**BILL ANALYSIS**

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| Senate Research Center | C.S.S.B. 1803 |
| 88R24537 JAM-F | By: Springer |
|  | Local Government |
|  | 5/2/2023 |
|  | Committee Report (Substituted) |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Governments can better prioritize the services they procure by establishing data-driven processes to identify and address the unmet needs of their citizens—people experiencing homelessness are no different. In auditing its homeless programs, the state will likely find that better use of data could help evaluate and monitor its service performance. This bill is modeled after S.B. 657, which established efficiency audits for social programs like Temporary Assistance for Needy Families and Supplemental Nutrition Assistance Program, which increased the efficiency of these state programs.

A recent Federal Office of the Inspector General audit of Texas' Projects for Assistance in Transition from Homelessness Program (PATH) found that Texas did not always comply with PATH requirements when determining consumers' eligibility and reporting the number of consumers enrolled in PATH. In a random sample audit of 70 cases performed by the federal government, the audit found seven of the cases were inappropriately enrolled in PATH. Also, Texas had overstated the number of consumers enrolled in PATH in the state's annual PATH reports.

Currently, there are no audits in place to help increase and ensure the effectiveness of various state programs regarding homelessness. The bill prescribes a process by which the state auditor will conduct an efficiency audit of all the state programs aimed at helping the homeless population.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1803 amends current law relating to a biennial audit of the effectiveness and efficiencies of state services provided to homeless individuals.

**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 Chapter 321, Government Code, by adding Section 321.0139, as follows:

Sec. 321.0139. AUDIT OF HOMELESSNESS SERVICES. Requires the Office of the Texas State Auditor (SAO), in each even-numbered year, to require an audit to be conducted regarding the effectiveness and efficiency of all homelessness services that are provided by the state agencies identified under Subsections (e) and (f).

(b) Requires SAO, not later than March 1 of the year in which an audit is required under this section, to engage an independent external auditor to conduct the audit. Prohibits the external auditor from being under the direction of any agency subject to the audit under this section.

(c) Requires SAO to supervise the external auditor to ensure that the audit is conducted in accordance with the requirements of this section.

(d) Requires that the audit:

(1) examine all state resources used in providing services to homeless individuals, including financial resources, employees, and infrastructure;

(2) according to the purposes of and activities funded by the agencies identified under Subsections (e) and (f), their programs, and participating community service providers, assess the effectiveness and efficiency of the agencies, programs, and providers in helping homeless individuals advance toward self-sufficiency, including an assessment of the percentage of beneficiaries:

(A) who maintain housing for at least 12 months after placement in the housing, disaggregated according to the primary payor for the housing and including payors other than the beneficiary;

(B) whose children are enrolled in school or other educational programs;

(C) if eligible, who:

(i) participate in at last 20 hours per week of paid employment, including paid apprenticeships;

(ii) are engaged in occupational or vocational training programs; and

(iii) earn a living wage, as defined by the applicable local workforce development board;

(D) who are ineligible to participate in at least 20 hours per week of paid employment described by Paragraph (C)(i), disaggregated by the reason for ineligibility;

(E) with mental health needs, who engage in ongoing mental health care services;

(F) with addiction or substance use disorders, who engage in ongoing treatment services;

(G) with a history of involvement with the criminal justice system that continued during the 12-month period following the provision of the applicable services; and

(H) with a history of involvement with the criminal justice system that ceased during the 12-month period following the provision of the applicable services; and

(3) make recommendations for:

(A) eliminating poorly performing programs, services, and functions;

(B) ending contractual or funding relationships with poorly performing community service providers;

(C) consolidating duplicative or overlapping programs, services, and functions; and

(D) reallocating state resources to ensure that the outcomes in relation to the criteria described by Subsection (d)(2) are achieved in the most effective and economical manner.

(e) Requires certain agencies to be included in the audit.

(f) Authorizes SAO, in addition to the agencies listed in Subsection (e), to select other state agencies for inclusion in the audit.

(g) Requires the external auditor to:

(1) complete the audit not later than the 90th day after the date the auditor is engaged; and

(2) present its results and recommendations to SAO and the heads of the agencies subject to the audit.

(h) Requires SAO, not later than November 1 of the year in which an audit is completed under this section, to prepare and submit to the governor, the speaker of the house of representatives, the lieutenant governor, and the Legislative Budget Board a report regarding the audit and recommendations for improvement in the agencies, programs, and community service providers assessed by SAO.

(i) Requires that the full audit and SAO's report be published on SAO's Internet website.

(j) Requires that the audit be paid for by using existing resources allocated for the purpose of auditing the agencies identified under Subsections (e) and (f).

SECTION 2. Effective date: September 1, 2023.