

STRUCTURING HEALTHY COMMUNITIES

WHERE DOES THE MONEY GO?

A Review of How Local Governments
Raise and Spend Their Tax Money
1970 and 2006

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CHAPTER 1

Revenues and Expenditures of Local Governments by Municipal Classification

Where Does Our Local Government Money Come From?

All municipalities raise operating revenue through a combination of taxes, fees and charges for services (such as refuse, sewer and water rates, and other fees), intergovernmental revenue (funds from other governments e.g. state and federal sources), and other financing sources.

Total revenues from all sources in 2006 for the 2,525 reporting municipalities in the Commonwealth amounted to \$7.7 billion or \$751.68 per capita. Taxes from all sources such as real estate, earned income, local services tax and others in these municipalities represented \$3.0 billion, or 38.9 percent of total revenue available to municipalities. Intergovernmental revenue amounted to \$932.0 million or 12.7 percent of total revenues.

Other financing sources, which include proceeds from short- and long-term debt, inter-fund operating transfers, proceeds from sale of assets, and any unclassified or other miscellaneous revenue are also reported. In 2006, other financing sources amounted to \$1.4 billion or 18.2 percent of total revenues. The remainder of reported municipal revenue (over 30.9 percent) takes the form of fees for services, fines, interest and other earnings. Because of the varying sources and combinations of fees from town to town, the distribution of this revenue has not been analyzed. (See Table 1.)

A Note on the Revenue and Expenditure Data

The revenue and expenditure data for the municipalities in the Commonwealth used in this report were collected from the 1970 and 2006 reports filed by the municipalities with the Pennsylvania Department of Community and Economic Development (DCED). These annual reports are prepared by the individual municipalities and are not normally subject to review by DCED. Only municipalities that provided data in both 1970 and 2006 were used for this report.

All 1970 dollar values were adjusted to reflect 2006 purchasing power based upon the United States Bureau of Labor Statistics (BLS) methodology to adjust for change in purchasing power for the period, 1970 to 2006. PEL applied a multiplier of 5.2 as reported by the BLS to adjust a 1970 dollar in revenue or spending to its purchasing power in 2006. In addition, to

avoid skewing the statewide data analysis, the cities of Philadelphia and Pittsburgh were not included in our database.

Table 1
Commonwealth of Pennsylvania
Revenue Categories As A Portion of Total Revenues
2006

	<u>Commonwealth</u>	<u>Cities</u>	<u>Boroughs</u>	<u>Townships</u>	
				<u>First Class</u>	<u>Second Class</u>
Number of Municipalities Reporting	2,525	54	937	89	1,445
Population	10,294,494	1,265,271	2,541,979	1,437,365	5,049,879
Total Revenue	\$7,738,160,771	\$1,584,109,279	\$2,136,885,938	\$1,213,612,143	\$2,803,553,411
Total All Taxes Percent of Revenue	\$3,009,724,346 38.9%	\$483,751,655 30.5%	\$724,859,929 33.9%	\$584,312,011 48.1%	\$1,216,800,751 43.4%
Intergovernmental Revenue Percent of Revenue	\$932,023,924 12.0%	\$244,027,730 15.4%	\$207,535,822 9.7%	\$100,299,468 8.3%	\$380,160,904 13.6%
Other Financing Sources Percent of Revenue	\$1,403,142,938 18.2%	\$351,672,363 22.2%	\$363,057,610 17.0%	\$197,031,906 16.2%	\$491,381,059 17.5%
Other Revenue Sources Percent of Revenue	\$2,393,269,563 30.9%	\$504,657,531 31.9%	\$841,432,577 39.4%	\$331,968,758 27.4%	\$715,210,697 25.5%

Of the more than \$3 billion in total municipal taxes collected in 2006, real estate taxes totaled \$1.3 billion or 44.0 percent of total taxes and the earned income tax (EIT) represented \$1.0 billion or 34.8 percent. These two sources provided nearly 79 percent of total tax revenue to the state’s municipalities. Revenue from the Local Services Tax (\$66 million or 2.2 percent), the mercantile/business privilege taxes (\$147 million or 4.9 percent), and real estate transfer tax (\$275 million or 9.1 percent) generated most of the remaining tax revenues. (See Table 2.)

In 2006, statewide reported municipal spending totaled \$7.4 billion:

- Cities spent \$1.6 billion;
- Boroughs, \$2.1 billion;
- First Class Townships \$1.2 billion; and
- Townships of the second class, \$2.6 billion.

Table 2
Commonwealth of Pennsylvania
Tax Categories As A Portion of Total Tax Revenue
2006

Revenue Source	State	Cities	Boroughs	Townships	
				First Class	Second Class
Earned Income Taxes	\$1,048,593,012	\$125,687,580	\$222,571,698	\$151,507,036	\$548,826,698
Percent of Taxes	34.8%	26.0%	30.7%	25.9%	45.1%
Real Estate Taxes	\$1,324,562,464	\$259,684,120	\$378,512,683	\$290,696,533	\$395,669,128
Percent of Taxes	44.0%	53.7%	52.2%	49.8%	32.5%
Real Estate Transfer Taxes	\$275,254,592	\$25,867,832	\$44,928,801	\$46,188,247	\$158,269,712
Percent of Taxes	9.1%	5.3%	6.2%	7.9%	13.0%
LST/Occ. Priv./Per Capita Taxes	\$66,228,989	\$12,980,052	\$16,273,345	\$6,479,783	\$30,495,809
Percent of Taxes	2.2%	2.7%	2.2%	1.1%	2.5%
Mercantile/Business Privilege	\$147,314,874	\$31,294,086	\$24,613,958	\$52,265,943	\$39,140,887
Percent of Taxes	4.9%	6.5%	3.4%	8.9%	3.2%
Other Taxes	\$147,770,415	\$28,237,985	\$37,959,444	\$37,174,469	\$44,398,517
Percent of Taxes	4.9%	5.8%	5.2%	6.4%	3.6%

How Do Local Governments Spend Tax Money?

General Administration

Total expenditures for general government represented 25.1 percent of total taxes collected for all municipalities. Total expenditures in the cities for general administration were \$111.0 million or 23.0 percent of total taxes collected. General administration expenses in the boroughs represented 27.0 percent of total taxes, first class townships totaled 18.2 percent and townships of the second class totaled 28.1 percent of total taxes.

Police Expenditures

For those municipalities that reported police expenditures, total spending amounted to \$1.1 billion or 37.5 percent of total municipal taxes. Cities spent \$222.1 million, or 45.9 percent of total city taxes on police. In boroughs that reported police spending, expenditures totaled \$323.1 million or 44.6 percent. First class townships spent \$234.3 million or 40.1 percent of

total taxes collected, while townships of the second class spent \$350.3 million or 28.8 percent of taxes collected.

Fire Expenditures

Cities reported spending \$127.7 million or 26.4 percent of total City taxes collected on fire expenditures. Spending on fire services in the boroughs amounted to \$59.9 million or 8.3 percent of total borough taxes collected, first class townships spent \$47.5 million or 8.1 percent of total township taxes collected and in townships of the second class \$117.9 million or 9.7 percent of taxes collected for townships of the second class were spent on fire expenditures. The widespread use of volunteers and non-paid firefighters make it difficult to compare fire service expenditures between the different classes of government.

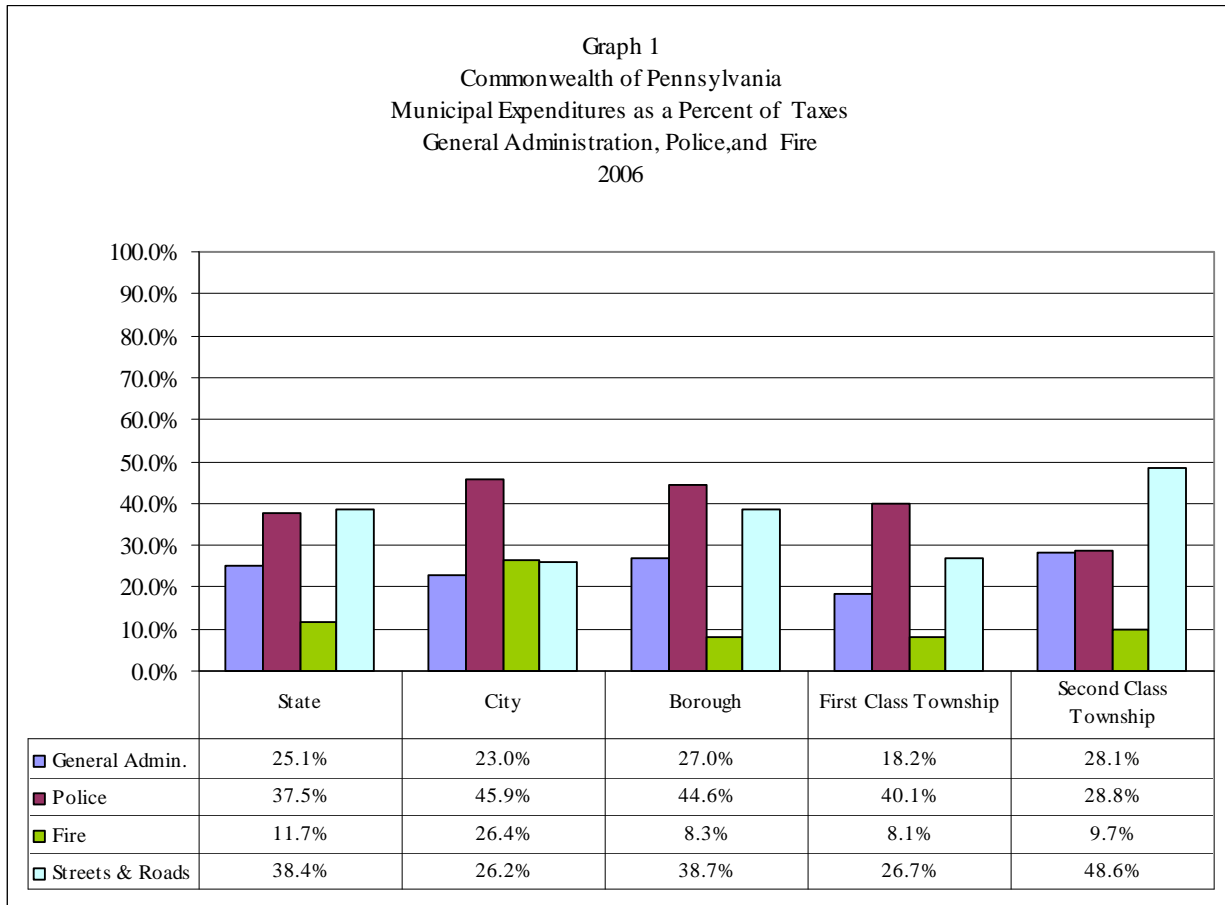
Streets and Roads

Total expenditures for street and road services for all Commonwealth municipalities were \$1.2 billion, or 38.4 percent of total taxes collected. For the cities, streets, and roads expenditures totaled \$126.8 million or 26.2 percent of total city taxes collected. For the boroughs, streets and roads expenses were \$280.2 million or 38.7 percent. In first class townships, these expenditures represented \$156.1 million or 26.7 percent of total township taxes collected, while townships of the second class reported street and roads expenditures totaling \$591.4 million or 48.6 percent of taxes. (See Table 3 and Graph 1.)

Table 3
Commonwealth of Pennsylvania
Expenditures for Basic Government Services
2006

	State	Cities	Boroughs	Townships	
				First Class	Second Class
Number of Municipalities Reporting	2,525	54	937	89	1,445
Population	10,294,494	1,265,271	2,541,979	1,437,365	5,049,879
<u>Revenue and Expenditures</u>					
Total Revenue	\$7,738,160,771	\$1,584,109,279	\$2,136,885,938	\$1,213,612,143	\$2,803,553,411
Total Taxes	\$3,009,724,346	\$483,751,655	\$724,859,929	\$584,312,011	\$1,216,800,751
Total Expenditures	\$7,410,543,058	\$1,547,974,806	\$2,077,437,184	\$1,173,639,507	\$2,611,491,561
Expenditures per Capita	\$719.86	\$1,223.43	\$817.25	\$816.52	\$517.14
Percent of Taxes	246.2%	320.0%	286.6%	200.9%	214.6%
<u>Basic Government Services</u>					
General Government Expenditures	\$755,512,221	\$111,065,966	\$196,062,259	\$106,366,171	\$342,017,825
Percent of Expenditures	10.2%	7.2%	9.4%	9.1%	13.1%
Expenditures per Capita	\$73.39	\$87.78	\$77.13	\$74.00	\$67.73
Percent of Taxes	25.1%	23.0%	27.0%	18.2%	28.1%
<u>Police Expenditures</u>					
Police Expenditures	\$1,129,866,044	\$222,120,891	\$323,109,845	\$234,340,672	\$350,294,636
Percent of Expenditures	15.2%	14.3%	15.6%	20.0%	13.4%
Expenditures per Capita	\$109.75	\$175.55	\$127.11	\$163.03	\$69.37
Percent of Taxes	37.5%	45.9%	44.6%	40.1%	28.8%
<u>Fire Expenditures</u>					
Fire Expenditures	\$353,093,944	\$127,747,109	\$59,890,882	\$47,549,740	\$117,906,213
Percent of Expenditures	4.8%	8.3%	2.9%	4.1%	4.5%
Expenditures per Capita	\$34.30	\$100.96	\$23.56	\$33.08	\$23.35
Percent of Taxes	11.7%	26.4%	8.3%	8.1%	9.7%
<u>Streets & Roads</u>					
Streets & Roads	\$1,154,623,829	\$126,847,808	\$280,217,618	\$156,115,130	\$591,443,273
Percent of Expenditures	15.6%	8.2%	13.5%	13.3%	22.6%
Expenditures per Capita	\$112.16	\$100.25	\$110.24	\$108.61	\$117.12
Percent of Taxes	38.4%	26.2%	38.7%	26.7%	48.6%

SOURCE: DCED Reported Data 2006



What has Changed in Local Governments Finances Between 1970 and 2006?

As with the 2006 revenue and expenditure data for municipalities statewide, 1970 data were collected from the annual reports filed by the county’s municipalities with (the predecessor agency for DCED) Department of Community Affairs (DCA). This 1970 data was adjusted by PEL for the loss of purchasing power due to inflation by multiplying the 1970 reported data by a factor of 5.2 making the 1970 values comparable to the 2006 dollars in terms of purchasing power.

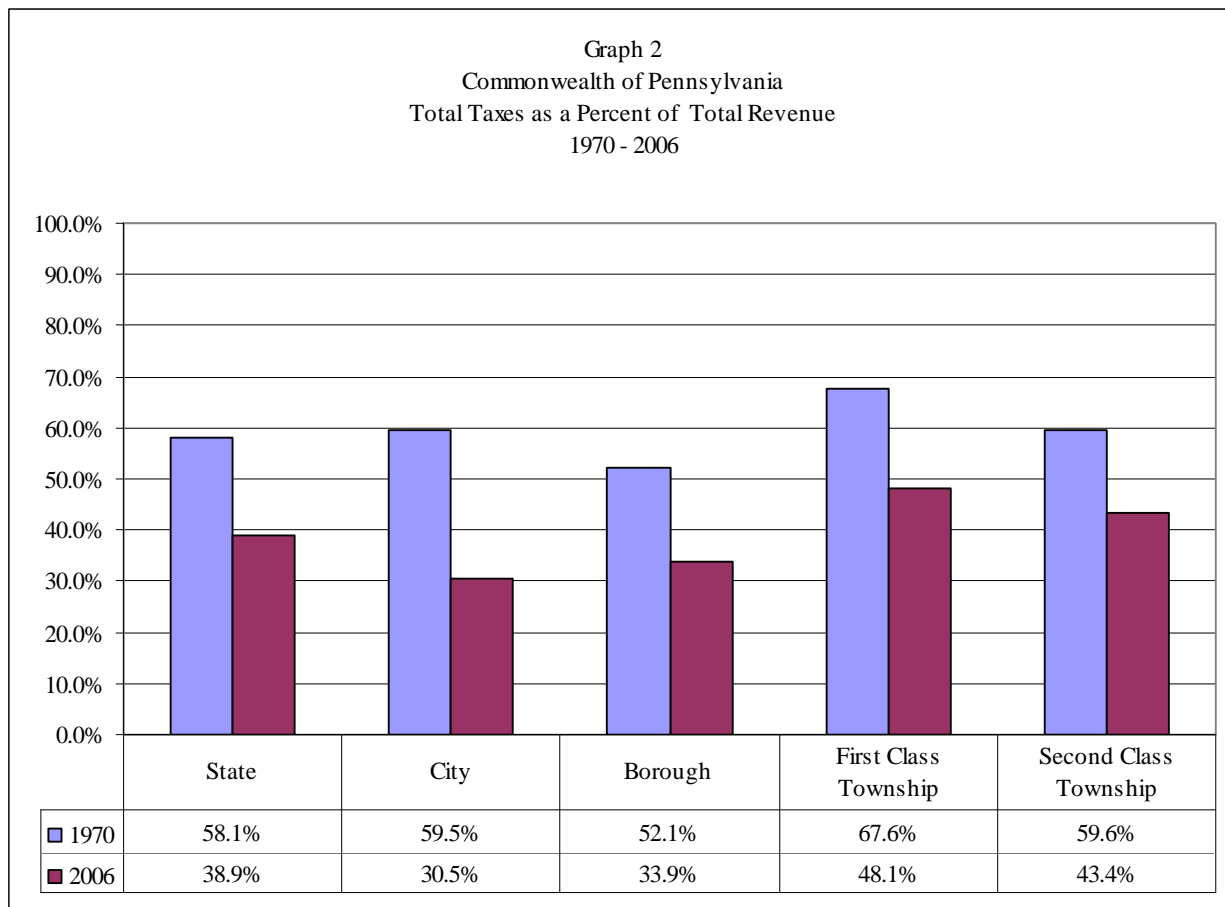
Total Revenues and Total Taxes

The proportion of municipal revenue provided by total local taxes has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 164.3 percent, while total taxes in constant dollars collected increased by 76.8 percent. In 1970 constant dollars, total revenues for the reporting municipalities in the Commonwealth were \$2.9 billion; total taxes collected by these same municipalities totaled \$1.7 billion or 58.1 percent

of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$7.7 billion, and total taxes collected amounted to \$3.0 billion or 38.1 percent of total revenues. (See Graph 2.)

In the cities, total revenues in 1970 adjusted for inflation were \$857 million and totaled \$1.6 billion in 2006. Total taxes collected in 1970 in the cities were \$510 million, or 59.5 percent of total revenues. In 2006, total city taxes were \$484 million, or 30.5 percent of city revenues. **On an inflation adjusted basis, total taxes collected by the cities are less in 2006 than in 1970, indicating a loss in purchasing power for the cities from their local tax base.**

In the Commonwealth’s boroughs, total revenues in 1970 were \$1.0 billion and \$2.1 billion in 2006, an increase of \$1.1 billion or 108.0 percent. Total taxes collected in the boroughs increased by 35.4 percent from \$535 million in 1970 to \$725 million in 2006. Total taxes were 52.1 percent of total borough revenues in 1970 and 33.9 percent of total borough revenues in 2006.



In first class townships, total revenues rose by 172.6 percent from \$445 million in 1970 to \$1.2 billion in 2006, an increase of \$768 million. Total taxes collected were \$301 million in 1970 and \$584 million in 2006, an increase of \$283 million or 94.1 percent in constant dollars. Total taxes were 67.6 percent of total first class townships revenues in 1970 and 48.1 percent in 2006.

Townships of the second class showed the most significant increases in both revenues and taxes over the period. Revenues grew from \$599 million in 1970 constant dollars to \$2.8 billion in 2006 an increase of 368.4 percent, while taxes increased from \$357 million in 1970 to \$1.2 billion in 2006 or by 241.2 percent. The percentage of total taxes to total revenue in townships of the second class fell from 59.6 percent to 43.4 percent, a change in proportion that is much less than observed in the cities. (See Table 4.)

Table 4
 Pennsylvania Municipalities
Total Revenue and Total Taxes in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
<u>Total Revenue</u>				
City	856,998,745	1,584,109,279	727,110,534	84.8
Borough	1,027,359,684	2,136,885,938	1,109,526,254	108.0
1 st Class Township	445,254,165	1,213,612,143	768,357,978	172.6
2 nd Class Township	<u>598,507,546</u>	<u>2,803,553,411</u>	<u>2,205,045,865</u>	368.4
Total Commonwealth	2,928,120,140	7,738,160,771	4,810,040,631	164.3
<u>Total Taxes</u>				
City	509,663,372	483,751,655	-25,911,717	-5.1
Borough	535,262,083	724,859,929	189,597,846	35.4
1 st Class Township	301,055,830	584,312,011	283,256,181	94.1
2 nd Class Township	<u>356,609,422</u>	<u>1,216,800,751</u>	<u>860,191,329</u>	241.2
Total Commonwealth	1,702,590,708	3,009,724,346	1,307,133,638	76.8

^{1/} In 2006 dollars.

Real Estate Taxes 1970 and 2006

Total real estate taxes collected by the Commonwealth’s municipalities were \$1.0 billion in 1970 constant dollars and \$1.3 billion in 2006. For the period 1970-2006, real estate taxes (in constant dollars):

- Fell in cities by 17.8 percent;
- Rose in boroughs by 19.9 percent;
- Rose in first class townships by 34.7 percent;
- Rose in townships of the second class by 123.0 percent; and

- Rose statewide by 29.3 percent.

Real estate taxes in all municipalities represented 60.2 percent of total taxes and 35.0 percent of total revenues in 1970. By 2006, real estate taxes decreased to 44.1 percent of total taxes and fell to 17.1 percent of total revenue. (See Table 5 and Graphs 3 and 4.)

Table 5
 Pennsylvania Municipalities
Real Estate Taxes and Earned Income Taxes in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
<u>Real Estate Taxes</u>				
City	315,990,969	259,684,120	-56,306,849	-17.8
Borough	315,575,926	378,512,683	62,936,757	19.9
1 st Class Township	215,771,785	290,696,533	74,924,748	34.7
2 nd Class Township	<u>177,396,991</u>	<u>395,669,128</u>	<u>218,272,137</u>	123.0
Total Commonwealth	1,024,735,670	1,324,562,464	299,826,794	29.3
<u>Earned Income Taxes</u>				
City	113,865,066	125,687,580	11,822,514	10.4
Borough	143,665,023	222,571,698	78,906,675	54.9
1 st Class Township	51,086,750	151,507,036	100,420,286	196.6
2 nd Class Township	<u>120,248,518</u>	<u>548,826,698</u>	<u>428,578,180</u>	356.4
Total Commonwealth	428,865,356	1,048,593,012	619,727,656	144.5

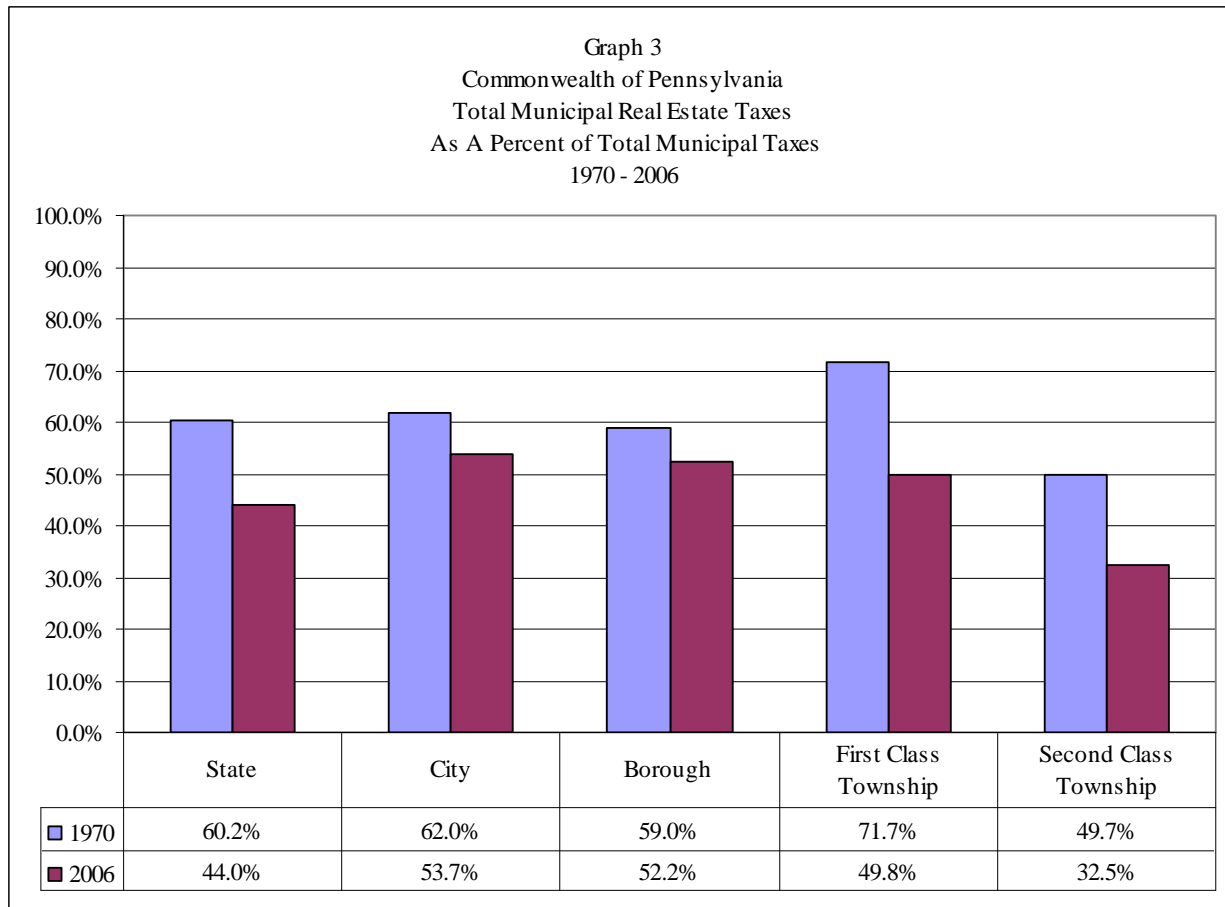
^{1/} In 2006 dollars.

In the cities, real estate taxes collected totaled 62.0 percent of total taxes and 36.9 of total revenue in 1970; in 2006 the real estate taxes decreased to 53.7 percent of total taxes, but fell significantly to 16.4 percent of total revenue in 2006.

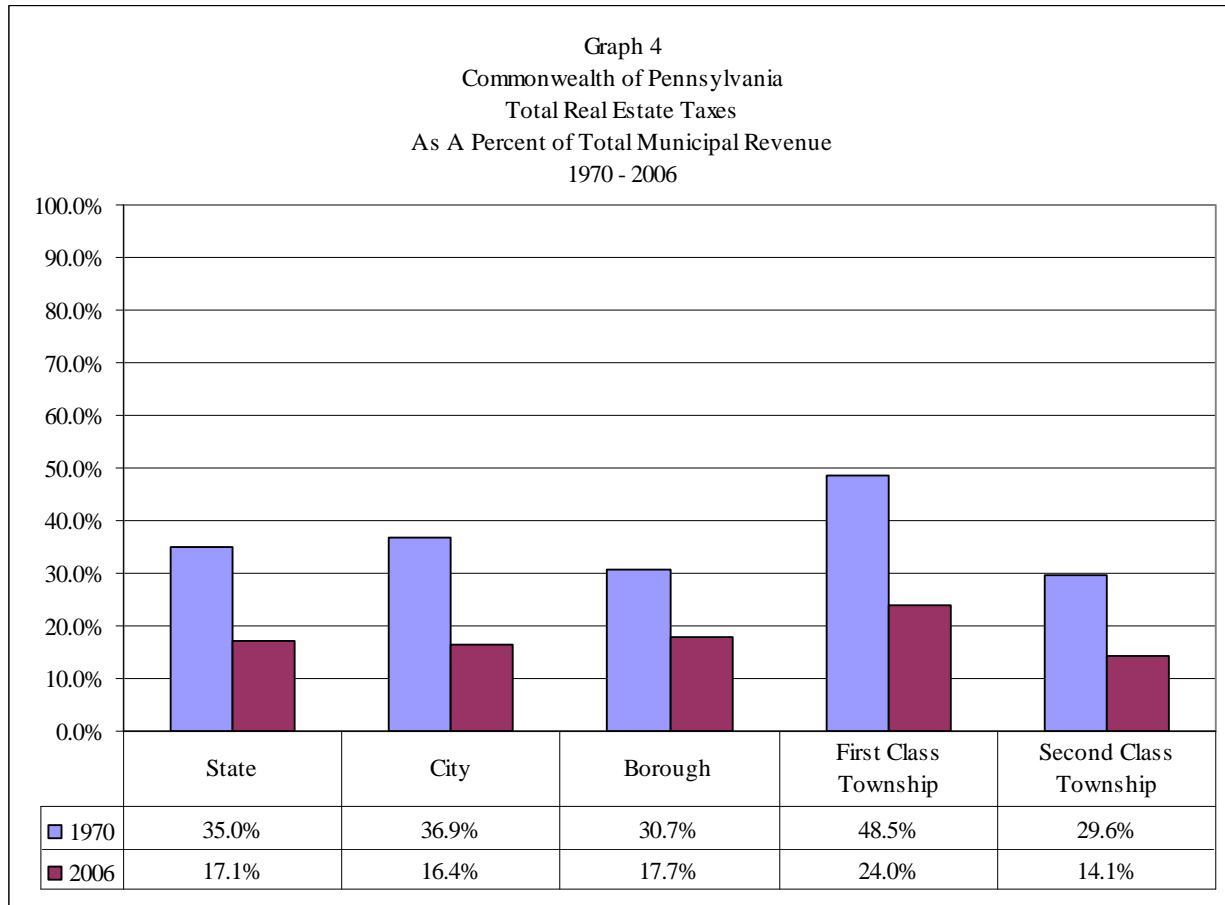
In the Commonwealth’s boroughs, real estate taxes collected in 1970 were 59.0 percent of total taxes collected and 30.7 percent of total revenues. Real estate taxes collected in 2006 for the boroughs totaled 52.2 percent of total taxes collected and 17.7 percent of total revenues. For the boroughs, the reliance on real estate taxes as a portion of total taxes decreased slightly from 1970 to 2006, the real estate share of total revenues fell to 17.7 percent of revenue.

