The State-County Partnership in Service Delivery
A Historical Funding Overview

The state-county partnership is critical to counties’ mission to effectively maintain healthy, safe and resilient communities. For instance, Pennsylvania counties deliver crucial human services that protect the most vulnerable – among them children suffering from abuse, those fighting substance abuse addictions, individuals with mental illness and intellectual disabilities, and seniors in need of long-term care. However, county capacity to meet service needs has been compromised by a steady decrease in state funding over more than a decade. At the same time, mandates and service needs continue to increase.

While human services comprise the largest portion of county budgets, counties provide many other services and programs to their constituents, and the state-county financial and regulatory relationship must be examined, and where necessary, reconfigured. And for any proposed new or expanded mandate, it must reflect state financial commitment and mutual determination of its scope, objectives and administration.

This overview highlights key county line items and provides historical context regarding the trends in the state-county partnership in service delivery. However, it is not intended to be a comprehensive list of all county line items, as there are many instances where counties receive funding within a line item and therefore showing the trends of that line item would not have presented an accurate picture of the state funding received by counties.

There are also many long-standing mandates for which there is no state funding, a sampling of which is included at the end of this overview. This overview also omits structural mandates on counties, such as county auditor functions, and procedural mandates such as legal advertising requirements and prevailing wage. Although these items are not included in this overview, they must be considered as part of the overall impact on county budget loads.
**Human Services**

**Human Services Block Grant.** While state funding has decreased in several areas that affect county human service delivery, the worst impact was a drastic ten percent aggregate cut in FY 2012-2013 to seven line items that impact core services in all 67 counties. That cut impacts funding for all 67 counties in these programs. Individual line items are highlighted throughout this report.

**Child Welfare.** The child welfare system in Pennsylvania is a state-mandated, county-operated system. Typically, the agency will both directly provide and purchase through private contractors a wide variety of supportive, rehabilitative and/or child placement services. County child welfare agencies are also responsible for investigating reports of suspected child abuse.

Nearly 30 new child welfare laws enacted in 2015 caused significant increases in referrals and workloads to county child welfare agencies but, without comparable increases in state funding, left the system badly strained. Statutory impacts are compounded by the real-world toll the opioid epidemic is having on families and their children throughout the state.

A CPS refers to those referrals to the

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**State Funding per CPS Referral**

Source: PA Department of Human Services Annual Child Protective Service Reports. Data for ChildLine was unavailable prior to 2011.
statewide child abuse hotline (ChildLine) that are registered as suspected child abuse and must be investigated by a county child welfare agency.

**Homeless Assistance Program.** The homeless assistance program provides funding to counties to offer temporary shelter to homeless individuals or to those in danger of becoming homeless. Individuals with mental health may also qualify for housing or assistance through specialized residences in certain counties.

This line is one of the seven line items that saw an aggregate 10 percent cut in FY 2012-2013.

**Human Services Development Fund.** The HSDF is one of the counties’ most flexible funding tools that they can use to reduce costs to human services programs through preventative and self-sufficiency measures tailored to local, specific needs that can cover multiple populations including low-income adults, children, individuals with mental health, substance abuse disorders, and/or intellectual disabilities, children, and seniors.
Unfortunately, while HSDF has the potential to save money at both the county and state level, funding has been dramatically cut over the past decade, decreasing the options and support needed to meet the needs of an individual in a flexible manner and at lower costs to other human services programs in the long run. Ultimately, this will impact other systems at the county level and the way in which individuals and families can be served, and create additional pressures on local property tax dollars.

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**Long-term Care and County Nursing Homes.**

County nursing homes play a critical role in providing long-term care services, acting a safety net for the most vulnerable individuals, since these facilities are the only ones required to take individuals who are eligible for Medicaid upon admission, meaning they have no other resources for their care.

In fact, 80 to 90 percent of county home residents utilize Medicaid to pay for their care, but in recent years these costs have exceeded what Medicaid provides. However, nursing homes have seen only minimal increases (totaling about eight percent) over the past 12 years, and had not seen a rate increase for the past four fiscal years. While a modest one percent increase was included in the FY 2018-2019 budget, the increase did not begin until January 1, 2019, and therefore applies directly only to those counties where Community Health Choices (CHC) has not yet been implemented. Rates for homes in managed care where CHC has been implemented were not available.

