

# BILL ANALYSIS: SB 399

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FEBRUARY 2025

## ISSUE

In late December of 2024, Part 1 of the Annual Homeless Assessment Report (AHAR) was released by the Department of Housing and Urban Development (HUD). This report contained Point in Time (PIT) counts, which is the method by which the homeless population is estimated. The 2024 PIT counts were an 18% increase from 2023, which was itself a record increase of 12% from 2022 ([HUD Exchange, 2024a](#); [HUD Exchange, 2023](#)). Despite the claim made by Barack Obama in 2013 that the current approach of "Housing First" would end homelessness by 2023, PIT counts have increased every year for the past 10 years ([U.S. Department of Housing and Urban Development, 2024](#)). With more money being devoted to non-governmental organizations (NGOs) that provide homelessness services year over year, the issue is not with the amount of money NGOs receive, but rather how they spend it. Senate Bill 399 would require an audit of these service providers in order to ascertain their success or failure in prioritizing self-sufficiency for those seeking to exit homelessness.

## ANALYSIS

Section 1 amends Government Code, Chapter 321 by adding Section 321.0139, which states that the State Auditor shall require an audit of the effectiveness of homelessness services provided, beginning in 2028, and then occurring every two years.

The audit will be carried out by a third-party auditor who is not under the direction of any of the agencies or organizations being audited.

The focus of the audit will be on the effectiveness of the agency or organization in helping homeless individuals advance towards self-sufficiency by examining the percentage of beneficiaries:

- Who have maintained housing for 12 months after placement in housing, disaggregated into the payors for the housing.
- Whose children are enrolled in school.
- Who participate in at least 20 hours per week of paid employment.
- Who are engaged in occupational or vocational training.
- Who are earning a living wage as defined by local workforce development board.

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- Who are ineligible to participate in at least 20 hours of paid employment per week, disaggregated by reason for ineligibility.
- With mental health needs who engage in ongoing mental health services.
- With addiction issue who engage in ongoing treatment.
- With a history of involvement with the criminal justice system that continued in the 12-month period following the provision of the applicable services.
- With a history of involvement with criminal justice system that ceased in the 12-month period following the provision of the applicable services.

The auditor will make recommendations for:

- Eliminating poorly performing services and eliminating funding or contracts with poorly performing service providers.
- Consolidating overlapping or duplicate programs.
- Reallocating resources to ensure outcomes are achieved in the most effective and economical manner.

The auditor will rate each program, agency, and organization—based on their effectiveness in helping homeless individuals advance towards self-sufficiency—as “unsatisfactory,” “satisfactory,” or “exemplary.”

Agencies that must be included in the audit are:

- 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

In addition to these agencies, the State Auditor may select other agencies for inclusion.

The auditor must complete the audit no later than the 90th day after the auditor is engaged and present the results to the State Auditor and to the heads of the agencies subject to the audit.

The State Auditor must prepare and submit a report regarding the audit, including recommendations for improvement to the agencies, organizations, and programs assessed by the audit to the Governor, Speaker of the House, Lieutenant Governor, and the Legislative Budget Board, by no later than November 1st of the year the audit was completed.

The full audit and report must be published on the State Auditor's website.

The audit will be paid for using existing resources allocated for the purposes of auditing the agencies listed.

Section 2 specifies the effective date of the Act as September 1, 2025.

## REFERENCES

HUD Exchange. (2024, December 30). *HUD releases January 2024 Point-In-Time count report.* <https://www.hudexchange.info/news/hud-releases-2024-ahar-report/>

HUD Exchange. (2023, December 21). *HUD releases January 2023 Point-In-Time count report.* <https://www.hudexchange.info/news/hud-releases-january-2023-point-in-time-count-report/>

U.S. Department of Housing and Urban Development. (2024). *2024 AHAR: Part 1 – PIT estimates of homelessness in the U.S.* <https://www.huduser.gov/portal/datasets/ahar/2024-ahar-part-1-pit-estimates-of-homelessness-in-the-us.html>

## ABOUT THE AUTHOR



**John Bonura** is a Policy Analyst for the Taxpayer Protection Project with Texas Public Policy Foundation.

Prior to joining TPPF John served in the University system as a Graduate Assistant until he was given the opportunity to teach Principles of American Government. John holds a Master of Arts in Political Science from Texas State University and a Bachelor of Arts in Political Science from Sam Houston State University.

As a proud Eagle Scout John is an avid camper and enjoys spending time in the outdoors as well as at home with his wife.

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