

FUNDING FOR HUMAN SERVICES

Statewide 60 percent of county budgets are dedicated to the provision of human services. For decades, counties have fulfilled their obligation to provide a comprehensive array of vital services to residents. Counties are in the forefront in providing necessary services, and have had to continually increase their fiscal share for these services as state and federal funds have not kept pace with state and/or federal mandates, the increasing need for services or the actual costs of providing services. Counties have acted as a "safety net" for those individuals most in need.

Regardless of the source of the funding, abused, neglected, and delinquent children continue to need care; individuals and families living with addiction or mental illness continue to need treatment and resources; the elderly still have options available to address their long-term care needs. All of these services are required to ensure individuals and communities in Pennsylvania have their basic needs met. In the face of decreasing state and federal funding, Pennsylvania counties have chosen to continue to fund programs for their most vulnerable citizens at the expense of other public services.



Counties are dependent on local property taxes to fund their share of the human services budget. Counties currently must also initially cover the full cost of children and youth services and wait for reimbursement, which creates additional cash flow challenges. Solutions to these challenges are needed. Establishing a system that facilitates quarterly advance payments to counties for these services has to be considered as part of a long-term solution. There were also approximately 21,000 admissions to juvenile detention in 2007. Because federal Temporary Assistance to Needy Families dollars are no longer available, counties will need an additional \$42.2 million from the state as of July 1, 2008 to support the same level of services provided in 2007.

Another challenge counties face involves the elimination of the Intergovernmental Transfer (IGT) that has been a major source of funding to reimburse the cost of nursing home care. The IGT will not be available after 2009. Nursing homes and the state need a plan to replace IGT funds. A direct concern for counties is the current requirement to pay ten percent of the non-federal share of the Medical Assistance costs for their nursing homes. Currently Pennsylvania counties have this cost covered by IGT funds. A long-term solution is needed.

Counties are also faced with increasing jail populations with 80 to 85 percent of the jail population having mental health, drug and/or alcohol addiction and other human service needs that must be addressed to reduce recidivism and increase the possibility of successfully re-entering and living in the community.

Sustainable and predictable state and federal funding for human services is an absolute necessity. Without a commitment by the state and federal government to honor their human service obligations, counties are forced to increase local taxes, as they have the past several years, or eliminate other vital public services. A responsible and long-term solution is needed to address funding of mandated and entitlement services to meet the needs of Pennsylvania communities.



TAX FAIRNESS NOW

During the past two sessions of the General Assembly, legislation has been approved to address school property taxes. Counties have been seeking legislation during this same period to address the complaints of taxpayers who pay taxes on their property to fund county government, including state and federal responsibilities that have seen increasing funding shortfalls during this same time period. Counties were asked to wait while the Governor and the House and the Senate grappled with ways to reform the property tax system that funds Pennsylvania's education system. Counties can wait no longer.

It is becoming typical that in each year more than half of the counties have been compelled to raise taxes, and sometimes being required to do so at double-digit rates. Counties have no choice; these difficult decisions are responsible ones, which counties are compelled to make in light of several years of sharp funding decreases at the state and federal levels. While state and federal government must do more to maintain their fair share of funding for mandated services, when a county is forced to rely on its local bases it is important that it have some alternative other than the real property tax, currently the almost exclusive source of county tax revenue.

Pennsylvania's counties, municipalities and the vast majority of school districts rely on property taxes as their main

local revenue source, but the system does not equitably or adequately reflect a homeowner's economic condition, placing on them an unfair burden. Pennsylvania's counties believe that local taxes should be equitable and fair; no one should have to pay more than their fair share. "Tax fairness" targets a change in the generation of revenue to support local government. Effective measures that are tax fair allow local governments to reduce the real estate tax in proportion to revenue generated by other sources of income, such as personal income or sales taxes, but should not generate a windfall in revenue for the taxing entity. Any tax fairness measure has to consider more than school taxes; options should be available to address county inequities as well. Counties should be able to choose their options based on what is best for their communities.

