



What's next for public-sector employee residency requirements?

Summary: In 2013 City of Pittsburgh voters amended the home rule charter to mandate city residency for all employees. Nearly a decade later, both police and fire employees have won arbitration rulings giving them the right to reside outside the city.

The City of Pittsburgh and its firefighters' union recently settled a dispute that arose from a union grievance over the city requiring a firefighter to live within city limits.

The current collective-bargaining agreement was approved in 2019 and expires next year. The union held that the only language that spoke to a residency requirement was for those seeking employment with the fire bureau, which required one year of city residency prior to application. The city held that for more than a century those that were hired by the bureau had to maintain city residency and that the current agreement did not change that.

The matter went to binding arbitration. On Feb. 7, after failing to find “any evidence showing that a past practice of an in-City residency restriction had always been in place” the arbitrator ruled in the union’s favor and ordered the city “to cease and desist from imposing any residency restrictions contrary to the terms of the parties Collective Bargaining Agreement until provided for through the bargaining process contained in Act 111 [of 1968].”

On March 9 the city filed a lawsuit appealing the decision. At two points afterward the parties met to discuss the issue. Concluding that “the numbers of firefighter applicants have substantially reduced over the last decade and that the fire bureau would benefit from enlarging the pool of applicants in order to recruit more qualified and diverse firefighter candidates,” the parties crafted a memorandum of understanding in early May.

What does the memorandum entail? First, it ended the city’s litigation. Second, those applying for employment as a firefighter will not have to live in the city a year prior to applying but will be granted preference points on the application if they do (less than if the applicant were a military veteran or graduated from Pittsburgh Public Schools’ firefighter program).

Third, employed firefighters will have to live within a designated area that is within one hour driving time to the City-County building. The area, shown on a map in the memorandum, extends over much of Southwest Pennsylvania. Employees are not permitted to reside outside of the state. In a sense, the city is still imposing a residency requirement, albeit a broader one.

Fourth, the memorandum becomes part of the collective-bargaining agreement.

The Allegheny Institute noted over 20 years ago (see *Report 2001-06*) that many reasons are given for having a public-sector employee residency requirement, including public safety personnel being quickly available in case of emergency, workers having a better understanding of the problems facing the community and workers paying the same taxes to fund their salaries.

When the Institute examined residency requirements in Allegheny County's highest population municipalities outside of Pittsburgh (see *Report 2014-03*), there were several that mandated employees reside within a specified distance or travel time of the municipality.

The city's 2022 operating budget counts 667 uniformed firefighters and three civilian employees in the bureau. That's 21 percent of budgeted general fund employees and 0.2 percent of the city's 2020 Census population of 302,971.

Whether current firefighter employees move out of Pittsburgh or if future firefighters opt not to reside in the city can only be determined with the passage of time. Updated data on place of residence for Pittsburgh police may provide guidance on what might happen with firefighter residency.

In 2017 the state Supreme Court heard an appeal of an arbitration award that allowed police officers to reside within 25 air miles of the City-County building. The court set out to determine whether "a home rule municipality may amend its home rule charter to eliminate mandatory subjects of bargaining as defined by Act 111." The court ruled in favor of the police union.

When the decision was announced, the mayor at the time said "the majority of our officers want to live in the city...we would hope that that percentage will stay high." The head of the police union said "I don't think it will create a mass exodus. But I think there will be a certain percentage, absolutely."

An open records response noted, as of the March 25 pay date and paycheck register, there were 978 police officers working for the city. Of these, 573 (59 percent) lived outside the city while 405 (41 percent) lived in the city. The employees living outside of Pittsburgh are paying taxes to another municipality (at a much lower earned-income tax rate) and possibly spending much of their disposable income outside the city as well. Those with children in public schools are undoubtedly in districts that are better-performing and with a lower per-pupil expenditure than Pittsburgh Public Schools.

If city policymakers hope to have employees choose to reside in the city, it is incumbent to make changes that would enhance quality of life factors that taxpayers look for. That means following through on recommendations the Institute made in late 2021 (see *Policy Brief Vol. 21, No. 44*), such as outsourcing non-core functions, looking for operating efficiencies and reversing the direction of the school district on spending and performance. Those would go a long way to reducing spending and lowering city taxes and making the city an attractive place to live for workers who are no longer required to do so.

If at some point all fire and police personnel live outside Pittsburgh that would leave over 1,500 general fund employees in the city. Allegheny County Council recently passed an ordinance that exempts 911 communications personnel from having to reside in Allegheny County.

Will other residency requirements be expanded or possibly eliminated in the coming years? What will the impact be, if any, on tax base, employee retention and service quality at the local government level?

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