

## **BILL ANALYSIS**

C.S.H.B. 1516  
By: Parker  
Human Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Temporary Assistance for Needy Families (TANF) program is a block grant from the federal government that aims to help low-income families achieve self-sufficiency through financial assistance and work opportunities. In Texas, TANF uses state funds to provide dependent children and their families with financial and medical assistance. The Department of Family and Protective Services is allocated nearly one-third of the state's TANF dollars and expends a significant amount of these funds on expenses relating to administration, payroll, and operations. Given the large amount of money the state and federal governments invest in this program, there have been calls to implement efficiency audits to assess the program's fiscal management and use of resources to ensure the best possible outcomes for program beneficiaries. C.S.H.B. 1516 seeks to implement regular efficiency audits of the TANF program by an external auditor every six years to maximize the program's efficacy.

### **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**

C.S.H.B. 1516 amends the Government Code to provide for periodic efficiency audits of the TANF program implemented and administered under state and federal law, with the initial audit to be conducted in 2022 and subsequent audits occurring every six years thereafter. The bill requires the Health and Human Services Commission (HHSC) to pay the costs associated with the audits using existing resources.

C.S.H.B. 1516 requires the state auditor to select an external auditor to conduct the audit not later than March 1 of the year in which the audit is required and requires the state auditor to ensure that the external auditor conducts the audit in accordance with the bill's requirements. The external auditor must be independent and not subject to direction from HHSC or any other state agency subject to the auditor's evaluation for the bill's purposes or that receives or spends money under the TANF program. The bill requires the external auditor to complete the audit not later than the 90th day after the date the auditor is selected.

C.S.H.B. 1516 requires the Legislative Budget Board (LBB) to establish the scope of the audit and determine the areas of investigation for the audit, including the following:

- reviewing the resources dedicated to the TANF program to determine whether they are being used effectively and efficiently to achieve desired outcomes for individuals

receiving program benefits and are not being used for purposes other than the program's intended goals;

- identifying cost savings or reallocations of resources; and
- identifying opportunities for improving services through consolidation of essential functions, outsourcing, and elimination of duplicative efforts.

C.S.H.B. 1516 requires the external auditor to prepare and submit a report of the audit and recommendations for efficiency improvements before November 1 of the year in which the audit is conducted to the governor, the LBB, the state auditor, the executive commissioner of HHSC, and the applicable house and senate committee chairs. The bill requires the executive commissioner and the state auditor to publish the report, recommendations, and full audit on their respective websites.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1516 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the time frame during which the initial efficiency audit must be conducted from fiscal year 2022 to calendar year 2022 and clarifies that the three-month deadline for the external auditor to complete the audit is 90 days after the auditor is selected.

The substitute does not include the commissioners of each state department reviewed as required recipients of the audit report and associated recommendations, but includes the executive commissioner of HHSC instead as a required recipient.