



City of Austin

P.O. Box 1088, Austin, TX 78767-1088

April 6, 2021

The Honorable Paul Bettencourt
P.O. Box 12068
Capitol Station
Austin, TX 78711

Re: Opposition to S.B. 1437

Dear Chairman Bettencourt and members of the Senate Local Government Committee:

The City of Austin wishes to express its opposition to the members of the Senate Local Government committee related to S.B. 1437 by Senator Bettencourt, which would require a city or county to conduct an independent efficiency audit if the local government chooses to hold a tax rate election to go above the voter-approval rate. The language within S.B. 1437 is unnecessary and contrary to the stated intention of the legislation, which is to be prevent wasteful spending of taxpayer dollars at the local level.

The City of Austin already has a large variety of internal controls in place to combat wasteful spending and ensure that taxpayer dollars are efficiently used for essential City programs. The City frequently identifies specific expenditure areas for an outside review to ensure the prudent use of taxpayer resources. In fact, the City has performed an efficiency audit on our EMS and Fire departments as recently as 2020 and is currently in the process of conducting efficiency reviews on six of our internal service departments. Moreover, the City has an independent City Auditor's Office that conducts countless audits of City operations each year. The City Auditor is appointed by, and reports directly to, the elected City Council.

An independent efficiency audit can often make sense for a local government under specific circumstances with a narrow focus, but to require a State-appointed, third-party consultant to oversee a review of all City expenditures through an unfunded State mandate is a needless and costly venture. In the 2018 general election, Austin residents rejected a proposition that would have required an independent efficiency audit, at an estimated cost of \$1-\$5 million, by a 16-point margin. With this in mind, we find it to be an unnecessary and duplicative expense for the State to require an efficiency audit to go above the voter-approval rate. The tax rate election itself provides residents with the opportunity to vote on these matters. The requirements stated within this bill are unnecessary, and if enacted would result in, not prevent, wasteful taxpayer spending.

Thank you for your consideration and please do not hesitate to reach out to me should you have any questions.

Sincerely,

Edward Van Eenoo
Chief Financial Officer
City of Austin