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Other state and federal funding sources such as the Lottery Fund, Tobacco Settlement, Intergovernmental Transfer (IGT) and nursing home assessment are utilized to help support the funding levels for long-term care; the long-term care line item has also historically included funding for nursing homes, although this line was transferred to the CHC line item in FY 2018-2019. Due to the flexibility provided in CHC, the IGT increased in FY 2018-2019 by approximately $14 million, provided that no additional county homes privatize, which will allow for additional funding for county nursing homes, though it does not fully address needs.

Medical Assistance Transportation Program. Federal regulations require that the state Medical Assistance Agency assure transportation is available for recipients to and from medical providers. The Medical Assistance Transportation Program (MATP) provides non-emergency medical transportation services. Pursuant to the Pennsylvania state plan under Title XIX of the Social Security Act, a funding allocation is made to each county for its use in providing non-emergency transportation to Medical Assistance consumers who cannot meet their own transportation needs. Funding for MATP consists of a state appropriation as well as Federal Medical Assistance (Title XIX) funds. It remains unclear, though, how the transition to a statewide or regional brokerage model, mandated by amendments to the Human Services Code enacted along with the FY 2018-2019 state budget, may impact the counties and funding allocations.
### Mental Health.

The MH/ID Act requires counties to provide an array of community-based mental health services, such as community residential programs, family-based support, outpatient care, crisis intervention and mobile therapy, which are funded with federal, state and/or county matching funds.

Funding levels for county mental health services have direct impacts on the availability of community and family supports that enable individuals with mental illness to lead independent and productive lives. If left untreated, mental illness is often the catalyst to entry into the criminal justice system, and the reason individuals continue to cycle back through the system. This line is one of the seven line items that saw an aggregate 10 percent cut in FY 2012-2013.

### Intellectual Disabilities.

Community intellectual disabilities services are administered through the counties, including residential programs such as group homes and family living settings, and non-residential services such as day services, personal and vocational skill development and family support services. The ID
Community Base Program serves individuals of all ages who are not eligible for the waiver program (those who are eligible for Medicaid), as well as those Medicaid-eligible individuals who are not yet enrolled in the waiver program. The base program is funded primarily with state and federal funds, with counties required to contribute a 10 percent county match for the cost of non-residential services. This line is one of the seven line items that saw an aggregate 10 percent cut in FY 2012-2013.

**Early Intervention.**
Early Intervention is a federal entitlement program with a state entitlement requiring county match (10 percent) for state funds. Although oversight is a joint effort between the Department of Human Services and the Department of Education, counties administer the services to infants and children from birth to age three. This line item includes direct payment for services as well as county administration of the program, and because of this complexity, a year-to-year funding analysis was not possible.

**Behavioral Health Services Initiative.**
Behavioral Health Services funding provides funding for persons who are uninsured or underinsured with mental health and substance abuse issues so that they can access licensed treatment programs; traditionally, 60 percent of the BHSI line has been used for substance abuse treatment, and the remainder is dedicated to mental health services. This funding can support treatment costs for substance-abusing individuals, critical in addressing the opioid crisis facing the commonwealth. This line is one of the seven line items that saw an aggregate 10 percent cut in FY 2012-2013.
Substance Abuse Treatment and Prevention. The Department of Drug and Alcohol Programs (DDAP) provides Single County Authorities (SCAs) with drug and alcohol base funding to deliver or purchase drug and alcohol services, as well as preparation of prevention, intervention and treatment plans tailored to meet the needs of their respective communities.

Act 152 funds residential drug and alcohol services for persons eligible for Medical Assistance, but not yet enrolled in HealthChoices. OMHSAS allocates funds annually. Allocations reduced proportionally as HealthChoices began. SCAs redistribute unused funding to areas of greatest need. This line is one of the seven line items that saw an aggregate 10 percent cut in FY 2012-2013.

Judiciary

Note: Funding for Act 152 services are contained in the outpatient Medical Assistance line item. Final FY 2017-2018 numbers were not yet available.
**Court Costs.**
The county court reimbursement line provides grants to counties for each judicial position related to the courts of common pleas. As structured, it pays only a small fraction of the costs counties provide in capital and personnel costs for the lower judiciary. In the 1987 case *County of Allegheny v. Commonwealth of PA*, the Pennsylvania Supreme Court ruled that a lower court system funded by the counties created an inherently unequal system of justice and ruled that the commonwealth must take over funding and administration of the lower courts; to date, only the court administrators and chief deputies have been brought into the state system.

