

## The Structure of Government

# United States of America



### USA overview

Population 329 million<sup>1</sup>  
Population per sq km 36<sup>2</sup>

Government expenditure  
as % of GDP 33%<sup>3</sup>

Place in World League

people's trust in government <sup>4</sup>	32 (30%)
people's satisfaction with life <sup>5</sup>	15 (78%)
GDP per capita <sup>6</sup>	8
Legatum Prosperity Index <sup>7</sup>	17
Freedom in the world <sup>8</sup>	33

Note: all data in this report are pre-2020 to exclude the effects of Covid-19

### Governance Overview

The US is structured according to a classical separation of legislative, executive and legal powers: Congress, the executive office and the judiciary.

There are three levels of governance in the US: federal, state, and sub-state (which includes county, municipal, township and district governments).

#### Electoral System

The most commonly used system is first past the post. However, the Senate, and many states, municipalities and counties also use multi-member districts, in which several candidates are elected to represent the same geographical area. The president is elected through the Electoral College process.

### Direction of devolution

Top-down: Although the US is highly decentralised, any further movement of powers to the state level would have to be passed down from the federal government to the states.

In theory, the states could accrue further powers to themselves if three-quarters ratified an amendment to the federal constitution.<sup>9</sup>

### Political style

Although the two-party system in the US can militate against building consensus by emphasising opposing political ideologies, in practice the structure of Congress and the legislative process requires politicians to work across party lines.

### Income equalisation

The US does not use a general a revenue sharing system. The Federal Governments makes mandated grants to State and local governments. Of these, 61% is dedicated to healthcare.

### Unusual features

In 24 US states, citizens can propose initiatives and referendums to have public votes on changes to state laws or state constitutions if they gather enough signatures of registered voters.<sup>10</sup>

Special Service Districts and Independent School Districts are examples of the most decentralised forms of government in the US. They have substantial management and fiscal independence, and are legally independent from county, municipal, and township governments.

Municipalities can annex, by negotiation, portions of territory along their borders in order to achieve greater efficiency and cost reductions.

The rules of international and interstate trade are a federal responsibility. However, this has allowed the federal government to encroach on state-level competences, such as public procurement and investment rules, which are often included in international trade agreements.<sup>11</sup>

## Federal Government

	House of Representatives	Senate
<b>Members</b>	435	100
Population per member	756,000	3.3 million
Full or part time	full time	full time
Pay ratio to national average wage	2.8	2.8
Weeks of sittings per year	38	38
<b>Elections</b>		
Electorate	congressional districts	state electorates

Frequency	biannually	1/3 biannually
Turnout last time	60%	

### Legislation process<sup>12</sup>

Bills can be introduced by members in either chamber or by a member at the request of the president, but the president cannot initiate legislation directly.<sup>13</sup> Once tabled, bills are generally referred to the relevant committee for approval. In the House, the majority leader decides which bills are considered and when. In the Senate, either unanimous consent is needed or a motion must first be passed by a simple majority in order to consider a bill.

Once a bill has been approved in one chamber it is sent to the other. If approved, the bill is sent to the president for signature. This process can continue indefinitely until an identical text is agreed by both chambers.

The president can veto all legislation. This can be over-ridden by the House and Senate by a two-thirds majority in both chambers. The US Constitution places budgetary power in the hands of Congress, although in practice the president plays a prominent role.<sup>14</sup> The president sends a budget proposal to Congress.<sup>15</sup> Both chambers then attempt to pass a non-binding 'budget resolution', which sets the tax and spending targets.

### Responsibilities

Agriculture, defence, foreign affairs, health transfers, immigration, inter-state infrastructure international trade, inter-state trade, federal judiciary and transport.

### Of total government expenditure, the amount

spent by Federal government	66%
for mandated grants	17%

### Source of Funds<sup>16</sup>

raised locally	77%
borrowing	23%

## State Government

### Governance

State and territory is the level of governance below Federal. The US States and Territories enjoy a high degree of autonomy. Each has its own constitution, government, legislature and judiciary, mirroring the federal institutions.

Their autonomy is guaranteed through the Constitution, which gives all powers not reserved at the federal level to the states and the people. For instance, federal courts cannot rule on state law unless it interacts with the federal constitution or federal law.

<b>States</b>	States	Territories
Number	50	5

Population, average	6.6 million	730,000
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### State Congresses

Houses of Representatives	Senates
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Members <sup>17</sup>	110	39
Population per member <sup>18</sup>	58,000	164,000
Electorate, districts	State House	State Senate
Full or part time <sup>19</sup>	most part time	most part time
Pay ratio to national average wage <sup>20</sup>	0.6	0.6
Weeks of sittings per year	16	16

### Elections

Districts	State House	State Senate
Electorate	State	State
Frequency	2-4 years	2-4 years
Turnout last time <sup>21</sup>	60%	

### Legislation process<sup>22</sup>

Legislative and budgetary processes generally follow the pattern of Congress. Most states are required to run a balanced budget.

