscal year the audit is conducted;
- if DFPS fails to conduct an efficiency audit as required, the amount of its legislative appropriation for the next state fiscal biennium thereafter may not exceed its baseline budget; and
- the Legislative Budget Board (LBB) must establish the scope of the audit and determine the audit's areas of investigation, including reviewing DFPS resources and identifying cost savings or resource reallocations and opportunities for improving services through specified means.

H.B. 2374 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 applicable legislative committees.

EFFECTIVE DATE

September 1, 2021.