For the first class townships, real estate taxes collected totaled 71.7 percent of total taxes collected and 48.5 percent of total revenue. Real estate taxes collected in 2006 decreased to 49.8 percent of total taxes collected and 24.0 percent of total revenue.

In townships of the second class, real estate taxes collected totaled \$177 million in 1970, or 49.7 percent of total taxes collected and 29.6 percent of total revenue. In 2006, real estate taxes collected decreased to 32.5 percent of total taxes collected and 14.1 percent of total revenue. For the townships of the second class, the 2006 proportion of revenues for real estate taxes to total municipal revenue is the lowest proportion of any class of government and has decreased significantly since 1970. (See Graphs 3 and 4.)



During the review period 1970 to 2006, real estate taxes contributed a smaller portion of overall revenues to municipalities’ budgets. The share of real estate taxes to total revenue declined in all types of municipalities with the largest absolute point decline occurring in first class townships (48.5 percent in 1970 to 24.0 percent in 2006). (See Graph 4.)



Earned Income Taxes 1970 and 2006

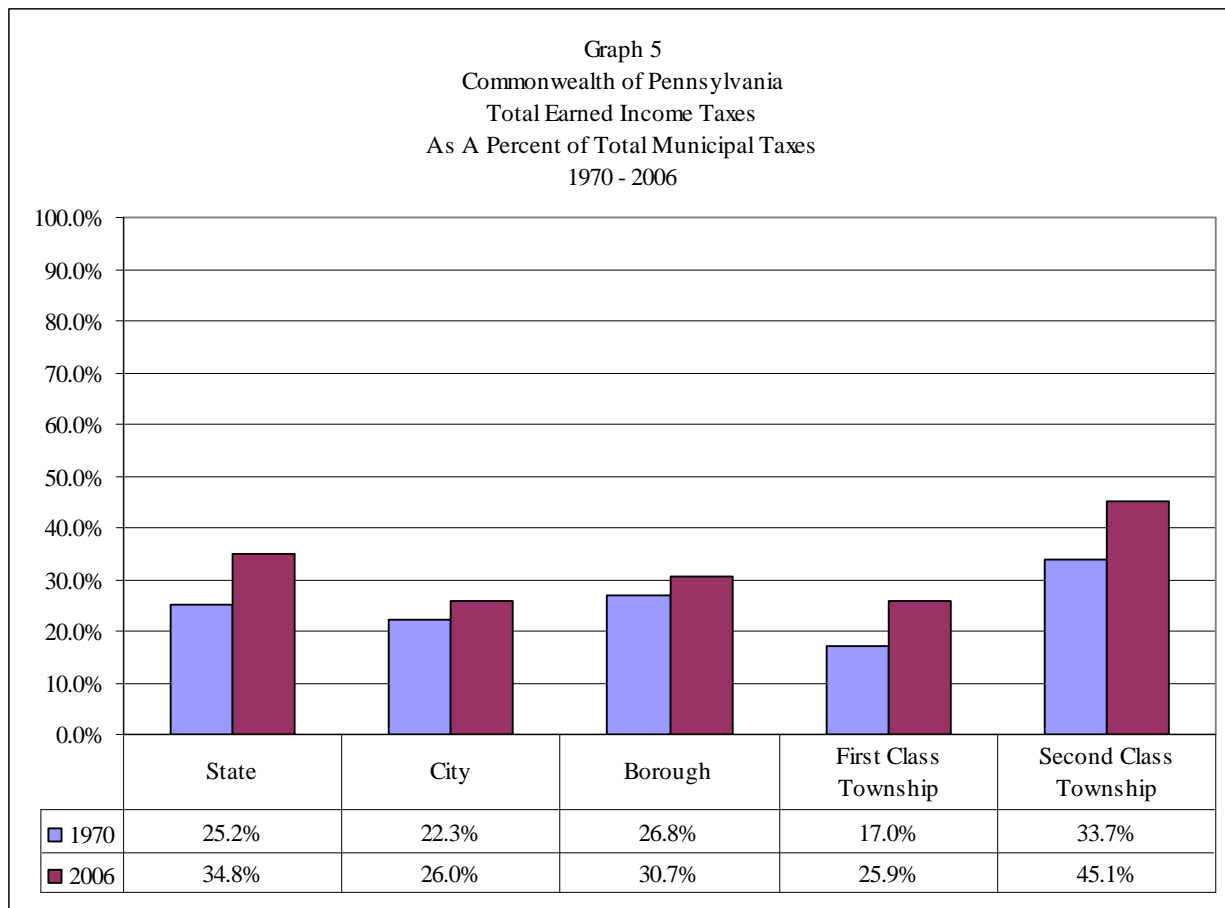
Total earned income tax (EIT) collected by the Commonwealth’s municipalities were \$428 million in 1970 constant dollars and \$1.0 billion in 2006. For the period 1970-2006, EIT (in constant dollars):

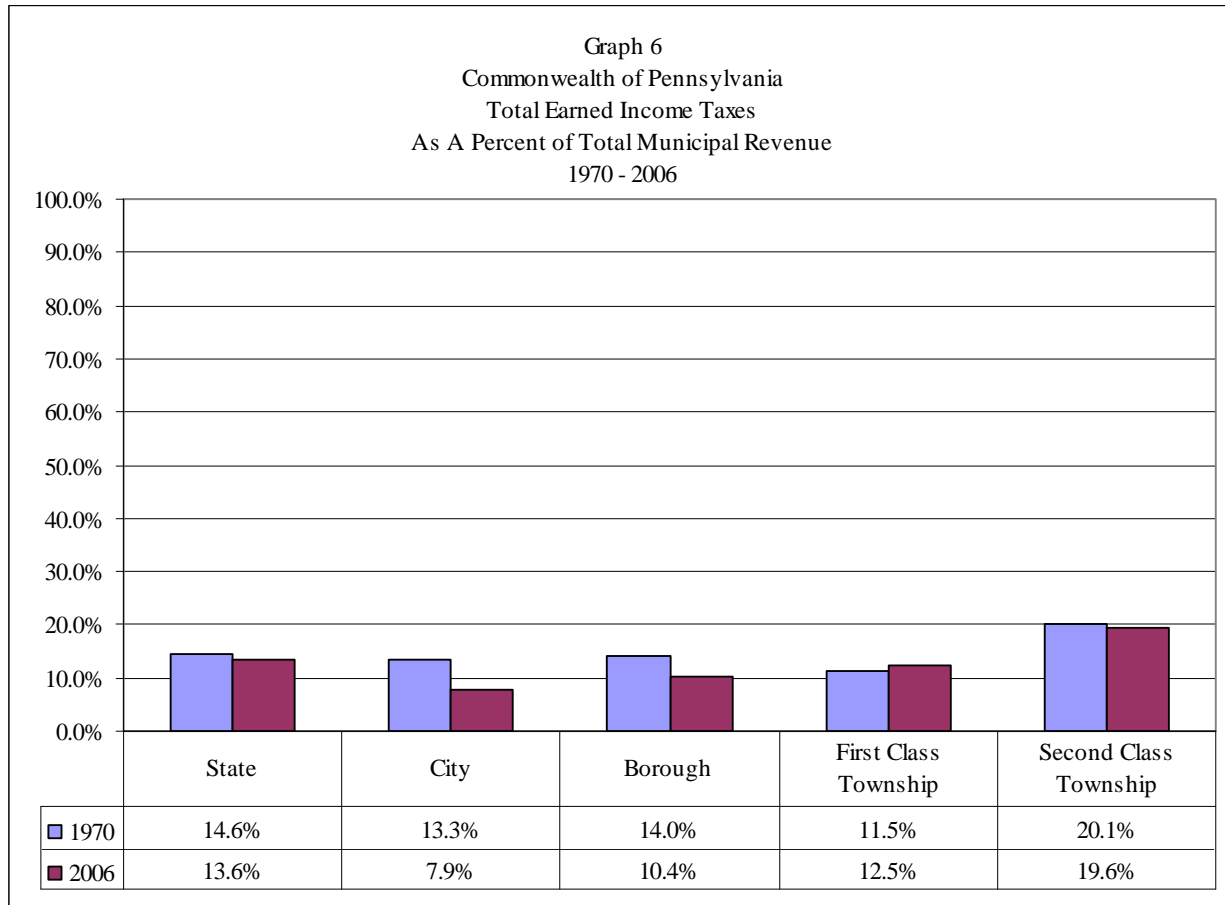
- Rose in cities by 10.4 percent;
- Rose in boroughs by 54.9 percent;
- Rose in first class townships by 196.6 percent;
- Rose in townships of the second class by 356.4 percent; and
- Rose statewide by 144.5 percent.

EIT in all municipalities represented 25.2 percent of total taxes and 14.6 percent of total revenues in 1970. By 2006, EIT increased to 34.8 percent of total taxes and fell slightly to 13.6 percent of total revenue. (See Table 5 and Graphs 5 and 6.)

Cities collected the 2006 equivalent of \$114 million in EIT in 1970 and \$126 million in 2006, an increase in constant dollars of \$12 million or 10.4 percent. In 1970, EIT totaled 22.3 percent of total city taxes collected and 13.3 percent of total city revenues. By 2006, EIT increased to 26.0 percent of total city taxes collected but decreased to 7.9 percent of total city revenue. This decline can be attributed both to the loss of population as well as the change in the amount earned by city residents.

For the Commonwealth’s boroughs, EIT produced \$143 million in 1970 and \$223 million in 2006, an increase of \$79 million or 54.9 percent. In 1970, EIT represent 26.8 percent of total borough taxes collected, and 14.0 percent of total revenue for the boroughs. In 2006, EIT rose to 30.7 percent of total borough taxes collected but fell to 10.4 percent of total borough revenues. (See Graphs 5 and 6.)





In the first class townships, EIT totaled \$51 million in 1970 and \$152 million in 2006, an increase of \$100 million or 196.6 percent. In 1970, EIT collected in the first class townships represented 17.0 percent of total taxes collected and 11.5 percent of total revenues. In 2006, EIT represented a greater proportion (25.9 percent) of first class township taxes but only slightly more (12.5 percent) of total first class township revenue.

In the townships of the second class, EIT totaled \$120 million in 1970 and \$549 million in 2006, an increase of \$429 million or 356.4 percent. In 1970 constant dollars, EIT collected in the townships of the second class represented 33.7 percent of total taxes collected and 20.1 percent of total revenues. In 2006, EIT produced a greater proportion (45.1 percent) of second class township taxes and slightly less (19.6 percent) of total second class township revenue.

For the townships of the second class, the increase in EIT collections in 2006 over 1970 is nearly five times greater during the period 1970-2006; at the same time population in the townships increased by 36.1 percent, reflecting the shift of both population and earnings to the townships.

Total Municipal Expenditures – 1970 and 2006

In 1970, the state’s municipalities spent the 2006 equivalent of \$3.0 billion to provide local government to their citizens and residents. In 2006, these municipalities expended more than double the 1970 adjusted number or \$7.4 billion to provide local government, an increase of \$4.4 billion or 145.0 percent.

Cities spent \$891 million in 1970 to provide municipal services, and expended \$1.5 billion in 2006, an increase of \$656.8 million or 73.7 percent.

The Commonwealth’s boroughs spent \$1.1 billion for total expenditures in 1970 constant dollars and \$2.1 billion in 2006, an increase of \$1.0 billion or 96.7 percent. In first class townships, total expenditures in 1970 constant dollars amounted to \$471 million, and \$1.2 billion in 2006, an increase of \$702.5 million or 149.1 percent, while townships of the second class increased spending by 330.4 percent from \$606.8 million in 1970 constant dollars to \$2.6 billion in 2006. (See Table 6.)

Table 6
Commonwealth of Pennsylvania Municipalities
Total Expenditures
1970 to 2006

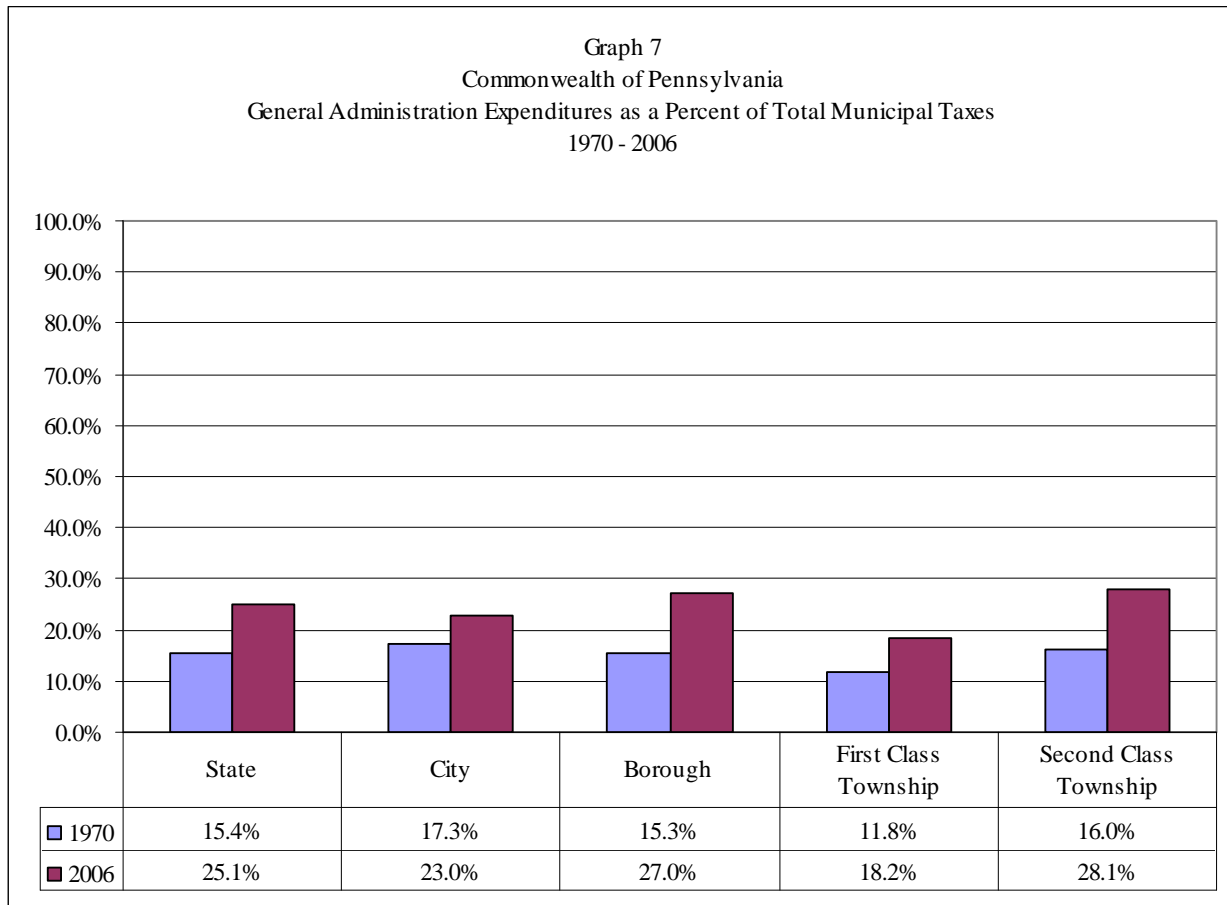
	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	891,174,549	1,547,974,806	656,800,257	73.7
Borough	1,056,062,602	2,077,437,184	1,021,374,582	96.7
1 st Class Township	471,113,687	1,173,639,507	702,525,820	149.1
2 nd Class Township	<u>606,818,904</u>	<u>2,611,491,561</u>	<u>2,004,672,657</u>	330.4
Total Commonwealth	3,025,169,742	7,410,543,058	4,385,373,316	145.0

^{1/} In 2006 dollars.

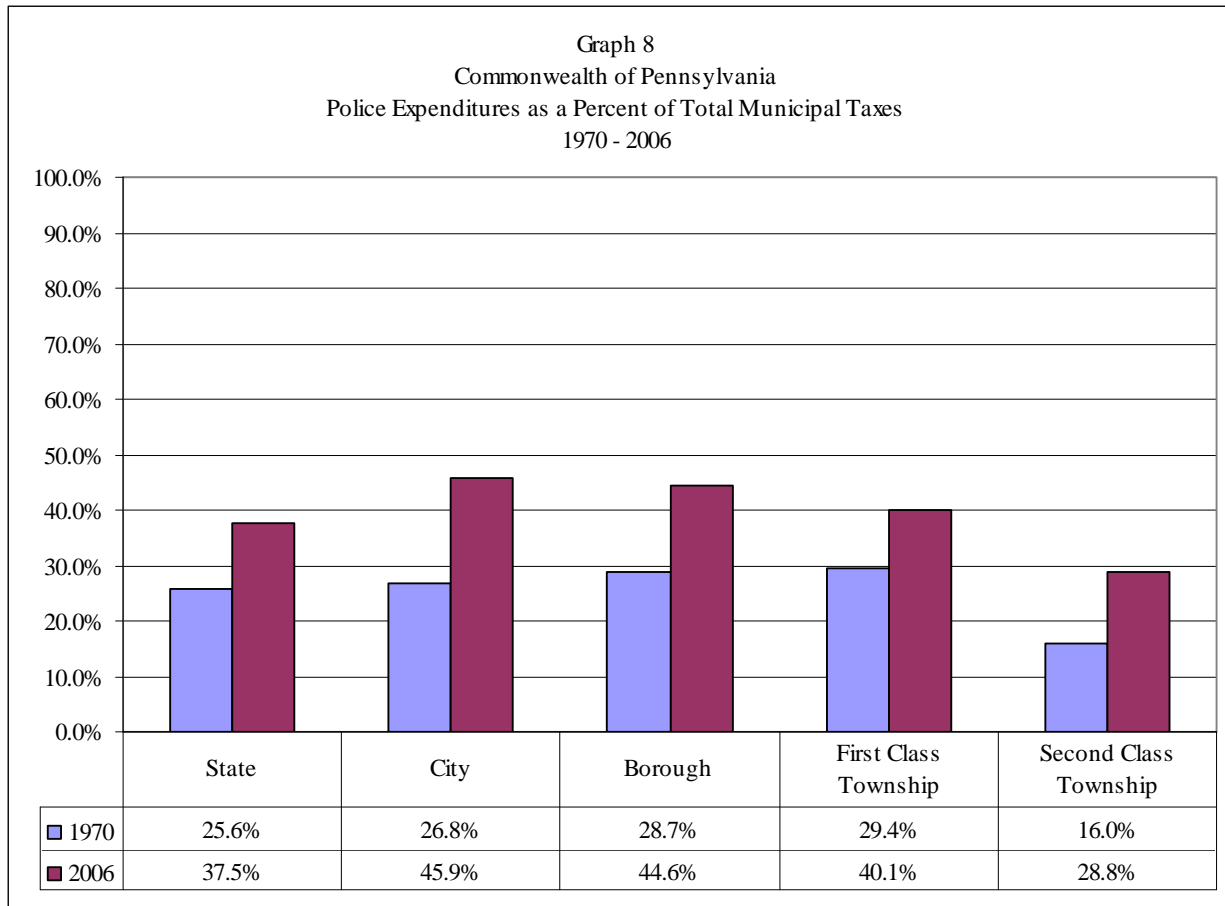
General Administration and Police Expenditures 1970 and 2006

Municipal functions paid for by taxes vary from municipality to municipality and by type of municipality. Categories of public services and public safety (clean and safe) are often viewed as core functions of local government and are often the citizen’s perception as the benefits provided by their taxes. General administration is a common category across the reported data for 1970 and 2006; public safety would include police, fire, and other safety services. However, the delivery of fire protection is not uniform across the Commonwealth and the expected levels of expenditure across municipal categories do not easily allow fire service expenditures to be compared across municipal classifications. Police services can be compared across municipal classification and can be compared for the review period of 1970 and 2006.

General Administration expenditures as a proportion of total taxes have increased throughout the period. The largest percentage point change was seen in the townships of the second class (12.1 points) and boroughs (11.7 points) (See Graph 7.)



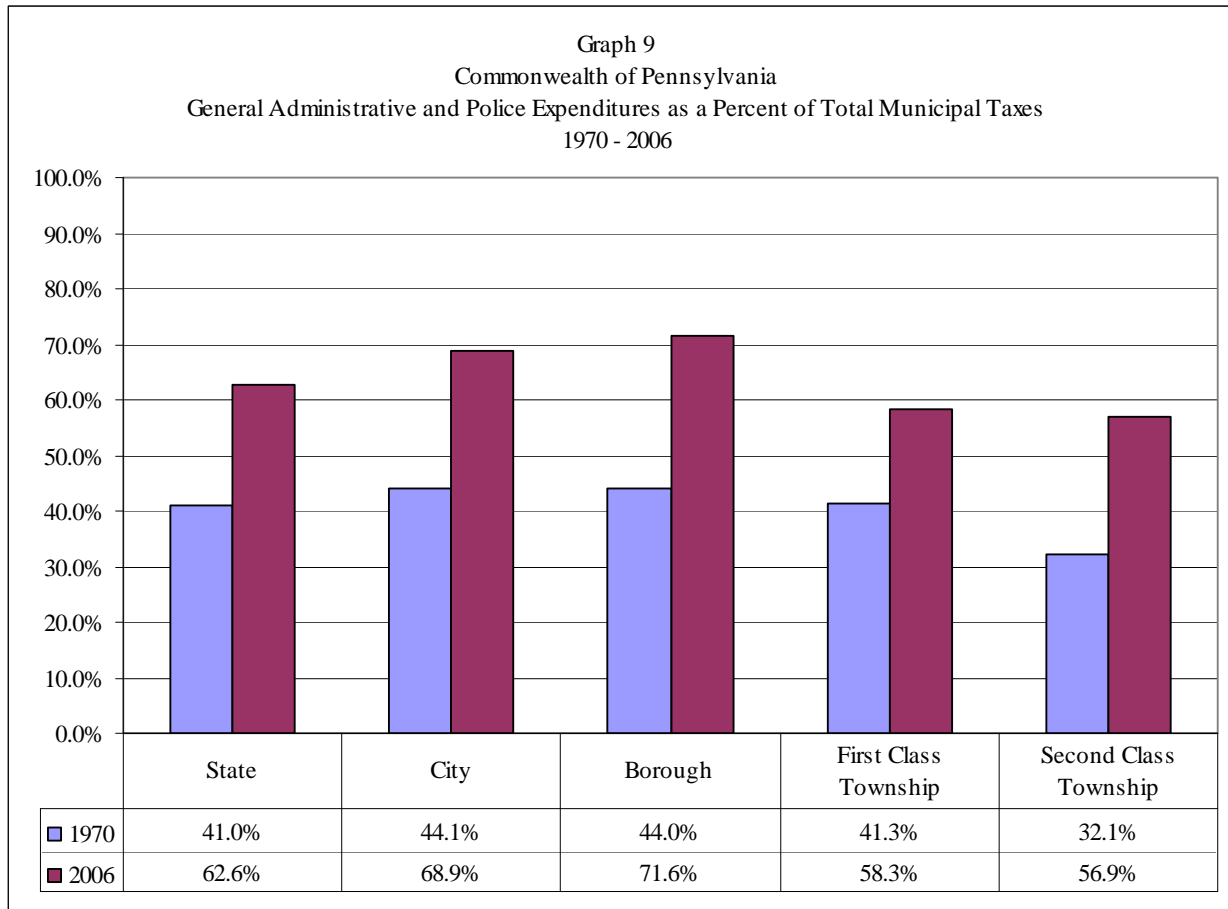
Police expenditures have also increased throughout the period as a proportion of total taxes. The largest percentage point change was seen in the cities (19.1 points) and boroughs (15.8 points). (See Graph 8.) This increase in expenditures is contrasted by the decrease in proportion of total taxes to total revenues in the cities and boroughs for the 1970 and 2006 period. (See Graph 2.)



The combined expenditure proportion of total municipal taxes for general administration and police has increased in all municipal types during the 1970 and 2006 periods. The percentage point change for the combined cost of general administration and police rose by:

- 27.6 points in the boroughs;
- 24.8 points in the cities;
- 24.8 points in the townships of the second class
- 17.0 points in the first class townships.

In 2006, total spending for general administration and police required 71.6 percent of municipal taxes in the boroughs, 68.9 percent in the cities and 58.3 percent and 56.9 percent in the townships of the first and second class, respectively. (See Graph 9.)



Since 1970, expenditures as a proportion of the taxes available to pay the costs have increased in all types of municipalities. **At the same time, taxes as a proportion of all revenues has decreased in every type of government, and not just in the older urbanized areas, but the trend continues as the development and revenue generation in the 1970 suburban areas (first class townships) slowed through the review period. The trend seems to be continuing for the 2006 suburban equivalent (townships of the second class) as the expected increase in the demand for municipal services and increasing municipal expenditures rely on tax revenue supporting a smaller share of overall costs.**

The Shift in the Commonwealth’s Population

Pennsylvania municipalities underwent a fundamental shift in population patterns during the period 1970 to 2006. In 1970, 1,562,453 people or 17.1 percent of the Commonwealth’s total population resided in the cities. By 2006, this figure had decreased to 1,265,271 or by 297,182 (19.0 percent). The percentage of persons living in cities fell to 12.3 percent of the total.

The number of people residing in boroughs totaled 2,811,523 and by 2006 it declined by 269,544 (9.6 percent) to 2,541,979. In 1970 the number of people in the state’s boroughs represented 30.8 percent of the total state’s population, by 2006 this percentage had decreased to 24.7 percent.

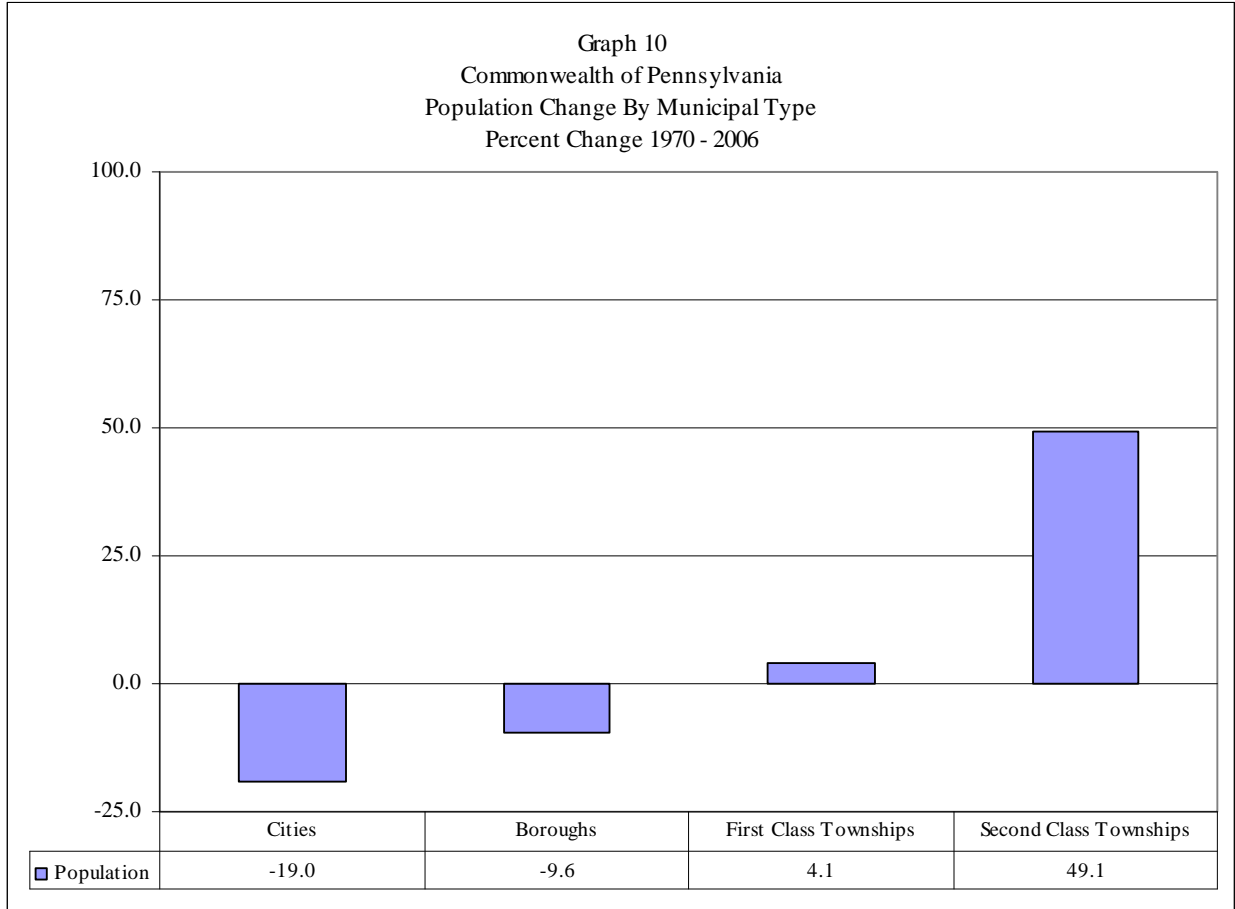
The number of people residing in the first class townships totaled 1,381,316; by 2006 this population had grown by 56,049 (4.1 percent) to 1,437,365. In 1970 the number of people residing in first class townships represented 15.1 percent of the total population in the state; by 2006, the percentage had decreased slightly to 14.0 percent.