CCAP has explored a broader solution for tax fairness in its "Blueprint for Tax Fairness," a document that reflects the comments and perspectives of the state's political leaders, lawmakers, local government officials, farmers, business owners, and senior citizens. Tax fairness also means vigilance in maintaining the fairness of the assessment system, including resistance to, or correction of, legislation or court decisions unfairly removing classes of property from the assessment rolls.

For more information, log on to www.pataxfairness.info.

County Commissioners Association of Pennsylvania: Key Priorities 2008

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'08 County PRIORITIES

CCAP COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
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The County Commissioners Association of Pennsylvania is a statewide, nonprofit, bi-partisan association representing the commissioners, chief clerks, administrators, their equivalents in home rule counties and solicitors of Pennsylvania's 67 counties.

The Association serves to strengthen the Pennsylvania counties' ability to govern their own affairs and improve the well-being and quality of life of their constituents. To this end, the Association effects the achievement of favorable state and federal legislation, programs and policies and provides appropriate programs and services to member counties.

Generally, CCAP's legislative and regulatory policies seek greater flexibility and autonomy for county government. Often CCAP resolutions favor generalization of authority for county commissioners who are closely responsive to the needs and circumstances of the people. Comparably, CCAP stands against actions at the state and federal levels which limit fiscal, administrative or programmatic authority, or which superimpose state and federal priorities over those developed locally.

However, recognizing the interdependence of federal, state, county and local government, the Association may support legislation or regulations against this general rule of flexibility and autonomy if there is a rational need for the directive or mandate, and the program provides sufficient resources to best meet the needs of local constituents.

CCAP was founded in 1886 and is an affiliate of the National Association of Counties (NACo). Prior to 1994, the Association was known as the Pennsylvania State Association of County Commissioners.

COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA

County Commissioners Association of Pennsylvania: Key Priorities 2008



DEDICATED AND ADEQUATE FUNDING FOR MASS TRANSIT, LOCAL ROADS, AND BRIDGES



Act 44 of 2007 put in place a number of significant changes in funding for mass transit and highway infrastructure. Controversy over one element of the act, tolling Interstate 80, may cause the General Assembly to revisit that part of the solution. While the Association has no official position on tolling interstates, it continues to stress the interrelatedness and interdependence of state, county, and municipal transportation systems. Counties support comprehensive and ongoing solutions to the critical infrastructure and mass transit needs that exist at all levels, and extend their support to consideration of funding alternatives such as fuels taxes at wholesale or retail levels, user fees, highway or turnpike leasing, and others, as

well as reasonable alternatives directed at reducing highway construction and mass transportation operation costs. Act 44 gave \$5 million in new funding for county bridges, and \$30 million to municipalities for local road maintenance. While those increases were appreciated, they continue to fall far short of identified need and, if the act is revisited, counties will join with municipalities in seeking funding that better addresses local requirements. Annual infrastructure needs for the more than 4,000 county-owned bridges exceed \$100 million in capital costs alone, funded with a gas tax allocation that, apart from Act 44, has remained largely unchanged since 1930 and, with Act 44, amounts to about \$40 million.

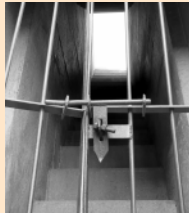
INTEGRITY OF FARMLAND PRESERVATION



Recognized as a national leader, Pennsylvania's farmland preservation program and counties have invested more than \$300 million local dollars toward purchase of conservation easements through the state program. In response to rapid development and increasing land values in many parts of the state, counties support legislation that would authorize an optional county realty transfer tax of up to one percent, with revenue dedicated to preservation of farmland and open space. Counties also seek changes to statutes governing other programs initiated by the state to protect farmland by authorizing property tax breaks, including the optional millage freeze and Clean and Green. Counties seek millage freeze clarifications to address issues such as including how "frozen"

property tax millage rates can be adjusted when a county chooses to do a reassessment. When a conservation easement is held by a conservancy or land trust, the Association supports allowing that property to be eligible for the optional millage freeze. Clean and Green must be amended to provide county assessment offices with clear guidelines on how to administer preferential assessment for Clean and Green-eligible properties where tracts of land are leased to an alternative energy developer for projects such as wind towers. Counties remain concerned about eligibility standards in the existing law, which allow non-farmer-owned mini-estates to receive preferential assessment at the expense of other local taxpayers.

