

**Testimony of the Associated Pennsylvania Constructors
Senate Transportation Committee
“Reliable Alternatives to Funding the Pennsylvania State Police”**

February 16, 2016

Chairman Rafferty, Chairman Wozniak, and members of the Senate Transportation Committee, thank you very much for the opportunity to share our thoughts regarding the Motor License Fund and the diverting of revenue from that fund to support the State Police. While we are unable to attend the committee’s hearing in person, we thank you for the opportunity to submit our comments for the record.

The Associated Pennsylvania Constructors (APC) is a trade association that unites more than 400 members including prime and subcontractors, consulting engineers, material suppliers, manufacturers, and others with an interest in Pennsylvania’s road and bridge construction industry. The association has been serving the industry for more than 80 years and represents the majority of actively bidding contractors in the Commonwealth’s \$2.5-billion highway industry. APC works diligently to facilitate the work of its members in their efforts to improve the Commonwealth’s road and bridge network. The health, vitality, and sustainability of the Motor License Fund is of paramount importance not only to our association, but to the Commonwealth’s economy.

As I’m sure committee members are aware, the Motor License Fund was created to receive revenue from state taxes on liquid fuels, license and registration fees, and some fines. By authority of the Pennsylvania Constitution, that revenue is required to be used only for highway purposes, including highway safety.

The State Police performs a variety of law enforcement services. Its website lists the following: major case team, patrol services, forensic services, collision analysis and reconstruction, vehicle fraud investigators, Pennsylvania Criminal Intelligence Center, Amber Alert activations, liquor control enforcement, polygraph, Fire Marshal, K-9 unit, aviation patrol, drug recognition services, the Special Emergency Response Team, Clandestine Lab Response Team, hazardous device and explosives, equestrian detail and computer crime unit.

The industry does not take issue with using Motor License Fund revenue to pay for highway patrol operations, which exist for the purpose of highway safety. However, the current state budget in effect now will divert \$755 million from the Motor License Fund to a total State Police budget of just under \$1.2 billion. That would be 65 percent of the State Police budget. We do not believe that 65 percent of State Police resources are devoted to patrolling highways, although no one knows definitively what that proportion might be.

It is important to note, the in the newly proposed budget by Governor Wolf, the proposed MLF line item for the State Police would increase another 10% to a \$813 billion level. Furthermore, the diverted amount has increased by an average of 8.8 percent annually since the enactment of Act 89 just 3 years ago. At that rate, it will grow to nearly \$1 billion per year within the next five years.

How does this impact the Commonwealth? Two years ago last month, the General Assembly and governor signed into law Act 89, the transportation funding bill that eventually will raise an additional \$2.3 billion to repair our transportation system and stem the tide of decades of deterioration. Act 89 was promoted to the public with the promise of a Decade of Investment that would bring the state's transportation system up to acceptable standards.

However, PennDOT and local governments are already seeing reductions in the resources they had expected to have to invest in transportation projects. The \$755 million represents about 12 cents per gallon in the price of gasoline, or more than one-fifth of the approximately 55 cents in taxes levied per gallon. Continued growth in the amount of revenue diverted from the Motor License Fund will force us back to asking the public for more transportation resources sooner rather than later.

There is another factor that worsens this situation. Pennsylvania has 2,561 municipalities, and 1,274 – barely under half – receive no police coverage *other than from the State Police*. As local government resources become more scarce, many municipalities are considering dismantling their local police departments or withdrawing from regional police coverage and relying on State Police instead, in order to save money. Some news accounts have quoted local elected officials as describing State Police coverage as “free.”

Of course, we all recognize that nothing is “free,” so who exactly pays for “free” state police coverage? If you own or drive a car or truck or have a drivers’ license, *you do*.

Furthermore, if you live in a community that has its own police force or that participates in a regional police force, you’re paying twice. Not only do you pay for your local police coverage, you’re also subsidizing “free” State Police coverage in half of the municipalities across Pennsylvania. I believe that most or all committee members, as well as your other House colleagues, would see that as unfair.

One such piece of legislation that you may wish to consider has been introduced on this subject. House Bill 709 would establish the State Police Municipal Patrol Services Act, which would establish a fee structure for municipalities to pay for the routine state police patrol services that some are currently receiving for free and restore an estimated \$450 million to the Motor License Fund.

Under the provisions of the bill, a yearly fee of \$156 would be assessed annually per capita and would be billed to municipalities who fully rely on state police coverage. Municipalities with part-time local police and part-time state police coverage would be

assessed a discounted rate of \$52 per capita annually. Municipalities that employ a full-time local police force would not be charged a fee.

A full vetting of this and other such legislation should occur with the general public. We at APC have already engaged the public on this issue.

How does the public feel about diverting resources from the Motor License Fund for non-transportation uses? Last spring, a year and a half after passage of Act 89, we asked the following question in a public opinion poll of registered voters:

"In 2013, Pennsylvania increased gasoline taxes and license and registration fees to pay for transportation improvements. Would you favor or oppose using some of this money to fund other non-transportation items in the state budget?"

Not surprisingly, 80 percent opposed diverting the money, with 61 percent of them strongly opposed.

We want to be very clear on the following point: This is not about whether State Police operations need to be funded. Of course they should. And this is not about whether the proposed level of State Police funding is appropriate. We presume that it is, and in any event, it's up to the General Assembly and administration to make that determination.

This is about how much Motor License Fund revenue should support State Police activities, given the State Constitution.

