

Trends in Rural Pennsylvania

September/October 2003

About Trends in Rural Pennsylvania

This fact sheet is the fifth in a series of nine that examines trends in rural Pennsylvania. Each fact sheet focuses on a specific area of interest, and is based on the mandates outlined in the Center for Rural Pennsylvania's enabling legislation (Act 16 of 1987). The areas of interest are agriculture, economic development, local government capacity and fiscal stress indicators, transportation, socio-demographics, health care and human services, the environment and natural resources, education and the condition of existing local infrastructure. For more information on any of the data presented, contact the Center for Rural Pennsylvania.

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The Center for Rural Pennsylvania is a bipartisan, bicameral legislative agency that serves as a resource for rural policy research within the Pennsylvania General Assembly. It was created in 1987 under Act 16, the Rural Revitalization Act, to promote and sustain the vitality of Pennsylvania's rural and small communities.

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Local Government Capacity

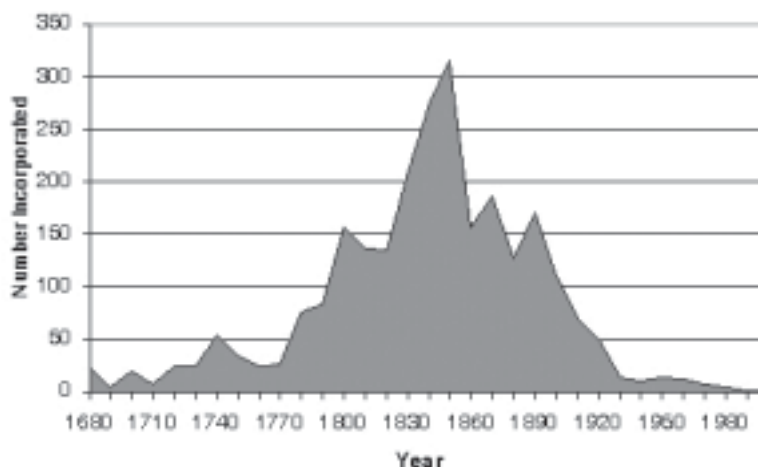
Webster's Dictionary defines capacity as "the facility or power to produce, perform, or deploy." To examine rural local government capacity and how it has changed in Pennsylvania between 1990 and 2000, the Center for Rural Pennsylvania looked at factors that affect the ability of local governments, namely municipalities, to carry out their duties and provide residents with a desirable quality of life. These tasks include such things as representing and protecting the populations and territory in their jurisdiction and providing benefits like recreational opportunities. Measures of rural municipal government capacity can be found in how finances are raised and expended, what land use tools are employed, and characteristics of government officials.

Local governments in Pennsylvania

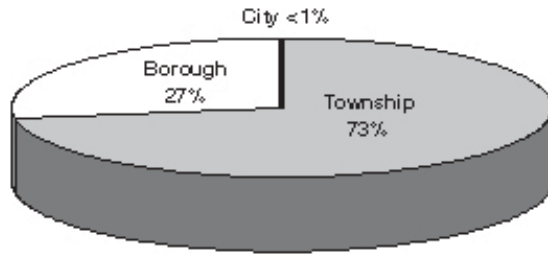
Pennsylvania has more local governments than any state except Illinois. On a governments per capita basis, though, Pennsylvania's rank falls to 23 nationally. Our state has 67 counties, 501 school districts, and more than 2,500 municipalities ranging from the City of Philadelphia with more than 1.5 million residents to S.N.P.J. Borough in Lawrence County with fewer than 10 residents. Municipalities also range in land area from Shippen Township in Cameron County at 157 square miles to St. Clairsville Borough in Bedford County at less than one-half square mile or just 20 acres.