In 2006, population in townships of the second class totaled 5,049,879 an increase of 1,663,498 (49.1 percent) from 3,386,381, in 1970. In 2006 this portion of the Commonwealth’s population (less Philadelphia and Pittsburgh) represented 49.1 percent—up significantly from 37.0 percent of the total in 1970s. (See Table 7 and Graph 10.)

Table 7
Commonwealth of Pennsylvania Municipalities
Population^{1/}
1970 to 2006

	1970	% of Total	2006	% of Total	Change 1970 to 2006	
					Persons	%
City	1,562,453	17.1	1,265,271	12.3	-297,182	-19.0
Borough	2,811,523	30.8	2,541,979	24.7	-269,544	-9.6
1st Class Township	1,381,316	15.1	1,437,365	14.0	56,049	4.1
2nd Class Township	<u>3,386,381</u>	<u>37.0</u>	<u>5,049,879</u>	<u>49.1</u>	<u>1,663,498</u>	49.1
Total Commonwealth	9,141,673	100.0	10,294,494	100.0	1,152,821	12.6

^{1/} Does not include Philadelphia and Pittsburgh.



CHAPTER 2

Regional Reviews of Revenues and Expenditures in Local Government

Introduction

In 2007 the Pennsylvania Economy league released a study of the change in municipal fiscal health based on a comparison of factors for all municipalities in Pennsylvania between the years 1970 and 2003. The study showed that a deterioration of fiscal health had a definitive and predicable pattern over time, regardless of the type of municipality and largely independent of the region of the Commonwealth. This study was best remembered for its description of **the five stages of municipal fiscal decline** which showed a clear path that municipalities are following toward fiscal distress:

1. *Low Taxes with prosperity.*
2. *Gradually rising tax rates and increasing demand for services.*
3. *Plateau of tax base with reductions in non-core services.*
4. *Insufficient taxes or tax base with reductions in core services*
5. *Loss of tax base and distress*

Understanding this pattern and its causes allows for early identification and intervention, with the goal of stopping the cycle and avoiding distress. As seen in the following table, no Pennsylvania city or borough maintained fiscal health is currently experiencing low taxes with prosperity. (See Table 1.)

Table 1
The Five Stages of Fiscal Decline
Number of Municipalities, Type, By Stage of Fiscal Decline
1970 to 2003

<u>Progression</u>	<u>Cities</u>	<u>Boroughs</u> ^{1/}	<u>Townships</u>	
			<u>First Class</u>	<u>Second Class</u>
Stage 1: <i>Low Taxes with prosperity</i>	0	0	27	399
Stage 2: <i>Gradually rising tax rates and increasing demand for services</i>	15	99	26	259
Stage 3: <i>Plateau of tax base with reductions in non-core services</i>	1	213	1	512
Stage 4: <i>Insufficient taxes/ base with reductions in core services</i>	1	366	29	256
Stage 5 <i>Loss of tax base and onset of significant fiscal distress</i>	39	228	8	29
<i>Totals</i>	56	906*	91	1,455

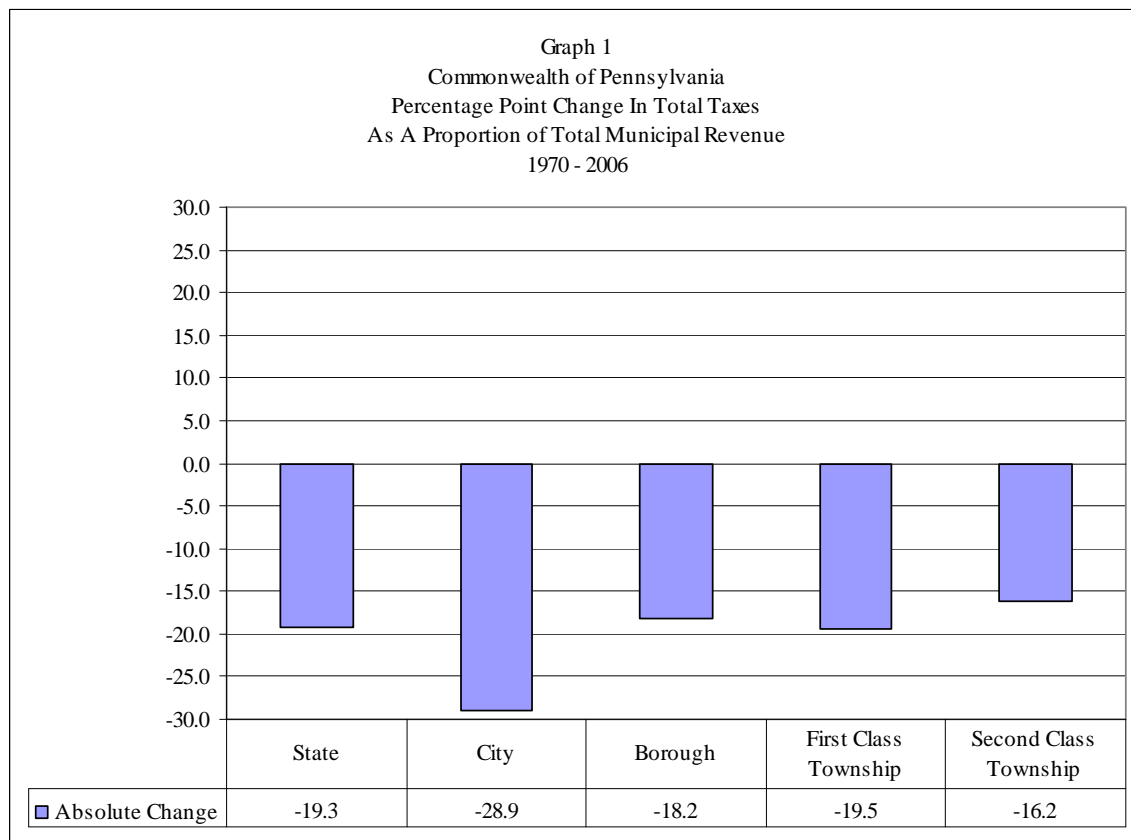
^{1/} The boroughs column does not include 43 boroughs with declining populations but growing tax revenues.

The current study reviewed actual revenue and expenditures as reported by municipalities to the Commonwealth in the years 1970 and 2006. Revenue and expenditures were compared to the proportionate contribution to total tax revenue and to total municipal revenue; expenditures were compared to the proportionate sources of revenues necessary to fund those expenditures. These proportions were completed for the Commonwealth, each municipal classification and for each economic region as identified in Structuring Healthy Communities Part I.

The 1970 proportionate share of the reviewed revenue sources was compared to the 2006 proportionate share of the revenue/expenditure items. The change in the absolute value of the percentages was used to compare the change in percentage points for 1970 and 2006 data sets.

Change in Total Taxes As a Proportion of Total Municipal Revenues

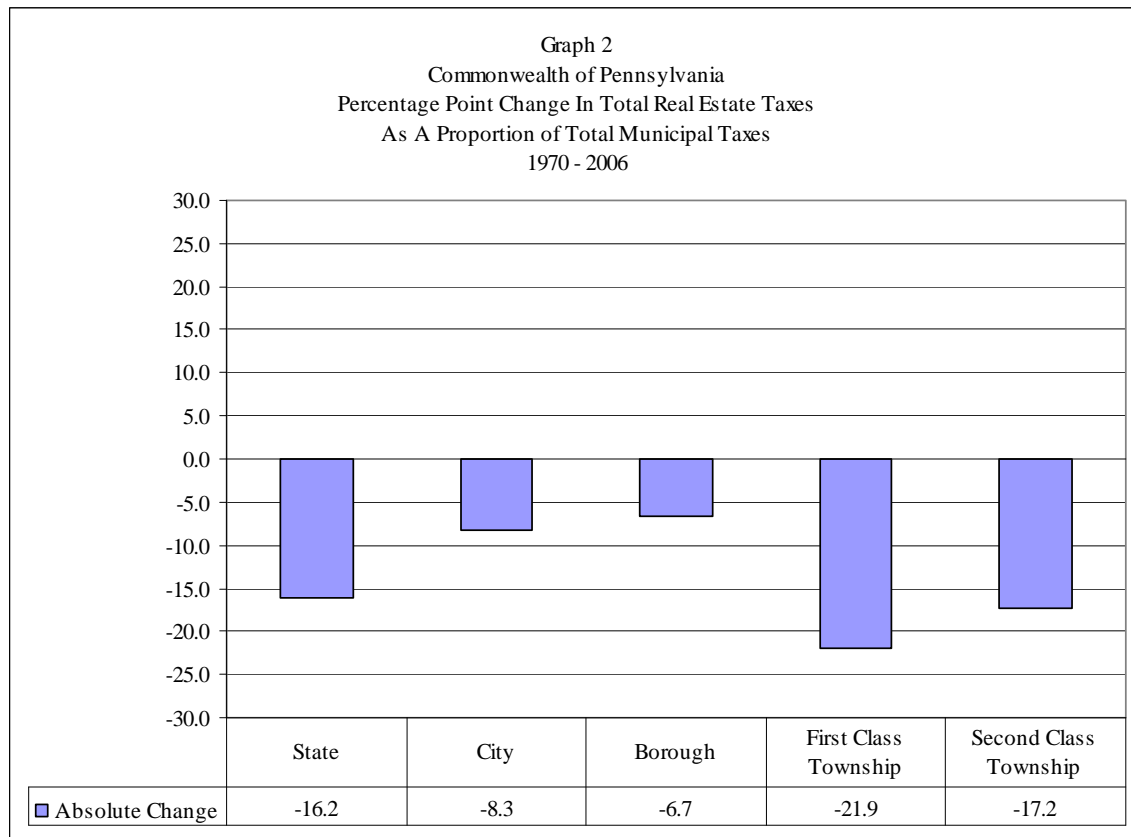
Total taxes from all sources have declined as a proportion of total revenues in each class of municipality since 1970. (See Graph 1.)



- For all reporting municipalities as a whole, taxes as a portion of total revenues fell by 19.3 points from 1970 to 2006;
- Cities recorded the largest change in the share of taxes to total revenue, a decrease of 28.9 points;
- First Class townships fell by 19.5 points;
- Boroughs share of total taxes to revenues fell by 18.2 points;
- Townships of the second class has the least negative change in points at 16.2

Real Estate Taxes As a Proportion of Total Municipal Taxes Are Less Since 1970

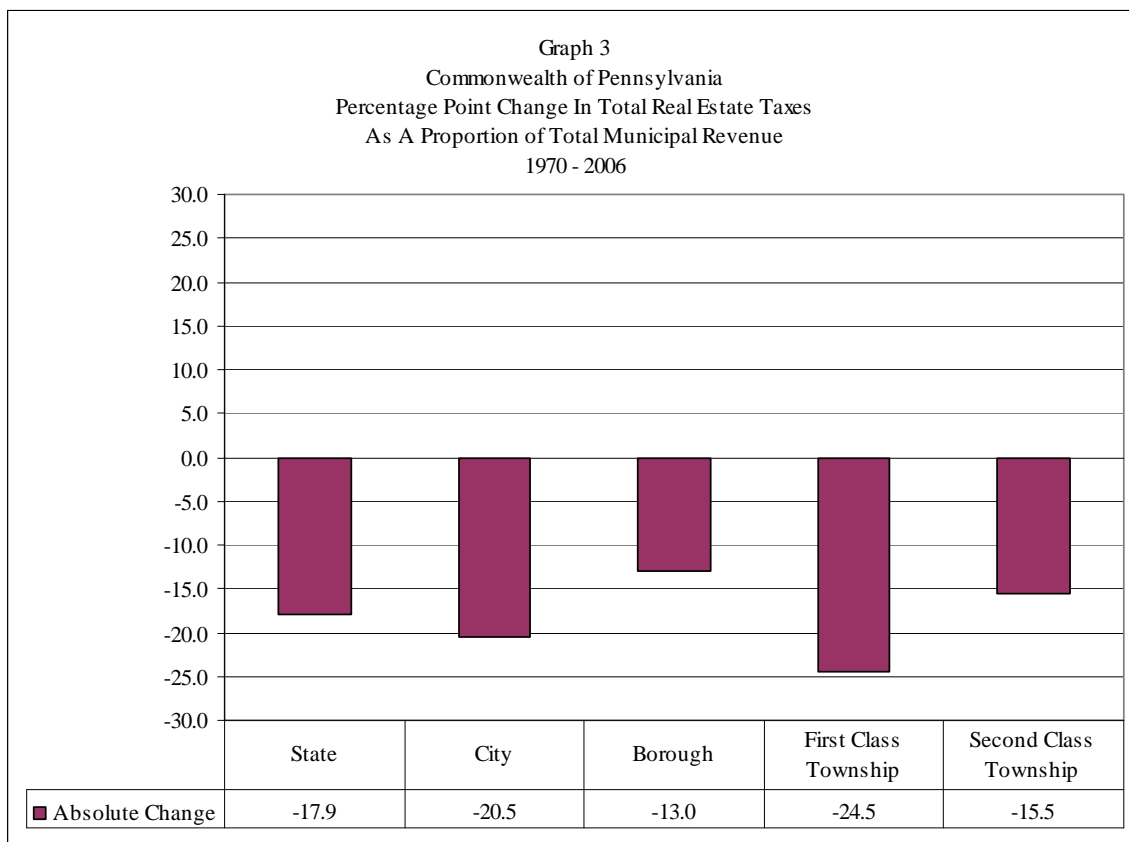
Real estate taxes continue to provide a large portion of all municipal tax revenues in both 1970 and 2006. The contribution of real estate taxes to the total municipal tax levy has decreased since 1970 for each municipal classification; however, the change as measured in points is different for real estate tax than might be expected from the distribution of total taxes to total revenues. (See Graph 2.)



The greatest reduction of proportionate share of real estate taxes to total taxes is seen in first class townships (21.9 points). Townships of the second class portion of real estate taxes to total tax revenue fell by 15.5 points. Cities and boroughs had a smaller decrease in the proportion of real estate taxes to total taxes at 8.3 points and 6.7 points, respectively.

Real Estate Taxes Are a Smaller Proportion of Total Municipal Revenue Since 1970

When measured against all municipal revenue, the contribution of real estate taxes has declined significantly in every municipal classification. (See Graph 3.)



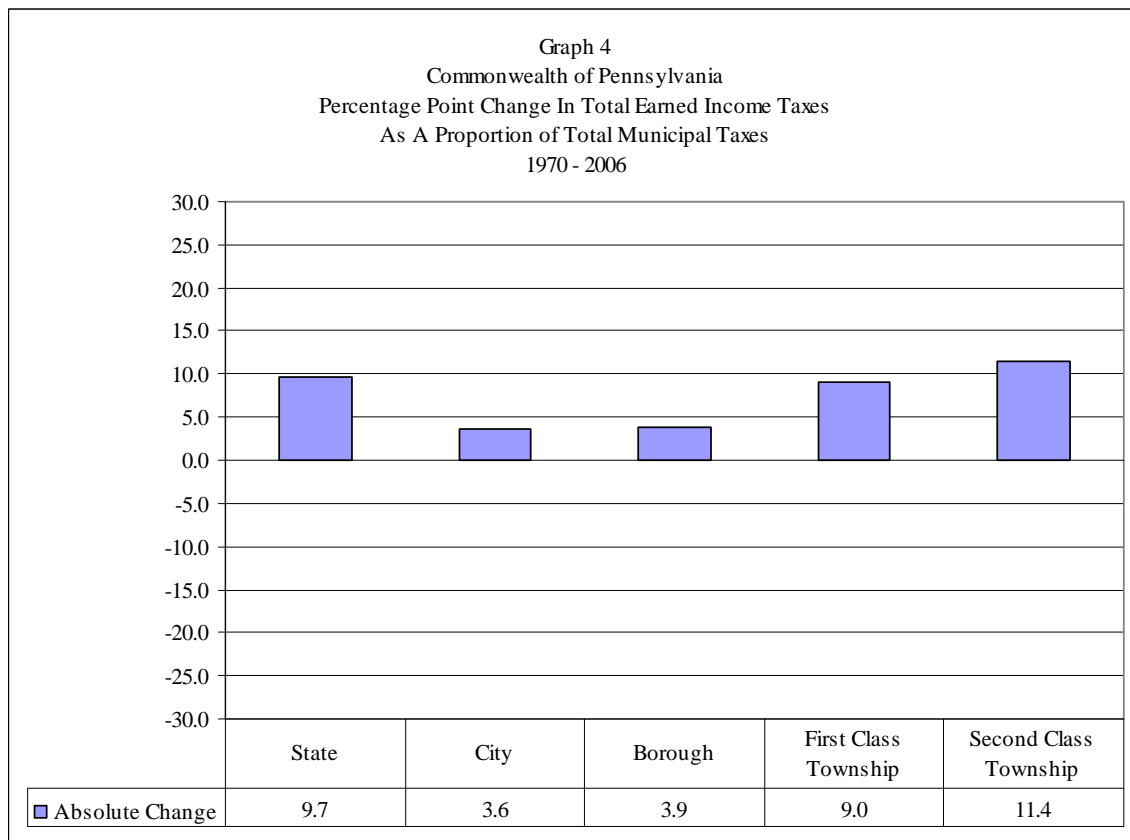
The decrease in points from the 1970 and 2006 share of real estate taxes to total revenue was:

- 24.5 points in first class townships;
- 20.5 points in cities;
- 15.5 points in townships of the second class;
- 13.0 points in the boroughs.

The reduced utility of real estate taxes to the total municipal revenue mix may be related to the reliance on a more elastic revenue source such as earned income taxes; on the assessment practices of counties since 1970; and on the general reluctance to raise real estate tax millages as the most visible and politically sensitive form of local taxation.

Earned Income Taxes As a Proportion of Total Municipal Taxes Are Greater Since 1970

Earned income taxes as a proportion of total municipal taxes has increased since 1970. Earned income taxes are a passive elastic source of revenue as the levy grows with changes in the earned income of taxpayers without any action by the municipal governments. The maximum rate of earned income taxation is capped in non-home rule municipalities at one percent. The earned income tax is often shared equally with the local school district. (See Graph 4.)



Earned income tax proportion to all taxes increased:

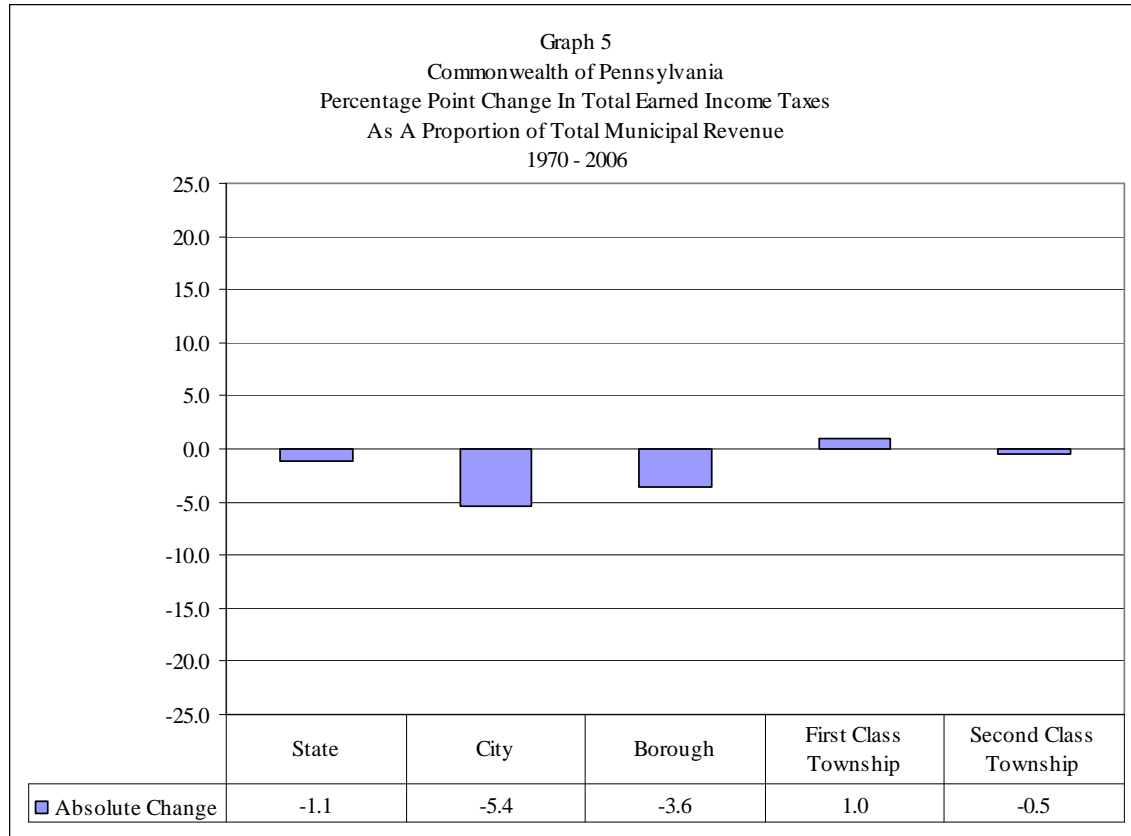
- By 11.4 points in townships of the second class;
- By 9.0 points in first class townships;

- By 3.9 points in boroughs;
- By 3.6 points in cities.

The relative lack of change in the share of earned income taxes to total taxes in the cities and boroughs reflects the demographic changes of population migrations away from older developed areas and the income status of residents that remain in the more developed municipal areas. Earned income taxes do not tax unearned income such as retirement or dividends and interest. As the population remaining in the cities and boroughs becomes older and reaches retirement, earned income revenue will not grow at the pace of those areas with younger and higher median income levels.

Earned Income Taxes Are a Smaller Proportion of Total Municipal Revenue Since 1970

Earned income taxes as a proportion of total revenue is less than it was in 1970; a similar trend to the real estate tax proportion. However the point change in earned income contribution to total revenue is not as severe across classifications and is actually slightly higher in first class townships. (See Graph 5.)



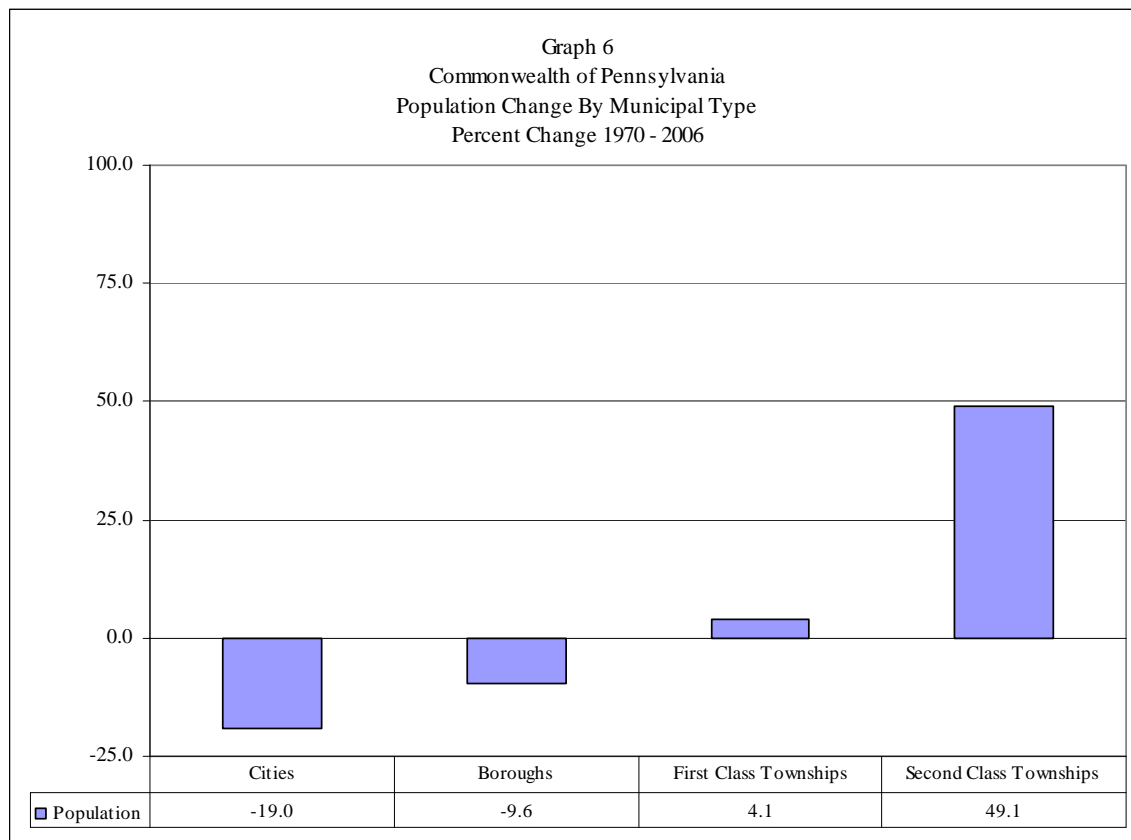
Earned income tax proportion to all municipal revenue:

- Increased in first class townships by 1.0 point;
- Fell by 0.5 point in townships of the second class;
- Fell by 3.6 points in boroughs;
- Fell by 5.4 points in cities.

Population Changes By Municipal Classification

Since 1970 there has been a shift in population across municipal classifications with migration occurring between the older denser urban areas of cities and boroughs to newly developed areas in the townships of the second class. First class townships were generally more densely settled based upon one of the definitions for incorporation as a first class township and the population shift into those townships was modest compared to the second class townships (increases of 4.1 percent and 49.1 percent, respectively).

The shift in population can be compared to the revenue changes and mix in proportion of both real estate and earned income taxes. As populations moved from urban areas, the taxable property values of urban areas did not increase (and in some cases decreased) at the same rate as those in the more recently developed areas. The lack of readily developable land and change in preference of location by the population will be reflected in lowered property values which would require higher levels of property tax rates to continue to provide the same proportion of revenue as in 1970. Conversely, the shift in population to more recently developed areas will shift earned income to those areas based on the necessity of earning at a level to finance new construction of residential construction as well as the relocation of employers into the same township as residents. This migration of employment and income is reflected in the nearly unchanged proportion of earned income to total revenue in the townships, the reduced proportion of earned income as a part of total revenue in the cities and boroughs. (See Graph 6.)



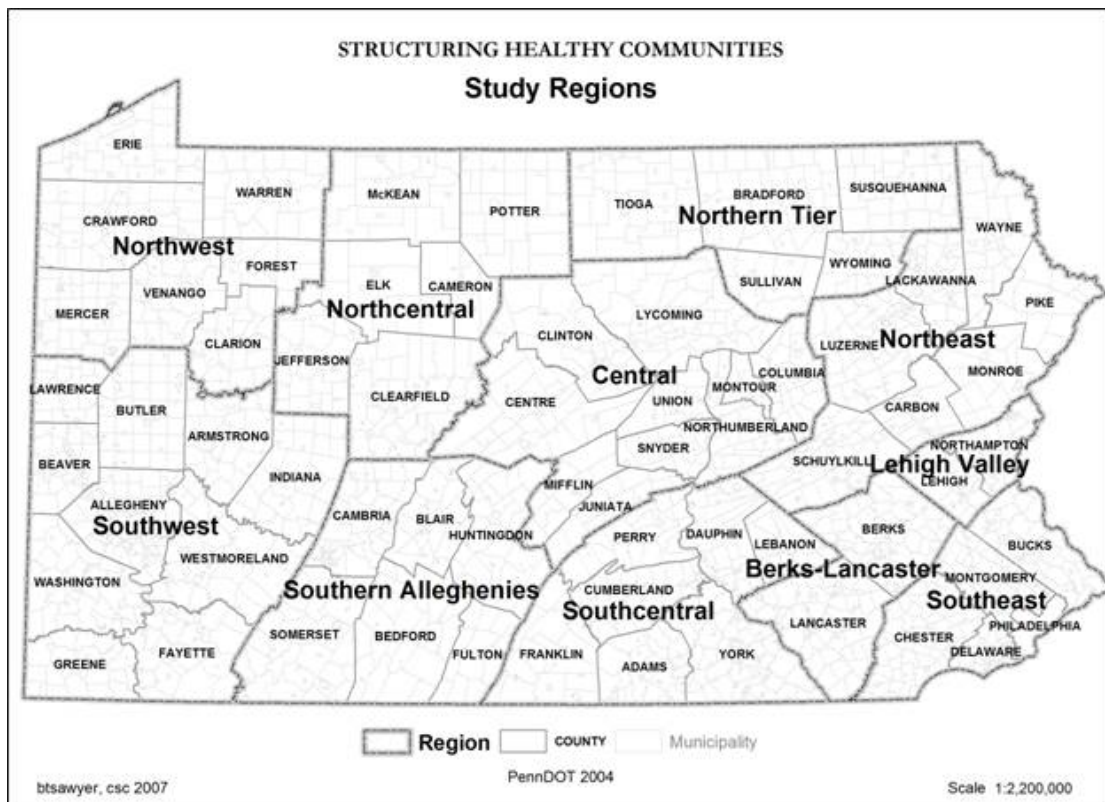
Comparison of Change in Total Taxes to Total Revenues By Region and State

The change in contribution of total taxes to municipal revenue was examined by economic region as defined in Structuring Healthy Communities Part I.

The eleven economic regions used in this study, with some variation, were developed by IBM consulting for Team Pennsylvania and were slightly modified by PEL.