The state’s General Fund also provides grants to counties to meet mandates for assuring access to those with limited English proficiency, at a $1.5 million level since funding allocations began in FY 2015-2016. In addition, the FY 2018-2019 budget included a $2 million appropriation for drug court expansion at the county level for the second straight fiscal year.

**Adult Probation.** This allocation provides adult probation grant-in-aid, which counties utilize to support community supervision options for non-violent offenders. Without the less expensive option for community-based supervision, more non-violent offenders are likely to be diverted to more costly prison sentences. The line also provides statewide training for PA Board of Probation and Parole agents and county adult probation officers.
**Juvenile Probation.**
The commonwealth has a statutory duty in 42 Pa.C.S. 6274 to make annual grants to support juvenile probation, and the majority of this allocation is used by counties to support the costs of 1,351 juvenile probation officers across the state. To qualify for funding, counties are required to comply with state-mandated standards, such as annual training and participation in Pennsylvania’s evidence-based practices and procedures that utilize research, data collection and quality assurance practices. This allocation helps to assure there enough staff to support probation options, without which more juveniles would be placed in the criminal justice system, even though out-of-home placements are scientifically proven to be harmful in the long run and are often the precursor for a lifetime of touches with the criminal justice system.

**Intermediate Punishment.**
Grants to counties under this program provide community alternatives for non-violent offenders by diverting these offenders from jail and incorporating drug and alcohol treatment to assist in changing behaviors. These alternatives yield the best chance of offenders productively changing behaviors; without the intermediate punishment program, the impact on counties would result in jail time for non-violent offenders, and thus increased correctional costs at the county level.
while underlying addictions that are present go untreated, resulting in higher likelihood of repeated arrests and convictions.

**Agriculture and the Environment**

**State Food Purchase Program.** Counties receive funding through the State Food Purchase Program for the purchase and distribution of food to low-income individuals. It is intended to supplement the efforts of food pantries, soup kitchens, food banks, feeding programs, shelters for the homeless and similar organizations to reduce hunger.

**Conservation Districts.** County conservation districts bring a local perspective to balancing environmental protection with growth, and have a history of responsible and efficient delivery of state environmental programs at the local level. Many of the conservation districts review and approve erosion and sedimentation control plans and associated permit documentation through delegation agreements with the Department of Environmental Protection (DEP). In addition, conservation districts offer services related to storm water management, nutrient management,
dirt and gravel road pollution prevention and county farmland preservation programs. Conservation districts have also been actively engaged in the development and implementation of Pennsylvania’s Chesapeake Bay Watershed Implementation Plan to help meet the Total Maximum Daily Load (TMDL) goals set by the U.S. Environmental Protection Agency.

The districts receive funding from both the Department of Agriculture and DEP. In addition, Act 13 of 2012 earmarks a distribution of funds specifically for conservation districts of $7.5 million for 2013 with a COLA adjustment for 2014 and after. Half of the Act 13 funds are distributed equally among conservation districts, with the other half distributed consistent with the Conservation District Fund Allocation Program; the formulas approved by the State Conservation Commission for the distribution of the second half have been weighted toward those counties with shale gas drilling. While this funding is critical to support the operation of the conservation districts, it is important to note that existing state funding also needs to be maintained going forward to support the needs of the conservation districts, particularly given the increasing number of duties they have been asked to undertake.

911

Counties have the primary responsibility for a keystone of public safety, the operation of the 911 call-taking and dispatch system. Calls arrive at county call-taking centers, which then dispatch the appropriate emergency response. Automatic systems give call takers information on the location of the call’s origin, with most counties implementing newer technologies to capture this information regardless of the medium used. Counties receive funding from telephone subscriber fees, which were increased July 1, 2015, rather than the General Fund. Next Generation 911,
which adapts to and takes greater advantage of emerging technologies, is the current program emphasis, in cooperation with the Pennsylvania Emergency Management Agency.