Sixty percent of all Pennsylvania municipalities are townships, 37 percent are boroughs, and 2 percent are cities. There is also one town in the state, Bloomsburg in Columbia County. Nearly 10 percent of Pennsylvania's municipalities were incorporated before the nation's independence. By

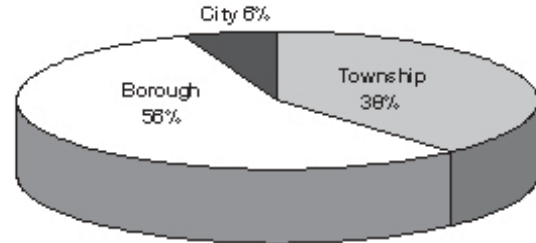
Incorporation Dates of Pennsylvania Municipalities



Rural Municipal Types



Urban Municipal Types



1900, 89 percent of the current total had been incorporated. Only two municipalities have been established since 1990.

While townships, by nature, are less densely settled than other municipality types, they are not always rural, just as boroughs and, believe it or not, cities are not always urban. Rural Pennsylvania is made up of about 1,200 townships, 450 boroughs, and two cities - Parker City in Armstrong County and St. Mary's in Elk County are designated rural due to their large land areas and relatively small populations.

Who are our local government officials?

According to the Pennsylvania Department of Community and Economic Development's (DCED) Center for Local Government Services, there are more than 35,500 local government officials in Pennsylvania ranging from mayors, council members, and supervisors to members of planning commissions or zoning hearing boards. More than 20,000 officials, 57 percent of the total, represent rural areas. Thirty-one percent of the officials statewide are female. In rural municipalities, 37 percent are female.

A 1999 Center for Rural Pennsylvania survey described these officials further. The average small town municipal official was a 56-year-old male. He had been in office for 10 years and ran for office for the "betterment of the area" or a "desire to be active in the community." This description will likely continue to describe small town officials in the near future since 45 percent of them ran unopposed in the election prior to the survey. For details, see the Center's fact sheet *A Survey of Pennsylvania's Small Town Municipal Officials*.

Toolbox for local government officials

There are many tools that local government officials use to help them effectively and efficiently maximize their capacity. These include computers, land use planning options, and the information and experience of officials in other municipalities.

A 2002 Center for Rural Pennsylvania survey showed that most small local governments make use of computers. Eighty percent of municipalities with populations under 2,500 had at least one computer available for municipal use. In fact, 25 percent had more than one computer. These figures are very different from the results of a 1994 survey, which showed that 75 percent of small municipalities had no computer. In addition, 72 percent of those with computers in 2002 had Internet access. The Internet was used primarily for email and research but also to file reports with state government and to purchase goods and services. For details, see the Center's fact sheet *Municipal Computer Use*.

Land use tools provided for by state law include comprehensive plans, zoning and subdivision ordinances, and planning commissions. Local governments typically employ some, if not all, of these options. The most popular in rural areas is the planning commission, which 53 percent of rural municipalities have. Comprehensive plans have been drawn up for 47 percent of local governments. Nearly half (47 percent) have a subdivision ordinance at the local level while the remainder rely on county subdivisions. Forty-three percent have a local zoning ordinance while an additional 20 percent have county zoning. Land use planning tools are more commonly used by urban municipalities as seen in the table below.

Land Use Planning Tools Used by Pennsylvania's Rural and Urban Municipalities

	Planning Commission	Comprehensive Plan	Municipal Subdivision Ordinance	Municipal or County Zoning Ordinance
PA Total	66%	60%	59%	75%
Rural	53%	47%	47%	63%
Urban	89%	82%	80%	95%