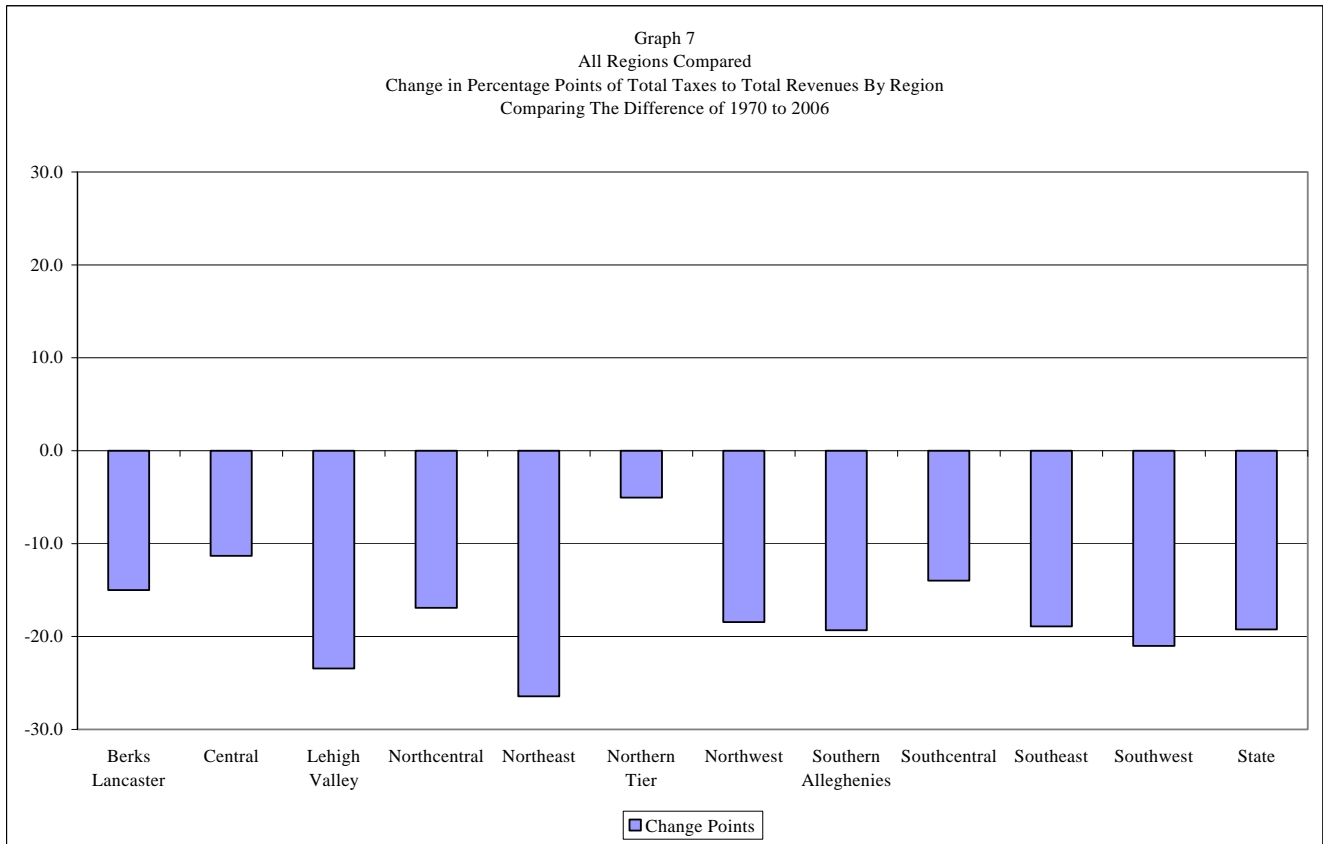
Table 1
Map View and Counties of the Geographic Regions

Regions	Number Counties	Counties
Southwest	10	Allegheny, Armstrong, Beaver, Butler, Fayette, Greene, Indiana, Lawrence, Washington, Westmoreland
Northwest	7	Clarion, Crawford, Erie, Forest, Mercer, Venango, Warren
Northcentral	6	Cameron, Clearfield, Elk, Jefferson, McKean, Potter
Northern Tier	5	Bradford, Sullivan, Susquehanna, Tioga, Sullivan
Central	10	Centre, Clinton, Columbia, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder, Union
Northeast	7	Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill, Wayne
Lehigh Valley	2	Lehigh, Northampton
Southeast	5	Bucks, Chester, Delaware, Montgomery, Philadelphia
Berks/Lancaster	2	Berks, Lancaster
Southcentral	7	Adams, Cumberland, Dauphin, Franklin, Lebanon, Perry, York
Southern Alleghenies	6	Blair, Bedford, Cambria, Fulton, Huntingdon, Somerset



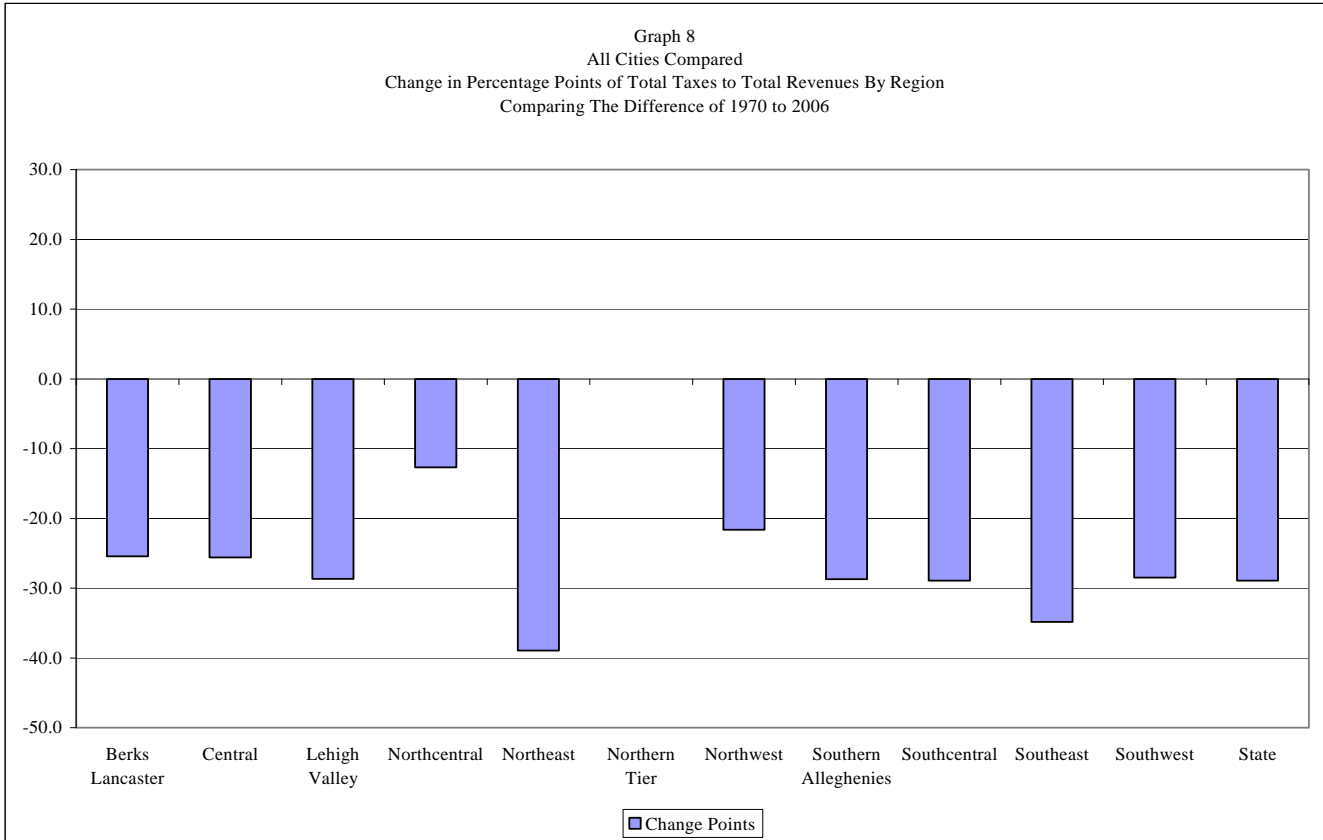
All Regions Compared

A comparison of the statewide change in percentage points of total taxes to total revenue to the individual regions shows regional differences ranging from five points in the Northern Tier to 26.3 points in the Northeast. Lehigh Valley and the Southwest also show changes over 20 points in the change from 1970.



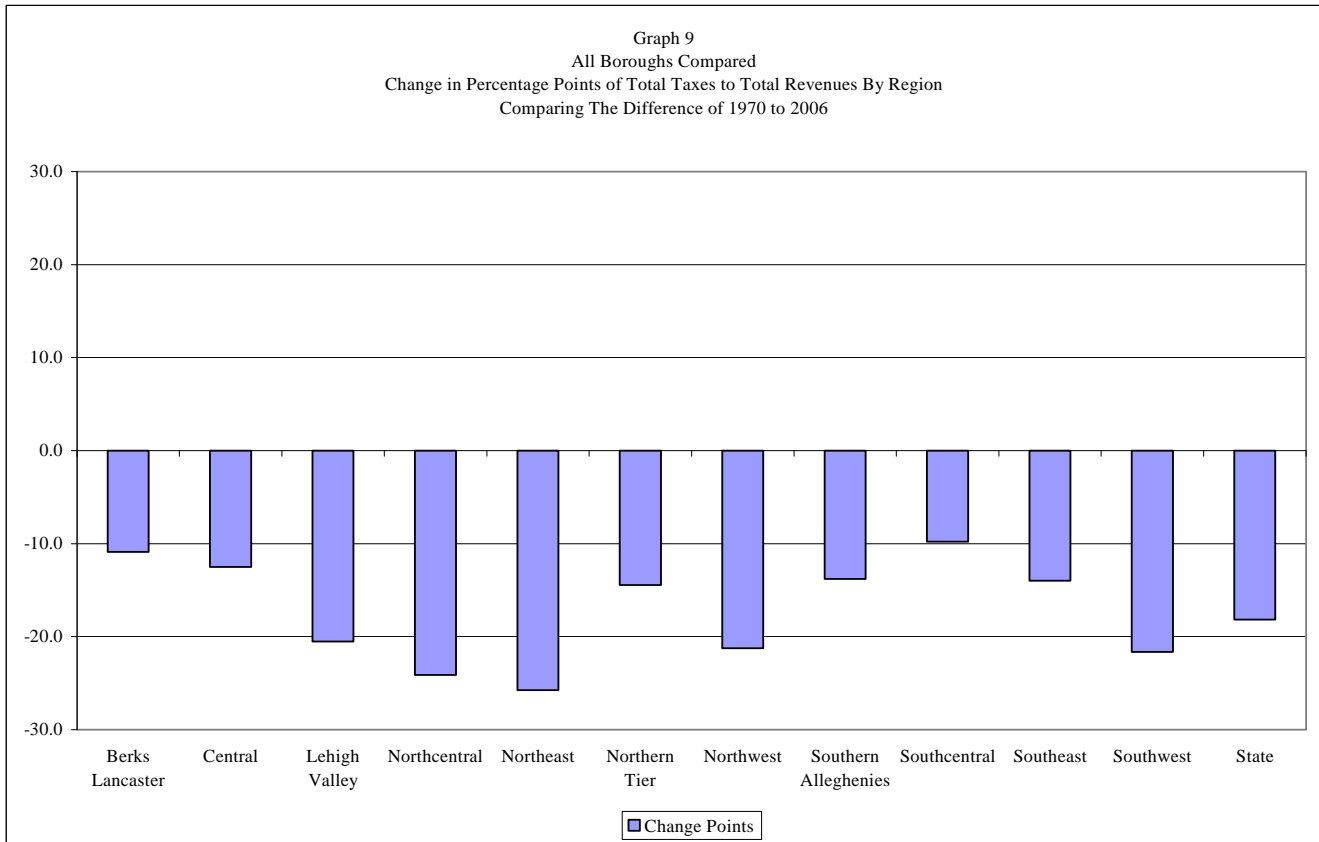
All Cities Compared

The cities of the Northeast (38.9 points) and Southeast (34.8) have the greatest change in total taxes proportion to total revenues. The cities of the Southwest and Lehigh Valley nearly equal the statewide city change.



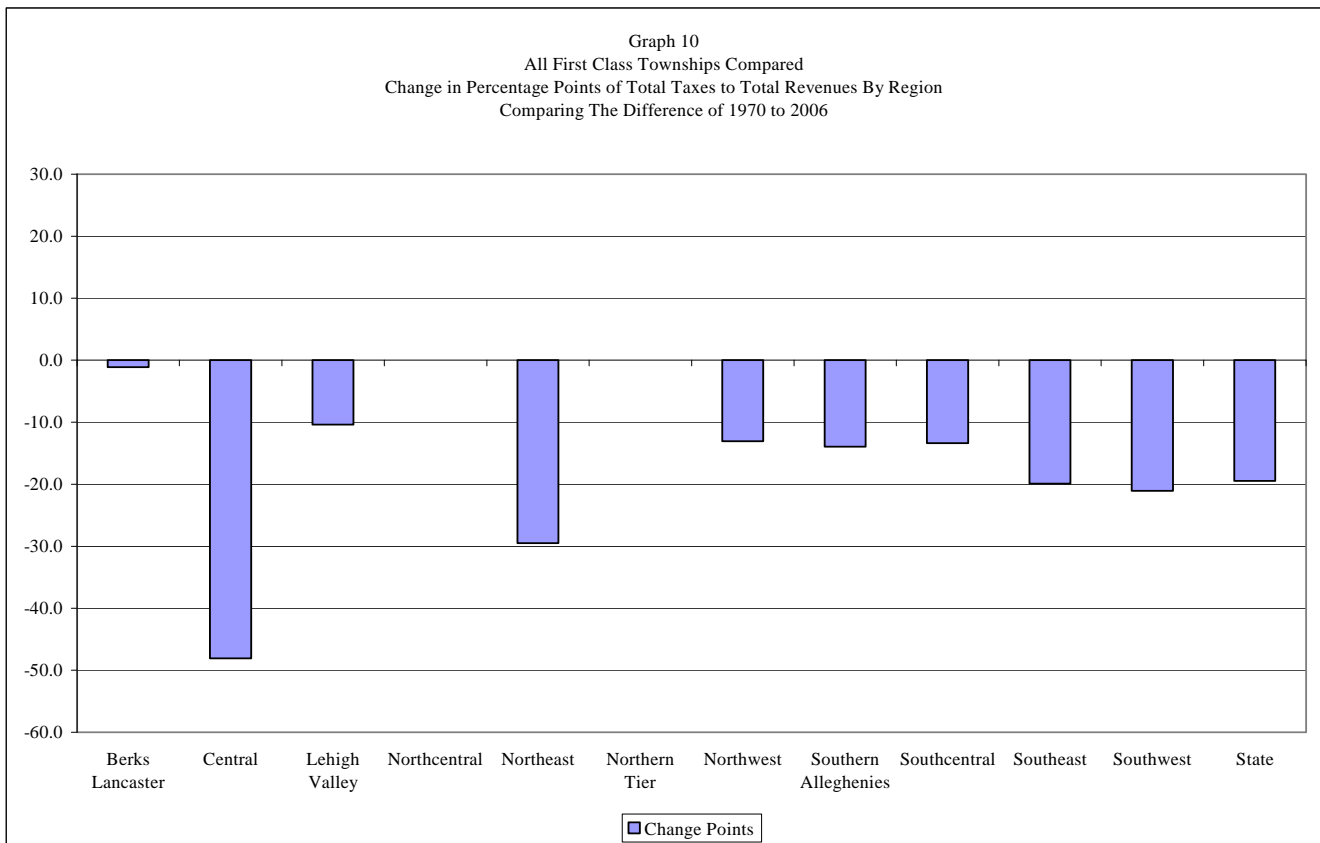
All Boroughs Compared

Boroughs in the Northeast, Northcentral, Southwest, and Lehigh Valley show the greatest change in revenue proportion against the state borough change.



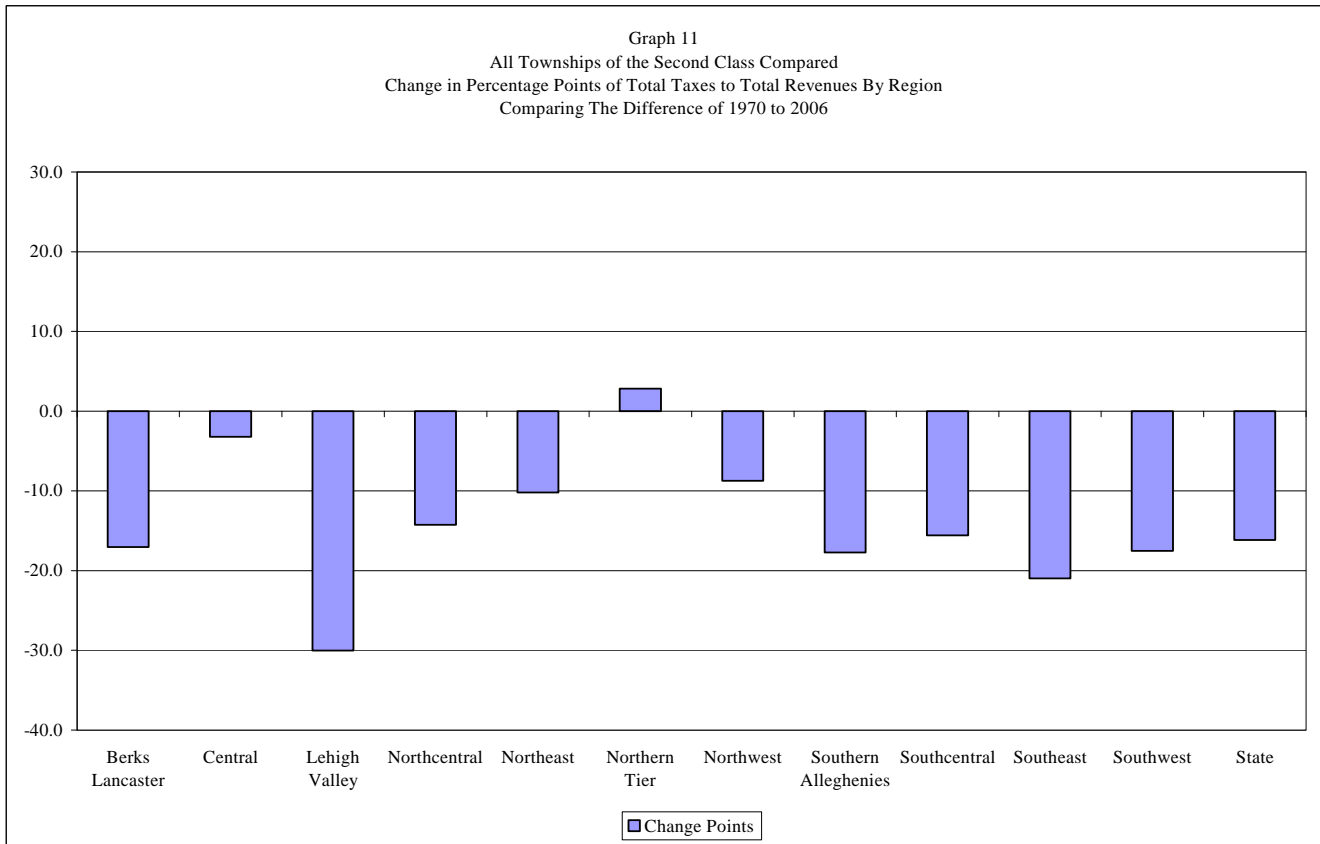
All First Class Townships Compared

The change in the first class townships cluster around the state wide change, with six of the regions close to the state wide change; however, the distribution of first class townships is not uniform across the state. The regions with the highest number of first class townships are the Southwest (36), Southeast (26), and Southcentral (12), the Central, northwest, and Southern Alleghenies each had one first class township reporting for the 1970 and 2006 period.



All Townships of the Second Class Compared

Townships of the second class have a lower amount of change in the proportion of total taxes to total revenues in the majority of the regions. The distribution of townships of the second class is more uniform across regions with only the two county regions of Lehigh Valley (28) and Berks Lancaster (81) having under 100 townships reporting. Overall the changes in total taxes to total revenues are more moderate for this regional class.



All Municipalities By Region

Region	Berks Lancaster	Central	Lehigh Valley	Northcentral	Northeast	Northern Tier	Northwest	Southern Alleghenies	Southcentral	Southeast	Southwest	State
Reporting Municipalities	133	262	62	154	262	165	236	230	251	234	536	2,525
1970 Population	612,335	538,959	449,051	226,481	862,903	156,870	616,919	478,723	933,795	1,825,990	2,439,647	9,141,673
2006 Population	841,693	616,446	579,156	232,676	962,985	180,908	636,295	461,550	1,225,438	2,236,299	2,321,048	10,294,494
Change #	229,358	77,487	130,105	6,195	100,082	24,038	19,376	-17,173	291,643	410,309	-118,599	1,152,821
Change %	37.5%	14.4%	29.0%	2.7%	11.6%	15.3%	3.1%	-3.6%	31.2%	22.5%	-4.9%	12.6%
1970 Adj. Rev.s	\$224,583,996	\$133,215,254	\$216,527,688	\$71,164,964	\$237,162,926	\$33,826,660	\$237,122,402	\$133,377,613	\$332,295,226	\$590,673,892	\$718,169,520	\$2,928,120,140
2006 Rev.s	\$752,627,261	\$301,777,197	\$614,906,633	\$149,972,245	\$619,915,743	\$82,406,740	\$423,171,524	\$236,776,063	\$972,790,153	\$2,138,327,342	\$1,445,489,870	\$7,738,160,771
Change \$	\$528,043,265	\$168,561,943	\$398,378,945	\$78,807,281	\$382,752,817	\$48,580,080	\$186,049,122	\$103,398,450	\$640,494,927	\$1,547,653,450	\$727,320,350	\$4,810,040,631
Change %	235.1%	126.5%	184.0%	110.7%	161.4%	143.6%	78.5%	77.5%	192.7%	262.0%	101.3%	164.3%
1970 Adj. Taxes	\$104,807,690	\$69,880,429	\$129,574,125	\$31,550,568	\$157,428,419	\$14,949,386	\$128,752,910	\$71,010,576	\$156,125,258	\$354,059,373	\$484,451,973	\$1,702,590,708
2006 Taxes	\$238,318,490	\$124,151,557	\$223,895,338	\$41,138,330	\$247,632,453	\$32,258,232	\$151,785,337	\$80,305,856	\$321,058,281	\$877,670,649	\$671,509,823	\$3,009,724,346
Change \$	\$133,510,800	\$54,271,128	\$94,321,213	\$9,587,762	\$90,204,034	\$17,308,846	\$23,032,427	\$9,295,280	\$164,933,023	\$523,611,276	\$187,057,850	\$1,307,133,638
Change %	127.4%	77.7%	72.8%	30.4%	57.3%	115.8%	17.9%	13.1%	105.6%	147.9%	38.6%	76.8%
1970 Adj. Taxes % of Rev.	46.7%	52.5%	59.8%	44.3%	66.4%	44.2%	54.3%	53.2%	47.0%	59.9%	67.5%	58.1%
2006 Taxes % of Rev.	31.7%	41.1%	36.4%	27.4%	39.9%	39.1%	35.9%	33.9%	33.0%	41.0%	46.5%	38.9%
Change Points	-15.0	-11.3	-23.4	-16.9	-26.4	-5.0	-18.4	-19.3	-14.0	-18.9	-21.0	-19.3
1970 Adj. EIT Taxes	\$30,996,134	\$28,882,173	\$35,611,077	\$9,831,401	\$46,885,254	\$3,516,126	\$34,573,687	\$21,266,809	\$54,600,109	\$23,724,246	\$138,978,341	\$428,865,356
2006 EIT Taxes	\$89,223,154	\$49,742,577	\$65,783,676	\$14,935,498	\$100,942,390	\$10,425,910	\$55,788,009	\$29,361,883	\$127,085,390	\$275,596,043	\$229,708,482	\$1,048,593,012
Change \$	\$58,227,020	\$20,860,404	\$30,172,599	\$5,104,097	\$54,057,136	\$6,909,784	\$21,214,322	\$8,095,074	\$72,485,281	\$251,871,797	\$90,730,141	\$619,727,656
Change %	187.9%	72.2%	84.7%	51.9%	115.3%	196.5%	61.4%	38.1%	132.8%	1061.7%	65.3%	144.5%
1970 Adj. Exp.	\$227,474,770	\$142,498,840	\$221,339,695	\$70,930,350	\$245,490,996	\$36,469,794	\$256,208,482	\$131,275,352	\$325,977,959	\$617,974,084	\$749,529,420	\$3,025,169,742
2006 Total Exp.	\$719,294,399	\$295,019,660	\$581,356,082	\$143,314,001	\$607,376,269	\$81,093,426	\$407,656,891	\$228,308,084	\$900,289,773	\$2,042,889,068	\$1,403,945,405	\$7,410,543,058
Change \$	\$491,819,629	\$152,520,820	\$360,016,387	\$72,383,651	\$361,885,273	\$44,623,632	\$151,448,409	\$97,032,732	\$574,311,814	\$1,424,914,984	\$654,415,985	\$4,385,373,316
Change %	216.2%	107.0%	162.7%	102.0%	147.4%	122.4%	59.1%	73.9%	176.2%	230.6%	87.3%	145.0%
1970 Adj. Gen Admin Exp.	\$17,312,568	\$15,885,402	\$23,999,206	\$5,020,137	\$23,424,497	\$2,614,030	\$18,655,671	\$11,892,062	\$26,151,902	\$52,196,352	\$65,371,311	\$262,523,139
2006 Gen Admin Exp.	\$62,306,464	\$36,771,672	\$55,666,488	\$13,611,794	\$67,247,394	\$9,724,522	\$35,583,463	\$20,341,340	\$93,811,593	\$218,892,062	\$141,555,429	\$755,512,221
Change \$	\$44,993,896	\$20,886,270	\$31,667,282	\$8,591,657	\$43,822,897	\$7,110,492	\$16,927,792	\$8,449,278	\$67,659,691	\$166,695,710	\$76,184,118	\$492,989,082
Change %	259.9%	131.5%	132.0%	171.1%	187.1%	272.0%	90.7%	71.0%	258.7%	319.4%	116.5%	187.8%
1970 Adj. Gen Admin Exp. % of Taxes	16.5%	22.7%	18.5%	15.9%	14.9%	17.5%	14.5%	16.7%	16.8%	14.7%	13.5%	15.4%
2006 Gen Admin Exp. % of Taxes	26.1%	29.6%	24.9%	33.1%	27.2%	30.1%	23.4%	25.3%	29.2%	24.9%	21.1%	25.1%
Change Points	9.6	6.9	6.3	17.2	12.3	12.7	9.0	8.6	12.5	10.2	7.6	9.7
1970 Adj. Police Exp.	\$27,899,529	\$14,978,226	\$27,541,831	\$5,671,359	\$32,896,297	\$2,419,310	\$28,760,576	\$14,836,271	\$35,697,350	\$121,625,639	\$123,958,983	\$436,285,372
2006 Police Exp.	\$118,282,173	\$38,959,814	\$78,562,013	\$9,849,549	\$75,968,174	\$5,082,867	\$41,752,381	\$21,501,559	\$122,542,713	\$389,282,590	\$228,082,211	\$1,129,866,044
Change \$	\$90,382,644	\$23,981,588	\$51,020,182	\$4,178,190	\$43,071,877	\$2,663,557	\$12,991,805	\$6,665,288	\$86,845,363	\$267,656,951	\$104,123,228	\$693,580,672
Change %	324.0%	160.1%	185.2%	73.7%	130.9%	110.1%	45.2%	44.9%	243.3%	220.1%	84.0%	159.0%
1970 Adj. Police Exp. % of Taxes	26.6%	21.4%	21.3%	18.0%	20.9%	16.2%	22.3%	20.9%	22.9%	34.4%	25.6%	25.6%
2006 Police Exp. % of Taxes	49.6%	31.4%	35.1%	23.9%	30.7%	15.8%	27.5%	26.8%	38.2%	44.4%	34.0%	37.5%
Change Points	23.0	9.9	13.8	6.0	9.8	-0.4	5.2	5.9	15.3	10.0	8.4	11.9
Lowest Change in Bold												
Highest Change in Bold												

