



TOWNSHIPS TODAY

A QUARTERLY NEWSLETTER
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YOUR TOWNSHIP

Unfunded Mandates Gobble Up Local Tax Dollars

Lawmakers Beginning to See Value of Common-Sense Reforms

Suppose the township supervisors passed an ordinance that required you to paint your house every year at your own expense – or face a fine.

Or maybe the supervisors mandated that you and every other resident over 18 buy and carry a \$25 “residency card” each year as proof that you live in the township.

Not fair, you say? Well, you’re right, and fortunately, it’s unlikely that any municipality would ever enact one of these outrageous what-ifs. But guess what? The above scenarios do give you a good idea of what our township is up against.

Frequently, state and federal lawmakers and agencies institute laws, rules, and regulations that we, as township supervisors, must follow. Quite often, our community is expected to dig into its own wallet and foot the bill to meet these requirements, too.

From implementing a new statewide earned income tax collection system to keeping up with an ever-changing and arbitrary menu of federal clean-water requirements, townships and other local governments face a range of budget-draining unfunded mandates.

But before you brush this off as something you and your neighbors don’t need to worry about, consider this: It’s your tax dollars that support unfunded mandates.



Unfunded mandates are forcing many townships to “break the bank,” so to speak, and take other tough steps to pay for them. The good news is, helpful reforms are on the horizon.

And every time our township is socked with another one, we have to find the money to pay for it from a limited list of not-so-great options. We might have to divert funding from a local project (*maybe repairing your road*), cut services, or increase taxes.

Finally, however, some relief is in sight.

Reform begins bringing relief

For many years, our board of supervisors, our colleagues across the state, and the organization that represents all of us, the Pennsylvania State

Association of Township Supervisors, have been urging lawmakers to ease up on unfunded mandates and update outdated laws that are costing communities hundreds of thousands of dollars a year.

The good news is, they're beginning to listen.

It all started this fall when Gov. Tom Corbett signed Act 84 of 2011 into law. The new statute increases the minimum dollar amount that requires townships to advertise and seek bids for purchases and contracts.

By upping the current threshold from \$10,000 to \$18,500, the law ensures that fewer local purchases fall under the state's cumbersome and bureaucratic bidding procedures. It also means that local tax dollars won't be frittered away on needless advertising. Instead, our township will now have more money to invest where it will do the most good: in local services and projects.

"The last time the bidding provisions were amended was in 1990, and they have been frozen in time since then, not allowing for inflation and thus eroding the purchasing power of township government," PSATS Executive Director David M. Sanko says. "Increasing the bidding threshold will make procurement more cost-effective and, as a result, will provide more advantageous choices for townships and their taxpayers."

And while Act 84 is definitely a step in the right direction, the truth is, our township still has more work ahead of it.

Our work continues

Townships, for instance, spend upward of \$5,000 on average — and often much more — each year complying with the state's outdated legal advertising laws, which were drafted before the Internet's rise in popularity.

On top of that, a 2008 Pennsylvania Supreme Court ruling requires our township and others to

pay contracted workers higher wages, commonly referred to as "prevailing wages," for routine road maintenance projects — another unfunded mandate that has significantly increased our road and labor costs.

That's why we are asking lawmakers to adopt additional common-sense reforms that would impose little, if any, cost on the commonwealth but would save townships like ours hundreds of thousands of dollars.

Specifically, we would like the state General Assembly to do the following:

- **Modify the Prevailing Wage Law** by increasing the \$25,000 contract threshold to at least \$250,000 and correcting the 2008 Pennsylvania Supreme Court ruling that subjected paving and other formerly exempt projects to the law.

- **Allow townships to increase their advertising visibility and access** by permitting them to place legal ads on the web or in mass-circulation, community newspapers. This would give townships options beyond general-circulation newspapers, where advertising costs are rising and readership is declining.

The bottom line is that townships, like you, are facing increasing costs, from fuel to steel and concrete. "There is nothing the state can do about those," Sanko says, "but it can do something about the Prevailing Wage Law."

That and other reforms, however, won't happen unless our residents unite with us to ensure that local tax dollars aren't wasted simply because the General Assembly has failed to update a handful of outdated state laws, he says.

"We're so close to getting these reforms passed," Sanko says. "Bills have been introduced in the legislature; however, if we do nothing, we'll get nothing. We all have to heed a call to action."

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Gallup poll confirms public's trust in local leaders

While the public may be unaware of everything that's required of a township supervisor, Bev Cigler, Ph.D., professor of public policy and administration at Penn State Harrisburg, doesn't think that constituents are any less appreciative.

"People, including those who run for office, may not know the specifics of the job, but quite often they're happy because they're getting good service," she says, "and that's all they care about."

Not surprisingly, a recent Gallup poll backs up her contention that local government is popular with voters.

This past summer, the group quizzed a random sampling of 1,017 adults across the United

States. The Gallup study revealed that two-thirds of Americans have a great deal of confidence in their local governments to handle problems.

"Americans' persistent high confidence in local government contrasts with their generally diminishing confidence in the legislative and executive branches over the past five or so years," the organization says.

In fact, Gallup reports that local government is "the only governmental entity not to have lost any of Americans' trust since 1997. Trust in state government is now 11 percentage points lower than in 1997, while trust in the executive and legislative branches is down by 15 points or more."