### Responsibilities

Electricity, higher education, hospitals, housing, state judicial system, police, prisons, roads and welfare benefits. Mandated by US Constitution.

### State expenditure

as a % of total government expenditure<sup>23</sup> 27%

### Source of funds

raised locally	63%
mandated grants	29%
borrowing	8%

### Main taxes

Property, income and sales taxes.

### Who decides

Tax type	State legislatures & governors
Tax rates	State legislatures & governors

### Who collects tax

States

## Sub-State government

### Governance Overview

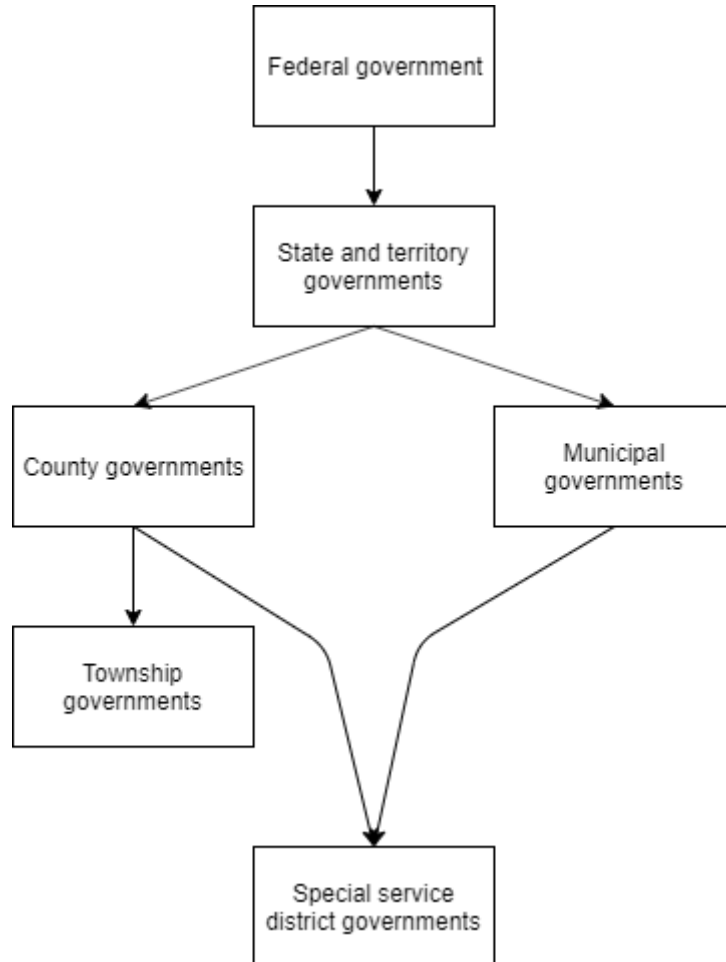
The Constitution lays down that states are responsible for the organisation of their sub-state governments. These are normally established by charter or state constitutions. Most can only perform those functions expressly granted to them by the state.<sup>24</sup> A few counties are governed by 'home rule' charter constitution, which provide wide-ranging powers.<sup>25</sup>

As the states have a high degree of autonomy in deciding the structures, there is great variation in their size, responsibilities, tax-raising powers and management. It is therefore impracticable to give details of each one. However, the following gives a broad picture of the amount of power that has been devolved.

Counties and municipalities are the level of government below states. Typically, counties devolve power to townships, which cover more sparsely populated areas.

In addition, Special Service Districts and Independent School Districts are levels below States.

Structure of government



Elections

Frequency	2-6 years
Electorate	local
Turnout last municipal elections	23% <sup>26</sup> (average for 30 biggest cities)

Sub-State expenditure

as a % of total government expenditure <sup>27</sup>	23%
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Source of funds

Raised locally	56%
Federal grants	1%
State grants	32%

## County Government

### Governance

County is the level of government below States. Every state except Rhode Island has a county tier.

There are three systems for the management of county government.

- The commission system: commissioners are elected for specific policy areas, performing both the legislative and executive functions.
- Council-administrator system: councillors are elected and they select an administrator to carry out the specific tasks in the county at the council's direction.
- Council-elected executive system: both the council and the executive are directly elected. Executives perform similar functions to state governors, such as being able to veto council proposals, drafting budgets and bringing forward their own policy proposals.

Counties	average	high	low
County governments <sup>28</sup>	3,000		
Population per County	100,000	10 million	124

### Responsibilities

Airports, bridges, courthouses, primary and secondary education, electricity, fire, gas, hospitals, housing, libraries, parks, pensions, police, pools, prisons, public transport, roads, sewerage, water and welfare payments.