ALL MUNICIPALITIES

Cities By Region

Region	Berks Lancaster	Central	Lehigh Valley	Northcentral	Northeast	Northern Tier	Northwest	Southern Alleghenies	Southcentral	Southeast	Southwest	State
Reporting Municipalities	2	4	3	3	7	0	10	2	3	2	18	54
1970 Population	145,333	74,089	191,848	30,254	251,114	0	246,326	105,376	146,968	68,662	302,483	1,562,453
2006 Population	137,555	58,474	204,224	31,800	186,665	0	197,628	73,429	114,273	47,692	213,531	1,265,271
Change #	-7,778	-15,615	12,376	1,546	-64,449	0	-48,698	-31,947	-32,695	-20,970	-88,952	-297,182
Change %	-5.4%	-21.1%	6.5%	5.1%	-25.7%	0.0%	-19.8%	-30.3%	-22.2%	-30.5%	-29.4%	-19.0%
1970 Adj. Rev.s	\$103,477,613	\$27,864,127	\$140,555,158	\$23,602,831	\$93,768,168	\$0	\$142,404,439	\$50,919,440	\$101,641,374	\$34,979,360	\$137,786,236	\$856,998,745
2006 Rev.s	\$274,723,267	\$45,002,798	\$298,592,750	\$39,974,858	\$206,253,343	\$0	\$216,233,233	\$69,980,354	\$196,915,418	\$66,022,591	\$170,410,667	\$1,584,109,279
Change \$	\$171,245,654	\$17,138,671	\$158,037,592	\$16,372,027	\$112,485,175	\$0	\$73,828,794	\$19,060,914	\$95,274,044	\$31,043,231	\$32,624,431	\$727,110,534
Change %	165.5%	61.5%	112.4%	69.4%	120.0%	0.0%	51.8%	37.4%	93.7%	88.7%	23.7%	84.8%
1970 Adj. Taxes	\$47,504,486	\$19,404,445	\$81,477,178	\$8,817,520	\$71,505,200	\$0	\$81,557,460	\$30,730,601	\$54,634,632	\$24,227,388	\$89,804,463	\$509,663,372
2006 Taxes	\$56,252,859	\$19,822,738	\$87,500,456	\$9,863,084	\$76,969,558	\$0	\$77,080,164	\$22,134,074	\$48,841,867	\$22,729,205	\$62,557,650	\$483,751,655
Change \$	\$8,748,373	\$418,293	\$6,023,278	\$1,045,564	\$5,464,358	\$0	-\$4,477,296	-\$8,596,527	-\$5,792,765	-\$1,498,183	-\$27,246,813	-\$25,911,717
Change %	18.4%	2.2%	7.4%	11.9%	7.6%	0.0%	-5.5%	-28.0%	-10.6%	-6.2%	-30.3%	-5.1%
1970 Adj. Taxes % of Rev.	45.9%	69.6%	58.0%	37.4%	76.3%	0.0%	57.3%	60.4%	53.8%	69.3%	65.2%	59.5%
2006 Taxes % of Rev.	20.5%	44.0%	29.3%	24.7%	37.3%	0.0%	35.6%	31.6%	24.8%	34.4%	36.7%	30.5%
Change Points	-25.4	-25.6	-28.7	-12.7	-38.9	0.0	-21.6	-28.7	-28.9	-34.8	-28.5	-28.9
1970 Adj. EIT Taxes	\$11,264,323	\$4,560,754	\$18,014,433	\$1,601,054	\$18,584,041	\$0	\$17,266,106	\$6,056,513	\$9,535,620	\$10,504,775	\$16,477,448	\$113,865,066
2006 EIT Taxes	\$11,359,081	\$3,038,778	\$14,666,334	\$2,440,832	\$37,063,766	\$0	\$19,735,478	\$3,376,831	\$8,837,335	\$9,751,804	\$15,417,341	\$125,687,580
Change \$	\$94,758	-\$1,521,976	-\$3,348,099	\$839,778	\$18,479,725	\$0	\$2,469,372	-\$2,679,682	-\$698,285	-\$752,971	-\$1,060,107	\$11,822,514
Change %	0.8%	-33.4%	-18.6%	52.5%	99.4%	0.0%	14.3%	-44.2%	-7.3%	-7.2%	-6.4%	10.4%
1970 Adj. Exp.	\$101,956,364	\$34,753,540	\$145,372,100	\$23,859,992	\$97,610,479	\$0	\$163,272,034	\$48,969,383	\$94,146,676	\$39,331,079	\$141,902,904	\$891,174,549
2006 Total Exp.	\$265,770,648	\$43,784,439	\$289,362,312	\$41,395,611	\$209,622,576	\$0	\$208,494,517	\$68,376,517	\$179,227,993	\$72,565,600	\$169,374,593	\$1,547,974,806
Change \$	\$163,814,284	\$9,030,899	\$143,990,212	\$17,535,619	\$112,012,097	\$0	\$45,222,483	\$19,407,134	\$85,081,317	\$33,234,521	\$27,471,689	\$656,800,257
Change %	160.7%	26.0%	99.0%	73.5%	114.8%	0.0%	27.7%	39.6%	90.4%	84.5%	19.4%	73.7%
1970 Adj. Gen Admin Exp.	\$8,403,647	\$6,599,206	\$16,070,813	\$1,243,211	\$10,685,225	\$0	\$10,564,252	\$5,120,227	\$11,167,250	\$6,008,371	\$12,087,020	\$87,949,222
2006 Gen Admin Exp.	\$15,354,819	\$4,434,674	\$20,252,915	\$2,498,233	\$19,989,653	\$0	\$12,769,201	\$2,593,552	\$13,623,885	\$6,057,700	\$13,491,334	\$111,065,966
Change \$	\$6,951,172	-\$2,164,532	\$4,182,102	\$1,255,022	\$9,304,428	\$0	\$2,204,949	-\$2,526,675	\$2,456,635	\$49,329	\$1,404,314	\$23,116,744
Change %	82.7%	-32.8%	26.0%	101.0%	87.1%	0.0%	20.9%	-49.3%	22.0%	0.8%	11.6%	26.3%
1970 Adj. Gen Admin Exp. % of Taxes	17.7%	34.0%	19.7%	14.1%	14.9%	0.0%	13.0%	16.7%	20.4%	24.8%	13.5%	17.3%
2006 Gen Admin Exp. % of Taxes	27.3%	22.4%	23.1%	25.3%	26.0%	0.0%	16.6%	11.7%	27.9%	26.7%	21.6%	23.0%
Change Points	9.6	-11.6	3.4	11.2	11.0	0.0	3.6	-4.9	7.5	1.9	8.1	5.7
1970 Adj. Police Exp.	\$16,143,457	\$5,506,415	\$19,115,304	\$2,049,195	\$16,898,409	\$0	\$20,648,711	\$7,493,247	\$14,755,478	\$8,417,604	\$25,730,089	\$136,757,910
2006 Police Exp.	\$39,996,223	\$7,993,738	\$39,346,197	\$3,523,796	\$28,242,252	\$0	\$24,425,626	\$6,883,171	\$29,407,301	\$14,728,162	\$27,574,425	\$222,120,891
Change \$	\$23,852,766	\$2,487,323	\$20,230,893	\$1,474,601	\$11,343,843	\$0	\$3,776,915	-\$610,076	\$14,651,823	\$6,310,558	\$1,844,336	\$85,362,981
Change %	147.8%	45.2%	105.8%	72.0%	67.1%	0.0%	18.3%	-8.1%	99.3%	75.0%	7.2%	62.4%
1970 Adj. Police Exp. % of Taxes	34.0%	28.4%	23.5%	23.2%	23.6%	0.0%	25.3%	24.4%	27.0%	34.7%	28.7%	26.8%
2006 Police Exp. % of Taxes	71.1%	40.3%	45.0%	35.7%	36.7%	0.0%	31.7%	31.1%	60.2%	64.8%	44.1%	45.9%
Change Points	37.1	11.9	21.5	12.5	13.1	0.0	6.4	6.7	33.2	30.1	15.4	19.1
Lowest Change in Bold												
Highest Change in Bold												

CITIES

Boroughs By Region

Region	Berks Lancaster	Central	Lehigh Valley	Northcentral	Northeast	Northern Tier	Northwest	Southern Alleghenies	Southcentral	Southeast	Southwest	State
Reporting Municipalities	46	67	27	46	102	45	69	95	94	88	258	937
1970 Population	148,731	196,411	91,513	75,791	344,068	56,532	104,971	139,383	250,682	463,899	939,542	2,811,523
2006 Population	174,900	181,129	94,549	64,067	299,871	49,083	95,856	112,565	246,741	437,799	785,419	2,541,979
Change #	26,169	-15,282	3,036	-11,724	-44,197	-7,449	-9,115	-26,818	-3,941	-26,100	-154,123	-269,544
Change %	17.6%	-7.8%	3.3%	-15.5%	-12.8%	-13.2%	-8.7%	-19.2%	-1.6%	-5.6%	-16.4%	-9.6%
1970 Adj. Rev.s	\$67,590,068	\$61,776,229	\$34,982,953	\$27,381,624	\$93,590,578	\$16,455,520	\$38,285,993	\$46,421,300	\$126,411,906	\$191,050,891	\$323,412,622	\$1,027,359,684
2006 Rev.s	\$182,005,938	\$120,793,306	\$85,324,760	\$53,683,737	\$213,612,137	\$32,900,123	\$81,837,422	\$72,071,494	\$294,396,724	\$440,986,514	\$559,273,783	\$2,136,885,938
Change \$	\$114,415,870	\$59,017,077	\$50,341,807	\$26,302,113	\$120,021,559	\$16,444,603	\$43,551,429	\$25,650,194	\$167,984,818	\$249,935,623	\$235,861,161	\$1,109,526,254
Change %	169.3%	95.5%	143.9%	96.1%	128.2%	99.9%	113.8%	55.3%	132.9%	130.8%	72.9%	108.0%
1970 Adj. Taxes	\$26,211,713	\$26,783,193	\$20,225,598	\$13,494,172	\$53,845,730	\$8,231,049	\$16,672,448	\$19,679,811	\$42,176,103	\$92,999,858	\$214,942,411	\$535,262,083
2006 Taxes	\$50,761,085	\$37,256,514	\$31,820,318	\$13,509,622	\$67,878,741	\$11,705,683	\$18,236,766	\$20,623,317	\$69,416,164	\$153,040,059	\$250,611,660	\$724,859,929
Change \$	\$24,549,372	\$10,473,321	\$11,594,720	\$15,450	\$14,033,011	\$3,474,634	\$1,564,318	\$943,506	\$27,240,061	\$60,040,201	\$35,669,249	\$189,597,846
Change %	93.7%	39.1%	57.3%	0.1%	26.1%	0.0%	9.4%	4.8%	64.6%	64.6%	16.6%	35.4%
1970 Adj. Taxes % of Rev.	38.8%	43.4%	57.8%	49.3%	57.5%	50.0%	43.5%	42.4%	33.4%	48.7%	66.5%	52.1%
2006 Taxes % of Rev.	27.9%	30.8%	37.3%	25.2%	31.8%	35.6%	22.3%	28.6%	23.6%	34.7%	44.8%	33.9%
Change Points	-10.9	-12.5	-20.5	-24.1	-25.8	-14.4	-21.3	-13.8	-9.8	-14.0	-21.7	-18.2
1970 Adj. EIT Taxes	\$7,963,758	\$10,979,176	\$7,049,786	\$3,964,043	\$17,498,120	\$2,050,251	\$5,578,950	\$7,081,506	\$14,460,254	\$9,709,154	\$57,330,026	\$143,665,023
2006 EIT Taxes	\$16,169,732	\$12,833,501	\$8,577,975	\$4,011,361	\$25,202,450	\$3,225,714	\$7,443,583	\$7,200,634	\$22,106,215	\$46,175,653	\$69,624,880	\$222,571,698
Change \$	\$8,205,974	\$1,854,325	\$1,528,189	\$47,318	\$7,704,330	\$1,175,463	\$1,864,633	\$119,128	\$7,645,961	\$36,466,499	\$12,294,854	\$78,906,675
Change %	103.0%	16.9%	21.7%	1.2%	44.0%	57.3%	33.4%	1.7%	52.9%	375.6%	21.4%	54.9%
1970 Adj. Exp.	\$70,585,466	\$63,484,616	\$35,132,510	\$27,483,997	\$98,147,161	\$17,370,194	\$38,169,295	\$45,958,999	\$126,214,462	\$197,478,086	\$336,037,816	\$1,056,062,602
2006 Total Exp.	\$175,020,187	\$118,754,276	\$85,267,990	\$51,621,000	\$208,078,899	\$33,257,509	\$78,894,686	\$71,483,406	\$275,102,337	\$429,846,448	\$550,110,446	\$2,077,437,184
Change \$	\$104,434,721	\$55,269,660	\$50,135,480	\$24,137,003	\$109,931,738	\$15,887,315	\$40,725,391	\$25,524,407	\$148,887,875	\$232,368,362	\$214,072,630	\$1,021,374,582
Change %	148.0%	87.1%	142.7%	87.8%	112.0%	91.5%	106.7%	55.5%	118.0%	117.7%	63.7%	96.7%
1970 Adj. Gen Admin Exp.	\$4,201,007	\$5,049,221	\$3,329,461	\$2,161,921	\$8,294,395	\$1,314,212	\$2,791,506	\$4,095,234	\$6,152,177	\$12,787,559	\$31,555,186	\$81,731,879
2006 Gen Admin Exp.	\$15,359,722	\$11,330,842	\$10,549,905	\$5,084,165	\$21,409,818	\$4,123,310	\$5,505,347	\$7,084,660	\$19,402,647	\$41,468,673	\$54,743,170	\$196,062,259
Change \$	\$11,158,715	\$6,281,621	\$7,220,444	\$2,922,244	\$13,115,423	\$2,809,098	\$2,713,841	\$2,989,426	\$13,250,470	\$28,681,114	\$23,187,984	\$114,330,380
Change %	265.6%	124.4%	216.9%	135.2%	158.1%	213.7%	97.2%	73.0%	215.4%	224.3%	73.5%	139.9%
1970 Adj. Gen Admin Exp. % of Taxes	16.0%	18.9%	16.5%	16.0%	15.4%	16.0%	16.7%	20.8%	14.6%	13.8%	14.7%	15.3%
2006 Gen Admin Exp. % of Taxes	30.3%	30.4%	33.2%	37.6%	31.5%	35.2%	30.2%	34.4%	28.0%	27.1%	21.8%	27.0%
Change Points	14.2	11.6	16.7	21.6	16.1	19.3	13.4	13.5	13.4	13.3	7.2	11.8
1970 Adj. Police Exp.	\$6,542,167	\$8,076,089	\$4,599,572	\$3,019,754	\$12,766,250	\$2,269,446	\$4,490,912	\$5,313,500	\$11,351,298	\$33,237,422	\$62,146,396	\$153,812,807
2006 Police Exp.	\$25,815,117	\$18,837,883	\$12,690,730	\$4,124,083	\$27,434,932	\$3,820,535	\$7,449,109	\$8,240,547	\$30,294,716	\$83,045,657	\$101,356,536	\$323,109,845
Change \$	\$19,272,950	\$10,761,794	\$8,091,158	\$1,104,329	\$14,668,682	\$1,551,089	\$2,958,197	\$2,927,047	\$18,943,418	\$49,808,235	\$39,210,140	\$169,297,038
Change %	294.6%	133.3%	175.9%	36.6%	114.9%	68.3%	65.9%	55.1%	166.9%	149.9%	63.1%	110.1%
1970 Adj. Police Exp. % of Taxes	25.0%	30.2%	22.7%	22.4%	23.7%	27.6%	26.9%	27.0%	26.9%	35.7%	28.9%	28.7%
2006 Police Exp. % of Taxes	50.9%	50.6%	39.9%	30.5%	40.4%	32.6%	40.8%	40.0%	43.6%	54.3%	40.4%	44.6%
Change Points	25.9	20.4	17.1	8.1	16.7	5.1	13.9	13.0	16.7	18.5	11.5	15.8
Lowest Change in Bold												
Highest Change in Bold												

BOROUGHES

First Class Townships By Region

Region	Berks Lancaster	Central	Lehigh Valley	Northcentral	Northeast	Northern Tier	Northwest	Southern Alleghenies	Southcentral	Southeast	Southwest
Reporting Municipalities	4	1	4	0	4	0	1	1	12	26	36
1970 Population	46,633	11,781	52,994	0	33,126	0	4,517	4,543	123,744	649,010	454,968
2006 Population	69,088	10,628	77,593	0	30,635	0	4,048	3,204	183,376	634,361	424,432
Change #	22,455	-1,153	24,599	0	-2,491	0	-469	-1,339	59,632	-14,649	-30,536
Change %	48.2%	-9.8%	46.4%	0.0%	-7.5%	0.0%	-10.4%	-29.5%	48.2%	-2.3%	-6.7%
1970 Adj. Rev.s	\$13,295,074	\$1,854,356	\$17,415,164	\$0	\$7,045,402	\$0	\$2,118,308	\$1,336,093	\$34,747,778	\$233,285,515	\$134,156,474
2006 Rev.s	\$53,524,968	\$5,300,174	\$68,955,632	\$0	\$17,015,648	\$0	\$3,913,495	\$1,551,598	\$148,437,499	\$608,746,323	\$306,166,806
Change \$	\$40,229,894	\$3,445,818	\$51,540,468	\$0	\$9,970,246	\$0	\$1,795,187	\$215,505	\$113,689,721	\$375,460,808	\$172,010,332
Change %	302.6%	185.8%	296.0%	0.0%	141.5%	0.0%	84.7%	16.1%	327.2%	160.9%	128.2%
1970 Adj. Taxes	\$7,072,094	\$1,378,421	\$10,704,434	\$0	\$5,800,678	\$0	\$1,452,807	\$671,674	\$18,803,710	\$155,752,121	\$99,419,892
2006 Taxes	\$27,869,964	\$1,392,464	\$35,217,213	\$0	\$8,988,246	\$0	\$2,171,754	\$563,628	\$60,501,096	\$285,244,908	\$162,362,738
Change \$	\$20,797,870	\$14,043	\$24,512,779	\$0	\$3,187,568	\$0	\$718,947	-\$108,046	\$41,697,386	\$129,492,787	\$62,942,846
Change %	294.1%	1.0%	229.0%	0.0%	55.0%	0.0%	49.5%	-16.1%	221.8%	83.1%	63.3%
1970 Adj. Taxes % of Rev.	53.2%	74.3%	61.5%	0.0%	82.3%	0.0%	68.6%	50.3%	54.1%	66.8%	74.1%
2006 Taxes % of Rev.	52.1%	26.3%	51.1%	0.0%	52.8%	0.0%	55.5%	36.3%	40.8%	46.9%	53.0%
Change Points	-1.1	-48.1	-10.4	0.0	-29.5	0.0	-13.1	-13.9	-13.4	-19.9	-21.1
1970 Adj. EIT Taxes	\$1,902,592	\$531,081	\$2,954,307	\$0	\$1,668,165	\$0	\$549,089	\$302,437	\$10,435,828	\$162,136	\$32,581,115
2006 EIT Taxes	\$9,599,077	\$506,786	\$10,446,108	\$0	\$2,233,492	\$0	\$1,405,909	\$171,317	\$22,738,644	\$46,622,833	\$57,782,870
Change \$	\$7,696,485	-\$24,295	\$7,491,801	\$0	\$565,327	\$0	\$856,820	-\$131,120	\$12,302,816	\$46,460,697	\$25,201,755
Change %	404.5%	-4.6%	253.6%	0.0%	33.9%	0.0%	156.0%	-43.4%	117.9%	28655.4%	77.4%
1970 Adj. Exp.	\$14,392,108	\$1,782,581	\$17,167,550	\$0	\$6,570,736	\$0	\$2,259,364	\$1,125,015	\$36,732,524	\$244,865,395	\$146,218,415
2006 Total Exp.	\$50,508,498	\$4,917,937	\$65,261,845	\$0	\$16,196,191	\$0	\$2,662,641	\$1,605,813	\$131,613,754	\$592,848,321	\$308,024,507
Change \$	\$36,116,390	\$3,135,356	\$48,094,295	\$0	\$9,625,455	\$0	\$403,277	\$480,798	\$94,881,230	\$347,982,926	\$161,806,092
Change %	250.9%	175.9%	280.1%	0.0%	146.5%	0.0%	17.8%	42.7%	258.3%	142.1%	110.7%
1970 Adj. Gen Admin Exp.	\$821,917	\$179,967	\$1,740,887	\$0	\$726,237	\$0	\$172,874	\$71,131	\$2,677,308	\$17,924,946	\$11,310,614
2006 Gen Admin Exp.	\$3,413,903	\$286,046	\$5,611,435	\$0	\$1,153,911	\$0	\$278,431	\$183,227	\$10,436,905	\$56,112,255	\$28,890,058
Change \$	\$2,591,986	\$106,079	\$3,870,548	\$0	\$427,674	\$0	\$105,557	\$112,096	\$7,759,597	\$38,187,309	\$17,579,444
Change %	315.4%	58.9%	222.3%	0.0%	58.9%	0.0%	61.1%	157.6%	289.8%	213.0%	155.4%
1970 Adj. Gen Admin Exp. % of Taxes	11.6%	13.1%	16.3%	0.0%	12.5%	0.0%	11.9%	10.6%	14.2%	11.5%	11.4%
2006 Gen Admin Exp. % of Taxes	12.2%	20.5%	15.9%	0.0%	12.8%	0.0%	12.8%	32.5%	17.3%	19.7%	17.8%
Change Points	0.6	7.5	-0.3	0.0	0.3	0.0	0.9	21.9	3.0	8.2	6.4
1970 Adj. Police Exp.	\$1,995,984	\$172,240	\$2,045,342	\$0	\$1,225,910	\$0	\$268,986	\$121,836	\$4,754,604	\$51,469,132	\$26,578,859
2006 Police Exp.	\$13,306,320	\$698,101	\$11,060,290	\$0	\$3,325,340	\$0	\$536,319	\$194,864	\$24,285,260	\$124,965,665	\$55,968,513
Change \$	\$11,310,336	\$525,861	\$9,014,948	\$0	\$2,099,430	\$0	\$267,333	\$73,028	\$19,530,656	\$73,496,533	\$29,389,654
Change %	566.7%	305.3%	440.8%	0.0%	171.3%	0.0%	99.4%	59.9%	410.8%	142.8%	110.6%
1970 Adj. Police Exp. % of Taxes	28.2%	12.5%	19.1%	0.0%	21.1%	0.0%	18.5%	18.1%	25.3%	33.0%	26.7%
2006 Police Exp. % of Taxes	47.7%	50.1%	31.4%	0.0%	37.0%	0.0%	24.7%	34.6%	40.1%	43.8%	34.5%
Change Points	19.5	37.6	12.3	0.0	15.9	0.0	6.2	16.4	14.9	10.8	7.7
Lowest Change in Bold											
Highest Change in Bold											

FIRST CLASS TOWNSHIPS

Townships of the Second Class By Region

Region	Berks Lancaster	Central	Lehigh Valley	Northcentral	Northeast	Northern Tier	Northwest	Southern Alleghenies	Southcentral	Southeast	Southwest
Reporting Municipalities	81	190	28	105	149	120	156	132	142	118	224
1970 Population	271,638	256,678	112,696	120,436	234,595	100,338	261,105	229,421	412,401	644,419	742,654
2006 Population	460,150	366,215	202,790	136,809	445,814	131,825	338,763	272,352	681,048	1,116,447	897,666
Change #	188,512	109,537	90,094	16,373	211,219	31,487	77,658	42,931	268,647	472,028	155,012
Change %	69.4%	42.7%	79.9%	13.6%	90.0%	31.4%	29.7%	18.7%	65.1%	73.2%	20.9%
1970 Adj. Rev.s	\$40,221,241	\$41,720,541	\$23,574,413	\$20,180,508	\$42,758,778	\$17,371,141	\$54,313,662	\$34,700,780	\$69,494,168	\$131,358,126	\$122,814,188
2006 Rev.s	\$242,373,088	\$130,680,919	\$162,033,491	\$56,313,650	\$183,034,615	\$49,506,617	\$121,187,374	\$93,172,617	\$333,040,512	\$1,022,571,914	\$409,638,614
Change \$	\$202,151,847	\$88,960,378	\$138,459,078	\$36,133,142	\$140,275,837	\$32,135,476	\$66,873,712	\$58,471,837	\$263,546,344	\$891,213,788	\$286,824,426
Change %	502.6%	213.2%	587.3%	179.0%	328.1%	185.0%	123.1%	168.5%	379.2%	678.5%	233.5%
1970 Adj. Taxes	\$24,019,398	\$22,314,370	\$17,166,916	\$9,238,876	\$26,276,812	\$6,718,338	\$29,070,194	\$19,928,490	\$40,510,813	\$81,080,007	\$80,285,208
2006 Taxes	\$103,434,582	\$65,679,841	\$69,357,351	\$17,765,624	\$93,795,908	\$20,552,549	\$54,296,653	\$36,984,837	\$142,299,154	\$416,656,477	\$195,977,775
Change \$	\$79,415,184	\$43,365,471	\$52,190,435	\$8,526,748	\$67,519,096	\$13,834,211	\$25,226,459	\$17,056,347	\$101,788,341	\$335,576,470	\$115,692,567
Change %	330.6%	194.3%	304.0%	92.3%	257.0%	0.0%	86.8%	85.6%	251.3%	413.9%	144.1%
1970 Adj. Taxes % of Rev.	59.7%	53.5%	72.8%	45.8%	61.5%	38.7%	53.5%	57.4%	58.3%	61.7%	65.4%
2006 Taxes % of Rev.	42.7%	50.3%	42.8%	31.5%	51.2%	41.5%	44.8%	39.7%	42.7%	40.7%	47.8%
Change Points	-17.0	-3.2	-30.0	-14.2	-10.2	2.8	-8.7	-17.7	-15.6	-21.0	-17.5
1970 Adj. EIT Taxes	\$9,865,461	\$12,811,162	\$7,592,551	\$4,266,304	\$9,134,928	\$1,465,875	\$11,179,542	\$7,826,354	\$20,168,408	\$3,348,181	\$32,589,752
2006 EIT Taxes	\$52,095,264	\$33,363,512	\$32,093,259	\$8,483,305	\$36,442,682	\$7,200,196	\$27,203,039	\$18,613,101	\$73,403,196	\$173,045,753	\$86,883,391
Change \$	\$42,229,803	\$20,552,350	\$24,500,708	\$4,217,001	\$27,307,754	\$5,734,321	\$16,023,497	\$10,786,747	\$53,234,788	\$169,697,572	\$54,293,639
Change %	428.1%	160.4%	322.7%	98.8%	298.9%	391.2%	143.3%	137.8%	264.0%	5068.4%	166.6%
1970 Adj. Exp.	\$40,540,833	\$42,478,103	\$23,667,535	\$19,586,362	\$43,162,621	\$19,099,600	\$52,507,790	\$35,221,956	\$68,884,296	\$136,299,524	\$125,370,284
2006 Total Exp.	\$227,995,066	\$127,563,008	\$141,463,935	\$50,297,390	\$173,478,603	\$47,835,917	\$117,605,047	\$86,842,348	\$314,345,689	\$947,628,699	\$376,435,859
Change \$	\$187,454,233	\$85,084,905	\$117,796,400	\$30,711,028	\$130,315,982	\$28,736,317	\$65,097,257	\$51,620,392	\$245,461,393	\$811,329,175	\$251,065,575
Change %	462.4%	200.3%	497.7%	156.8%	301.9%	150.5%	124.0%	146.6%	356.3%	595.3%	200.3%
1970 Adj. Gen Admin Exp.	\$3,885,996	\$4,057,009	\$2,858,045	\$1,615,006	\$3,718,640	\$1,299,818	\$5,127,039	\$2,605,470	\$6,155,167	\$15,475,476	\$10,418,491
2006 Gen Admin Exp.	\$28,178,020	\$20,720,110	\$19,252,233	\$6,029,396	\$24,694,012	\$5,601,212	\$17,030,484	\$10,479,901	\$50,348,156	\$115,253,434	\$44,430,867
Change \$	\$24,292,024	\$16,663,101	\$16,394,188	\$4,414,390	\$20,975,372	\$4,301,394	\$11,903,445	\$7,874,431	\$44,192,989	\$99,777,958	\$34,012,376
Change %	625.1%	410.7%	573.6%	273.3%	564.1%	330.9%	232.2%	302.2%	718.0%	644.7%	326.5%
1970 Adj. Gen Admin Exp. % of Taxes	16.2%	18.2%	16.6%	17.5%	14.2%	19.3%	17.6%	13.1%	15.2%	19.1%	13.0%
2006 Gen Admin Exp. % of Taxes	27.2%	31.5%	27.8%	33.9%	26.3%	27.3%	31.4%	28.3%	35.4%	27.7%	22.7%
Change Points	11.1	13.4	11.1	16.5	12.2	7.9	13.7	15.3	20.2	8.6	9.7
1970 Adj. Police Exp.	\$3,217,921	\$1,223,482	\$1,781,614	\$602,410	\$2,005,728	\$149,864	\$3,351,967	\$1,907,688	\$4,835,969	\$28,501,481	\$9,503,640
2006 Police Exp.	\$39,164,513	\$11,430,092	\$15,464,796	\$2,201,670	\$16,965,650	\$1,262,332	\$9,341,327	\$6,182,977	\$38,555,436	\$166,543,106	\$43,182,737
Change \$	\$35,946,592	\$10,206,610	\$13,683,182	\$1,599,260	\$14,959,922	\$1,112,468	\$5,989,360	\$4,275,289	\$33,719,467	\$138,041,625	\$33,679,097
Change %	1117.1%	834.2%	768.0%	265.5%	745.9%	742.3%	178.7%	224.1%	697.3%	484.3%	354.4%
1970 Adj. Police Exp. % of Taxes	13.4%	5.5%	10.4%	6.5%	7.6%	2.2%	11.5%	9.6%	11.9%	35.2%	11.8%
2006 Police Exp. % of Taxes	37.9%	17.4%	22.3%	12.4%	18.1%	6.1%	17.2%	16.7%	27.1%	40.0%	22.0%
Change Points	24.5	11.9	11.9	5.9	10.5	3.9	5.7	7.1	15.2	4.8	10.2
Lowest Change in Bold											
Highest Change in Bold											

TOWNSHIPS OF THE SECOND CLASS

CHAPTER 3

Regions

Berks – Lancaster Region

Located in south central Pennsylvania, the Berks-Lancaster Region is comprised of 133 reporting municipalities, including the cities of Reading and Lancaster as well 46 boroughs and 85 townships. The region has increased in population from 612,335 in 1970 to 841,693 in 2006 or by 229,358 or 37.5 percent. Like other regions throughout the Commonwealth the Berks/Lancaster region has seen the population shift from the cities to the outlying boroughs and townships. The largest growth in this region occurred in townships of the second class rising from 271,638 in 1970 to 460,150 in 2006, or by 188,512 or 69.4 percent. Population in the cities in this region decreased by 7,778 or 5.4 percent. (See Table 1.)

