



TO: Members of the House Urban Affairs Committee
FROM: Lisa Schaefer, Director of Government Relations
DATE: May 22, 2018
RE: **CCAP Comments on House Bill 2122**

On behalf of the County Commissioners Association of Pennsylvania (CCAP), representing all 67 counties in the commonwealth, I write to share our comments on the broader discussion raised by House Bill 2122 about the ways in which the commonwealth can encourage coordination and partnerships for efficient delivery of services.

House Bill 2122 amends the Second Class County Code to allow electors in certain municipal corporations to choose to disincorporate, transferring governance to an unincorporated district administered by the county, if they believe the county would be able to provide for more efficient and effective municipal services. The bill is specific to Allegheny County, and we understand the county supports this legislation. Our association has not taken a position on the concept in general, should this legislation be used as an example for other counties in the future.

In a state as diverse as Pennsylvania, there is rarely a one-size-fits-all solution. While a common thread may exist among the needs of all of our communities, the concerns experienced by our rural counties and our large urban centers can be very different. Municipal disincorporation may be a welcome option in some areas, but may not be an effective solution to addressing issues in others. With that said, it is certainly not the only possible solution, and there are many other ideas the state can also consider to support local government and encourage coordination and partnerships for efficient delivery of services.

At the same time, it is important to note that even though Pennsylvania's local government system can be fragmented and decentralized, cooperation takes place every day, even if it is not documented or required by a law or regulation. Nor is decentralization necessarily synonymous with inefficiency or ineffectiveness; in fact, it can allow community needs to remain a priority. Local governments are the ones who know their communities best because they are on the ground every day, providing local response and oversight.

Over the years, Pennsylvania has taken a number of steps that demonstrate the potential for successful legislatively-mandated consolidation and "regionalization." In 1990 with the adoption of the state's Public Safety Emergency Telephone Act, counties assumed responsibility for the 911 service, previously a municipal prerogative and on that basis fragmented and virtually non-

existent in the commonwealth; within five years, counties had developed 911 systems statewide. Two years earlier, counties at their request assumed responsibility from municipalities, under Act 101, the Municipal Waste Planning, Recycling, and Waste Reduction Act for developing solid waste management plans, and counties succeeded in meeting that Act's ten-year planning objectives while concurrently launching recycling in the Commonwealth. There is also a structure in place under Act 167 of 1978, the Pennsylvania Storm Water Management Act, requiring every county to develop comprehensive storm water management plans for each watershed in its jurisdiction, and comparable requirements for regional flood plain management under Act 166 of 1978.

By and large, consolidation in these areas has allowed services to be better coordinated and provided more effectively, although funding discussions undermine the best intentions of these efforts:

- For two years, counties worked hard with the state to realize an increase in telephone subscriber fees (achieved under Act 12 of 2015), which had not been updated in more than 20 years and were no longer meeting the operational needs of the system, forcing counties to backfill those gaps with local property tax dollars.
- On the solid waste side, funding for Act 101 grant programs through the Department of Environmental Protection has declined even while the costs to collect and transport recyclables has increased over time. A 2005 Commonwealth Court decision that declared county administrative fees that had funded supplemental recycling services lacked an adequate statutory base, leaving counties without a dedicated revenue source to fund these programs for the past decade.
- And while Act 167 requires DEP to provide technical and financial assistance to counties in preparing plans and to pay 75 percent of the costs counties incur in preparing plans, in reality no state funding has been appropriated for this purpose since the 2008-2009 fiscal year.

While funding issues such as these must be addressed and more closely reflect the state and local partnerships inherent in their underlying statutes, in many cases the statutes themselves must also be examined to improve coordination. This is very apparent in the area of water quality, where a number of overlapping laws exist – such as nutrient management regulations, storm water management, flood plain management, Chesapeake Bay program requirements, just to name a few. Another example is evident within the state's community and economic development programs. A multitude of programs exist just in the Department of Community and Economic Development (DCED) – there are tax credits for job creation, historic preservation and neighborhood assistance, grant programs for Keystone Communities (Main Street and Elm Street), Keystone Opportunity Zones, and City Revitalization and Improvement Zones. And local governments can also avail themselves of programs such as Local Economic Revitalization Tax Assistance (LERTA) and Tax Increment Financing (TIF), not to mention take advantage of programs within other state agencies, such as the Department of Conservation and Natural Resources' programs for trail projects and rehabilitation and development of public parks and recreation projects.

It is difficult, if not impossible, for counties and municipalities to have an understanding of all of the programs that are available to them, or of how they might be leveraged and coordinated with one another to achieve multiple community goals. To that end, technical assistance from the state is critical to assure all opportunities can be realized, and CCAP supports at least a maintenance of funding for DCED's Municipal Assistance Program and Center for Local Government Services, if not increases that better reflect the demand for their services.

Further, although consolidation can certainly have benefits, as the earlier examples would indicate, CCAP cautions that this can be dependent on the situation and is not a silver bullet to addressing local issues. In fact, counties have reported that in some cases, the more "regionalized" or "centralized" a program or project becomes, the more difficult it can be for staff and others involved to be active regularly in the communities for which they are working in a way that can help to develop solutions. Decentralization can also allow for more diverse and inclusive stakeholder input – from local business to the public school system and higher education, to agriculture and community organizations. These voices may not have the same opportunities to be a part of the decision making process if it were removed to a larger level.

There are many other ways to provide support to struggling communities as well. On top of a limited revenue picture, outdated statutory provisions like those in the Prevailing Wage Act create additional costs for counties and unnecessarily divert taxpayer dollars from their most effective use. Under the Act, prevailing wages must be paid on public projects of more than \$25,000, an amount that has been unchanged since the 1960s and now captures virtually all state and local public construction projects. Even small projects such as roofing, electrical, HVAC and storm water work, once below the threshold, are now subject to prevailing wages. Prevailing wage requirements increase the cost of many middle-range construction and renovation projects such as prison, juvenile detention facilities, local courthouses and judicial facilities by 10 to 15 percent depending on the region where the work is being done. Some counties estimate even higher cost increases, upward of 20 to 30 percent in some rural areas, because prevailing wages are often based on metropolitan centers where costs and wages are comparatively higher.

Other mandates further increase costs to local government, such as the mandate to advertise legal notices in general circulation newspapers which fails to recognize changes in technology and the way in which individuals receive their news today. If existing statutes were updated to reflect today's realities, the result for those counties for which electronic advertising is a better fit for constituents would be an overall savings to counties and taxpayers. Additional examples of local government mandates are available in the Municipal Mandate Report compiled by the Local Government Commission, as authorized by Senate Resolution 323 of 2010.

Clearly, there is no simple answer to the complex issues that face our communities every day. For that reason, our local governments are often best situated to understand and respond to their communities' needs, and work together on a regular basis to eliminate duplication and inefficiency by offering services in partnership with municipal, county, state and/or federal government. Counties look forward to working cooperatively with their state and municipal

partners to determine the scope, objectives, administration, and financial commitment, of statutes, regulations and service delivery, understanding that collaboration between state and local governments will lead to solutions that better reflect the needs of Pennsylvanians, improve stewardship of taxpayer dollars, reduce cost, increase local flexibility and assure the quality of services counties provide.

Thank you for your consideration of these comments, and we would be happy to discuss them further with you at your convenience.