

# Trends in Texas: Local Government Spending

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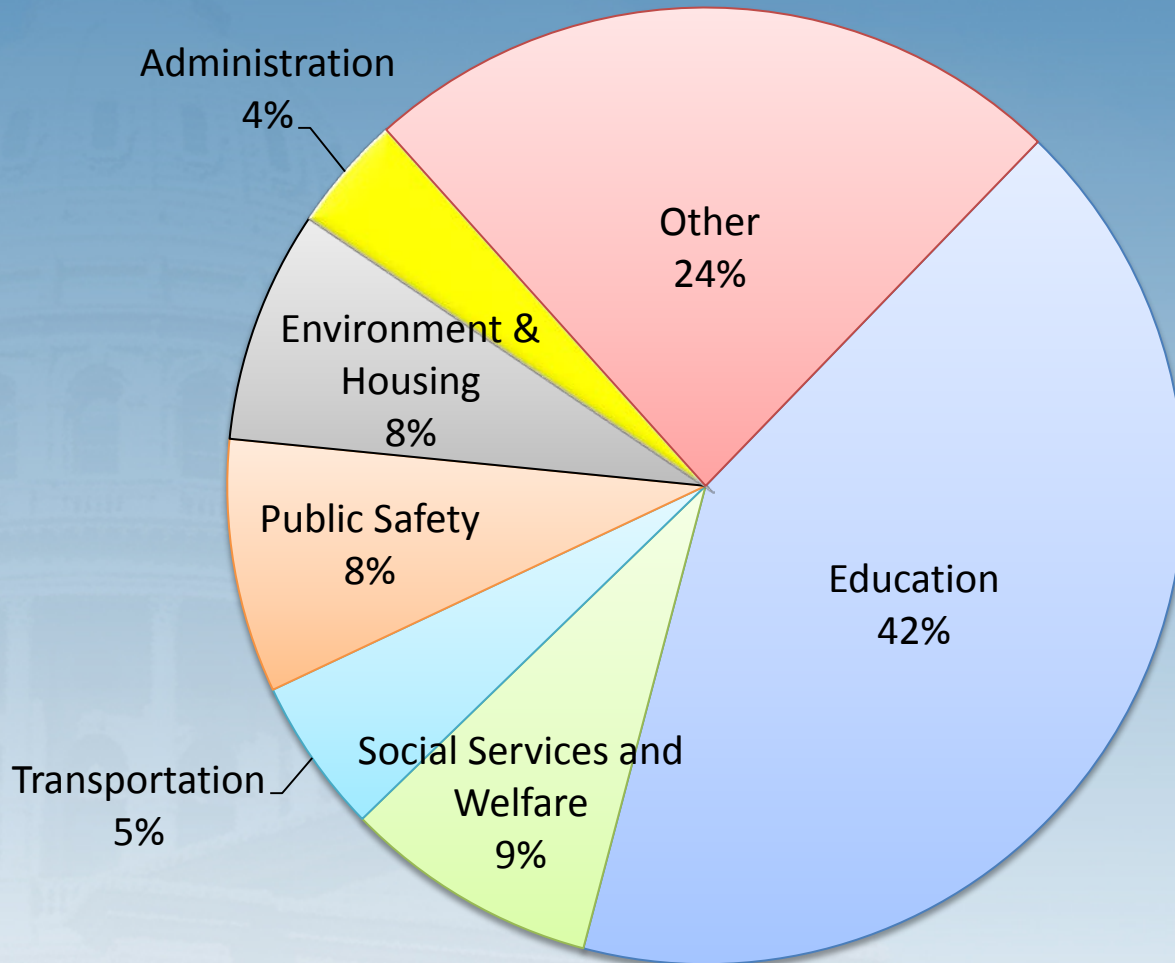
# Local Govt. Spending: Where We Stand