Table 1
Berks – Lancaster Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	145,333	137,555	-7,778	-5.4
Borough	148,731	174,900	26,169	17.6
1 st Class Township	46,633	69,088	22,455	48.2
2 nd Class Township	<u>271,638</u>	<u>460,150</u>	<u>188,512</u>	69.4
Total Region	612,335	841,693	229,358	37.5

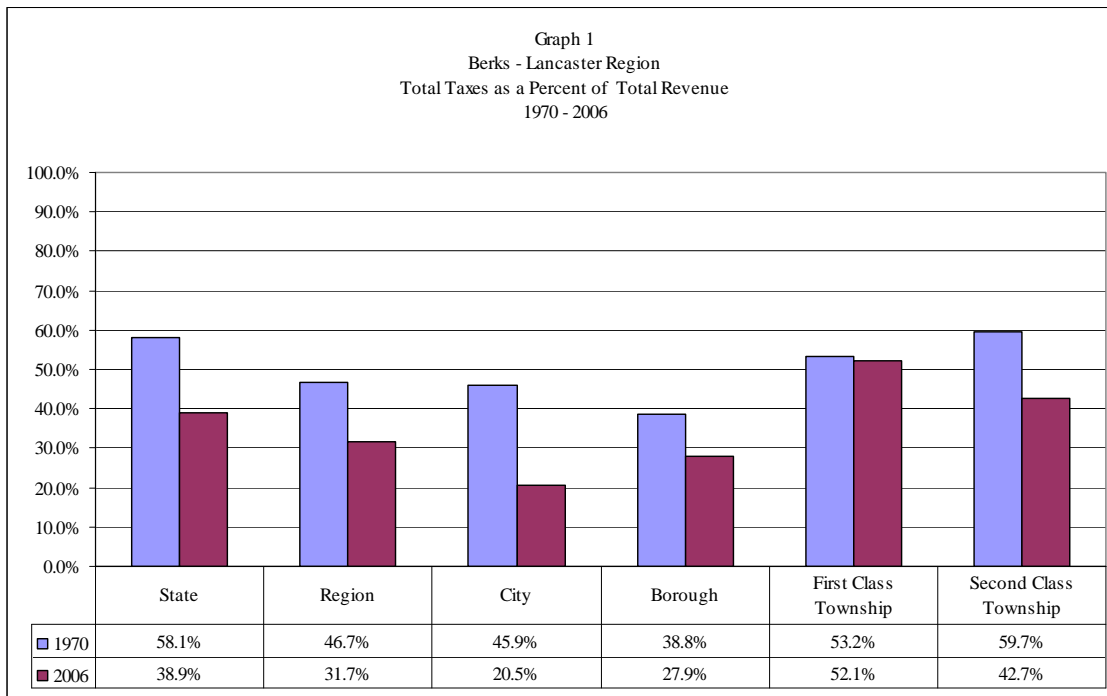
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenue in the Berks-Lancaster region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 235.1 percent, while total taxes in constant dollars collected increased by 127.4 percent. In 1970, total revenues for the reporting municipalities in this region were \$224.6 million; total taxes collected by these same municipalities were 46.7 percent of total revenue. In 2006, total revenues for the same reporting municipalities were \$752.6 million, and total taxes collected represented 31.7 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
 Berks – Lancaster Region
Total Revenue and Total Taxes in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
<u>Total Revenue</u>				
City	103,477,613	274,723,267	171,245,654	165.5
Borough	67,590,068	182,005,938	114,415,870	169.3
1 st Class Township	13,295,074	53,524,968	40,229,894	302.6
2 nd Class Township	<u>40,221,241</u>	<u>242,373,088</u>	<u>202,151,847</u>	502.6
Total Region	224,583,996	752,627,261	528,043,265	235.1
<u>Total Taxes</u>				
City	47,504,486	56,252,859	8,748,373	18.4
Borough	26,211,713	50,761,085	24,549,372	93.7
1 st Class Township	7,072,094	27,869,964	20,797,870	294.1
2 nd Class Township	<u>24,019,398</u>	<u>103,434,582</u>	<u>79,415,184</u>	330.6
Total Region	104,807,690	238,318,490	133,510,800	127.4

1/ Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period, the taxes on the individual increased. On a per capita basis, total taxes in the Berks-Lancaster region increased by \$111.98 or 65.4 percent from \$171.16 in 1970 to \$283.14 in 2006. The largest increase was in the first class townships (\$251.74 or 166.0 percent) where per capita taxes more than doubled from \$151.65 in 1970 to \$403.40 in 2006. First class townships in 2006 have the second highest per capita rate; in 1970 first class townships had the third highest rate. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Berks – Lancaster Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$326.87	\$408.95	82.08	25.1
Borough	176.24	290.23	113.99	64.7
1 st Class Township	151.65	403.40	251.74	166.0
2 nd Class Township	88.42	224.78	136.36	154.2
Total Region	171.16	283.14	111.98	65.4

^{1/} Constant dollars.

Earned income taxes per capita in the Berks-Lancaster region increased from \$66.01 in 1970 (constant dollars) to \$105.98 in 2006 or by \$39.98 or 60.6 percent. The largest absolute increase (\$63.12) occurred in the region’s first class townships while the largest proportionate increase (112.7 percent) was experienced in the townships of the second class. The smallest increase was recorded in the cities—\$5.07 (6.5 percent). (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Berks – Lancaster Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	2	\$77.51	2	\$82.58	\$5.07	6.5
Borough	36	70.14	46	92.45	22.31	31.8
1 st Class Township	3	75.82	4	138.94	63.12	83.3
2 nd Class Township	63	53.23	81	113.21	59.99	112.7
Total Region	104	66.01	133	105.98	39.98	60.6

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, Berks-Lancaster municipalities spent the 2006 equivalent of \$227.4 million in local government expenses. In 2006, these municipalities expended more than three times the 1970 adjusted number or \$719.3 million to provide for local government services.

City spending increased by 160.7 percent from 1970 to 2006; boroughs, by 148.0 percent; first class townships, by 250.0 percent and townships of the second class grew by 462.4 percent during this period. (See Table 5.)

Table 5
Berks – Lancaster Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$101,956,364	\$265,770,648	\$163,814,284	160.7
Borough	70,585,466	175,020,187	104,434,721	148.0
1 st Class Township	14,392,108	50,508,498	36,116,390	250.9
2 nd Class Township	40,540,833	277,995,066	187,454,233	462.4
Total Region	\$227,474,770	\$719,294,399	\$491,819,629	216.2

^{1/} Constant dollars.

Expenditures per capita for the Berks-Lancaster region totaled \$854.58 in 2006, up from \$371.49 in 1970—an increase of \$483.09 or 130.0 percent. Cities in this region had the largest

expenditures per capita of \$1,932.10 in 2006; the smallest (\$495.48) was in townships of the second class. (See Table 6.)

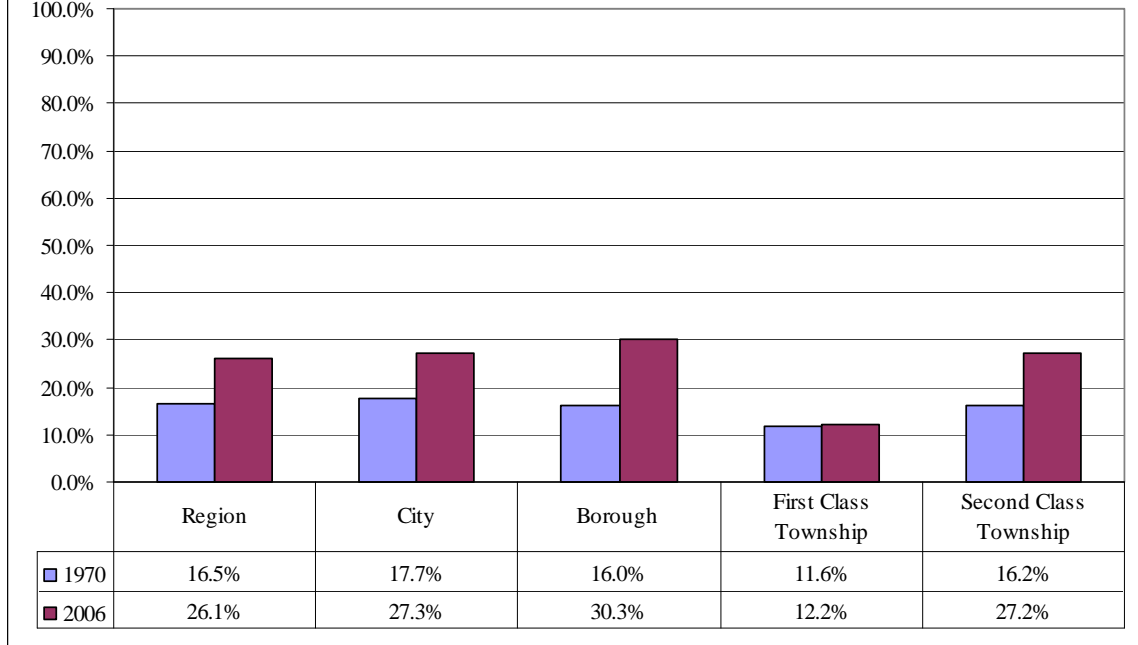
Table 6
Berks – Lancaster Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$701.54	\$1,932.10	1,230.57	175.4
Borough	474.58	1,000.69	526.10	110.9
1 st Class Township	308.62	731.07	422.45	136.9
2 nd Class Township	149.25	495.48	346.23	232.0
Total Region	371.49	854.58	483.09	130.0

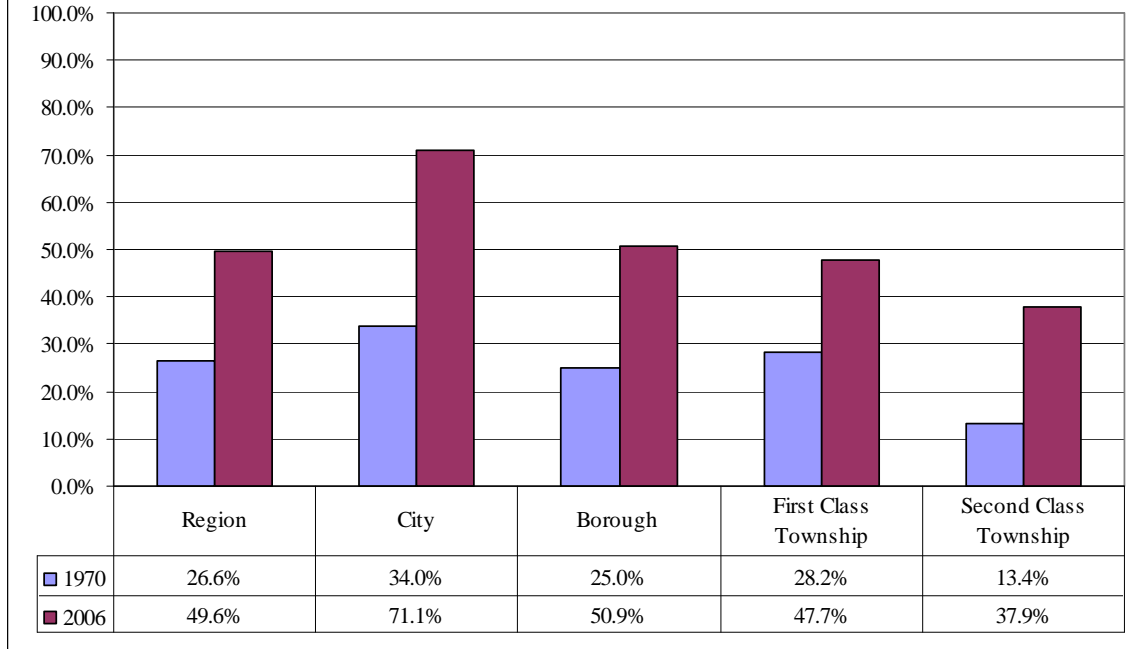
^{1/} Constant dollars.

General Administration and police expenditures have all increased throughout the period as a proportion of total taxes. Cities have experienced large increases and nearly all taxes are spent to cover these types of expenditures. In 2006 these expenditures represented 98.4 percent of total taxes. (See Graphs 2 and 3.)

Graph 2
 Berks - Lancaster Region
 General Administration Expenditures as a Percent of Total Municipal Taxes
 1970 - 2006



Graph 3
 Berks - Lancaster Region
 Police Expenditures as a Percent of Total Municipal Taxes
 1970 - 2006



Central Region

The Central region has 262 municipalities in 10 counties as is located in the middle of the Commonwealth. Major municipalities include Williamsport, Lock Haven, Shamokin and Sunbury cities as well as State College Borough. This region experienced an overall growth of 77,487 (14.4 percent) from 538,959 in 1970 to 616,446 in 2006. Growth occurred in the townships of the second class which increased in population by 109,537 (42.7 percent) from 256,678 in 1970 to 366,215 in 2006. All other municipal classifications decreased in population with cities showing the largest decline from 74,089 to 58,474—a decrease of 15,615 (21.1 percent).

Table 1
Central Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	74,089	58,474	-15,615	-21.1
Borough	196,411	181,129	-15,282	-7.8
1 st Class Township	11,781	10,628	-1,153	-9.8
2 nd Class Township	<u>256,678</u>	<u>366,215</u>	<u>109,537</u>	42.7
Total Region	538,959	616,446	77,487	14.4

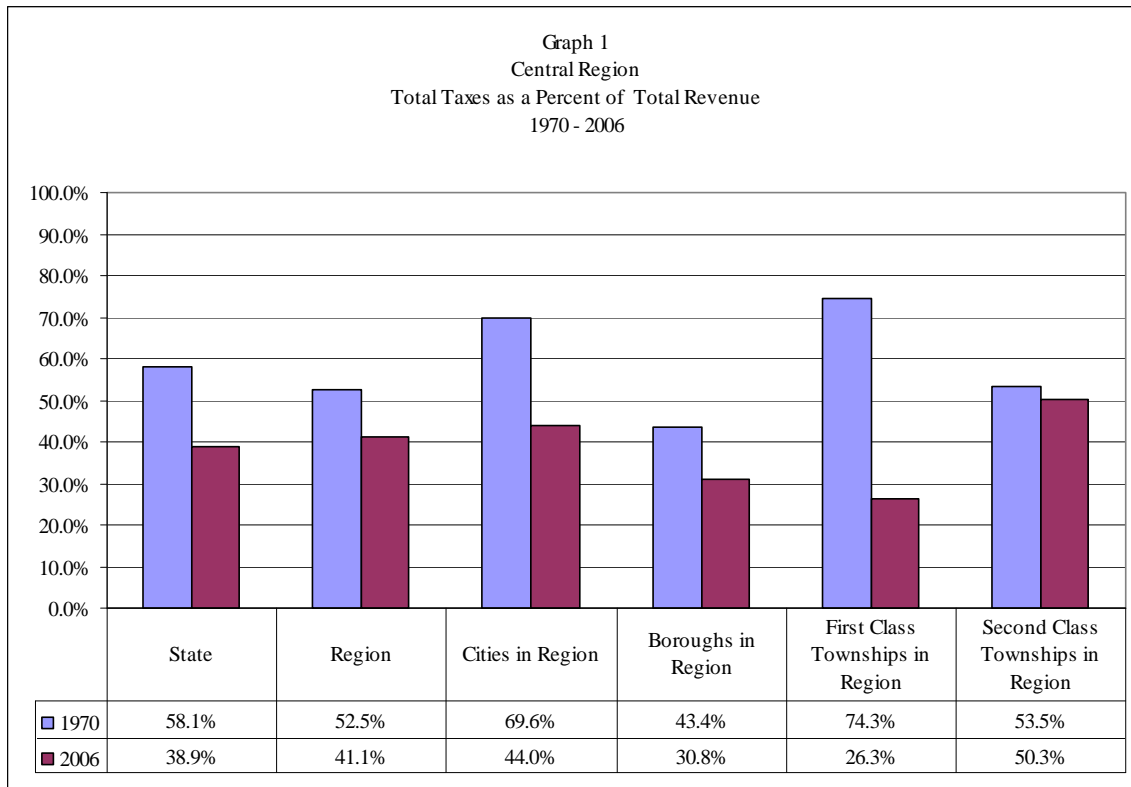
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the central region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 126.5 percent, while total taxes in constant dollars collected increased by 77.7 percent. In 1970, total revenues for the reporting municipalities in this region were \$133.2 million; total taxes collected by these same municipalities were 52.5 percent of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$301.8 million, and total taxes collected represented 41.1 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Central Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
<u>Total Revenue</u>				
City	27,864,127	45,002,798	17,138,671	61.5
Borough	61,776,229	120,793,306	59,017,077	95.5
1 st Class Township	1,854,356	5,300,174	3,445,818	185.8
2 nd Class Township	<u>41,720,541</u>	<u>130,680,919</u>	<u>88,960,378</u>	213.2
Total Region	133,215,254	301,777,197	168,561,943	126.5
<u>Total Taxes</u>				
City	19,404,445	19,822,738	418,293	2.2
Borough	26,783,193	37,256,514	10,473,321	39.1
1 st Class Township	1,378,421	1,392,464	14,043	1.0
2 nd Class Township	<u>22,314,370</u>	<u>65,679,841</u>	<u>43,365,471</u>	194.3
Total Region	69,880,429	124,151,557	54,271,128	77.7

^{1/} Constant dollars.



Tax Revenues Per Capita

Total taxes per capita (in constant dollars) in the Central region grew by \$71.74 (55.3 percent) from \$129.66 in 1970 to \$201.40 in 2006. The largest increase in total taxes per capita was recorded in townships of the second class increasing from \$86.94 in 1970 to \$179.35 in 2006 or by \$92.41 (106.3 percent). (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Central Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$261.91	\$339.00	77.09	29.4
Borough	136.36	205.69	69.33	50.8
1 st Class Township	117.00	131.02	14.01	12.0
2 nd Class Township	86.94	179.35	92.41	106.3
Total Region	129.66	201.40	71.74	55.3

^{1/} Constant dollars.

More municipalities are levying income taxes now than in 1970 to cover the costs of operating their municipality. Cities in this region are not only losing population, but earned income is providing less tax than in 1970. Earned income taxes per capita in the cities decreased by \$9.59 (15.6 percent) from \$61.56 in 1970 to \$51.97 in 2006. In the Central region earned income taxes per capita increased by \$28.35 (51.2 percent) from \$55.33 in 1970 to \$83.68 in 2006. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Central Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	4	\$61.56	4	\$51.97	-\$9.59	-15.6
Borough	63	56.98	66	71.16	14.18	24.9
1 st Class Township	1	45.08	1	47.68	2.60	5.8
2 nd Class Township	<u>170</u>	52.62	<u>189</u>	91.11	38.49	73.1
Total Region	238	55.33	260	83.68	28.35	51.2

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities in the Central region spent the 2006 equivalent of \$142.5 million in local expenses. In 2006, these municipalities expended more than twice the 1970 adjusted number or \$295.0 million to provide local services.

City spending increased by 26.0 percent; boroughs by 87.1 percent; first class townships, by 175.9 percent and townships of the second class grew by 200.3 percent from 1970 to 2006. (See Table 5.)

Table 5
Central Region
Total Expenditures in Constant Dollars
1970 to 2006

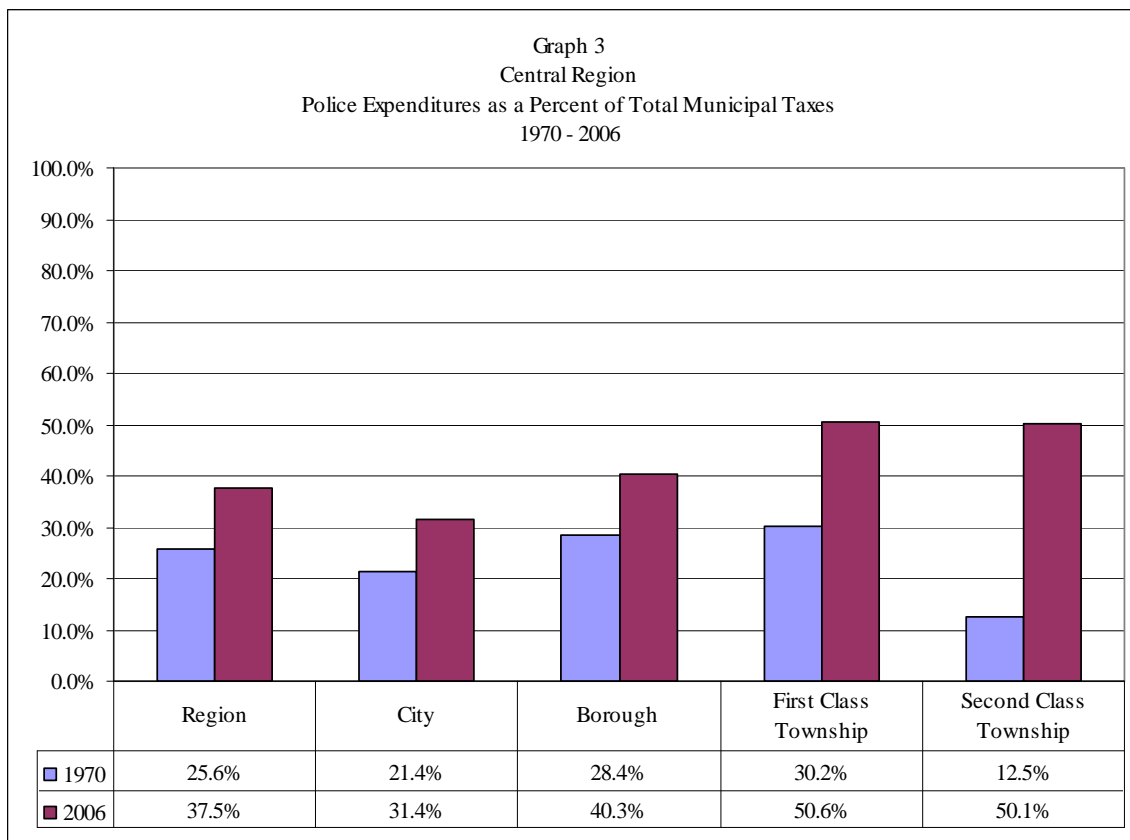
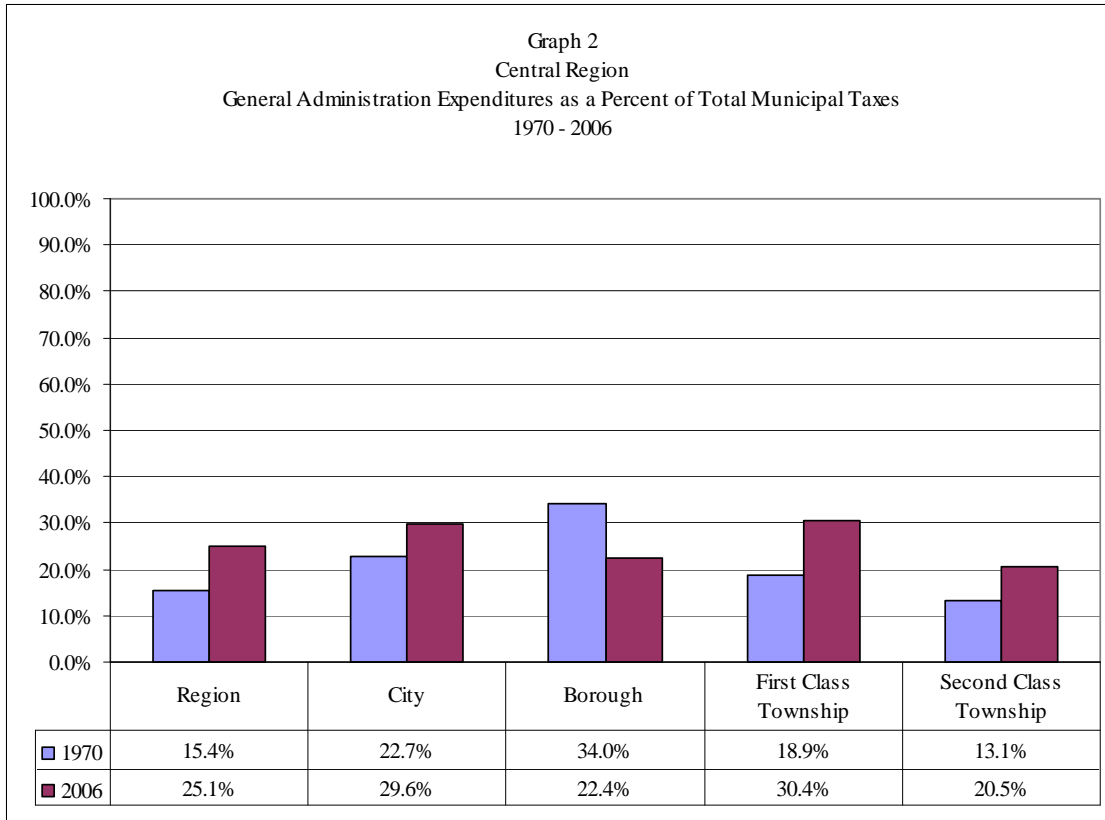
	1970	2006	Change 1970 to 2006	
			\$	%
City	\$34,753,540	\$43,784,439	9,030,899	26.0
Borough	63,484,616	118,754,276	55,269,660	87.1
1 st Class Township	1,782,581	4,917,937	3,135,356	175.9
2 nd Class Township	<u>42,478,103</u>	<u>127,563,008</u>	<u>85,084,905</u>	200.3
Total Region	142,498,840	295,019,660	152,520,820	107.0

Expenditures per capita (in constant dollars) in this region grew from \$264.40 to \$478.58 in 2006 or by \$214.19 or 81.0 percent. Per capita expenditures in the cities ranked the highest in both 1970 (\$469.08) and 2006 (\$748.78). (See Table 6.)

Table 6
Central Region
Per Capita Expenditures in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$469.08	\$ 748.78	279.71	59.6
Borough	323.22	655.63	332.41	102.8
1 st Class Township	151.31	462.73	311.42	205.8
2 nd Class Township	165.49	348.33	182.84	110.5
Total Region	264.40	478.58	214.19	81.0

General administration expenditures in this region represented 15.4 percent of total municipal taxes in 1970 in 2006 they represented 25.1 percent. Police expenditures in this region as a percent of total municipal taxes represented 25.6 percent in 1970 by 2006 the proportion had grown to 37.5 percent. (See Graphs 2 and 3.)



Lehigh Valley Region

The Lehigh Valley region is located approximately 60 miles north of Philadelphia and includes 62 municipalities in Lehigh and Northampton counties. Major municipalities include the cities of Allentown, Bethlehem and Easton. The region has grown throughout the period increasing from 449,051 in 1970 to 579,156 in 2006 or by 130,105 or 29.0 percent. The largest growth occurred in townships of the second class rising from 112,696 to 202,790 or by 90,094 or 79.9 percent. While the total city number has increased during this period, only Bethlehem showed growth increasing from 52,065 in 1970 to 71,329 in 2006, Allentown and Easton lost 2,895 and 3,993 respectively. (See Table 1.)

Table 1
Lehigh Valley Region
Population
1970 to 2006

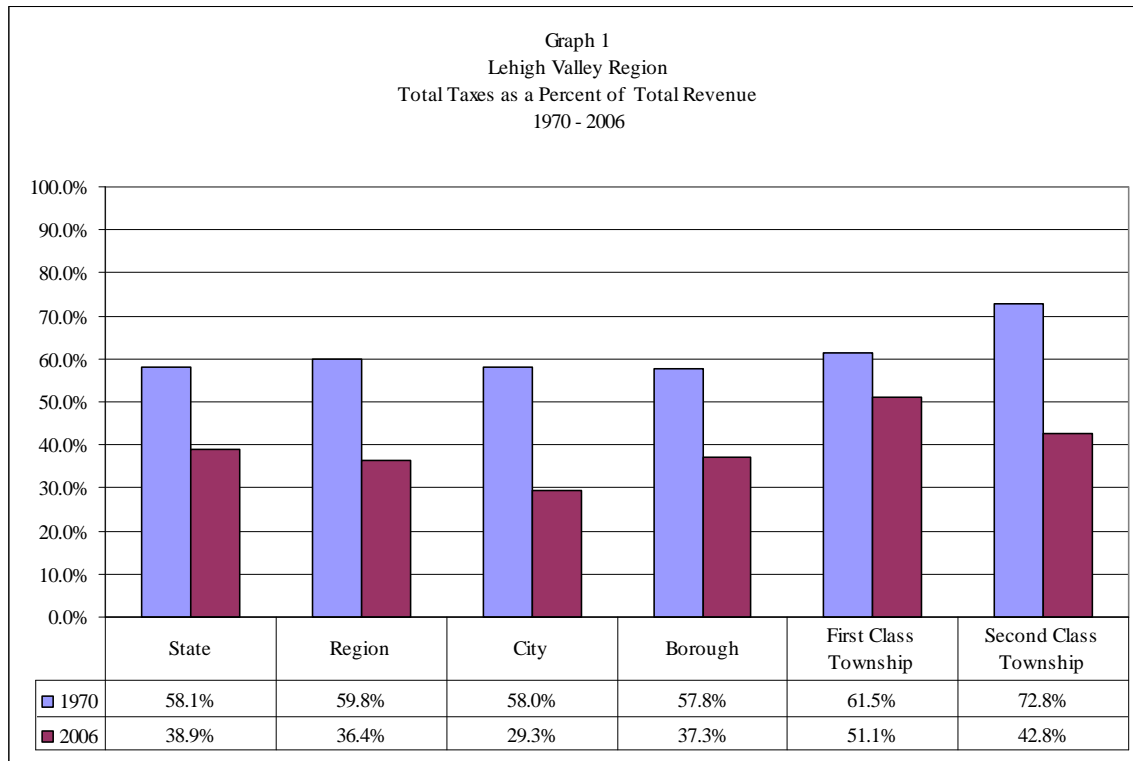
	1970	2006	Change 1970 to 2006	
			#	%
City	191,848	204,224	12,376	6.5
Borough	91,513	94,549	3,036	3.3
1 st Class Township	52,994	77,593	24,599	46.4
2 nd Class Township	<u>112,696</u>	<u>202,790</u>	<u>90,094</u>	79.9
Total Region	449,051	579,156	130,105	29.0

Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the Lehigh Valley region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 184.0 percent, while total taxes in constant dollars collected increased by 72.8 percent. In 1970, total revenues for the reporting municipalities in this region were \$216.5 million; total taxes collected by these same municipalities were 59.8 percent of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$614.9 million, and total taxes collected represented 36.4 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Lehigh Valley Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	140,555,158	298,592,750	158,037,592	112.4
Borough	34,982,953	85,324,760	50,341,807	143.9
1 st Class Township	17,415,164	68,955,632	51,540,468	296.0
2 nd Class Township	<u>23,574,413</u>	<u>162,033,491</u>	<u>138,459,078</u>	587.3
Total Region	216,527,688	614,906,633	398,378,945	184.0
Total Taxes				
City	81,477,178	87,500,456	6,023,278	7.4
Borough	20,225,598	31,820,318	11,594,720	57.3
1 st Class Township	10,704,434	35,217,213	24,512,779	229.0
2 nd Class Township	<u>17,166,916</u>	<u>69,357,351</u>	<u>52,190,435</u>	304.0
Total Region	129,574,125	223,895,338	94,321,213	72.8



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes increased by \$98.04 or 34.0 percent from \$288.55 in 1970 to \$386.59 in 2006. The largest increase was in the first class townships where per capita taxes more than doubled from \$201.99 in 1970 to \$453.87 in 2006. In 1970, per capita taxes were the largest in the cities—\$424.70. In 2006, although per capita taxes in the cities totaled \$428.45 they ranked second compared to first class townships. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Lehigh Valley Region
Total Taxes per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	424.70	428.45	3.76	0.9
Borough	221.01	336.55	115.54	52.3
1 st Class Township	201.99	453.87	251.88	124.7
2 nd Class Township	152.33	342.02	189.69	124.5
Total Region	288.55	386.59	98.04	34.0

^{1/} Constant dollars.