**Other State Funding Support to Counties**

Counties benefit from state funding support across many other line items for the services they provide to residents, but due to the complexity of these line items, some of which involve multi-year contracts or funding sources other than the General Fund, a year-to-year funding analysis was not possible.

A sample of these line items includes:

- **Agriculture** – Counties receive funding for county fairs, and the Agriculture College Land Scrip Fund includes revenues for the Penn State Extension program, which is a partnership between Penn State University and counties. Cigarette tax revenues provide state funds for the farmland preservation program, and 57 participating county programs receive state funding for the purchase of agricultural conservation easements.

- **Environment** – Counties may submit requests to join DEP’s black fly suppression program, with administrative and monitoring costs paid by DEP and state/county cost sharing of treatment options as set forth in county agreements. DEP also provides grant funding through the General Fund to partner with counties to survey and control mosquitos that can carry West Nile Virus. Management of gypsy moths occurs in partnership with the Department of Conservation and Natural Resources, and the program is conducted and cost-shared in cooperation with participating counties or other local municipalities; each participating county contributes a minimum of 50 percent of the total program cost. State funding for the gypsy moth program has been wrapped into the overall appropriations for state forest operations within DCNR in recent years.

- **Elections** – Counties benefit from funding for the Statewide Uniform Registry of Electors (SURE), voter registration and educational efforts through the Department of State.

- **DCED** – Counties and municipalities benefit from many grants and services available through DCED, such as the Center for Local Government Services and the Municipal Assistance Program, as well as various community, economic and workforce development programs.

- **Transportation** – Pennsylvania is currently in the sixth year of funding for roads, bridges, transit systems and other infrastructure under Act 89 of 2013. Act 89 retained the annual $5 million allocation to county bridges from Act 44, while also providing funding for county and forestry bridges from the Oil Company Franchise Tax. The act further established, and dedicated funding for, a Highway Bridge Improvement Restricted Account, which is allocated exclusively to improvements for county and municipal bridges. In addition, Act 89 phases in increased funding for fixed route mass transit, with match requirements for operating and capital funds.

- **Emergency response planning and administration** – Each county is required, under Title 35, to prepare, maintain and keep current an emergency operations plan for the prevention and minimization of injury and damage caused by disasters and prompt
coordination of response and recovery for major disasters and events. PEMA supports county emergency agencies through grants and assistance.

- District attorneys – The district attorney is the chief law enforcement officer in the county, working closely with federal, state and local police agencies in the investigation, prosecution and prevention of a crime. While there is no direct allocation for the district attorney salary reimbursement from the general fund, concurrent with budget action in 2009, a permanent court fee surcharge was imposed to raise funds for the 65 percent commonwealth share as required under state law, and the reimbursement is gradually catching up.

- Solid waste planning - Counties are responsible for developing solid waste plans every ten years in compliance with state law to provide for the proper disposal of all municipal (garbage), residual (industrial processes) and infectious (medical) waste generated within the county, including recyclables. Grants are available from DEP through the Recycling Fund to support the development of plans and the hiring of recycling coordinators.

- Veterans affairs – The county director of veterans affairs assists veterans in the filing of claims such as service record changes and disability claims, and at the time of a veteran’s death, the director will assist the family in filing claims for the death benefits, including burial expenses and appropriate grave markers. The director also maintains liaison with the various veterans’ organizations within the county, maintains record of where each veteran is buried within the county, and is the contact for all matters concerning active duty military personnel, ex-military personnel and certain survivors. Counties may apply for grants through the Veterans Trust Fund, particularly for initiatives that focus on veteran’s outreach and veterans’ court programs.

Mandated Services Funded by Counties
Counties are mandated to provide a broad array of additional programs and services, many of which are sizable, for which they do not receive state or federal funding and so are funded solely by county property tax dollars.

Pending Unfunded Mandates.