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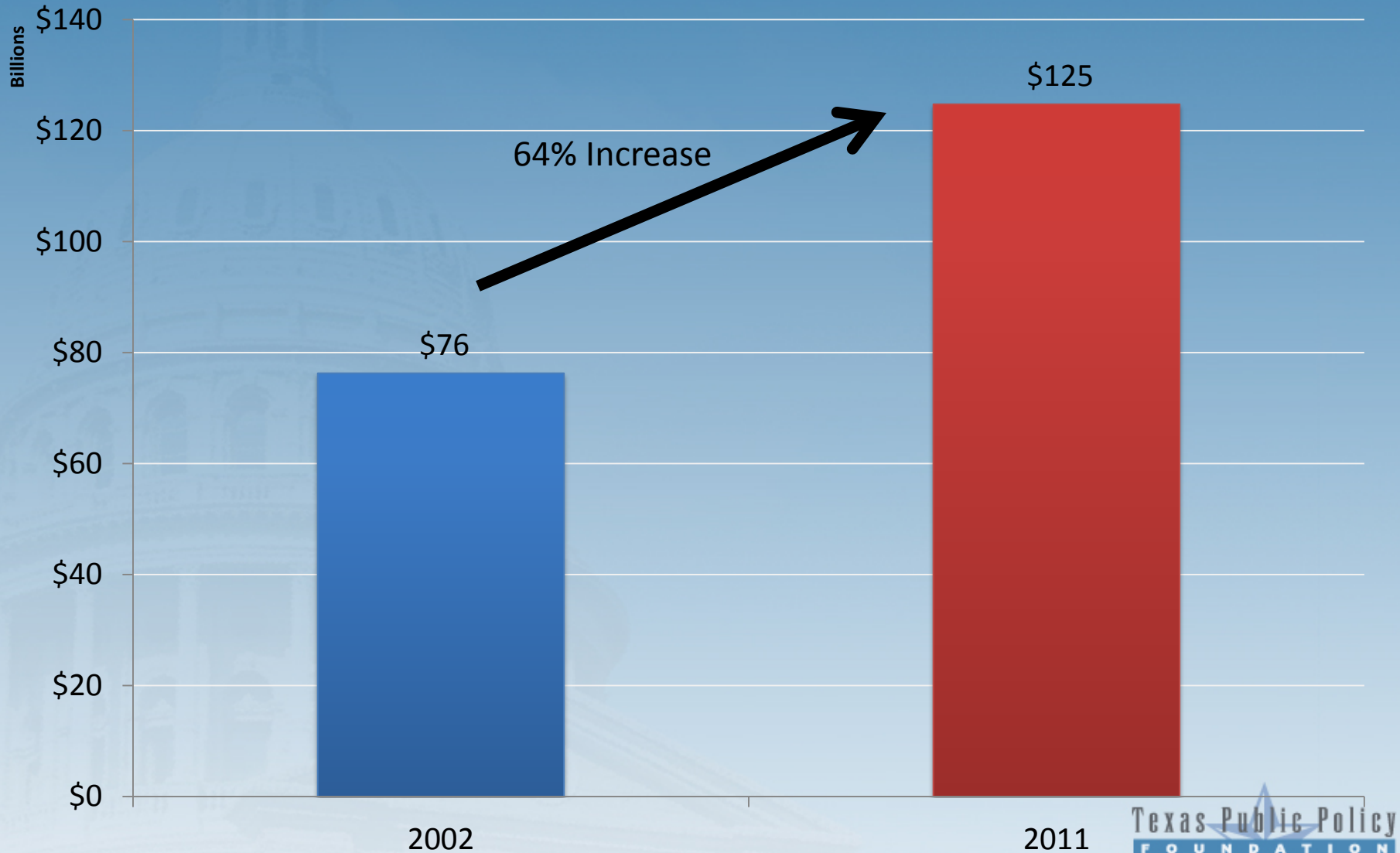
- Local Govt. Spending (FY 2011) \$124.8 B
  - Approx. the same annual amount spent by Texas state govt. in FY 2011
  - Compared to our neighbors:
    - ~ 2.5 times LA's state & local govt. spending
    - ~ 4 times OK's state & local govt. spending
    - ~ 5.5 times NM's state & local govt. spending
- On a per capita basis, Texas' local govts. are spending about \$5,000 per person per year.
- Aggregate local spending totals include cities, counties, ISDs, and special districts.

