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Merger Proposal: Too Many Unanswered Questions

In October of 2006, at the inception of the Citizens Advisory Committee of the Efficiency and Effectiveness of City-County Government, the Mayor of Pittsburgh stated “a year from now, when you ask the question ‘should the City merge with the County?’ we will have the answer.”

The committee took an extra five months beyond the Mayoral-imposed deadline to answer the question. However, despite the extra time, the committee’s report fails abjectly to make a convincing case for a full unification of the City and County governments and raises far more questions than it answers. The committee’s case hinges largely on the belief that the City/County would benefit from having a unity of leadership. They present no evidence that other such mergers have lowered government costs or produced economic development gains.

The report leans heavily on the supposed benefits of the Louisville-Jefferson County Kentucky merger. But as we have shown in several reports that particular merger has not been very successful in lowering costs or generating economic development. Moreover, the pre-merger situation in Louisville-Jefferson differs dramatically from the Pittsburgh-Allegheny situation, especially in terms of the relative fiscal health of the core city, and the size of the non-city population in the county living in incorporated areas.

Perhaps not surprisingly, the committee limits its merger discussion to Pittsburgh and the County. The 129 other municipalities are untouched by their analysis, as are the 43 school districts including Pittsburgh Public Schools.

Why does the committee feel a merger now is a good thing? The committee feels “this may be an opportune time to achieve dramatically higher levels of efficiency and effectiveness... [there is] a high level of commitment to cooperation on the part on the County Chief Executive and the Mayor”. That’s quite a surprise because there has definitely been a lot of talk and research but not much action and until just recently the Mayor was extremely skeptical about the benefits of a merger.

The report spends a significant amount of space reviewing recent studies such as Competitive Pittsburgh (1996), Compac21 (1996), the Act 47 (2003-04) and oversight board work on the City (2004), all commenting on the potential for eliminating

duplicative services (police, parks, fleet, solid waste, etc.) and yet the City and County have moved forward on just three services (911, fingerprinting, and purchasing). Interestingly, the committee did not discuss the findings of a 2004 City-County summit which examined eight areas amenable to merger and yet came up with no concrete areas to take merger action. Nor did they refer to the 2003 PA Economy League study that found since the City and County were duplicative on low cost functions but differed on high cost functions (fire and refuse in the City, jail, courts, and human services in the County) potential savings were limited.

Clearly, if merging functions was easy and officials were serious, more progress would have been made by now. Parks and public works seem to be no-brainers, but they aren't merged. The report notes that even the successful service combinations "traveled long and sometimes tortured paths to implementation". So it is unclear how the committee concludes there is a successful foundation providing an opportunity for a complete merger.

Nonetheless they want the Mayor and the Chief Executive to press on with their efforts and offer a three-step process for moving the merger issue forward. First, that they adopt a "zero tolerance policy for service duplication"—a directive offered over a decade ago by the Compac21 committee—and have a "sense of urgency" about it. Second, they want officials to execute a formal "cooperation compact" that spells out functions that the City and County can cooperate on and "institutional[ize] a sustained commitment to higher levels of effectiveness and efficiency".

Then, in an amazing leap of faith, the committee's third recommendation is to place a ballot question before the voters to merge City and County government "at the earliest appropriate time". That's right. Before steps one and two are much more than a plan, the committee wants the merger process to forge ahead.

To get there, the General Assembly would have to draw up legislation permitting a ballot question and maybe this is where some due diligence would come into play. Common sense would require legislators to ask the committee how a merger would affect major issues like "how many people will this new government employ" or "what happens to pension and debt obligations of the City"? The committee's report raised some issues—which we highlight here—but their answers come up far short.

- ***How will the City be treated in a merged government?*** The committee notes that many mergers often involve dividing the new entity into an "urban services district" where the City services are more intense and expensive, and a "general services district" outside of the former city that is less urbanized. Since the committee's proposed merger would leave municipal governments outside of the City intact, there would be no need for such a distinction, but "as a matter of equity...council members representing districts within the Urban Services District [should have] authority to ensure that the special needs of the urban core...are met".

