



For immediate release

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*Business leaders support local government reform in
Commonwealth*

*The Greater Lehigh Valley Chamber of Commerce joins business
community representatives from across the state testifying at House Local
Government Committee Hearing*

(Lehigh Valley– August 19, 2010) Representatives of business organizations across the state testified on Tuesday, August 17th, 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.

“The Greater Lehigh Valley Chamber of Commerce is committed to every main street and local community in this Valley. We support those municipalities who have already decided to change their governments and build a different future together and SB1429 will provide the road to that future more quickly and effectively. We support local control – and because

this legislation is voluntary we believe it is critical as our communities are facing decreasing revenues and increasing service demands,” said Michelle Griffin Young, Executive Vice President of Public Policy, The Chamber.

Young offered testimony in conjunction with other business community leaders – Dennis Yablonsky, CEO of the Allegheny Conference on Community Development; 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; 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)

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 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.

About the GLVCC: The Chamber's mission is to deliver value to members through superior programs and services; advocate to advance business interests; unify the Lehigh Valley business community to leverage regional resources and strengthen its collective voice; and to create opportunities for businesses to grow. With nearly 5,000 member businesses who employ more than 140,000 individuals, The Chamber is the largest in Pennsylvania, largest in New Jersey, and one of the most active advocates for member businesses in the nation.