

BILL ANALYSIS

S.B. 1803
By: Springer
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A recent federal Office of Inspector General audit of Texas' Projects for Assistance in Transition from Homelessness (PATH) program found that the state 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, it was found that the number of consumers enrolled in PATH had been overstated 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. S.B. 1803 seeks to prescribe a process by which the state auditor will conduct an efficiency audit of all the state programs aimed at helping the homeless population.

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

S.B. 1803 amends the Government Code to require the state auditor to require an audit to be conducted in each even-numbered year beginning in 2026 regarding the effectiveness and efficiency of all homelessness services that are provided by the Texas Department of Housing and Community Affairs, the Health and Human Services Commission, the Department of Family and Protective Services, the Texas Education Agency, the Texas Workforce Commission, the Texas Veterans Commission, the Texas Department of Criminal Justice, and any other state agency the state auditor may select. The bill requires the audit to be paid for by using existing resources allocated for the purpose of auditing those agencies.

S.B. 1803 requires the state auditor, not later than March 1 of the year in which the audit is required, to engage an external auditor to conduct the audit who is independent and not under the direction of any state agency subject to the audit. The bill requires the external auditor to complete the audit not later than the 90th day after the date the auditor is engaged.

S.B. 1803 requires that the audit, as follows:

- examine all state resources used in providing services to homeless individuals, including financial resources, employees, and infrastructure;
- according to the purposes of and activities funded by the state agencies subject to the audit, 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:

- 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;
- whose children are enrolled in school or other educational programs;
- if eligible, who:
 - participate in at least 20 hours per week of paid employment, including paid apprenticeships;
 - are engaged in occupational or vocational training programs; and
 - earn a living wage, as defined by the applicable local workforce development board;
- who are ineligible to participate in at least 20 hours per week of paid employment, disaggregated by the reason for ineligibility;
- with mental health needs, who engage in ongoing mental health care services;
- with addiction or substance use disorders, who engage in ongoing treatment services;
- 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
- with a history of involvement with the criminal justice system that ceased during the 12-month period following the provision of the applicable services;
- make recommendations for:
 - eliminating poorly performing programs, services, and functions;
 - ending contractual or funding relationships with poorly performing community service providers;
 - consolidating duplicative or overlapping programs, services, and functions; and
 - reallocating state resources to ensure that the outcomes in relation to criteria used to assess the effectiveness and efficiency of the applicable agencies, programs, and community service providers are achieved in the most effective and economical manner; and
- based on the effectiveness at achieving the outcomes included in the assessment of the effectiveness and efficiency of the applicable agencies, programs, and community service providers, rate each applicable agency, program, or provider as "unsatisfactory," "satisfactory," or "exemplary."

The bill requires the state auditor to supervise the external auditor to ensure that the audit is conducted in accordance with these requirements.

S.B. 1803 requires the external auditor to present its results and recommendations to the state auditor and the heads of the state agencies subject to the audit. The bill requires the state auditor, not later than November 1 of the year in which an audit is completed, 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 assessed agencies, programs, and community service providers. The bill requires the full audit and the report to be published on the state auditor's website.

EFFECTIVE DATE

September 1, 2023.