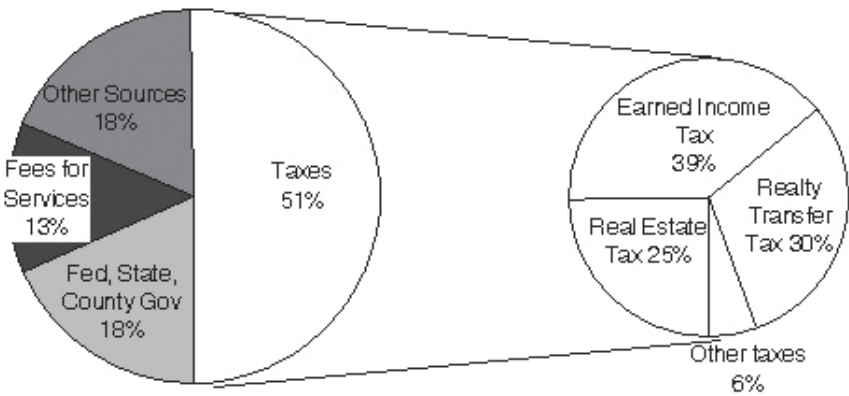
Land use planning tools

The conclusions of a June 2001 Center For Rural Pennsylvania sponsored study, *Measuring the Effectiveness of Municipal Planning and Land Use Regulations in Pennsylvania*, note that the use of the above tools varies by the location, size, and resources of the municipality as well as the growth pressure it experiences. The decision not to use such tools is usually due to lack of interest, lack of perceived need, lack of support, and lack of resources.

One way some local governments are increasing capacity is to be a member of a Council of Governments (COG). COGs are two or more municipalities that join together to solve common problems. There are 79 such organizations in Pennsylvania acting in 54 counties and 976 municipalities. Municipal authorities and school districts may also be involved. Nearly 30 percent of rural municipalities are COG members. COG municipalities cooperate on projects such as regional planning, joint purchasing, and equipment sharing. Other municipalities cooperate on projects and increase capacity without forming an official COG.

Statewide local government associations, such as the Pennsylvania State Association of Township Supervisors, the Pennsylvania State Association of Boroughs, and the Pennsylvania League of Cities and Municipalities, also help local government officials gain knowledge and skills. Important benefits offered by these organizations include training courses and conferences on municipal issues. Other training is available through the Pennsylvania Department of Community and Economic Development's Center for Local Government Services and various university-sponsored organizations.

Sources of Rural Municipal Revenue, 2000

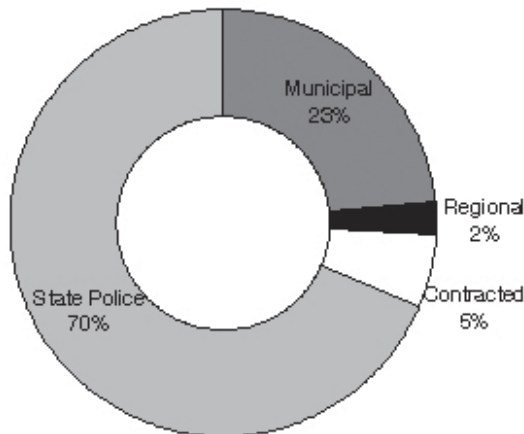


Municipal services

Protecting citizens and providing recreational opportunities are some services that municipalities often provide. Thirty percent of rural municipalities provide police services for their residents either through their own municipal force, a regional force, or by contracting with another municipality, while 70 percent rely on the state police. The average rural municipal police force has 1.8 full-time and 2.6 part-time personnel.

A 2001 Center for Rural Pennsylvania survey on recreational issues found

Types of Police Service in Pennsylvania's Rural Municipalities



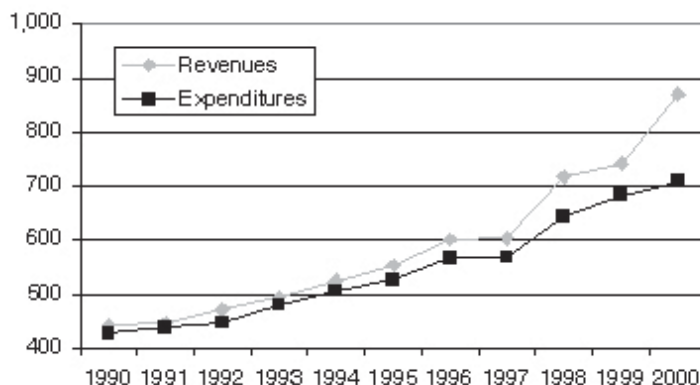
that more than 80 percent of small municipalities had at least one recreational facility such as a sports field, playground, ball court, picnic area, or trail within their borders. The average number of facilities for those that had them was 4.6, but not all of these were owned or maintained by the municipality. While municipalities owned the majority of recreational facilities, school districts and community groups also owned many. Municipalities operated the majority while community groups also helped out with this component. Many local governments not only provided facilities but also sponsored programs. These include youth sports leagues, community events, summer playground programs, fitness/wellness programs, and adult/community education, arts, and crafts. For details, see the Center's fact sheet *Recreational Issues in Pennsylvania's Small Municipalities*.