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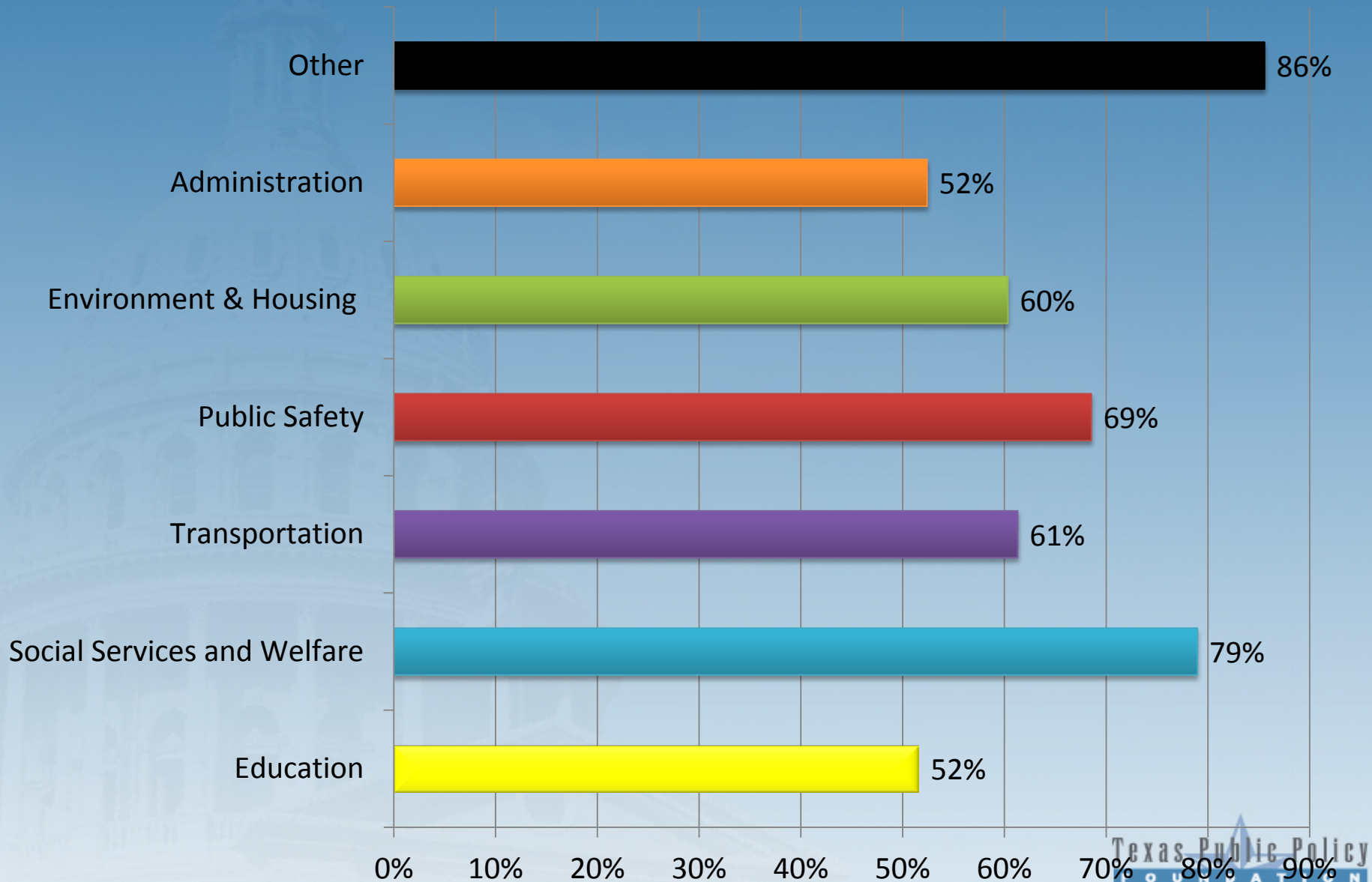
Local Expenditures – FY 2011  
Total: \$124.8 B



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- Between 2002 and 2011:
  - Texas local governments have increased spending by 64%.
  - Some of the largest percentage increases have been seen in Public Safety and Social Services & Welfare.
  - Population has increased just 18%.
  - Inflation has increased only 25%.
- ***Local government spending is increasing faster than people's ability to support it!***
- Higher spending leads to higher taxes, more fees, and more bureaucracy.

Where do we go from here?

# Local Spending: Reform. Responsibility. Recovery.

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## Recommendations:

- Reform the state's constitutional Tax & Expenditure Limit (TEL) to include local spending.
- Amend charters in “home rule” cities to include a spending limit.
- More transparency!
  - Require every local govt. to maintain basic standards of fiscal transparency—3-5 yrs. of budgets, financial reports, and check registers.
  - Every local entity should have a website.
- Examine the “contracting model” of governance.



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