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Push for City-County Merger Continues Despite Flaws and Unpopularity

Not since the Regional Renaissance Initiative debacle has so much study group brainpower, City and County elected official political muscle, and high powered civic leadership influence been employed to promote a governmental change. For some reason these folks have become besotted with the hopelessly ill-conceived non-solution of merging the City and County governments. Apparently, of paramount concern is the likelihood the City of Pittsburgh will not be able to avoid bankruptcy if it does not merge with the County. Then there is the list of arguments such as the merger will save money, improve economic development, and create a top ten city in terms of population. All of these claims are easily shown to be fatuous.

But even if the benefit claims had any validity there are three huge barriers to the merger ever happening as it is currently conceived. First there is very little, if any, support for a merger among the voters in the 129 municipalities outside the City and precious little support among voters in the City. County voters see this for what it is; an attempt to shift the gigantic financial obligations and high cost of City government onto them.

Second, the proposed creation of an urban services district—the linchpin of the merger plan—to replace the City and leave the higher taxes, huge debt and unfunded liabilities problems to be dealt with by district residents runs afoul of the Pennsylvania Constitution’s Uniformity Clause. Third, in the five years since the Act 47 coordinator was appointed and called on the City to work with the County on consolidating services or functions, very little has been accomplished. Some of the purchasing has been merged but nothing appears forthcoming for parks, public works, fleet management or any other major duplicative function. How can any reasonable person believe that if the City and County cannot merge a major service in five years they will be able to combine governments with the massively greater set of problems that it will present?

Barring a constitutional amendment and a sea change in voter opinion, the effort to merge Pittsburgh and Allegheny County must be viewed as a major waste of time and resources that could better be spent working on real solutions to the City’s difficulties. Moreover, one would think that the ineffectiveness of earlier grand schemes to solve the City’s economic and financial problems would be enough to engender a smattering of humility among the brain trusts and power elites and produce a modicum of doubt about their answers to solve Pittsburgh’s perennial fiscal challenges.

The basic problem with earlier schemes endorsed and heavily supported by the civic leadership is they did not address the root causes of Pittsburgh's slide into its distressed status, which continues notwithstanding five years of state supervision. These plans have been focused primarily on getting more revenue for the City (the RAD tax and the payroll preparation tax), promoting visitor spending (new stadiums), and Downtown redevelopment (Lazarus).

Pittsburgh's academic and civic leaders have been in the forefront of these efforts in addition to advocating strenuously for the drink tax and car rental tax for the County. Then too they provided substantial political support for the now infamous and outrageously costly North Shore Connector.

Here's the situation. The City is under Act 47 supervision as well as a state appointed special oversight board as a result of years of undisciplined spending. Pittsburgh's most pressing financial problems include its 70 percent unfunded pensions, high levels of debt, and excessive workers' compensation obligations. The cause of these problems is traceable directly to the City's costs being far out of line with comparably sized cities—35 percent higher than our benchmark city—along with its years of excessive deference to union employees. Further, the City's schools are preposterously expensive at \$20,000 per pupil and are perennially serious underperformers in terms of academic achievement. Not a recipe for attracting or keeping residents or businesses.

And what have Pittsburgh elected officials and civic leaders offered as solutions to deal with this financial mess? In short, more government subsidized development, more and higher taxes, new sports facilities for the City and new and more expensive programs for the schools including the recently introduced Pittsburgh Promise Program that is designed to keep City residents from leaving the public schools. And why do they recommend these solutions that fail to work? Briefly put, there appears to be a total reluctance to say what really needs to be done let alone actually recommend doing it. Little wonder. The Paul O'Neill led 1996 study that made several meaningful reform recommendations and cost saving suggestions was met with a polite but cynical "thank you" from the Mayor and Council and apparently got scant support from the corporate elite.

There can be no doubt about what must happen if Pittsburgh is ever going to make the strides necessary to right its fiscal ship. Spending must be reined in, government employment must be reduced, Act 111 has to be reformed to bring balance to police and fire labor negotiations, and tax rates must be lowered. These are hard and require bold political action that challenges the very core of the City's political power structure. Obviously this is difficult and fraught with possible negative consequences in terms of political animosity toward those advocating these reforms. Nonetheless, unless and until a powerful leadership group finally decides to tackle the problem head on, the City will likely never shed the policies that straitjacket private sector growth and produce continued population declines.

But rather than push an agenda of meaningful reforms and policy changes, the approach has been to temporize endlessly by working for initiatives that stay away from directly attacking the problem and can be sold as fostering economic development, improving education, broadening the tax base, etc, etc. The next time an elite civic leadership group recommends school choice as a way to actually improve education will be the first time. Ditto reforming Act 111 or calling for an end to prevailing wage laws.

And thus we come to the basic reason the political, academic and civic elites in Pittsburgh are pushing the City-County merger. It is easier to recommend, advocate and support the merger even though it stands almost no chance of being approved by voters or passing constitutional muster than to tell the City it needs to adopt strict spending controls, abandon top down development policies and encourage real choice options in Pittsburgh's schools. And not only tell them the change is needed but work hard to see the reforms implemented. For the most part, past efforts can be described as enabling and implicitly condoning bad fiscal management by Pittsburgh's elected officials.

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