### Main types of taxes

Property tax

### Who decides

Tax type: states, governors and county

Tax rates: county, although state governments can impose limits

### Who collects tax

Counties & districts

## Municipal Government

### Governance

Municipality is a level of government below States. Every state has at least one municipal government. These are centred around towns and cities and can cross county boundaries. A number have undertaken city-council consolidations in which a city formally joins with a surrounding county to form a single government.<sup>29</sup>

The functions of municipalities are mandated by state constitutions, statutes and local charters.

### Legislation process

There are three main structures of municipalities.<sup>30</sup>

- Mayor-council systems: both a mayor and the council are directly elected. The council legislates and the mayor is executive.
- Council-manager systems: either or both the council and manager are elected or the manager is selected by the elected council. The council legislates and managers administers.
- Commission systems: a board of commissioners is elected, for a particular policy area. A lead commissioner is selected from among those elected. It performs both the executive and legislative functions.

In systems that use a mayor, they can be executive or ceremonial.

### Municipalities

Number	20,000
Population, average	17,000
Population under Municipal government	60% <sup>31</sup>

### Responsibilities

Building regulations, economic development, fire, law enforcement, parks, public transport, sewage, stadiums, streetlights, waste disposal, water and zoning.

### Main types of taxes

Property tax

### Who decides

Tax type: State legislature/governor, or Municipal where local charters allow.

Tax rates: Municipal governments, but States can impose limits.

Most Municipalities rely extensively on property taxes for their major revenue source.<sup>32</sup>

### Who collects tax

Municipal government

## Township government

### Governance

Township is a level of government below county. Only some states also have township. They cover more sparsely populated areas.



### Townships

Number	16,000
Population, average	7,400
Population under Township government	18% <sup>33</sup>

### Legislation process

Township governments are managed by boards of elected trustees, as well as unelected members. The trustees decide township budgets. Individuals are appointed by the trustees to oversee the administrative functions of the township.

### Responsibilities

The functions of townships are mandated by state constitutions and statutes, and local charters. They include bridges, emergency medical services, fire, land use, leisure and recreational activities, police, roads and social welfare services.

### Main taxes

Property taxes<sup>34</sup>

### Who decides

Tax type: county governments

Tax rates: there is a large degree of variation in townships' abilities to raise funds. In three states, townships are not authorised to levy taxes, in 17 states it is limited and in a further two states county boards set budgets.

### Who collects tax

Township and county government

## Special Service District Government

### Governance

Special Service Districts are founded in accordance with state law and exist in all states. They are legally separate from county, municipal, and township government, with substantial administrative and fiscal independence. They perform a single function or a set of related functions.

### Legislation process

Special districts fall into two categories. Dependent districts are overseen and managed by a municipality or county. Independent districts (about two-thirds) are managed by locally elected officials.<sup>35</sup>

### Districts

Number of Districts	39,000 <sup>36</sup>
Population, average	14,500

### Responsibilities

Education, environment, housing, fire services, roads, social services, transport, and water supply.

### Main types of taxes

Property taxes

### Who decides

Tax type: states

Tax rates: special districts determine tax rates but states often set the floors, ceilings and a limit on increases in rate. They can be divided into two categories according to how they are funded.

- 'Enterprise special districts', which are run like businesses, providing services to clients who in turn pay fees for these services.
- 'Non-enterprise special districts' are funded mainly by property taxes.

### Who collects tax

States, counties and some districts.

## Independent school districts

### Governance

Independent school districts are created by and operate in some states for primary and secondary education. They are independent from county, municipal, and township government. The boundaries of school districts rarely accord with those of municipalities or counties.<sup>37</sup>

Independent school districts	average	high
Number	13,000 <sup>38</sup>	
Population	27,000	8.6 million

### Legislation process

Supervision is carried out by school boards. These are usually comprised of elected representatives, although some are appointed by governors, mayors or county councils. Depending on the size of the district, the number of representatives on school boards ranges from three to nine.<sup>39</sup> Each board member typically performs a different role, such as treasurer or president of the board, and boards can sub-divide into committees to deal with different issues.<sup>40</sup>

### Responsibilities

Public primary and secondary schools.<sup>41</sup> States and districts determine the curriculum. However, there are federal standards which must be attained in order to receive federal funding.

## Main types of taxes

Property taxes

## Who decides

Tax type: states

Tax rates: districts determine tax rates but states often set the floors, ceilings and a limit on increases in rates.

## Who collects tax

States, county and some districts can levy their own property taxes.

## Further reading

National Conference of State Legislatures	<a href="http://www.ncsl.org">www.ncsl.org</a>
National Association of Counties	<a href="http://www.naco.org">www.naco.org</a>
National League of Cities	<a href="http://www.nlc.org">www.nlc.org</a>
National Association of Towns and Townships	<a href="http://www.natat.org">www.natat.org</a>

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- <sup>23</sup> [https://apps.bea.gov/iTable/index\\_nipa.cfm](https://apps.bea.gov/iTable/index_nipa.cfm)
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