



PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS

**TESTIMONY BY  
THE PENNSYLVANIA STATE ASSOCIATION OF  
TOWNSHIP SUPERVISORS**

**BEFORE THE  
HOUSE TRANSPORTATION, HOUSE DEMOCRATIC POLICY,  
AND HOUSE REPUBLICAN POLICY COMMITTEES**

**CONCERNING  
TRANSPORTATION FUNDING**

**PRESENTED BY  
WILLIAM B. HAWK  
ASSISTANT SECRETARY-TREASURER**

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4855 Woodland Drive ■ Enola, PA 17025-1291 ■ Internet: [www.psats.org](http://www.psats.org)

PSATS ■ Pennsylvania Township News ■ Telephone: (717) 763-0930 ■ Fax: (717) 763-9732

Trustees Insurance Fund ■ Unemployment Compensation Group Trust ■ Telephone: (800) 382-1268 ■ Fax: (717) 730-0209

Chairman Markosek and members of the House Transportation Committee and the House Democratic and Republican Policy Committees:

Good morning. My name is William B. Hawk, township supervisor for Lower Paxton Township, Dauphin County and the Assistant Secretary-Treasurer for the Pennsylvania State Association of Township Supervisors. Thank you for the opportunity to appear before you today on behalf of the 1,455 townships in Pennsylvania represented by the Association. With me today is Elam M. Herr, assistant executive director for the Association.

Townships comprise 95 percent of the commonwealth's land area and are home to more than 5.4 million Pennsylvanians. These townships are very diverse, ranging from rural, agricultural communities with fewer than 200 residents to more suburban communities with populations approaching 70,000 residents. The need for increased, dedicated transportation funding for local roads and bridges is of primary importance to all townships, regardless road miles or demographics.

### **Overview**

Local roads and bridges and state highways, along with mass transit, comprise a single transportation network for the Commonwealth's traveling public. Because the commonwealth has one interconnected, interdependent transportation system, it is absolutely essential that the funding of the entire system be taken into consideration when discussing revenue enhancements for any portion of our transportation network.

A sound and comprehensive transportation system is critical to the quality of life and economic vitality of our communities. PSATS believes that the commonwealth must maintain a predictable, reliable, and dedicated method of funding for the total system, including state and local roads, bridges, and mass transit. In addition, we believe that local governments are partners with the commonwealth in constructing and maintaining a safe and efficient surface transportation system for Pennsylvania motorists.

Pennsylvania has more than 117,000 total road miles, with 66 percent, or 77,325 miles, maintained by local government. The funding provided for Pennsylvania's local governments to maintain these miles of local roads and more than 6,400 municipal bridges of more than 20 feet (*and thousands of bridges that are less than 20 feet*) is simply inadequate.

According to DCED, municipalities spent \$1.27 billion on highways and streets in 2008, yet received only \$332 million from the liquid fuels tax. And 2008 marked the peak of the liquid fuels allocation, in part due to the additional \$30 million allocated from Act 44 of 2007. Since that time, the municipal allocation has steadily dropped due to decreased fuel consumption and increased vehicle efficiencies to only about \$307 million in 2010.

### **Declining Value of Transportation Dollars**

The purchasing power of local government has declined steeply as costs have skyrocketed, forcing many municipalities to face a difficult choice: place necessary road projects required for public safety on hold or raise taxes. In light of declining revenues from local taxes due to the economy, including earned income and realty transfer taxes, many townships have

been forced to increase property taxes, about the only local revenue source with this flexibility. Townships do not raise taxes lightly, but only after making budget cuts, including layoffs and deferring maintenance.

As a note, paving materials are oil-based and fuel is needed for snow removal. As the price of oil rises, the cost of maintaining our transportation system is directly impacted. The Pennsylvania Transportation Advisory Committee's May 2010 Transportation Funding Study documents the 80 percent rise in the Composite Bid Price Index since 2003 due to increases in the price of products essential for the construction of highways and bridges, which includes asphalt, steel, and diesel fuel. Salt prices have also risen significantly over the last 3 years.

In conjunction with skyrocketing material costs, a recent court decision has made paving unaffordable for many local governments. In 2008, the Pennsylvania Supreme Court determined in the *Borough of Youngwood v. Pennsylvania Prevailing Wage Board* that virtually all paving projects must now fall under the provisions of the Pennsylvania Prevailing Wage Act. Many communities have been forced to defer badly needed paving projects, while others have had to resort to oil and chip or microsurfacing to extend the life of local roads – not a popular option for residents. In other municipalities, this court decision has forced township supervisors to make the difficult decision to return some paved roads back to dirt surfaces in order to bring maintenance costs to realistic levels.