Revenues and expenditures¹

In 2000, rural municipalities took in nearly \$855 million in revenues. Taxes accounted for just over half

¹ Revenue and expenditure data is based only on municipalities that reported financial statistics to the Center for Local Government Services. In 2000, about 90 rural municipalities did not report.

Revenues and Expenditures in Pennsylvania's Rural Municipalities 1990-2000 (\$Millions)



of all revenues with real estate, earned income, and realty transfer taxes amounting to 94 percent of total taxes. Aside from taxes, other sources of revenue include federal, state, and county governments at 18 percent (\$156 million); service fees such as water or parking at 13 percent (\$75 million); and other miscellaneous sources at 18 percent.

Earned income tax, a statewide fixed rate of 0.5 percent of income earned, makes up the largest percentage of total revenues at 21 percent. Meanwhile, some municipalities have no real estate tax at all.

Total revenues for municipalities nearly doubled since 1990 when they totaled \$439 million. Adjusted for inflation, the increase was less than half at 47 percent. The largest contributor to this increase was realty transfer taxes, which grew from \$19 billion to \$130 billion over the 10-year period.

More indicative of local government capacity is how money is spent. Rural

municipal expenditures in 2000 were \$709 million.² About 37 percent (\$260 million) of this was spent on streets and roads, 17 percent (\$118 million) went to general administration, and another 14 percent (\$111 million) went to public services like safety and recreation. Since 1990, expenditures increased by 66 percent or 45 percent adjusted for inflation.

Expenditures for police services doubled to \$53 million while expenditures for fire services grew more than 60 percent to \$28 million. Other public safety spending also grew by nearly 50 percent. Spending grew in nearly every category, including libraries, parks and recreation, and sewerage. Public health was the exception as it fell to 13 percent of its former value of \$9.6 million by 2000.

The average rural municipality takes in about \$545,000 in revenues and expends \$450,000 million for a net gain of about \$93,000. Nearly three-quarters of rural municipalities have revenues and

expenditures of less than \$500,000.

The Pennsylvania Department of Community and Economic Development designates “financially distressed” municipalities so that those places may take advantage of the recovery program created by Act 47 of 1987, which provides loan and grant funds and technical assistance to formulate financial recovery plans. Fourteen municipalities are currently designated as distressed. None are rural.

Definitions

Rural – All municipalities whose population density, according to the 2000 Census, is less than the statewide figure of 274 persons per square mile or whose total population is less than 2,500 persons, and less than half of the population lives in an urbanized area as defined by the U.S. Census Bureau.

Sources

Background data come from the U.S. Census Bureau.

Unless otherwise noted, the remainder of the information comes from Pennsylvania Department of Community and Economic Development, Governor’s Center for Local Government Services.

² A few municipalities were excluded from expenditure calculations as their figures were extraordinarily high. It has not been determined whether these numbers are due to error or uncommonly large projects. The excluded municipalities and the expenditure category of the outlying figures are: Jackson Township in Tioga County (sewer project) for 1999; and Indian Lake Borough in Somerset County (other), Salford Township in Montgomery County (streets/ roads), and Ringtown Borough in Schuylkill County (general administration) for 2000. It is possible that some municipalities with a similar skewing effect remain in the data.