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## Benchmarking performance: a crucial policy issue for chief executive candidates

**Summary:** How does Allegheny County compare with other counties across the nation on per-resident government spending, revenue and staffing? What about population change and job growth? How can the county know if its government functions are creating a competitive environment that attracts residents and jobs compared to other areas of the country? Establishing and maintaining a benchmark peer group of counties should be a priority of the next chief executive—a mechanism that can be regularly used to measure how Allegheny County compares on key metrics of governance. This *Policy Brief* addresses past performance to a group of benchmark counties.

Benchmarking Allegheny County was a central component in the shift to home rule and the executive-manager-council form of government. In the 1996 study, "Preparing Allegheny County for the 21<sup>st</sup> Century", six counties were selected to serve "as models of quality government and economic progress." The study noted that the counties were either places known to be competing with Allegheny County for jobs, had a reputation as an exemplary government or presented a different form of county government.

Voters approved home rule in May 1998 and the charter and new government went into effect Jan. 1, 2000.

It is worth reviewing the past two decades of population and job growth in the counties in the 1996 study. Allegheny County was the second-largest county of the benchmarks in 2000 with a population of 1.281 million, second only to King County (Seattle, Wash.). Despite population growth of 2.2 percent between 2010 and 2020, in the two-decade period Allegheny County saw a population decrease of 2.4 percent and stood at 1.250 million in 2020, placing it third largest behind King and Hennepin County (Minneapolis, Minn.), which increased 30.7 percent and 14.8 percent, respectively.

Those two counties, along with three others in the benchmark group—Davidson County (Nashville, Tenn.), Mecklenburg County (Charlotte, N.C.), and Montgomery County (Rockville, Md.)—had double-digit percentage growth between 2000 and 2020, with Mecklenburg leading the way at 60.4 percent, Davidson at 25.6 percent and Montgomery at 21.6 percent. The remaining benchmark, Milwaukee County (Milwaukee, Wisc.), saw

a slight decrease of 0.1 percent, which placed it ahead of Allegheny County in terms of population change.

Based on the Bureau of Labor Statistics' Local Area Unemployment Statistics tool, Allegheny County's job growth from 2000 through pre-pandemic 2019 was 3.1 percent. This was far outpaced by increases in Mecklenburg (54.3 percent), King and Davidson (both at 31.3 percent). The only benchmark county to post a worse job growth performance was Milwaukee, a decrease of 1.8 percent.

If the 1996 study were to be revisited, what conclusions could be drawn regarding the modernization of Allegheny County's government and keeping competitive with these benchmark counties?

Looking ahead, it would be useful for the next chief executive to develop a benchmark county group to assess where Allegheny County stands. As mentioned in *Policy Brief Vol. 23*, *No. 20*, the home rule charter requires a sunset review of departments and functions. This is an area where looking to other counties and their best practices could be useful to ensure that taxpayer dollars are being spent wisely.

In addition, the charter requires a once-a-decade Government Review Commission; the next one is to convene in 2025. Its purpose is to "study the Charter and County government, including the organization, practices and responsibilities of all county departments and agencies." In doing so, there are opportunities for benchmarking with other counties to see what they might be doing differently and possibly more effectively.

A very good group of peer counties for benchmark comparisons to Allegheny County includes the counties that encompass the cities in the Benchmark City that the Allegheny Institute has used since 2004 as a way to measure Pittsburgh's fiscal performance. Franklin County (Columbus, Ohio: Columbus is situated in three counties in Ohio, but Franklin is the primary county and thus used in the sample), Salt Lake County (Salt Lake City, Utah) and Douglas County (Omaha, Neb.) are used, as well as Hillsborough County (Tampa, Fla.) for purposes of a comparative county analysis.

Between 2010 and 2020, the average percentage growth in population of the four counties was 15.2 percent to Allegheny's 2.2 percent. With the exception of Douglas, all counties exceeded 1 million population in 2020.

The table below compares Allegheny County to the benchmark counties on per-capita revenues, expenditures and county government employees per 1,000 people. The analysis used pre-pandemic audited data for the fiscal year that ended in 2019.

**Allegheny County and Peer Group Counties** 

| County (State)                        | Population (2020) | Per-Capita Revenue | Per-Capita Expenditure | Employees per 1000 citizens |
|---------------------------------------|-------------------|--------------------|------------------------|-----------------------------|
| Allegheny (PA)                        | 1,250,578         | \$1,414            | \$1,456                | 5.5                         |
| Douglas (NE)                          | 584,526           | \$544              | \$590                  | 3.6                         |
| Franklin (OH)                         | 1,323,807         | \$1,019            | \$1,054                | 4.4                         |
| Hillsborough (FL)                     | 1,459,762         | \$1,325            | \$1,235                | 6.6                         |
| Salt Lake (UT)                        | 1,185,238         | \$917              | \$944                  | 3.7                         |
| County Avg. (Not Including Allegheny) | 1,138,333         | \$951              | \$956                  | 4.6                         |

On per-capita revenue, which takes into account taxes, fees, intergovernmental revenue and all other sources across all governmental funds, Allegheny County ranked highest and was 48.6 percent above the peer-group average.

On per-capita expenditure, which measures general government functions, public safety, health and others, Allegheny County ranked highest and was 52.3 percent above the peergroup average.

On full-time equivalent employees per 1,000 people, Allegheny County ranked second-highest and was 19.7 percent above the peer-group average.

Of course, the county could choose other counties to serve as benchmarks. It could go back to the 1996 study and use that group. What would not be useful is selecting counties that are not experiencing growth. Five U.S. counties with a population of 1 million or more had either a slower increase than Allegheny County or a population decline between 2010 and 2020. Nor would it be wise to look to counties that are expanding government functions.

It is recommended that the next chief executive prioritize the creation of a benchmark set of counties to create a means of comparison for Allegheny County's fiscal performance and to gain insight into improving operating practices to improve the efficiency and cost of county governance.

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