More municipalities are levying income taxes now than in 1970 to cover the costs of operating their municipality. Cities in the region are not only losing population, but earned income is providing less tax than in 1970. All of the cities in this region showed a decline in earned income per capita with Bethlehem showing the largest decrease in income per capita (\$38.97 or 32.4 percent). (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Tables 4 and 5.)

Table 4
Lehigh Valley Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	3	\$93.90	3	\$71.81	-\$22.08	-23.5
Borough	26	81.89	27	90.73	8.83	10.8
1 st Class Township	3	76.17	4	134.63	58.45	76.7
2 nd Class Township	26	74.81	28	158.26	83.45	111.5
Total Region	58	85.15	62	113.59	28.43	33.4

^{1/} Constant dollars.

Table 5
Lehigh Valley Cities
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Allentown	\$85.65	\$ 66.57	-\$19.08	-22.3
Bethlehem	120.39	81.41	-\$38.97	-32.4
Easton	78.20	67.04	-\$11.16	-14.3
Total Cities	93.90	71.81	-\$22.08	-23.5

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities in the Lehigh Valley spent the 2006 equivalent of \$221.3 million in local government expenses. In 2006, these municipalities expended more than three times the 1970 adjusted number or \$581.3 million to provide for local government services.

City spending increased by about 99.0 percent; boroughs, by 142.7 percent; first class townships grew by 280.1 percent and townships of the second class increased by 497.7 percent from 1970 to 2006. (See Table 6.)

Table 6
 Lehigh Valley Region
Total Expenditures in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$145,372,100	\$289,362,312	143,990,212	99.0
Borough	35,132,510	85,267,990	50,135,480	142.7
1 st Class Township	17,167,550	65,261,845	48,094,295	280.1
2 nd Class Township	<u>23,667,535</u>	<u>141,463,935</u>	<u>117,796,400</u>	497.7
Total Region	\$221,339,695	\$581,356,082	360,016,387	162.7

^{1/} Constant dollars.

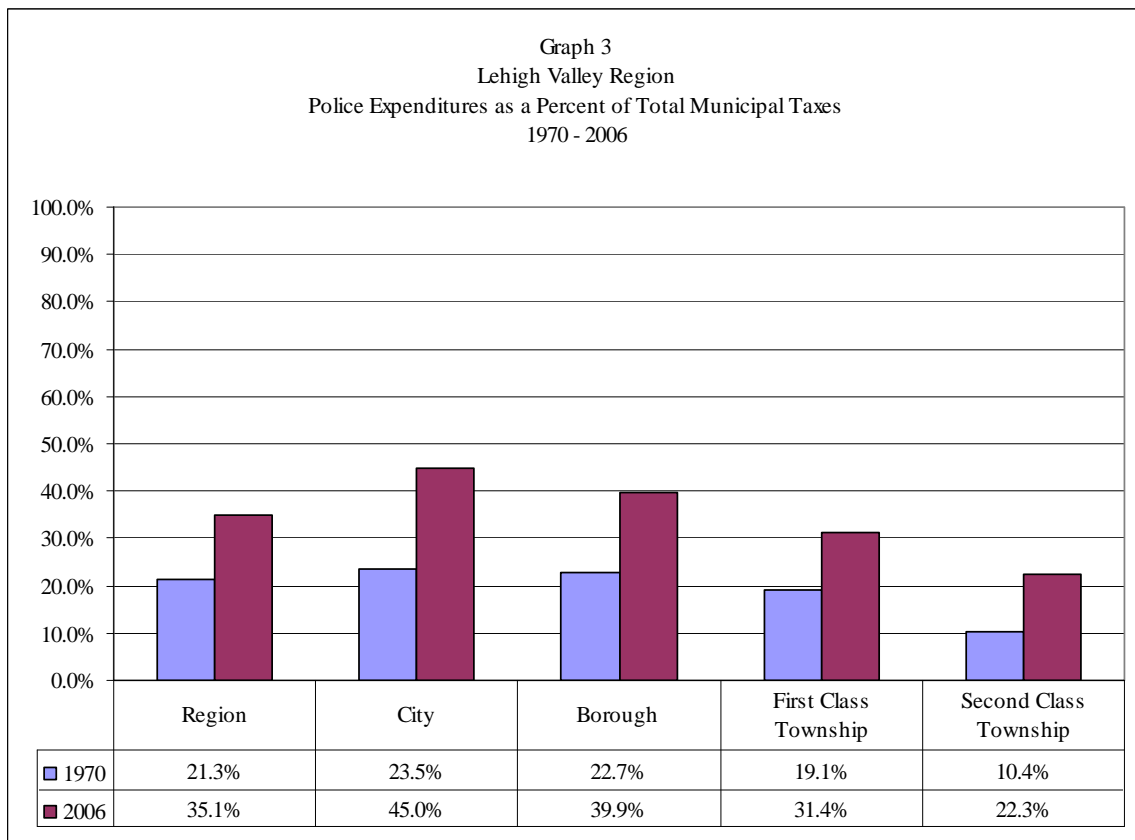
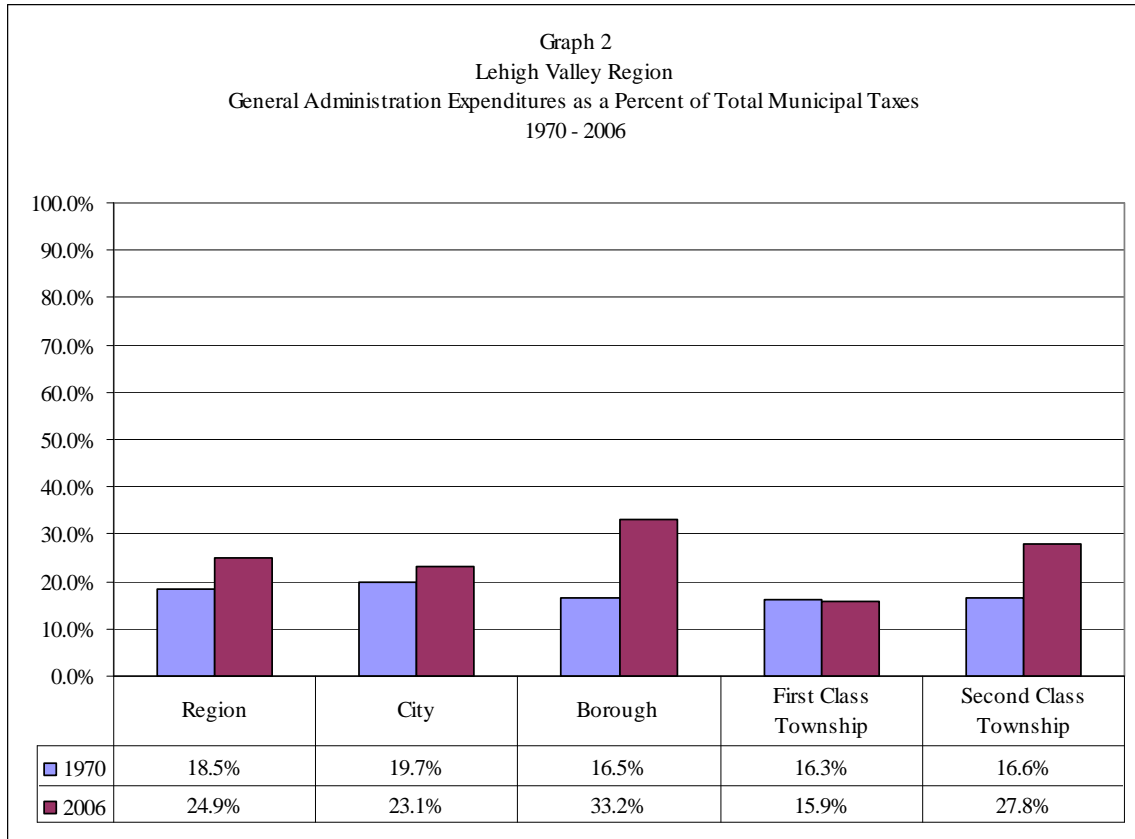
Expenditures per capita (in constant dollars) in the Lehigh Valley region totaled \$492.91 in 1970; by 2006 they had increased by \$510.89 (or 103.6 percent) to \$1,003.80. The cities in this region ranked first in both 1970 and 2006 with the largest expenditures per capita. (See Table.7.)

Table 7
 Lehigh Valley Municipalities
Expenditures Per Capita in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$ 757.75	\$ 1,416.89	\$659.14	87.0
Borough	383.91	901.84	517.93	134.9
1 st Class Township	323.95	841.08	517.13	159.6
2 nd Class Township	210.01	697.59	487.58	232.2
Total Region	492.91	1,003.80	510.89	103.6

^{1/} Constant dollars.

General administration and police expenditures have all increased throughout the review period as a percentage of taxes. Boroughs have experienced the largest increase in these expenditures, rising from 39.2 percent of total municipal taxes in 1970 to 73.0 percent of total municipal taxes in 2006. (See Graphs 2 and 3.)



Northcentral Region

The Northcentral region includes 154 municipalities in six counties. Major municipalities include the cities of DuBois, Bradford and St. Mary’s. This region has increased from 226,481 in 1970 to 232,676 in 2006 or by 6,195 or 2.7 percent. The boroughs in this region recorded a loss in population of 11,724 (15.5 percent) from 75,791 in 1970 to 64,067 in 2006.

Table 1
Northcentral Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	30,254	31,800	1,546	5.1
Borough	75,791	64,067	-11,724	-15.5
1 st Class Township	–	–	–	–
2 nd Class Township	<u>120,436</u>	<u>136,809</u>	<u>16,373</u>	13.6
Total Region	226,481	232,676	6,195	2.7

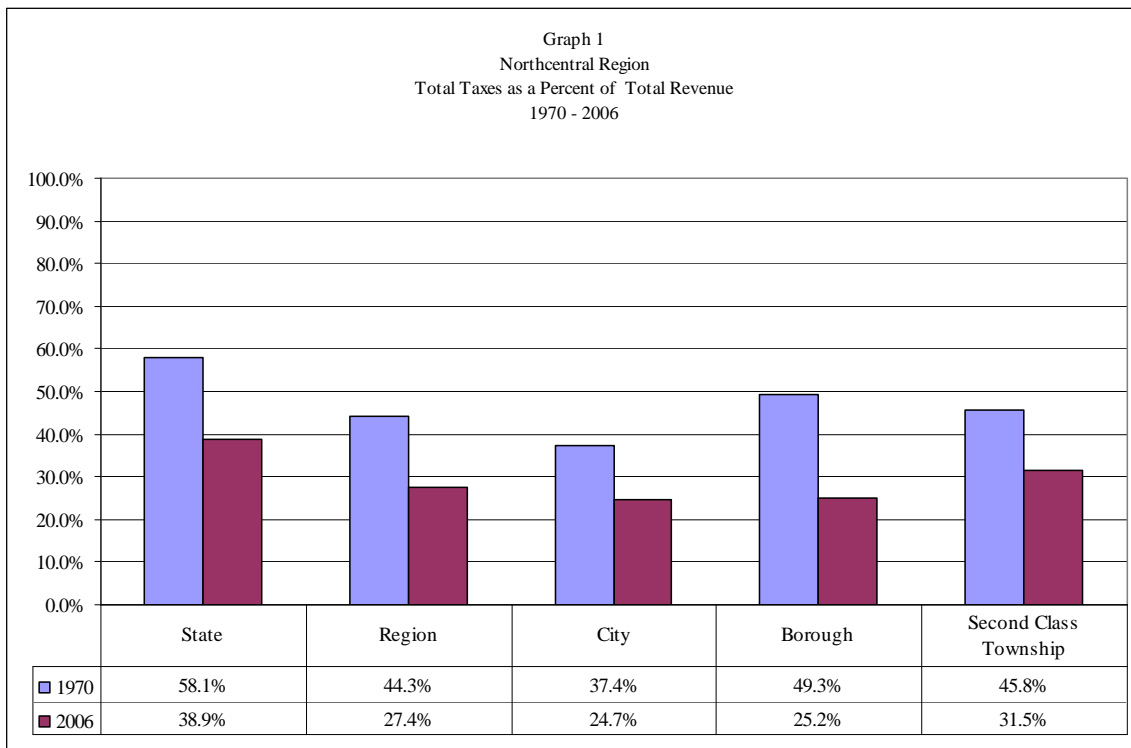
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the Northcentral region has decreased since 1970. Total municipal revenue collected in constant dollars increased by 110.7 percent, while total taxes in constant dollars collected increased by 30.4 percent from 1970 to 2006. In 1970, total revenues for the reporting municipalities in this region were \$71.2 million; total taxes collected by these same municipalities represented 44.3 percent of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$150.0 million, and total taxes collected represented 27.4 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Northcentral Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	\$23,602,831	\$ 39,974,858	16,372,027	69.4
Borough	27,381,624	53,683,737	26,302,113	96.1
1 st Class Township	-	-	-	-
2 nd Class Township	<u>20,180,508</u>	<u>56,313,650</u>	<u>36,133,142</u>	179.0
Total Region	\$71,164,964	\$149,972,245	78,807,281	110.7
Total Taxes				
City	\$ 8,817,520	\$ 9,863,084	1,045,564	11.9
Borough	13,494,172	13,509,622	15,450	0.1
1 st Class Township	-	-	-	-
2 nd Class Township	<u>9,238,876</u>	<u>17,765,624</u>	<u>8,526,748</u>	92.3
Total Region	\$31,550,568	\$41,138,330	9,587,762	30.4

^{1/} Constant dollars.



Tax Revenue Per Capita

Total taxes per capita (in constant dollars) were \$139.31 in the Northcentral region, by 2006 they had increased by \$37.50 or 26.9 percent to \$176.81. The largest increase (\$53.15 or 69.3 percent) was recorded in townships of the second class. This increase is in part due to an additional 24 townships of the second class levying the earned income tax by 2006. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Northcentral Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$291.45	\$310.16	18.71	6.4
Borough	178.04	210.87	32.82	18.4
1 st Class Township	–	–	–	–
2 nd Class Township	76.71	129.86	53.15	69.3
Total Region	139.31	176.81	37.50	26.9

1/ Constant dollars.

Earned income tax per capita (in constant dollars) in this region grew from \$53.33 in 1970 to \$64.31 in 2006 or by \$10.98 or 20.6 percent. The largest increase (\$17.01 or 37.6 percent) was recorded in townships of the second class growing from \$45.19 in 1970 to \$62.20 in 2006. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Northcentral Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	2	\$70.27	3	\$76.76	\$6.48	9.2
Borough	33	\$59.02	46	\$62.61	\$3.60	6.1
1 st Class Township	–	–	–	–	–	–
2 nd Class Township	<u>68</u>	\$45.19	<u>102</u>	\$62.20	\$17.01	37.6
Total Region	103	\$53.33	151	\$64.31	\$10.98	20.6

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, these municipalities spent the 2006 equivalent of \$70.1 million in local government expenses. In 2006, these municipalities expended more than three times the 1970 adjusted number or \$143.3 million to provide local services. City spending increased by 73.5 percent; boroughs by 87.8 percent and townships of the second class grew by 156.8 percent from 1970 to 2006. (See Table 5.)

Table 5
Northcentral Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$23,859,992	\$41,395,611	17,535,619	73.5
Borough	27,483,997	51,621,000	24,137,003	87.8
1 st Class Township	–	–	–	–
2 nd Class Township	<u>19,586,362</u>	<u>50,297,390</u>	<u>30,711,028</u>	156.8
Total Region	\$70,930,350	\$143,314,001	72,383,651	102.0

^{1/} Constant dollars.

Expenditures per capita (in constant dollars) in the Northcentral region increased by \$302.75 or 96.7 percent from \$313.18 in 1970 to \$615.94 in 2006. The largest absolute increase

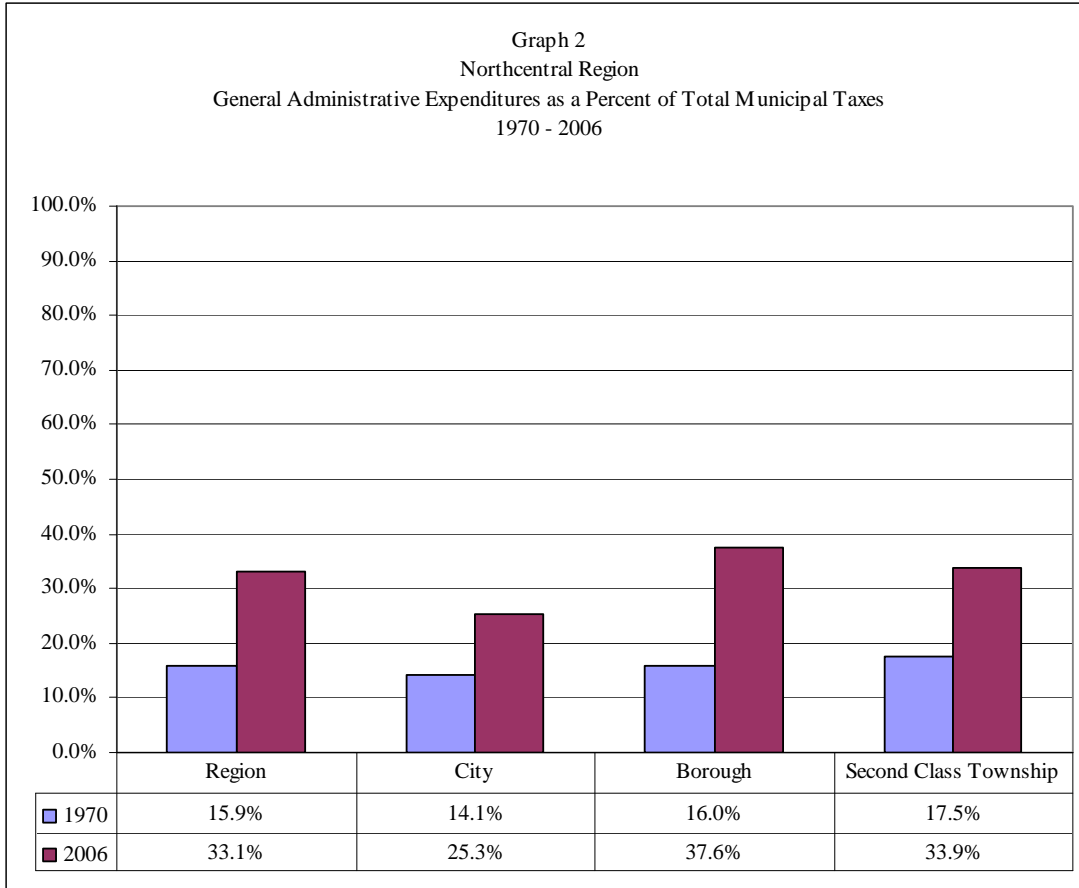
(\$513.09) was experienced in the region’s cities while the largest proportionate increase 126.1 percent was recorded in the townships of the second class. (See Table 6.)

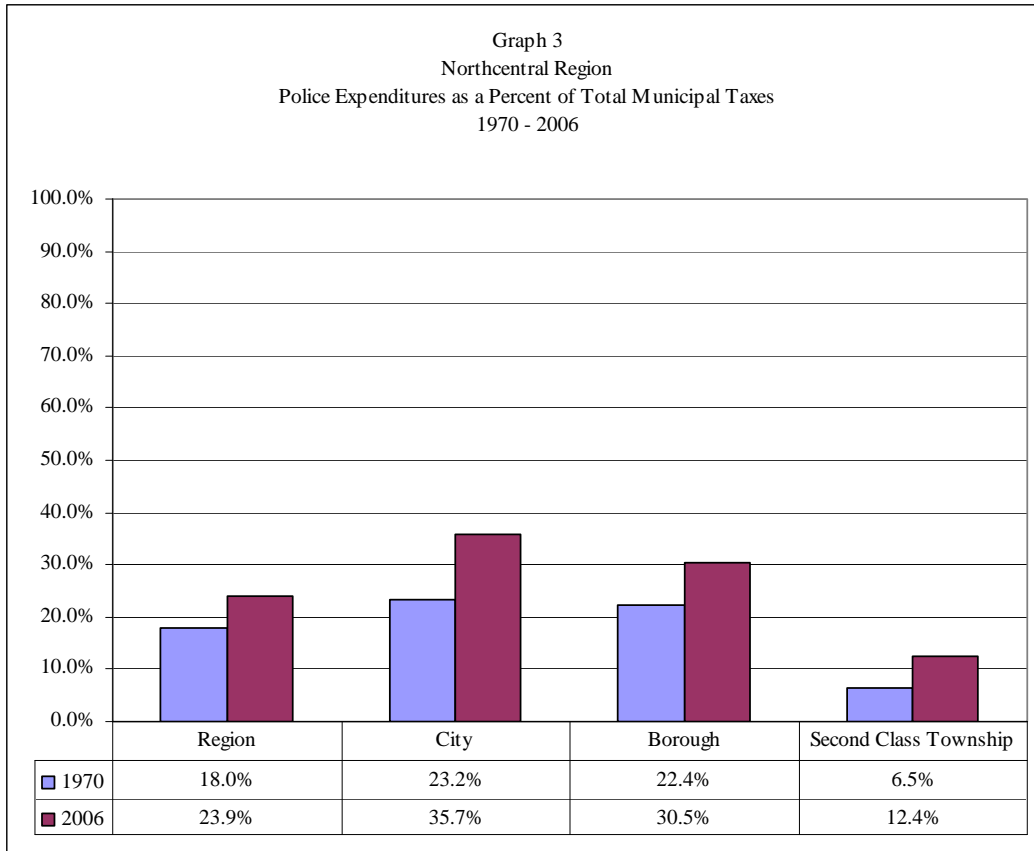
Table 6
Northcentral Pennsylvania Municipalities
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$788.66	\$1,301.75	513.09	65.1
Borough	362.63	805.73	443.11	122.2
1 st Class Township				
2 nd Class Township	162.63	367.65	205.02	126.1
Total Region	313.18	615.94	302.75	96.7

1/ Constant dollars.

General administration and police expenditures have all increased throughout the period as a percentage of taxes. Boroughs have shown the largest growth in this area with expenditures of these types increasing from 38.4 percent of taxes in 1970 to 68.2 percent of taxes in 2006. (See Graphs 2 and 3.)





Northeast Region

The Northeast region includes 262 municipalities. The region is anchored by seven cities, including Scranton, and Carbondale in Lackawanna County, Wilkes-Barre, Hazleton, Pittston, and Nanticoke in Luzerne County and Pottsville in Schuylkill County. The region also has four first class townships, Newport, Plains, Hanover and Wilkes-Barre, all located in Luzerne County. Total population in this region has grown by 100,082 or 11.6 percent from 862,903 in 1970 to 962,985 in 2006. The only municipal classification that has shown an increase from 1970 to 2006 was is townships of the second class which grew by 211,219 or 90.0 percent from 234,595 to 445,814.

Table 1
Northeast Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	251,114	186,665	-64,449	-25.7
Borough	344,068	299,871	-44,197	-12.8
1 st Class Township	33,126	30,635	-2,491	-7.5
2 nd Class Township	<u>234,595</u>	<u>445,814</u>	<u>211,219</u>	90.0
Total Region	862,903	962,985	100,082	11.6

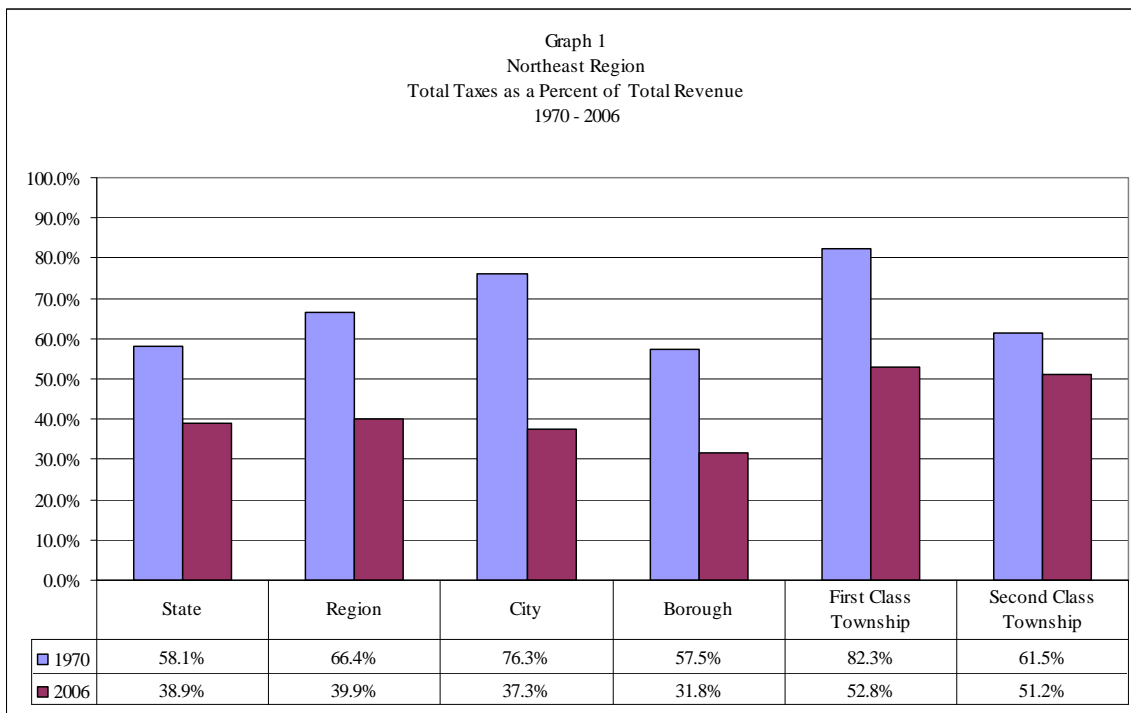
Total Revenues and Total Taxes

The proportion total taxes as a percentage of total revenues in the Northeast region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by \$382.8 million or 161.4 percent, while total taxes in constant dollars collected increased by \$90.2 million or 57.3 percent. In 1970, total revenues for the reporting municipalities in this region were \$237.2 million; total taxes collected by these same municipalities represented 66.4 percent of total revenue. In 2006, total revenues for the same reporting municipalities were \$619.9 million, and total taxes collected represented 39.9 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
 Northeast Region
Total Revenue and Total Taxes in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	\$93,768,168	\$206,253,343	112,485,175	120.0
Borough	93,590,578	213,612,137	120,021,559	128.2
1 st Class Township	7,045,402	17,015,648	9,970,246	141.5
2 nd Class Township	<u>42,758,778</u>	<u>183,034,615</u>	<u>140,275,837</u>	328.1
Total Region	\$237,162,926	619,915,743	382,752,817	161.4
Total Taxes				
City	\$71,505,200	\$76,969,558	5,464,358	7.6
Borough	53,845,730	67,878,741	14,033,011	26.1
1 st Class Township	5,800,678	8,988,246	3,187,568	55.0
2 nd Class Township	<u>26,276,812</u>	<u>93,795,908</u>	<u>67,519,096</u>	257.0
Total Region	\$157,428,419	\$247,632,453	90,204,034	57.3

^{1/} Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Northeast region increased from \$182.44 in 1970 to \$257.15 in 2006 or by \$74.71 or 41.0 percent. The largest absolute increase in was in the region’s cities—\$127.59. The largest proportionate increase (87.8 percent) was recorded in the townships of the second class. The cities had the highest per capita rate in both 1970 (\$284.75) and 2006 (\$412.34). (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Northeast Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$284.75	\$412.34	127.59	44.8
Borough	156.50	226.36	69.86	44.6
1 st Class Township	175.11	293.40	118.29	67.6
2 nd Class Township	112.01	210.39	98.38	87.8
Total Region	182.44	257.15	74.71	41.0

^{1/} Constant dollars.

Earned income taxes per capita in the Northeast region increased from \$60.05 (constant dollars) to \$114.40 in 2006 or by \$54.35 or 90.5 percent. The largest increase (\$124.55 or 168.3 percent) occurred in region’s cities. The smallest increase (\$22.55 or 44.8 percent) was experienced in the first class township. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Northeast Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	7	\$74.01	7	\$198.56	\$124.55	168.3
Borough	88	55.36	94	87.48	32.11	58.0
1 st Class Township	4	50.36	4	72.91	22.55	44.8
2 nd Class Township	98	50.61	122	96.67	46.06	91.0
Total Region	197	60.05	227	114.40	54.35	90.5

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, these municipalities spent the 2006 equivalent of \$245.4 million in local government expenses. In 2006, these municipalities expended more than double the 1970 adjusted number or \$607.4 million to provide local services—an increase of \$361.9 million or 147.4 percent.