### **Local share of transportation funding**

The Association believes that local government should receive more revenues to meet its increased costs and never less than a 20 percent fair share of all state liquid fuels funds to adequately maintain the local road system. Local government currently receives approximately 14.6 percent of the Liquid Fuels Fund.

PSATS believes that the commonwealth must maintain a predictable and reliable funding method for state and local road maintenance and construction. As such, PSATS supports a blend of revenue enhancements, including realigning the cap on the oil franchise tax, tying Pennsylvania's registration fee structure to the consumer price index, adjusting the gas tax, and increased use of public private partnerships, to fund the state and local highway and bridge systems. We urge that any and all solutions include the following components: at least a 20 percent local share, depositing all proceeds into a restricted use account, and linking any tax or fees to the consumer price index. We have previously and continue to support tax or fee increases, but can do so *only* if local government receives its fair share to maintain its portion of the commonwealth's interconnected transportation system.

The May 2010 TAC study recommends that local government should receive an additional \$250 million annually for local road maintenance and construction, as well as an additional \$182 million annually to implement a statewide modernization and operation program for the 14,000 traffic signals owned and operated by local governments. While we believe that these numbers are a good indication of the local need, they may not take into account the impact of prevailing wage on paving budgets, as well as new environmental regulations that will increase the financial burden for stormwater management. In fact, the report warns that one of the costs of doing nothing to alleviate the transportation funding crisis is that "pavement

treatments would trend to sealing and repairing roads rather than resurfacing and reconstruction, leading to more rapidly deteriorating conditions over time.” Unfortunately in many instances, this is already the case in Pennsylvania.

In support of the local share, we have attached information about needed projects in PennDOT districts 8 and 9, as well as municipal efforts to work in partnership with the commonwealth and other local governments to stretch our transportation dollars. In fact, according to the results of a 2009 survey conducted by the Association, 83 percent of townships are currently involved in at least one intergovernmental cooperative initiative in order save money and improve services for their residents. The three most frequently reported initiatives were the sharing of equipment, joint purchasing, and road maintenance, while the responding townships also reported involvement in joint traffic signal operation, stormwater management, and transportation planning. Clearly, townships are interested in making the most of our limited transportation dollars.

### **Decrease mandates**

In addition to providing new sources of transportation funding, there are several actions that the General Assembly can take that would significantly decrease the unfunded mandates that local governments must follow to maintain their transportation infrastructure. Such action would allow our transportation dollars to stretch much further and most would cost the commonwealth little, if anything. These actions include:

- ♦ Provide relief from the Prevailing Wage Act by revising the act’s criteria to return to the historical exemption for paving and similar maintenance activities while retaining coverage for new construction if state dollars are used.
- ♦ Require PennDOT to increase the maximum amounts for road bonding. Road bonding allows municipalities to protect their infrastructure from excessive damage from overweight vehicles. However, the maximum bonding amounts have not increased in 30 years. The current bonding amounts of \$6,000 per mile for unpaved roads and \$12,500 per mile for paved roads does not begin to cover the cost to repair damage when the current cost to reconstruct a mile of two-lane highway is between \$85,000 and \$110,000.
- ♦ Increase the required advertising and bidding amount from \$10,000 to at least \$25,000, with an annual cost of living increase. Currently, few transportation-related purchases fall below this threshold and increasing these limits would alleviate expenses for small projects. Alternatives to legal advertising, such as placing ads on a centralized Web site, would increase potential bidders, while decreasing the costs of doing business.
- ♦ Require PennDOT to maintain all storm drainage facilities on state highways and prohibit the Department from attempting to force local governments to maintain a structure or facility that the state has chosen not to maintain. We realize that PennDOT does not have the \$250 million in annual funding needed to maintain these drainage facilities. However, local governments cannot afford to maintain structures on state roads.

In closing, transportation funding for highways and mass transit needs to be carefully examined and acted on now. The longer the transportation funding debate continues, the longer it

will take for new revenues to come back to both the state and local government for use in providing a safe and efficient transportation system. Again, the Association can support a blend of revenue enhancements, including realigning the cap on the oil franchise tax, tying Pennsylvania's registration fee structure to the consumer price index, adjusting the gas tax, and increased use of public private partnerships and urge that all solutions include a 20 percent local share, a restricted use account for highway construction and maintenance, and indexing any tax or fees to inflation. Unless aggressive action is taken soon, our transportation system will crumble, driving economic opportunities to those areas of the country willing to make these needed investments.

Thank you for this opportunity to testify before the committee today. We will now attempt to answer any questions that you may have.