JAIL AND PRISON REFORM



The County Commissioners Association of Pennsylvania supports a statutory change requiring all offenders sentenced to more than two years to be committed to the state correctional system for confinement. Currently, judges have discretion about where they send state offenders sentenced for two to five years – either county jail or state prison. Pennsylvania is the only state in the country that permits this type of sentencing discretion. Most states prohibit those sentenced to more than one year to serve that sentence in a county facility. States that do permit sentences of up to two years in county facilities generally provide for reimbursement to the county for the costs of housing those inmates, unlike Pennsylvania, where county property taxes fund the jails. Requiring state prison confinement for inmates sentenced for two or more years would provide inmates with programs such as vocational training, addiction counseling and other needed services that are proven to reduce recidivism and reduce the burden on taxpayers, but are often unavailable in county jails. Many county jails are overcrowded and counties across the state are forced to ask the property taxpayers to fund building and expansion projects that could be avoided if inmates with state sentences served their time in state facilities.

In the absence of a change in the place of confinement statute, the Association is calling for state reimbursement to counties for all offenders sentenced to the county correctional system for more than two years. As part of a comprehensive package of reforms, the Association also supports the need to address sentencing and probation and parole practices.

STRENGTHENING 911 SERVICES



Counties have responsibility for one of the key functions in public safety, the operation of the 911 call-taking and dispatch system. Counties are in the midst of implementation of enhanced systems to locate wireless callers, but their new and concurrent challenge is rapidly-expanding Voice Over Internet Protocol (VOIP) and other internet services, which lack adequate locators and create a new imperative to assure that those in need can place emergency calls to the correct call center, and be assured of correct emergency dispatch. Wireless locators are funded through a \$1 surcharge on monthly wireless bills, comparable to the fee of up to \$1.50 per month for traditional wire-line subscribers. No similar funding source yet exists for VOIP and other internet-based systems. The Association supports as a 2008 priority passage of S.B. 385 or comparable legislation that provides a VOIP subscriber surcharge and locator provisions. Additionally, with the advent of new technologies, there has been a significant decrease in the number of traditional wire-line subscribers and the corresponding surcharge receipts. The Association supports H.B.1610, which would provide the first increases in these fees since their inception almost two decades ago.

COUNTY RECYCLING FEE AUTHORIZATION



Due to a court decision, counties can no longer levy a local administrative fee to fund supplemental county recycling programs such as household hazardous waste collection, electronics recycling, recycling drop-off centers, illegal dump enforcement and cleanup and tire recycling. In a 2005 ruling, the Commonwealth Court determined that county administrative fees are illegal because they are not specifically authorized in Act 101, the Municipal Waste Planning, Recycling and Waste Reduction Act. This ruling has left counties without a source of revenue to fund these programs, and counties have begun scaling back recycling operations. A decrease in the availability of recycling programs will result in more recyclable goods filling up space in landfills, and a prolif-

eration of illegal dumping on public and private lands. This will have an adverse impact on the Commonwealth's environment and the quality of life of many Pennsylvania residents, and will undermine the public's other environmental investments, including the Growing Greener 2 bond initiative. Counties are seeking express statutory authorization to re-instate administrative fees for recycling. CCAP urges the General Assembly to authorize a county administrative fee that would be dedicated to recycling programs, administration of those programs, and public education, such as is proposed in House Bill 934.