- ***Will minorities lose representation?*** Due to the high proportion of African-Americans in the City relative to the County, ensuring minority representation is an issue that “depends on the number of council districts created, the way in which district boundaries are drawn, and whether or not there are ‘at-large’ council members”.
- ***Will government jobs decline in number?*** The committee points out that some savings can be achieved “through a reduction in personnel costs but without any loss of jobs”. The committee notes “it is harder to forecast the impact of consolidation on jobs directly devoted to the delivery of services”.
- ***Will the City’s pension and debt costs be spread out onto the County?*** It may be broader than that since the committee notes “some level of state support almost certainly will be necessary” but raises the chance of “segregating existing obligations and to preclude their transfer from one governmental authority to another”.
- ***Will the merger produce job growth for the region?*** The committee commissioned a study by RAND which found “the case for or against consolidation will have to be made on grounds other than incontrovertible scientific evidence”. As part of a general review of literature on mergers, the committee stated that “though positive relationships had been found between government consolidation and both job growth and income growth, that evidence did not rise to the level of being ‘statistically significant’”.

Then there are the basic, hard-to-resolve problems with a city-county government merger that went largely unaddressed by the committee. First, cities and counties have very different fundamental functions and except for a few areas of overlap provide very different services to citizens and taxpayers. Counties provide the courts, criminal prosecutions, jails, property assessments, property record keeping, elections, voter registration, health and welfare services, medical examiners, marriage licenses, and so on. Cities and townships provide public safety, street and road maintenance, garbage collections, other public works, recreation and community services. Obviously, there is some overlap in the public works and parks functions, but otherwise the two governments have different roles to play in the lives of the citizens.

So, the question is, with a city-county merger, which government disappears? Certainly not the county. There are still 900,000 people outside Pittsburgh who will need and expect the services provided by the County. If the City is gone who will provide city services? The plan is to create an “urban services district” that will cover the geographic area of the City. However, since the cost of services in the City are so high on a per capita basis, will residents and businesses in the “district” continue to pay the higher wage tax, payroll preparation tax, and realty transfer tax they presently pay? Will the “district” continue to collect the amusement tax? How could the 900,000 residents of other municipalities ever be sure their taxes will not be used to prop up ongoing profligate spending in the former city’s “urban services district”?

Under the merged government arrangement what citizenship status would a current City resident have? Will they become second class citizens since voters in the county will have the ability to decide their leadership?

And these questions are merely the tip of the iceberg. Do city jobs disappear and become County jobs? Consider the difficulty merged airlines have in combining work forces owing to differences in pay scales, benefits, work rules, grievance procedures, legacy costs etc. The City-County merger would be nightmarish on that score.

Indeed, in trying to craft legislation to create a ballot referendum the General Assembly might well throw up its hands in despair of ever designing a new government structure that allows such a ridiculous hybrid. If there is to be a merger, why not push for the only logical solution—a complete consolidation through a unified countywide government.

In the meantime, while the General Assembly grapples with the merger question, the City and County should busy itself consolidating parks and public works, preferably with the City simply entering into a contract with the County to provide the services.

Moreover, perhaps instead of chasing down will-of-the-wisp solutions such as merging government, City officials might get busy seriously addressing the government's high costs and institute a government spending limit in the Home Rule Charter. If the City could get over the notion that preserving City employment is its primary function, it might actually start to solve its own problems. And as long as the Pittsburgh schools continue to spend \$18,000 per student and perform as poorly as they do, a new "urban services district" would continue to hemorrhage population and tax base. Then what do we do?

Plainly stated, the reappearance of City/County government merger talk is simply an effort to divert attention away from the real underlying problems in the City. Why would anyone believe that some Rube Goldberg government structure would fix those problems?

Jake Haulk, Ph.D., President

Eric Montarti, Policy Analyst

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd. * Suite 208 * Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: aipp@alleghenyinstitute.org</p>
