

BILL ANALYSIS

Senate Research Center
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H.B. 1516
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Health & Human Services
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Temporary Assistance for Needy Families (TANF) program is a block grant from the federal government that aims to help poor 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 Texas's TANF dollars and expends over half of these funds on expenses relating to administration, payroll and operations. In 2019, CPS staffing accounted for more than \$118 million in TANF dollars. Interested parties have suggested the use of efficiency audits to assess the program's fiscal management and resource utilization.

H.B. 1516 seeks to implement regular third-party efficiency audits of the TANF program to maximize the efficiency of taxpayer dollars and determine whether certain expenditures achieve their desired outcomes. This ensures families in need are properly serviced and that fraudulent claims are rejected.

H.B. 1516 amends current law relating to efficiency audits of the Temporary Assistance for Needy Families program and the state temporary assistance and support services program.

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 Subchapter A, Chapter 531, Government Code, by adding Section 531.005522, as follows:

Sec. 531.005522. EFFICIENCY AUDIT. (a) Defines "efficiency audit" as an investigation of the implementation and administration of the federal Temporary Assistance for Needy Families (TANF) program operated under Chapter 31 (Financial Assistance and Service Programs), Human Resources Code, and the state temporary assistance and support services program operated under Chapter 34 (State Temporary Assistance and Support Services Program), Human Resources Code, to examine fiscal management, efficiency of the use of resources, and the effectiveness of state efforts in achieving the goals of the TANF program described under 42 U.S.C. Section 601(a), for purposes of this section.

(b) Requires an external auditor selected under Subsection (e), in 2022 and every sixth year after that year, to conduct an efficiency audit.

(c) Requires the Health and Human Services Commission (HHSC) to pay the costs associated with an efficiency audit required under this section using existing resources.

- (d) Requires the state auditor to ensure that the external auditor conducts the efficiency audit in accordance with the requirements of this section.
- (e) Requires the state auditor, not later than March 1 of the year in which an efficiency audit is required under this section, to select an external auditor to conduct the efficiency audit.
- (f) Requires the external auditor to be independent and not subject to direction from HHSC or any other state agency subject to evaluation by the auditor for purposes of this section or that receives or spends money under the programs described by Subsection (a).
- (g) Requires the external auditor to complete the audit not later than the 90th day after the date the auditor is selected.
- (h) Requires the Legislative Budget Board (LBB) to establish the scope of the efficiency audit and determine the areas of investigation for the audit, including:
 - (1) reviewing the resources dedicated to a program described by Subsection (a) to determine whether those resources:
 - (A) are being used effectively and efficiently to achieve desired outcomes for individuals receiving benefits under a program; and
 - (B) are not being used for purposes other than the intended goals of the applicable program;
 - (2) identifying cost savings or reallocations of resources; and
 - (3) identifying opportunities for improving services through consolidation of essential functions, outsourcing, and elimination of duplicative efforts.
- (i) Requires the external auditor, not later than November 1 of the 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 executive commissioner of HHSC (executive commissioner), and the chairs of the House Human Services Committee and the Senate Health and Human Services Committee. Requires the executive commissioner and the state auditor to publish the report, recommendations, and full audit on HHSC's and the state auditor's Internet websites.

SECTION 2. Effective date: September 1, 2021.