## **Local Impacts: Transportation Funding Needs and Examples of Successful Projects**

### **PennDOT District 8**

In 2008, municipalities in District 8 received \$47.5 million in liquid fuels funds and spent \$202 million on road construction and maintenance.

**Hamiltonban Township, Adams County** has four major projects that are of immediate concern, but lack the funds to be completed properly. The first project is “lower” Cold Springs Road, which needs repaired to correct water damage from surrounding agricultural lands and the encroachment of stream floodwaters. This project calls for drainage cross pipes, edge milling, the rebasing of the entire roadway with a proper base, and the addition of another four and a half inches of paving materials to correct the deterioration due to roadway flooding. The roadway should be finished with a 3-inch Superpave binder and 1.5 inch overlay, however, due to funding limitations, the cost of prevailing wage, and the need to complete other projects, the township has chosen to double sealcoat the surface at this time using township employees. To further offset costs, a neighboring municipality will also provide a grader and operator for the initial phase of the project. By utilizing shared services and non-preferred construction methods, the township is able to reduce the costs of this project from \$141,720 to \$22,369. The township emphasizes that this is not the recommended method for maintaining roads, but is a secondary option that the township must use due to budget constraints.

Hamiltonban’s second project is “upper” Cold Springs Road, a mountainous route that is consistently plagued with stormwater issues. In 2006, the township was reimbursed \$90,000 from FEMA for repairs to this road after it sustained so much damage that it qualified for Federal Flood Relief. Unfortunately, this funding was not enough to cover the total repair costs and the township was forced to pass the additional costs on to their taxpayers. Currently, this road needs Superpave resurfacing on 6.8 miles at an estimated cost of \$1.89 million, however, the township is only able to budget for a 2010 sealcoat application on 25,434 feet of roadway at an estimated cost of \$61,606 in an effort to hold the road together until it can be properly resurfaced.

Hamiltonban’s third project is Old Waynesboro Road, which is utilized by an industrial mining operation and handles over 200 loaded tractor-trailers per day. Hamiltonban has sought financial assistance from both the mining operation and the trucking company and received a total \$40,000 from both 2007 and 2008. The township intended to resurface the road with the acquired funds within those two years. Unfortunately, this could not be accomplished due to the increase in costs from the prevailing wage and the sharp increase in oil prices. Plans to resurface this road have been put on hold, as the current estimated cost to complete the project is \$205,920.

Hamiltonban is also concerned with two bridges that are deteriorating and in need of replacement. The cost to repair both of the bridges is currently estimated at \$300,000. Until proper funding is available, plans to replace these bridges are also on hold.

**Londonderry Township, Dauphin County** recently applied for grant funding to improve a portion of Geyers Church Road, which serves as a primary connector road linking several arterial roads, including Interstate 283, State Route 441, and State Route 230 and which is the primary access and evacuation route for Three Mile Island power facility. The township needs funding to

complete the required widening, resurfacing, and storm drain system upgrades to the road in order to conform with PennDOT standards and for anticipated future traffic volumes. These improvements will maintain and allow safe viable access to a variety of local commercially zoned land and allow Londonderry Township to implement “smart” development practices and techniques in conjunction with current adjacent land uses, zoning, and adopted comprehensive plan.

**Lower Paxton Township, Dauphin County** needs funding to replace a deteriorating bridge at an estimated cost of \$750,000 and to install a turning lane to improve the flow of increasing traffic at an estimated cost of \$750,000. The township also needs to realign a road at an estimated cost of \$500,000. All three of these projects are a matter of immediate concern and require additional funding to be completed.

**Middle Paxton Township, Dauphin County** is currently faced with the task of replacing a structurally deficient one-lane township bridge that is 24.9 percent deficient and serves more than 100 residents. The bridge is posted with weight limits and currently emergency vehicles, garbage trucks, as well as the township vehicles, exceed the posted limit. PennDOT has recommended that this bridge be replaced with a two-lane bridge. The estimated cost to replace the bridge is \$275,000 and the township is currently seeking grants and any other funding opportunities to assist with these costs. They have also begun the process to have the bridge placed on the Federal Bridge Program, but have been told that this could take several years. Unless the township is able to secure additional funding, they will be forced to repair the bridge whenever they can afford to do so.

Middle Paxton Township works with a Dauphin Borough on small projects and is considering expanding the partnership for additional projects. Located close to the Susquehanna River, Middle Paxton faces flooding from tributaries during wet weather events, leading to flooded roads. The township is also working on gradually replacing many sluice pipes that are decades old and no longer sufficient to hold to handle the current rainfall.

**Southampton Township, Franklin County** has determined that they simply do not have the funds needed to pave their roads and as a result have been seal coating, double seal coating and patching their roads in an effort to maintain them to current standards. To further reduce costs, the township shares equipment and manpower with three neighboring townships.

