

# ***POLICY BRIEF***

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## **Public Safety Spending: Hazardous to Pittsburgh's Fiscal Health**

As officials of the City of Pittsburgh lobby for additional taxing power to solve the problem of recurring deficits, they have made the argument that they have "cut to the bone" in terms of spending. A look at public safety spending, however, shows that the City has been feeding the beast rather than curtailing costs.

Although public safety (police, fire, and emergency services) spending is often looked at as sacrosanct and therefore immune to the budget axe, there is a great deal of general evidence that something is amiss with the City's public safety expenditures. As far back as 1996, the Competitive Pittsburgh Task Force raised concerns about levels of fire staffing, length of their workweek, and number of fire stations on a per-capita basis. Many of these issues have been raised once again as the City undertakes a merger between the Fire Bureau and the Emergency Services Bureau. Similarly, it was recently disclosed that salaries for the City's police are the highest in the nation when adjusted for cost of living.

There is hard evidence that public safety costs have not been kept under control. According to a recent newspaper article, total City general fund revenues increased by \$156 million (73%) from 1984 to 2002. General fund expenditures increased by \$163 million (72%) over that same time frame. Meanwhile, public safety spending rose from \$76 million to \$199 million--an astonishing \$123 million, or 162 percent above the 1984 amount. All other City functions accounted for just \$40 million in additional spending, thanks in part to the Regional Asset District relieving the City of several large expenditures, such as supporting Three Rivers Stadium. As a share of total City expenditures, public safety increased from 33 percent to 51 percent over the last 18 years.

### **Trend Data, 1984 to 2002**

	1984	2002	Change	% Change
Total Revenues (\$ millions)	213	369	156	73
Total Expenditures (\$ millions)	227	390	163	72
Public Safety Expenditures (\$ millions)	76	199	123	162
Population	402,538	327,898	74,640	-19
Consumer Price Index	104.5	174	69.5	66

1984 public safety expenditure amount was adjusted to reflect benefits as a part of category expenditure. Based on data from the controller's office, public safety historically accounted for 25 percent of benefits.

This huge increase in public safety spending might be understandable if Pittsburgh had undergone a rapid rise in the number of violent crimes, arsons, and other safety calamities. That has not been the case. In fact, Pittsburgh is consistently ranked as one of the safest cities in the country.

More importantly, the City's population has fallen by some 20 percent since 1984. Meanwhile, the price level in the metro area has risen by just 66 percent since 1984, far slower than the pace of public safety spending.

In order to keep per-capita inflation adjusted expenditures constant, spending on public safety would have had to climb just 47 percent. If public safety expenditures had been held at this rate, the 2002 total would be just over \$111 million, nearly \$90 million less than they actually are. Even ignoring the loss of population and letting public safety expenditures increase at the rate of inflation (66 percent) would place the total at just under \$126 million, delivering savings of \$73 million. This exceeds the amount the City is seeking in new taxes to close its deficit.

If it is too late for City officials to examine why public safety expenditures have climbed at the rate they have over the last eighteen years, perhaps the state will want to inquire. If the increases were nothing more than election year gimmicks or attempts at equity, then not much can be done to address past actions. Going forward, however, policymakers may want to try harder to tie expenditures to objective indicators, thus helping to prevent the need for higher taxes. Certainly, giving the City additional sources of revenue will do nothing to pressure public safety unions into accepting pay and benefit concessions.

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