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Catherine DeLoughry
412-281-4783 ext. 3131
cdeloughry@alleghenyconference.org

Business leaders support local government reform in Commonwealth

Allegheny Conference joins business community representatives from across state testifying at House Local Government Committee Hearing

Senate Bill 1429 called 'ultimate in local control'

(PITTSBURGH– August 17, 2010) Representatives of business organizations across the state are testifying today in support of local government reform before the Pennsylvania House Local Government Committee in Harrisburg.

Local Government Committee members are considering Senate Bill 1429 which would amend the existing Merger and Consolidation Act to provide additional options to communities ready for change.

SB 1429 clarifies the authority of municipalities to vote on adoption of a consolidation or merger and adoption of a home rule charter in the same ballot. It also grants municipalities greater freedom of choice in how they initiate consolidation or merger, replaces vague timeframes with specific ones and provides a more clear transition process.

“We believe that SB 1429 will assist local communities who have already decided to change their governments and build a different future together to get on the road to that future more quickly and effectively. SB 1429 is truly the ultimate in local control – which is critical at a time when our local governments are facing fiscal stress and expanding service demands and need new tools to meet these challenges,” said Dennis Yablonsky, CEO, Allegheny Conference on Community Development.

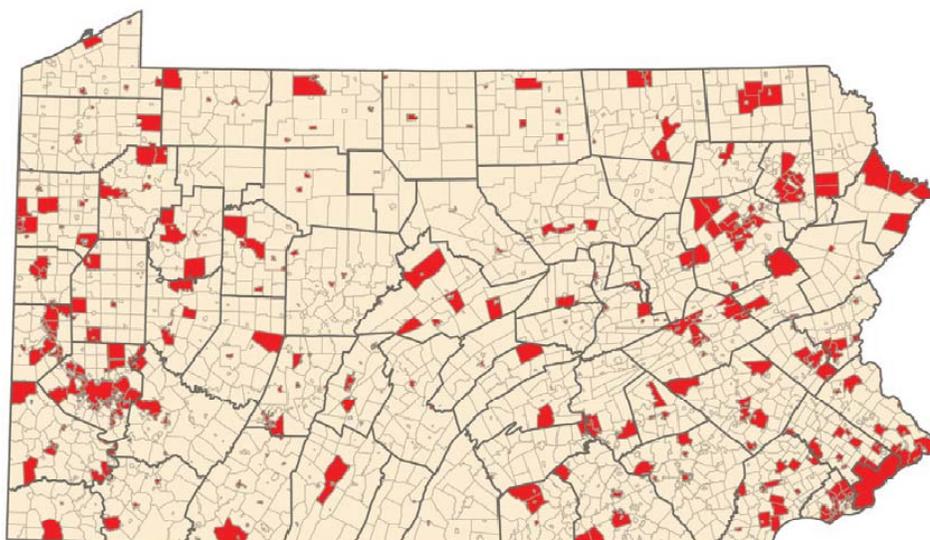
Yablonsky offered testimony in conjunction with other business community leaders – Gene Barr, vice president of government and public affairs for the Pennsylvania Chamber of Business and Industry; David Black, president & CEO of the Harrisburg Regional Chamber and the Capital Region Economic Development Corporation; Michelle Griffin Young, executive vice president of the Greater Lehigh Valley Chamber of Commerce and David Patti, president & CEO of the Pennsylvania Business Council.

Business organizations support government reforms such as SB 1429 because they promote efficiency and effectiveness, and thus hold down taxes and improve the local environment for business. Municipal mergers or consolidations cut costs and improve services, and home rule makes government work more smoothly and appropriately for local conditions. This also keeps costs under control, improves responsiveness and provides opportunities to jettison inefficient practices.

Municipalities across Pennsylvania are facing real fiscal challenges

Four out of ten Pennsylvania residents live in a financially stressed municipality. An analysis by the Pennsylvania Economy League of Southwestern Pennsylvania has shown that this distress is not limited to the urban areas around Philadelphia and Pittsburgh, but rather spread quite evenly across the state (see Figure 1.0). Fiscal stress is not a localized issue; it is statewide.

Figure 1.0: Financial Stress is Statewide (2010)



Created by the Pennsylvania Economy League of Southwestern Pennsylvania, April 2010

Benchmarking data suggests that municipalities that have integrated functions spend less per capita on a range of core services than similarly sized communities with fragmented service delivery. In Mercer County, for example, a consolidation of three cities and two boroughs was proposed in 2004. Combined per capita spending of this fragmented group for core expenditures was 19% higher than in a comparable set of benchmark municipalities and 13% higher for total expenditures.

Similarly, in Cambria County, where consolidation of nine boroughs and the City of Johnstown was proposed several years ago, combined per capita spending of this fragmented group for core expenditures was 42% higher than in a comparable set of benchmark municipalities and 60% higher for total expenditures.

SB 1429 results from State Planning Board recommendations

SB 1429 arose from the recommendations made by the State Planning Board and has been in development for four years. The business community leaders testifying at today's hearing encouraged the House Local Government Committee to take action on the bill in the current session.

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The Allegheny Conference on Community Development and Affiliates – the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Southwestern Pennsylvania and the Pittsburgh Regional Alliance – work in collaboration with public and private sector partners to stimulate economic growth and improve the quality of life in southwestern Pennsylvania. For more information, visit www.alleghenyconference.org.