Recently the Keystone Transportation Funding Coalition passed a resolution calling for the Legislative Budget and Finance Committee to conduct a study of this issue, to determine the appropriate and justifiable level of support for State Police from the Motor License Fund, given the Pennsylvania Constitution. The industry supports that request.

In that light, we strongly support recent efforts by the House Transportation Committee, which passed House Resolution 622 on February 10. That resolution directs the Legislative Budget and Finance Committee (LBFC) to conduct a comprehensive review of the appropriate, justifiable and Constitutional level of Motor License Fund support for the PA State Police (PSP).

We ask also that there be no more increases in money diverted from the Motor License Fund to support State Police until we have determined what the appropriate and justifiable level of support is, and that the funding be maintained at that justifiable level in the spirit of Pennsylvania's Constitution.

It would be premature to fully discuss alternative funding options before such a study is necessary. We would suggest that the stakeholders group—similar to the Transportation Funding Advisory Commission (TFAC) which aided in the passage of Act 89—be formed to thoroughly vet all funding options.

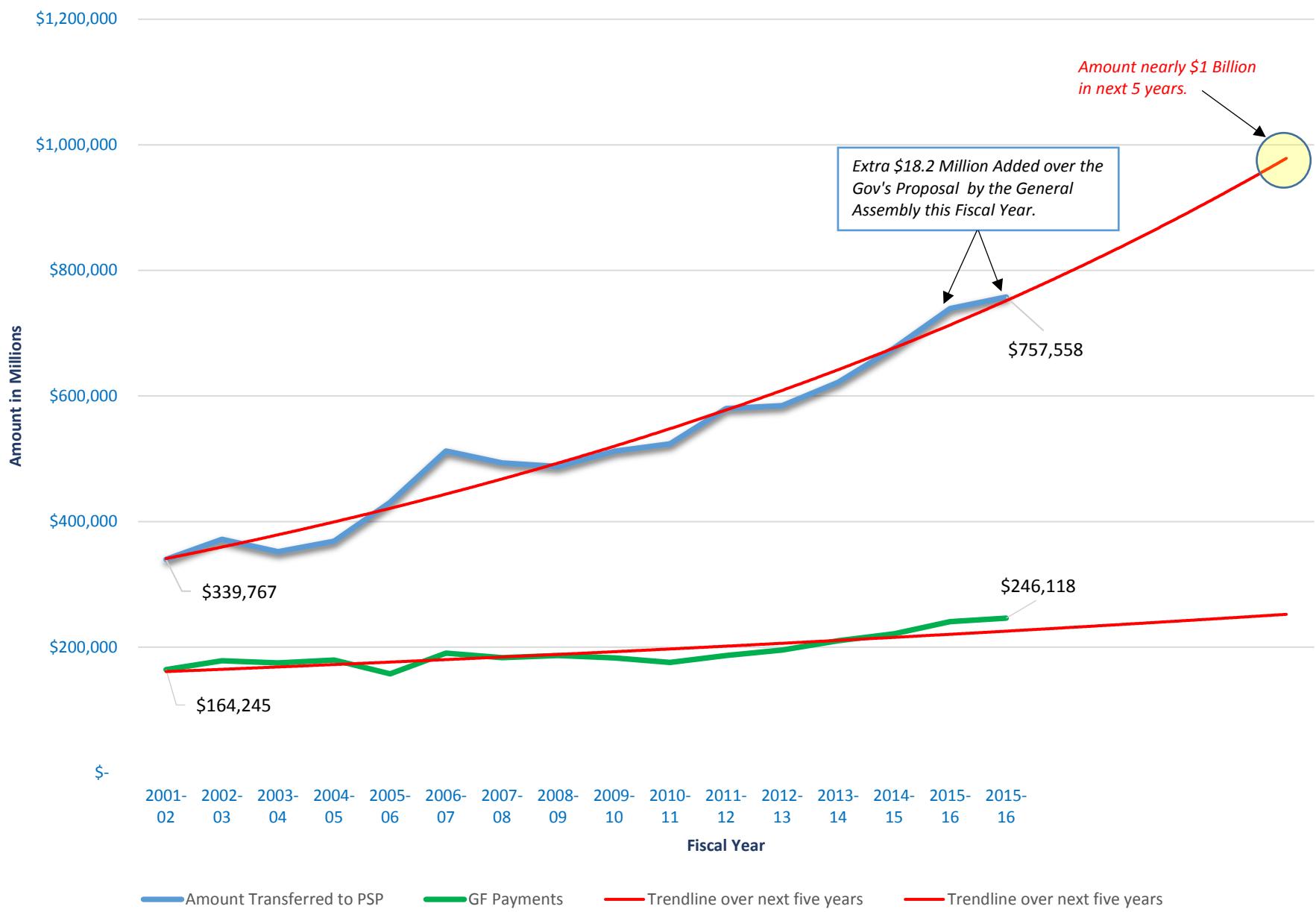
In the end, any reduced state police funding from the MLF would likely need to be augmented from another revenue source, most likely from the state's General Fund.

This would open up all the current revenue streams into the General Fund as potential options for funding the full needs of the State Police.

Again, thank you again for the opportunity to submit our comments and APC remains willing to be a partner with the entire General Assembly in finding the best means to adequately fund both our Commonwealth's highway program and our State Police.

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History of MLF and GF Payments to the PA State Police



Data compiled by the PA Highway Information Association (PHIA). Source: PennDOT and Enacted PA State Budgets