

By: Sparks

S.B. No. 399

A BILL TO BE ENTITLED

AN ACT

relating to a biennial audit of the effectiveness and efficiencies of state services provided to homeless individuals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 321, Government Code, is amended by adding Section 321.0139 to read as follows:

Sec. 321.0139. AUDIT OF HOMELESSNESS SERVICES. (a) In each even-numbered year, the State Auditor shall 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).

(a-1) Notwithstanding Subsection (a), 2028 is the first year that an audit is required to be conducted under this section. This subsection expires January 1, 2029.

(b) Not later than March 1 of the year in which an audit is required under this section, the State Auditor shall engage an independent external auditor to conduct the audit. The external auditor may not be under the direction of any agency subject to the audit under this section.

(c) The State Auditor shall supervise the external auditor to ensure that the audit is conducted in accordance with the requirements of this section.

(d) The audit shall:

(1) examine all state resources used in providing

1 services to homeless individuals, including financial resources,
2 employees, and infrastructure;

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

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

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

16 (C) if eligible, who:

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

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

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

23 (D) who are ineligible to participate in at least
24 20 hours per week of paid employment described by Paragraph (C)(i),
25 disaggregated by the reason for ineligibility;

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

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

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

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

9 (3) make recommendations for:

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

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

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

16 (D) reallocating state resources to ensure that
17 the outcomes in relation to the criteria described by Subdivision
18 (2) are achieved in the most effective and economical manner; and

19 (4) based on the effectiveness at achieving the
20 outcomes described by Subdivision (2), rate each applicable agency,
21 program, or community service provider as "unsatisfactory,"
22 "satisfactory," or "exemplary."

23 (e) The following agencies must be included in the audit:

24 (1) the Texas Department of Housing and Community
25 Affairs;

26 (2) the Health and Human Services Commission;

27 (3) the Department of Family and Protective Services;

- 1 (4) the Texas Education Agency;
- 2 (5) the Texas Workforce Commission;
- 3 (6) the Texas Veterans Commission; and
- 4 (7) the Texas Department of Criminal Justice.

5 (f) In addition to the agencies listed in Subsection (e),
6 the State Auditor may select other state agencies for inclusion in
7 the audit.

8 (g) The external auditor must:

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

11 (2) present its results and recommendations to the
12 State Auditor and the heads of the agencies subject to the audit.

13 (h) Not later than November 1 of the year in which an audit
14 is completed under this section, the State Auditor shall prepare
15 and submit to the governor, the speaker of the house of
16 representatives, the lieutenant governor, and the Legislative
17 Budget Board a report regarding the audit and recommendations for
18 improvement in the agencies, programs, and community service
19 providers assessed by the State Auditor.

20 (i) The full audit and State Auditor's report must be
21 published on the State Auditor's Internet website.

22 (j) The audit shall be paid for by using existing resources
23 allocated for the purpose of auditing the agencies identified under
24 Subsections (e) and (f).

25 SECTION 2. This Act takes effect September 1, 2025.