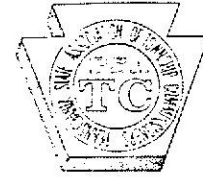




**PENNSYLVANIA STATE
ASSOCIATION OF BOROUGHS**

Telephone (717) 236-9526

Local Government Center
2941 N. Front Street
Harrisburg, Pennsylvania 17110



**PENNSYLVANIA STATE ASSOCIATION
OF TOWNSHIP COMMISSIONERS**

Telephone (717) 232-6540

STATEMENT ON TRANSFER OF STATE ROADS

BY

DOUGLAS E. HILL

ASSISTANT VICE PRESIDENT FOR GOVERNMENT SERVICES

REPRESENTING THE PENNSYLVANIA STATE ASSOCIATION OF BOROUGHS

AND

THE PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP COMMISSIONERS

BEFORE THE HOUSE TRANSPORTATION COMMITTEE

MAY 21, 1981

HARRISBURG, PENNSYLVANIA

I am Douglas E. Hill, Assistant Vice President for Government Services for the Pennsylvania State Association of Boroughs and the Pennsylvania State Association of Township Commissioners. These Associations represent the Commonwealth's 967 boroughs and 92 townships of the first class. Both Associations have offices at 2941 North Front Street, Harrisburg.

I wish to thank you for this opportunity to present testimony on H.B. 527 (P.N. 554), the proposed Highway Transfer Law.

Our Associations have worked for many years to achieve a workable transfer, or "turnback," program. We feel that many of the Class Six roads should be under municipal jurisdiction, where they could receive the care and maintenance that is not available, for practical reasons, from the Department of Transportation. Although boroughs and townships of the first class have a relatively small proportion of the more than 12,000 miles of Class Six highways, our share is large enough to make an appropriate turnback program a priority. For these reasons, we are pleased that the Committee is giving consideration to turnback legislation.

As is often the case, there are elements of the proposed legislation that we like, and there are portions that we feel are inappropriate.

We are pleased with the composition of the proposed Highway Transfer Board. By having half of the members of the Board appointed by, and representing each of, the municipal classes in Pennsylvania, we feel that we will have adequate representation in the deliberations of the Board. We are also pleased that the Board, and not the Department of Transportation, will have the major prerogative for

developing regulations to administer the program. This too gives us a somewhat greater voice in its operation.

We also heartily endorse the method of funding of the annual maintenance subsidy for the highways that are transferred. Section 10(b) provides that none of the money to fund these additional miles will be drawn from the Liquid Fuels Tax, but will instead be a separate appropriation. This has always been a major factor in our negotiations for a transfer program; the net effect of a transfer without a supplemental appropriation would be to spread the Liquid Fuels Tax thinner, with municipalities receiving no real compensation for assuming the responsibility for these additional miles. A separate appropriation, as described in Section 10(b), would recognize the fact that municipalities have increased their responsibilities, and would provide an incentive for them to do so.

We also endorse the concept of periodic legislative review of the program, as provided in Section 11. The concept of accountability in the bureaucracy is now the subject of much discussion, and we feel that it is appropriate that the body that develops and passes the statutes should have a formal procedure to periodically review the effectiveness of these statutes.

Conversely, we have serious reservations concerning two of the key provisions of H.B. 527. First is the method by which the transfer is made. The bill provides that the Board will notify each municipality of the highways that will be transferred. In the event the municipality rejects the transfer, the matter will be settled by binding arbitration. Our Associations have

consistently argued that any turnback must be a voluntary arrangement between the state and the municipality. Many municipalities do not have the equipment, staff, or resources to accept additional highway mileage, regardless of the provision for additional funding.

The right to reject the transfer and enter arbitration does not lessen the mandatory nature of the proposal. The bill does not specify the issues subject to arbitration or the factors to be considered; is it simply a yes or no on accepting the transfer, or can the arbitration panel decide whether or not the highway is actually Class Six, whether or not the municipality is financially capable of assuming responsibility, or can the panel even decide that the subsidy is too high or too low? Parenthetically, we must also object to the proposal that the state municipal associations would appoint, and pay for, one of the three arbitrators. Membership in our associations is voluntary, and each has a sliding scale dues structure. For these reasons, it is possible that an association would be paying for an arbitrator for a non-member or for one that pays much less than this expense in annual dues. More importantly, it is against the basic policy of each Association to have this degree of control and direct involvement in what is strictly a local matter.

The concept of binding arbitration itself is anathema to municipalities; it circumvents the basic traditions of negotiation and representation upon which our system of government is based. We would propose, and have proposed in the past, that the entire turnback program be voluntary, based on negotiation between the

Commonwealth or a Highway Transfer Board and the municipality. In this manner, transfers to municipalities that are capable would be facilitated, while those who are currently unable to assume this responsibility would not be required to do so.

In a similar manner, our proposal would solve the second key problem we find with the bill. Section 10(b) sets the additional funding for transferred highways at \$2,500 per lineal mile per year, plus an inflation figure. This proposed subsidy does not consider some of the most important variables, including the condition of the highway, its primary use (e.g., urban/rural, artery/collector), and the local cost of highway maintenance. As an example of the latter factor, the attached table shows the variation in average maintenance costs by municipality. As you will note, the average cost per mile in boroughs and townships of the first class is considerably greater than \$2,500 per year. A voluntary program based on negotiation between the Commonwealth and the municipality, as we have proposed, would allow the consideration of these various factors and lead to an agreement more closely related to local conditions and needs.

In summary, we propose that the Highway Transfer Board, separate subsidy, and legislative review provisions be retained in H.B. 527. We would propose that the arbitration provisions and the fixed subsidy figure be deleted and replaced by provisions allowing a voluntary negotiation process that permits more complete consideration of local factors affecting transfer of Commonwealth highways to municipalities. We are prepared to assist the

Committee in any way.

Thank you for giving our Associations this opportunity to present testimony on the proposed Highway Transfer Law.

THE COST OF MAINTAINING LOCAL STREETS AND HIGHWAYS

	<u>State Highway Aid</u> ¹	<u>Local Operation and Maintenance Expenditure</u>	<u>Total Operation and Maintenance Expenditure</u> ¹	<u>Total Road Miles</u> ²	<u>Average Cost per mile</u>
Cities	\$18,587,698	\$107,283,471	\$125,871,159	6,177	\$20,377
Boroughs	15,750,094	43,639,592	59,389,686	8,193	7,249
First Class Townships	8,247,748	20,932,780	29,389,686	4,391	6,693
Second Class Townships	43,629,186	47,137,172	90,766,358	16,542	1,950

Sources:

- 1 1977 Local Government Financial Statistics Report, Department of Community Affairs
(latest figures available)
- 2 1977 figure, Bureau of Municipal Services, Department of Transportation

Note: Capital expenditures not included.