



# TOWNSHIPS TODAY

A QUARTERLY NEWSLETTER  
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## New State Transportation Plan Shortchanges Local Roads and Bridges Taxes Could Increase in Municipalities Statewide

Earlier this summer, Pennsylvania's municipalities, including the township you live in, found out they would be receiving an additional \$30 million a year from the state to repair roads and bridges.

But no one was jumping for joy.

Of course, that might lead you to believe that local officials are an ungrateful bunch. After all, \$30 million is a lot of money. With that kind of windfall, you could pay off your bills, quit your job, and live the rest of your life in the lap of luxury.

Your whole outlook would change.

Not so for the commonwealth's local governments.

In fact, the reality is that this funding, part of a nearly \$1 billion spending package that lawmakers passed in July to fix Pennsylvania's troubled transportation system, won't even come close to helping your township and others cover their skyrocketing road costs, which jumped an estimated 36 percent over the past three years.

While the new funding brings the total transportation allocation for Pennsylvania's municipalities to about \$330 million, a state-appointed

commission recently found that municipalities need at least *\$1.5 billion* a year to repair all the

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**When state lawmakers announced that Pennsylvania's municipalities would be receiving \$30 million more a year for local road and bridge projects, no one was cheering at the news. Because the truth is, this funding won't even come close to helping Pennsylvania's townships cover their skyrocketing transportation-related expenses. So what does this mean for you? One possibility: fewer services. Another: higher taxes.**

local roads and bridges that are desperate for attention.

Needless to say, the alarming and growing gap between what local governments are receiving from the state and what they really need is forcing township supervisors to make tough and, very likely, unpopular choices.

And, one way or another, these choices are going to impact you — and maybe even your wallet.

### **The great transportation debate**

Discussions about transportation funding are nothing new in Pennsylvania because, let's face it, our roads have seen better days.

The commonwealth's interstates, highways, and bridges, which have consistently earned poor ratings from the Washington, D.C.-based Road Information Program, are showing signs of age and disrepair as Mother Nature, increased traffic, and funding shortfalls have taken their toll.

Meanwhile, mass transit, which provides buses, trains, and other services in many Pennsylvania counties, is suffering its own financial difficulties.

This scenario, not surprisingly, has fueled the need for more dollars and a quest among lawmakers and others to solve the transportation crisis. Things have gotten sticky, though, when the time comes to figure out just how to raise and divvy up the extra money.

That was the case earlier this year when Gov. Ed Rendell and the state's Transportation and Funding Reform Commission each introduced plans to generate more than \$1 billion to support mass transit and fund road and bridge improvements.

Although Rendell and the commission agreed on the total amount to be allocated, they parted ways on the approach. Rendell suggested leasing the Pennsylvania Turnpike. The commission, on the other hand, recommended raising taxes, including the gas tax, to fund the ambitious proposal.

Lawmakers frowned on both plans, and what resulted after many weeks of debate was Act 44 of 2007.

This compromise legislation proposes to turn Interstate 80 into a toll road — a move some federal lawmakers have contested — and significantly increase tolls on the Pennsylvania Turnpike to

create long-term transportation funding.

Under the act, lawmakers granted an additional \$400 million a year to mass transit to help overcome its financial difficulties. They also allocated an additional \$465 million and \$30 million a year to the state Department of Transportation and municipalities, respectively, for road and bridge repairs.

### **No new taxes? Really?**

This approach seems pretty reasonable, doesn't it? Especially since lawmakers avoided raising your taxes, yet still managed to pull together much-needed monies for the commonwealth's transportation system.

However, consider this: Of the \$500 million allocated for roads and bridges, the bulk of this funding will go to PennDOT. Meanwhile, Pennsylvania's 2,500-plus municipalities will receive just 6 percent of these funds although they maintain more miles of roads (76,000) than the state (44,000).

So what does this mean for you and your community?

Plenty.

These lopsided allocations heavily favor mass transit and PennDOT at the expense of your township. And because they do, local leaders must figure out how to make up the funding shortfall so they can continue to pave and repair the roads and bridges you travel each day, plow them in the winter, purchase and maintain equipment, and cover the rising costs of materials, such as salt, antiskid, and asphalt.

Different circumstances will dictate different approaches. Some townships will put pricier projects on hold. Some will cut services. Others will be forced to raise taxes.

One township official summed up the situation this way: "State lawmakers went into summer recess pretty pleased with themselves. They got a budget passed, they reached an agreement on transportation funding, and they didn't have to raise taxes.

"But guess what? They put my township and many others in the hot seat. We've got problems on our roads, we don't have the money to fix them, and now we're going to have to let things go or dig into the pockets of our taxpayers.

"That just doesn't seem right, does it?"

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