- Election administration/purchase of voting systems – In Pennsylvania, responsibility for selection and purchase of voting equipment falls exclusively to counties unless state or federal support is made specifically available. Counties are currently responding to an agreement the Pennsylvania Department of State (DOS) announced with the Stein presidential campaign in late November 2018 that will require replacement of existing voting systems in Pennsylvania with voter-verifiable paper trail equipment by the April 2020 presidential primary. The agreement is settlement of federal litigation brought by the Stein campaign regarding Constitutional questions regarding election recounts arising from the 2016 Presidential election, including assertions of the potential for a fair recount. At the same time the agreement was announced, Gov. Wolf’s administration indicated its intention to seek state funding of at least 50 percent of the cost of new systems, which the administration anticipates will be a maximum of about $75 million. This would be in addition to the $14.5 million in federal money the Commonwealth has
received. Historically, the last round of updates was completed statewide in 2006 with the help of $100 million in original HAVA funding. Programming and maintenance agreements, central counting and reporting systems and supplies since then are funded by the counties. Counties had already acknowledged that their equipment was approaching the end of its useful life, but given the high cost had adopted a legislative priority to seek funding for replacement, while preserving flexibility to make replacements according to timelines that fit local equipment and financial circumstances. The current replacement directive may also become the new normal; with the life span of voting machines in the 10 to 15 year range, recurring replacement needs are likely.

- Sheriff and deputy sheriff training activities – PCCD suspended reimbursement after July 1, 2017, based on depletion of the funds available to provide the reimbursement (specific statutory sheriff fee charge is not keeping pace with demand as training hours and costs have increased). As of September 2018, counties were owed almost $1.5 million in reimbursements for sheriff and deputy sheriff training activities for FY 2017-2018, which will not resume until fund collections become sufficient. Legislative action is needed to adjust the surcharge to the level needed to meet current and future training fund obligations; without reimbursement, counties face an unfunded mandate.

A Sampling of Existing Unfunded Programs and Services.

- County corrections – Counties are responsible for incarcerating pre-trial and presentence detainees, all offenders sentenced to two years or less, including those in county intermediate punishment, and some offenders with sentences between two and five years. No state or federal financial assistance is provided for the daily operations of jails and prisons, with the exception of a limited state reimbursement for counties that may house state inmates, and so the county has ultimate fiscal responsibility for the county jail.

- Public defenders office – The public defender is responsible for furnishing legal counsel to any person who, for lack of sufficient funds, is unable to obtain legal counsel in any situation where representation is constitutionally guaranteed. Pennsylvania is the only state in the nation that does not provide any state funding for this purpose.

- Property assessment – Counties are responsible for maintaining assessed values of properties, and these assessment rolls form the basis of property taxation for the counties, municipalities and school districts. The county assessment office, typically managed by a chief assessor appointed by the county officials, oversees the process of determining values, updating records, preparing reports and preparing tax duplicates for other political subdivisions. The county also provides for a board of assessment appeals to hear any appeal filed by any property owner that cannot be informally settled by the assessment office. All costs of day-to-day operations as well as periodic countywide reassessments fall to the counties.

- Property and civil records management – The county register of wills, recorder of deeds, prothonotary, clerk of courts and clerk of orphans courts handle multiple functions regarding records management, including issuing and maintaining marriage licenses;
maintaining dockets and files for adoptions, incapacitated persons and the appointment of guardians; administering all necessary filings for a decedent’s estate; acting as an agent for the Department of Revenue in collection of inheritance taxes; recording, maintaining and processing criminal, civil and juvenile records for the county court of common pleas; and recording deeds and mortgages. These are all county-funded operations, with some fee offsets.

- Delinquent real estate tax collection – County tax claim bureaus are responsible for the collection of all delinquent real property taxes on behalf of the county and its municipalities and school districts. The bureaus also administer upset and judicial sales and manage the repository of unsold properties, in addition to providing various tax certifications regarding paid and unpaid delinquent taxes. This is a county-funded operation, with some offsets from fees and commissions on collections.

- Coroner – The county coroner is responsible for conducting a comprehensive investigation of all sudden, unexplained deaths, accidental deaths, homicides, suicides and other deaths of questionable circumstances, and also plays a crucial role in gathering forensic evidence for the criminal justice system. This is a county-funded operation, with some fee offsets.

- Storm water planning – The Storm Water Management Act, Act 167 of 1978, requires counties to develop plans on a watershed basis in consultation with the municipalities in the watershed; these plans are typically developed by the county planning staff or by consulting engineers. Act 167 requires DEP to fund 75 percent of the cost of preparing plans, but no appropriation has been made since FY 2008-2009 and the expense is transferred to the county general fund.