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Allegheny County: Long Term Changes in Workforce, Spending and Tax Revenue

Since January 1, 2000, Allegheny County has operated under an Executive-Council form of government adopted as a result of voter approval of a home rule charter in 1998. Prior to that, the County was governed by a three-member board of commissioners. Under both forms of elected leadership is a workforce delivering County services for a population of over 1 million people.

Though the form of county government changed in 2000, the biggest changes in the workforce count over the last two decades happened prior to then. In the years 1995 to 1999, the last years of commissioner governance, the County workforce (measured by full-time equivalent employees, or FTE) fell from just over 8,000 employees to 6,863.5 by 2000. When a new majority took over in 1996 layoffs and early retirements dropped FTE from 8063.5 to 7210 in the first year. Headcount remained fairly stable over the next few years, until the creation of the County Airport Authority in 1999 removed an additional 501 FTE from the County workforce by transferring the employees to the new Authority.

Since 2000, total FTE has remained remarkably stable: 6863.5 then, and 6831.5 in 2015, the last audited year. Several row offices were eliminated with functions transferred to administrative departments (in 2008), consolidation of 911 services (in 2005), an end to a combined Parks-Public Works (in 2002) and the creation of the Facilities Management Department (in 2013), which took parts of Public Works and Administrative Services. Despite all these changes the overall total FTE has remained roughly the same.

County population has changed, however. In 2000, the Census count was 1,281,795, and in 2015, based on the annual Census estimate, population stood at just 1,230,459, down over 50,000 or about 4 percent. Using FTE and population to calculate a County FTE per 1000 residents shows that in 2000 it was 5.4, and fifteen years later it was 5.6, about 4 percent higher. In 1995—prior to separations and the creation of the Airport Authority—the FTE per 1000 (based on a 1995 population estimate of 1,332,460) was 6.1.

Comparing the main categories of FTE as they are presented in the County's Comprehensive Annual Financial Report (CAFR), to the overall 4 percent pickup in total FTE from 2000 forward, we find, on an FTE per 1000 person basis, General Government (Executive, Council, most administrative departments, Court of Common Pleas) was up 8 percent, Public Safety up 53 percent, and Public Works down 60 percent (see note below on Parks, and more recently, part of Public Works was spun off into Facilities Management). Meanwhile, Health and Welfare was down 12 percent and Culture and Recreation up significantly (Parks employees were in Public Works, leaving two employees counted in Culture and Recreation from the Cooperative

Extension; there were 244.5 FTE in 2015). Finally, Economic Development FTE was up 19 percent.

Interestingly, if we take out the FTE of the Court of Common Pleas and that of the remaining independently elected row offices (Controller, Treasurer, Sheriff, and District Attorney) from the 2000 and 2015 total FTE count, (the total employees in these functions were 1,606 FTE and 1,716 FTE, respectively, in those years) the remaining FTE per 1000 would have been 4.1 in 2000 and 4.2 last year.

What about expenditures on per capita basis? The County's total budget—all governmental funds—has been more than \$1 billion since 2000 and climbed to \$1.524 billion last year. Bear in mind that a very large share of County spending (roughly 60 percent) occurs in the Health and Welfare category which is, for the most part, funded by state and Federal grants and over which the County has little control in terms of how much it will receive and how to spend the funds.

On a per capita basis, total spending increased 52 percent on a per capita basis (\$817 to \$1,239) since 2000. Compared to that overall change, there have been varying degrees of changes for individual spending categories. Spending on public safety (up 135%), economic development (up 65%), and capital projects (95%) grew faster; general government (up 48%) and culture and recreation (up 49%) at just about the same rate as the overall change. Public Works (up 9%) and Health and Welfare (up 39%) grew at a slower rate.

If we remove the Health and Welfare spending from the overall total, the remainder of spending rose 66 percent from \$389.6 million to \$646.7 million, and the remaining total per capita climbed 73 percent from \$303 to \$525. Clearly, the non-health and welfare spending has been growing very rapidly in recent years despite the flat employee count.

The County's main source of tax revenue, the real estate tax, increased 54 percent on a per capita basis, from \$180 to \$279 from 2000 to 2015. The County's share of the 1 percent add-on sales tax has increased from \$28 to \$39 per capita (38%). In the intervening years the County enacted taxes on alcoholic beverages and car rentals and receives a host fee from the Rivers Casino.

Note for comparison purposes, the CPI for the Pittsburgh region rose by 43 percent over the 2000 to 2015 period.

The Allegheny Institute will be working on a full-length report that expands on workforce, expenditures, and revenues for Allegheny County in the near future.

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