In the last 12 years, Southampton Township has seen an influx of over 3,000 residents and is now home to the Volvo Construction Equipment’s world headquarters and manufacturing plant. As a result of this growth, the township is in need of additional roadways and infrastructure, including connector road to US Route 11 at an estimated cost of \$2.2 million, but will be unable to take on such projects without state or federal funding.

Southampton Township is currently finishing a sponsorship to improve Exit 24 of Interstate 81, including the widening of a bridge and the construction of three traffic signals. This project was made possible by federal funds.

**Washington Township, Franklin County** completed the preliminary work for a state corridor bypass project, including acquisition of right of ways, to relieve increased traffic congestion on state Route 16 in the Borough of Waynsboro. This work was completed in anticipation of

obtaining state or federal funding for the project. To date, the township has received \$500,000 from DCED to help fund a \$3 million bridge, but has received nothing to date for the 4 miles of roadway. In order to complete this project and solve a long-term transportation problem in the area, the township needs to raise an additional \$2 million. Currently the township is left with a half-built roadway and no money to complete the project.

Furthermore, Washington Township has switched to oil and chip surface treatments for many of their roads due to increased costs to overlay the roads with blacktop.

**East Hempfield Township, Lancaster County** is currently attempting to address a number of infrastructure projects that need to be completed, but lack the adequate funding. One specific example is a project that was on the TIP to widen Centerville Road from 3 to 5 lanes. This road connects State Route 462 to US 30 and Marietta Avenue (SR 23) and carries a high volume of traffic between these roads. It also provides access to a major industrial area and significant commercial properties for both township residents and the surrounding communities. This project was removed from the TIP and placed on the LRTP due to increased costs. The project was initially estimated at \$4.6 million for the widening of the road and \$4.4 million for the widening of a bridge. The township has since determined that the bridge cannot be widened and that the cost of a new interchange alone would be \$25 million. East Hempfield has worked to collect private dollars for the widening of the road and has obtained most of the needed right of way. This has been a project on the township's list for 15 years and has continuously been delayed due to funding.

**North Hopewell Township, York County** received an ARRA grant for \$750,000 through PENNVEST to stabilize four dirt and gravel roads and reduce runoff into adjacent creeks. The township applied aggregate to a plastic mesh or "geogrid" to hold it in place, deemed to be more cost-effective and environmentally sensitive than paving the road or doing nothing. Driving surface aggregate was applied to produce a durable surface that performs better than conventional aggregates, which reduces maintenance costs because it does not need to be graded as often. The township could not have paid for the project without the federal grant.

**Warrington Township, York County** has discovered that many of the short span bridges in their township are in need of replacement due to rusting and eroding of steel beams. Due to limited funding, they have begun to replace these bridges in-house. Although their three-man road crew has been adequate to complete these projects, they lack the experience and expertise to complete all of the necessary bridge replacement projects. Unfortunately, the cost to bid and contract for the replacement of even one of these projects is too expensive for the township to consider.

### **PennDOT District 9**

In 2008, municipalities in District 9 received \$17 million in liquid fuels funds and spent nearly \$52 million on road construction and maintenance.

**Bedford Township, Bedford County** has three structurally deficient bridges that they are not financially able to replace. Bedford is also dealing with an estimated \$500,000 in road damage as a result of a DEP mandated sewage facilities planning module for a minor Act 537 plan. Due to



this funding shortage, the damaged roads are being patched, as the township is unable to restore them to their prior condition.

To offset increasing road maintenance costs, Bedford Township has partnered with Bedford Borough for snow plowing as well as the purchase and use of specialized equipment.

**Allegheny Township, Blair County** has attempted to maintain an annual road paving program where roads were improved every eight years. Due to increased costs, they have scaled back the program those roads only needing an application of wearing course. However, if one of their roads is destroyed and needs a scratch/leveling course in addition to the wearing course, other roads in the township will not be paved. As this trend continues the township fears it will soon become impossible to maintain their eight year renewal program.

**Snyder Township, Blair County** has continuously applied for grant funding to replace Sportsmen's Road Bridge, which is in dire need of replacement. They have been unsuccessful and currently lack the funding to move forward with the project.

**Logan Township, Huntingdon County's** current critical paving needs total almost \$1.3 million. However, they currently receive only \$319,000 in liquid fuels funds. Increasing material costs have put the township years behind on their paving needs and is creating a serious issue for the township as their roads are declining faster than they can be repaired. To offset rising costs, the township has decreased the number of miles of road they pave each year.

In another effort to save money and maintain their roads, Logan Township has entered into agreements with neighboring municipalities to share plowing and maintenance duties.