City spending increased by 114.8 percent; boroughs, by 112.0 percent; first class townships, by 146.5 percent and townships of the second class increased by 301.9 percent during this period. (See Table 5.)

Table 5
Northeast Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$ 97,610,479	\$209,622,576	112,012,097	114.8
Borough	98,147,161	208,078,899	109,931,738	112.0
1 st Class Township	6,570,736	16,196,191	9,625,455	146.5
2 nd Class Township	<u>43,162,621</u>	<u>173,478,603</u>	<u>130,315,982</u>	301.9
Total Region	\$245,490,996	\$607,376,269	361,885,273	147.4

^{1/} Constant dollars.

Expenditures per capita for the Northeast region totaled \$630.72 in 2006, up from \$284.49 in 1970—an increase of \$346.23 or 121.7 percent. Cities in this region had the largest expenditures per capita in both 1970 (\$388.71) and 2006 (\$1,122.99). (See Table 6.)

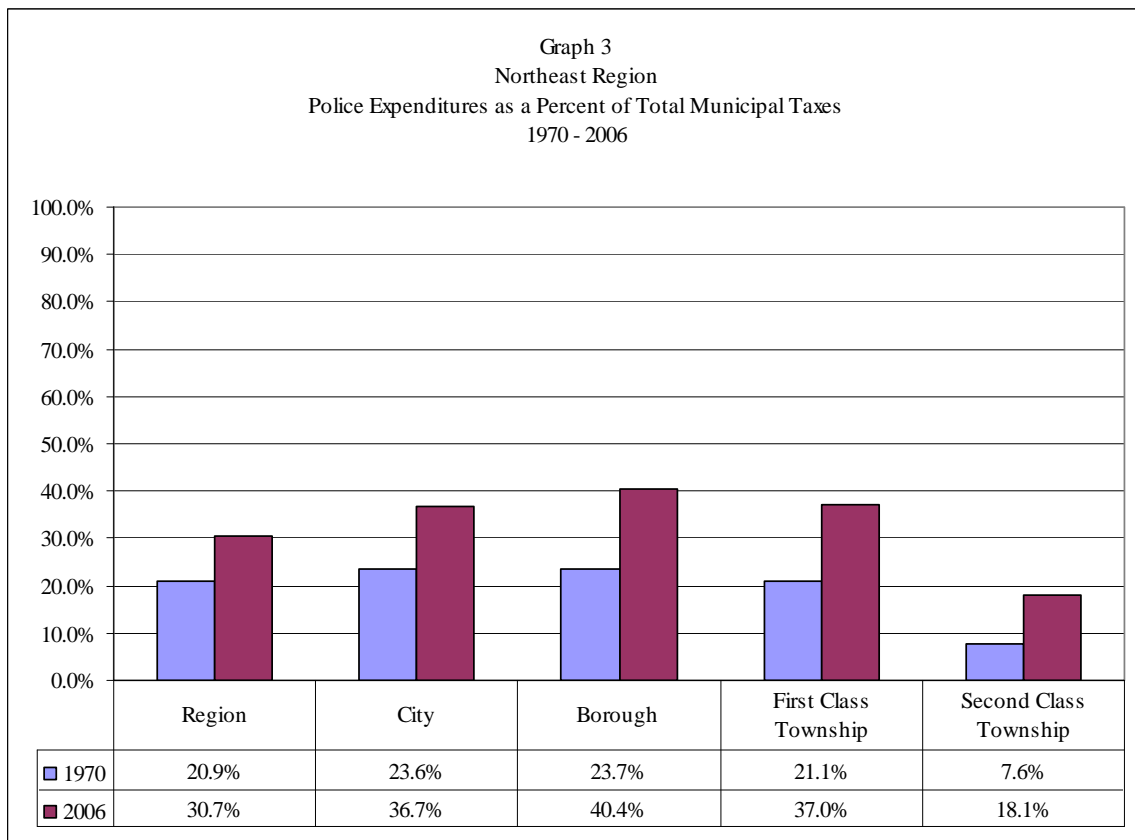
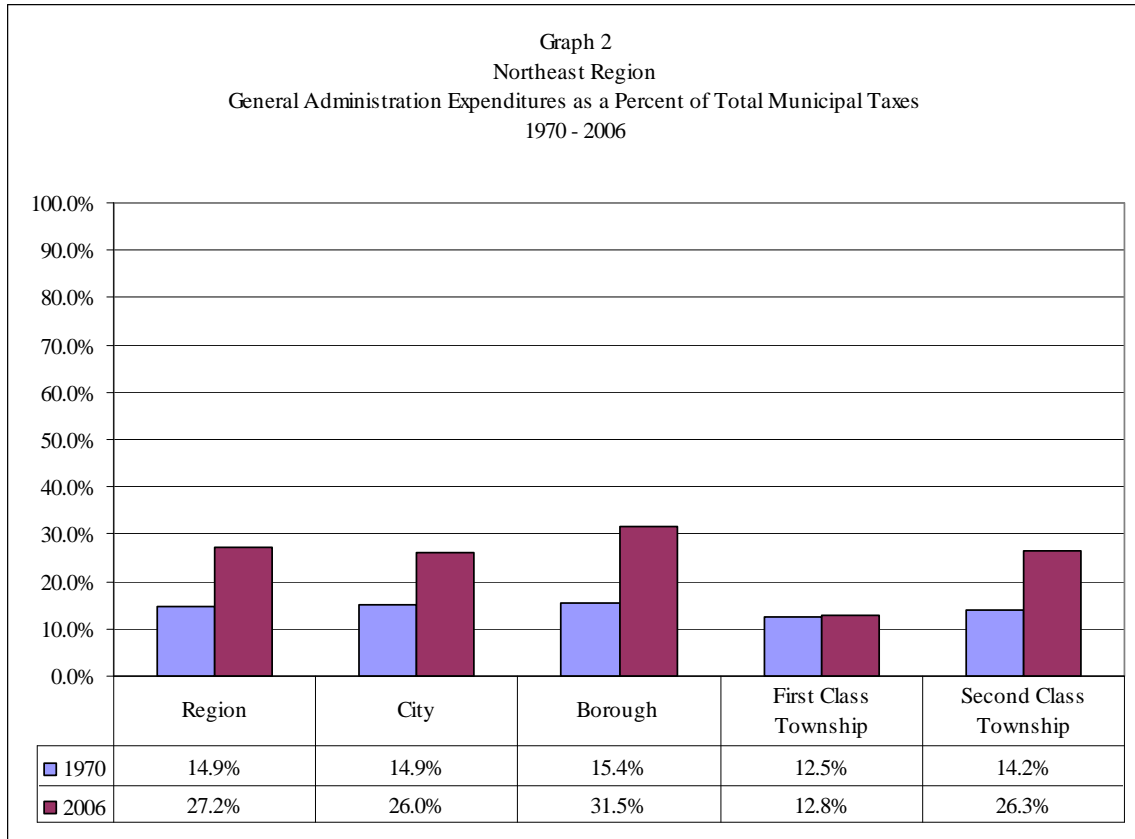
Table 6
Northeast Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$388.71	\$ 1,122.99	734.28	188.9
Borough	285.26	693.89	408.64	143.3
1 st Class Township	198.36	528.68	330.33	166.5
2 nd Class Township	183.99	389.13	205.14	111.5
Total Region	284.49	630.72	346.23	121.7

1/ Constant dollars.

General Administration and police expenditures have all increased throughout the period as a percentage of taxes.

In 1970 general administration expenditures represented 14.9 percent of total municipal taxes, by 2006 this figure had risen to 27.2 percent. Police expenditures as a percentage of total municipal taxes represented 20.9 percent in 1970 by 2006 it had increased to 30.7 percent. (See Graphs 2 and 3.)



Northern Tier Region

The Northern Tier region includes 165 municipalities in the counties of Bradford, Sullivan, Susquehanna, Tioga and Wyoming. There are 120 townships of the second class and 45 boroughs in the region. There are no cities or first class townships in the area. Total population in this region grew from 156,870 in 1970 to 180,908 in 2006 or by 24,038 or 15.3 percent. The population grew in the townships of the second class (by 31,487 or 31.4 percent) and fell in the boroughs (by 7,449 or 13.2 percent) during this period.

Table 1
Northern Tier Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	—	—	—	—
Borough	56,532	49,083	-7,449	-13.2
1 st Class Township	—	—	—	—
2 nd Class Township	<u>100,338</u>	<u>131,825</u>	<u>31,487</u>	31.4
Total Region	156,870	180,908	24,038	15.3

Total Revenues and Total Taxes

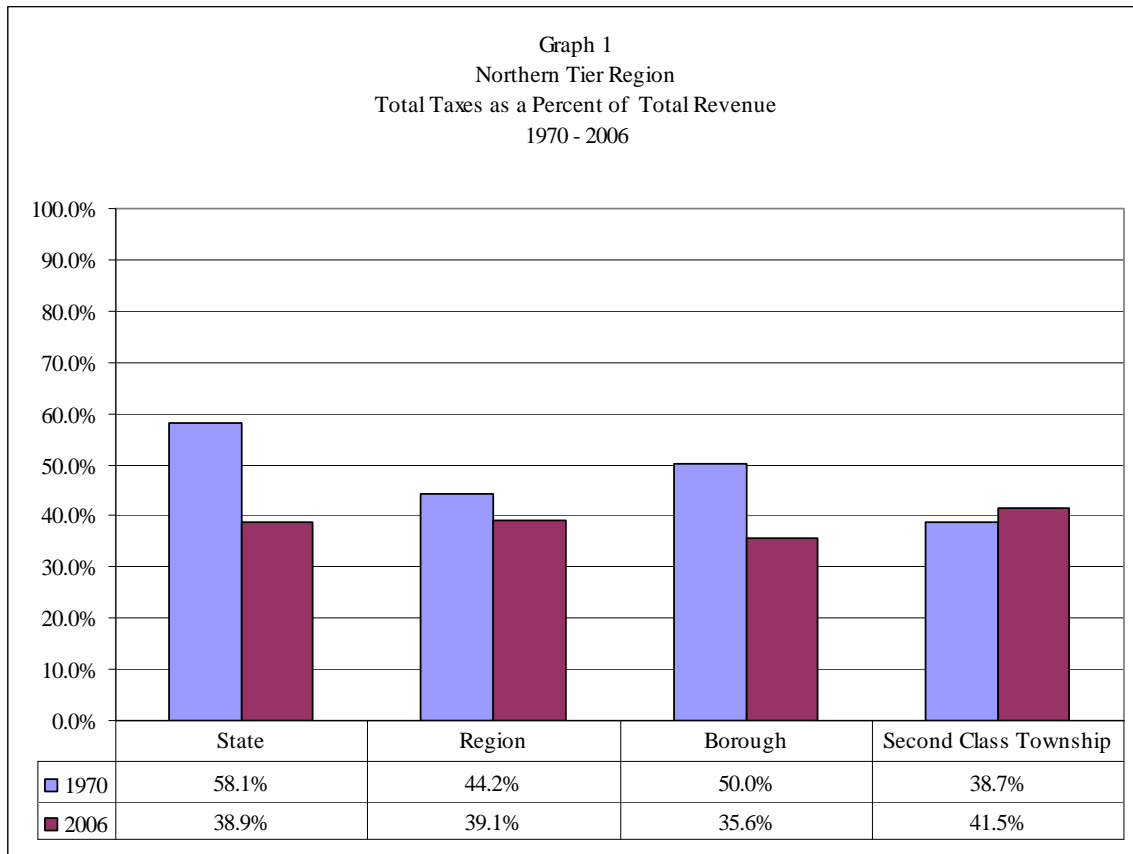
The proportion total taxes as a percentage of total revenues in the Northern Tier region has decreased since 1970 in the boroughs but increased in the townships of the second class. From 1970 to 2006, total municipal revenue collected in constant dollars in townships of the second class increased by 185.0 percent, while total taxes in constant dollars collected increased by 205.9 percent. In 1970, total revenues for the reporting townships in this region were \$17.4 million; total taxes collected by these same municipalities represented 38.7 percent of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$49.5 million, and total taxes collected represented 41.5 percent of total revenues. The boroughs increased their revenues from \$16.5 million to \$32.9 million in the same period but the percentage of total taxes as a portion of total revenue decreased from 50.0 percent in 1970 to 35.6 percent in 2006. (See Table 2 and Graph 1.)

Table 2
Northern Tier Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	-	-	-	-
Borough	16,455,520	32,900,123	16,444,603	99.9
1 st Class Township	-	-	-	-
2 nd Class Township	17,371,141	49,506,617	32,135,476	185.0
Total Region	33,826,660	82,406,740	48,580,080	143.6
Total Taxes				
City	-	-	-	-
Borough	8,231,049	11,705,683	3,474,634	42.2
1 st Class Township	-	-	-	-
2 nd Class Township	6,718,338	20,552,549	13,834,211	205.9
Total Region	14,949,386	32,258,232	17,308,846	115.8

1/ Constant dollars.

Graph 1
Northern Tier Region
Total Taxes as a Percent of Total Revenue
1970 - 2006



Tax Revenues Per Capita

Total taxes per capita in 1970 were \$95.30 in this region—by 2006 total taxes per capita had increased by \$83.01 (or by 87.1 percent) to \$178.31. Total taxes per capita in the boroughs rose by \$92.89 (or by 63.8 percent) from \$145.60 to \$238.49. Total taxes per capita in townships of the second class increased by \$88.95 (or 132.8 percent) from \$66.96 in 1970 to \$155.91 in 2006. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Northern Tier Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$ -	\$ -	-	-
Borough	145.60	238.49	92.89	63.8
1 st Class Township	-	-	-	-
2 nd Class Township	66.96	155.91	88.95	132.8
Total Region	95.30	178.31	83.01	87.1

1/ Constant dollars.

Earned income taxes per capita in the Northern Tier region increased from \$51.37 per capita in 1970 to \$66.64 per capita in 2006 or by \$15.27 or 29.7 percent. The boroughs per capita rate grew by \$4.13 or 5.5 percent during this period while townships of the second class increased by \$26.57 or 74.3 percent. In both boroughs and townships of the second class more than twice as many municipalities are levying the tax in 2006 than in 1970. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Northern Tier Region
Earned Income Taxes per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	–	\$ –	–	\$ –	–	–
Borough	16	74.63	35	78.76	4.13	5.5
1 st Class Township	–	–	–	–	–	–
2 nd Class Township	45	35.77	104	62.34	26.57	74.3
Total Region	61	51.37	139	66.64	15.27	29.7

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities spent the 2006 equivalent of \$36.5 million in local government expenses. In 2006, these municipalities expended more than twice the 1970 adjusted number or \$81.1 million to provide local services.

Total expenditures in boroughs grew by \$15.9 million or 91.5 percent from 1970 to 2006 while townships of the second class increased by \$28.7 million or 150.5 percent during this same period. (See Table 5.)

Table 5
Northern Tier Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	–	–	–	–
Borough	17,370,194	33,257,509	15,887,315	91.5
1 st Class Township	–	–	–	–
2 nd Class Township	<u>19,099,600</u>	<u>47,835,917</u>	<u>28,736,317</u>	150.5
Total Region	36,469,794	81,093,426	44,623,632	122.4

^{1/} Constant dollars.

Expenditures per capita for the Northern Tier region totaled \$448.26 in 2006 up from \$232.48 in 1970—an increase of \$215.77 or 92.8 percent. The boroughs in this area recorded an increase of \$370.31 or 120.5 percent while townships of the second class grew by \$172.52 or 90.6 percent. (See Table 6.)

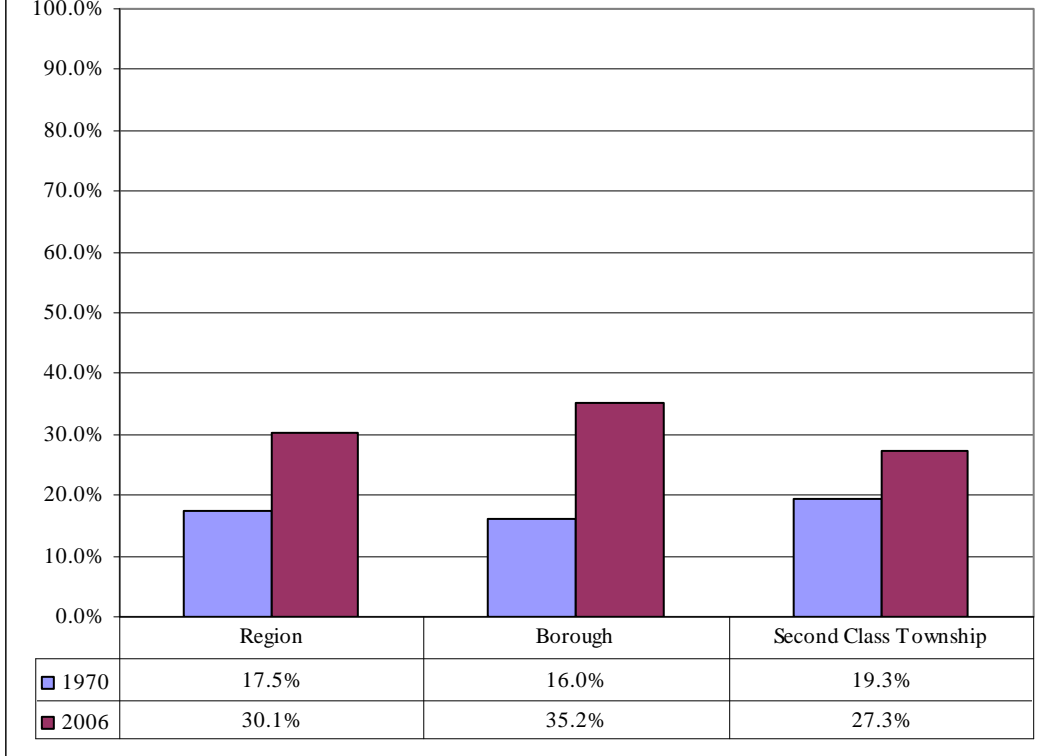
Table 6
Northern Tier Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

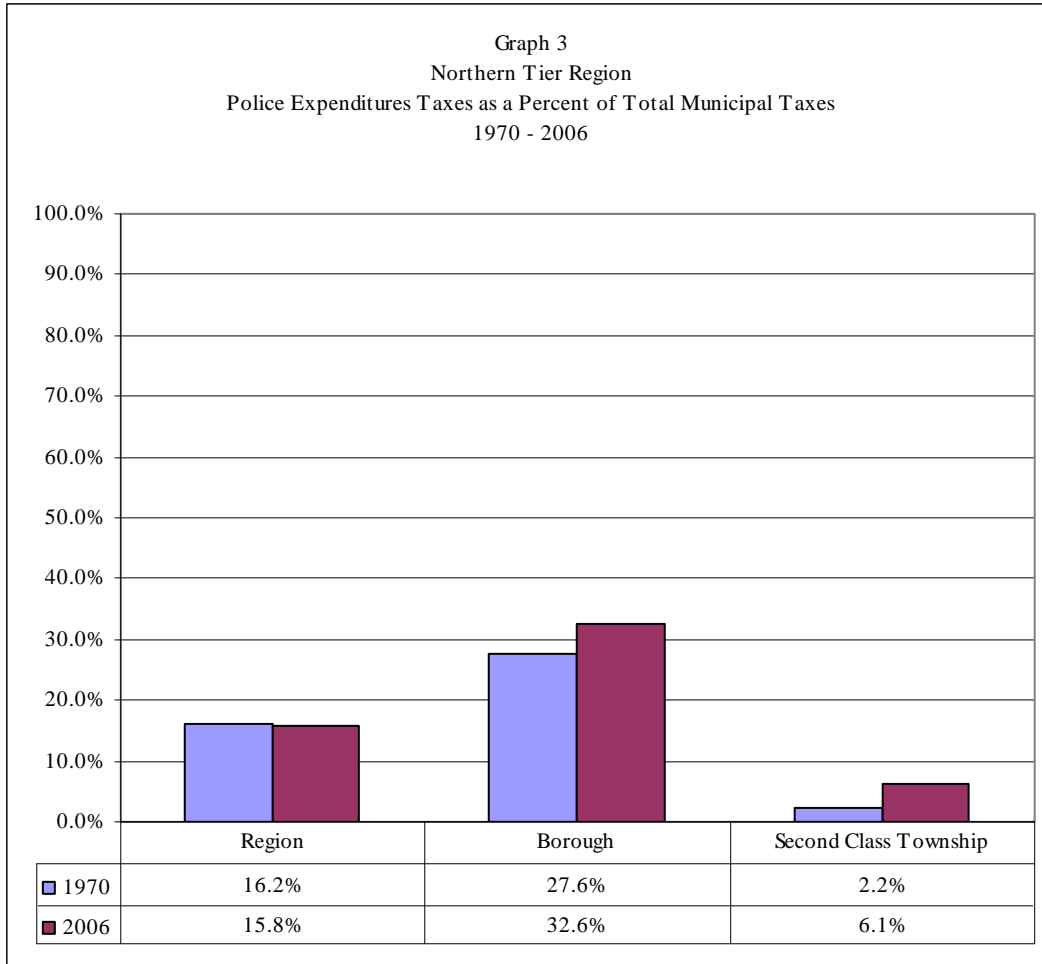
	1970	2006	Change 1970 to 2006	
			\$	%
City	\$ -	\$ -	-	-
Borough	307.26	677.58	370.31	120.5
1 st Class Township	-	-	-	-
2 nd Class Township	190.35	362.87	172.52	90.6
Total Region	232.48	448.26	215.77	92.8

1/ Constant dollars.

General Administrative Expenditures as a percentage of municipal tax revenue has more than doubled in the boroughs from 16.0 percent in 1970 to 35.2 percent in 2006. In the townships of the second class, the increase is not as severe rising from 19.3 percent in 1970 to 27.3 percent in 2006. Unlike other regions, police expenditures in this region do not make up a great portion of the municipal taxes. In 1970, 14 of the 45 reporting boroughs showed police expenses of \$50,000 or more in adjusted dollars, in 2006 this number grew slightly to 17. No townships of the second class reported police expense of greater than \$50,000 in 1970 adjusted dollars and only five of the 120 reported police expense greater than \$50,000 in 2006. (See Graphs 2 and 3.)

Graph 2
 Northern Tier Region
 General Administrative Expenditures Taxes as a Percent of Total Municipal Taxes
 1970 - 2006





Northwest Region

The Northwest region includes 236 municipalities in seven counties. This region has grown from 616,919 in 1970 to 636,295 in 2006—an increase of 19,376 or 3.1 percent. The only municipal classification to experience growth during this period was townships of the second class rising from 261,105 in 1970 to 338,763 in 2006—an increase of 77,658 or 29.7 percent. Boroughs, first class townships and cities have all shown a decrease in population during this period. Erie is the largest city in the region and accounts for more than half the population loss, decreasing from 129,231 in 1970 to 103,717 in 2006 by 25,514 or 19.7 percent. (See Table 1.)

Table 1
Northwest Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	246,326	197,628	-48,698	-19.8
Borough	104,971	95,856	-9,115	-8.7
1 st Class Township	4,517	4,048	-469	-10.4
2 nd Class Township	<u>261,105</u>	<u>338,763</u>	<u>77,658</u>	29.7
Total Region	616,919	636,295	19,376	3.1

1/ Constant dollars.

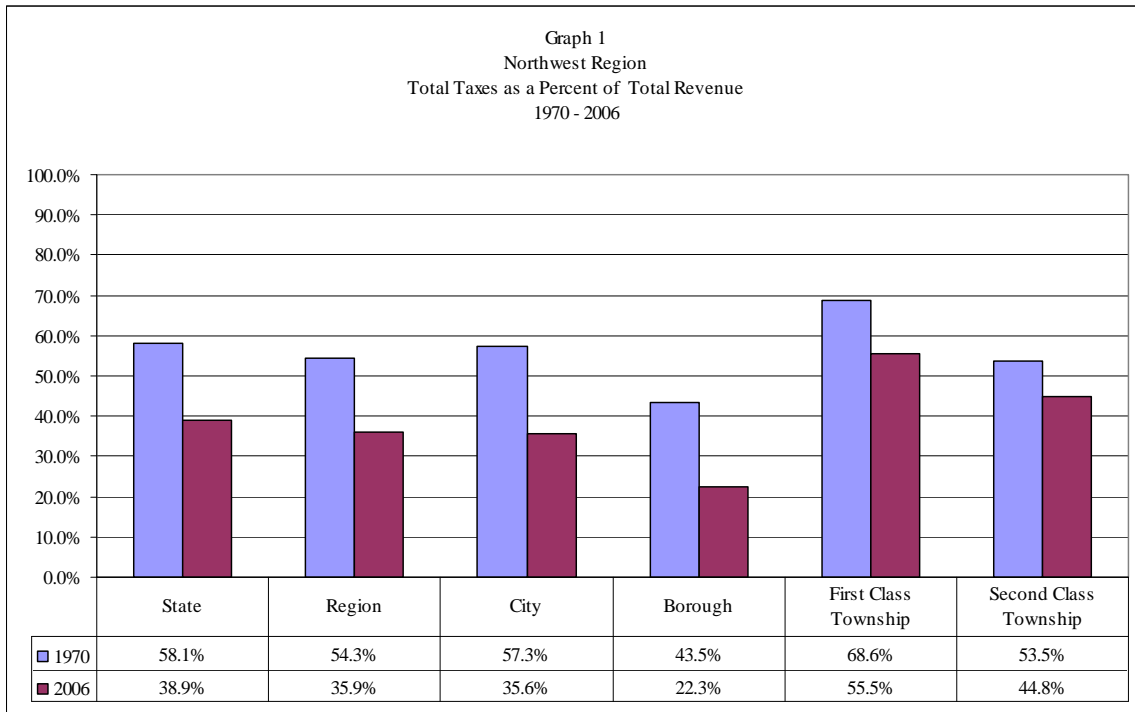
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the Northwest region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 78.5 percent, while total taxes in constant dollars collected grew by 17.9 percent. In 1970, total revenues for the reporting municipalities in this region were \$237.1 million; and total taxes collected by these same municipalities represented 54.3 percent of total revenue. In 2006, total revenues for the same reporting municipalities were \$423.2 million, and total taxes collected represented 35.9 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Northwest Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	142,404,439	216,233,233	73,828,794	51.8
Borough	38,285,993	81,837,422	43,551,429	113.8
1 st Class Township	2,118,308	3,913,495	1,795,187	84.7
2 nd Class Township	<u>54,313,662</u>	<u>121,187,374</u>	<u>66,873,712</u>	123.1
Total Region	237,122,402	423,171,524	186,049,122	78.5
Total Taxes				
City	81,557,460	77,080,164	-4,477,296	-5.5
Borough	16,672,448	18,236,766	1,564,318	9.4
1 st Class Township	1,452,807	2,171,754	718,947	49.5
2 nd Class Township	<u>29,070,194</u>	<u>54,296,653</u>	<u>25,226,459</u>	86.8
Total Region	128,752,910	151,785,337	23,032,427	17.9

^{1/} Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Northwest region increased by \$29.84 or 14.3 percent from \$208.70 in 1970 to \$238.55 in 2006. The largest increase (\$214.87 or 66.8 percent) was in the first class townships where per capita taxes increased from \$321.63 in 1970 to \$536.50 in 2006. In 1970 cities had the highest per capita rate of \$331.10 followed by first class townships at \$321.63. By 2006 first class townships ranked first with a per capita of \$536.50 followed by the region’s cities with a rate of \$390.03. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Northwest Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	331.10	390.03	58.93	17.8
Borough	158.83	190.25	31.42	19.8
1 st Class Township	321.63	536.50	214.87	66.8
2 nd Class Township	111.34	160.28	48.94	44.0
Total Region	208.70	238.55	29.84	14.3

1/ Constant dollars.

Earned income taxes per capita in the Northwest region increased from \$61.43 (constant dollars) in 1970 to \$87.84 in 2006 or by \$26.41 or 43.0 percent. The largest increase (\$225.75 or 185.7 percent) occurred in first class townships. The smallest increase (\$19.36 or 33.2 percent) was experienced in the region’s boroughs. (See Table 4.)

Table 4
Northwest Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	9	74.65	10	\$99.86	\$25.21	33.8
Borough	54	58.29	69	77.65	19.36	33.2
1 st Class Township	1	121.56	1	347.31	225.75	185.7
2 nd Class Township	119	48.33	153	80.58	32.25	66.7
Total Region	183	61.43	233	87.84	26.41	43.0

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities in this region spent the 2006 equivalent of \$256.2 million in local government expenses. In 2006, these municipalities spent \$407.7 million to provide these services an increase of \$151.4 million or 59.1 percent.

City spending increased by 27.7 percent; boroughs, by 106.7 percent; first class townships, by 17.8 percent and townships of the second class increased by 124.0 percent from 1970 to 2006. (See Table 5.)

Table 5
Northwest Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$163,272,034	\$208,494,517	45,222,483	27.7
Borough	38,169,295	78,894,686	40,725,391	106.7
1 st Class Township	2,259,364	2,662,641	403,277	17.8
2 nd Class Township	<u>52,507,790</u>	<u>117,605,047</u>	<u>65,097,257</u>	124.0
Total Region	\$256,208,482	\$407,656,891	151,448,409	59.1

^{1/} Constant dollars.

Expenditures per capita in the northwest region totaled \$415.30 in 1970 by 2006, it had risen to \$640.67—an increase of \$225.37 or 54.3 percent. Cities in this region had the largest

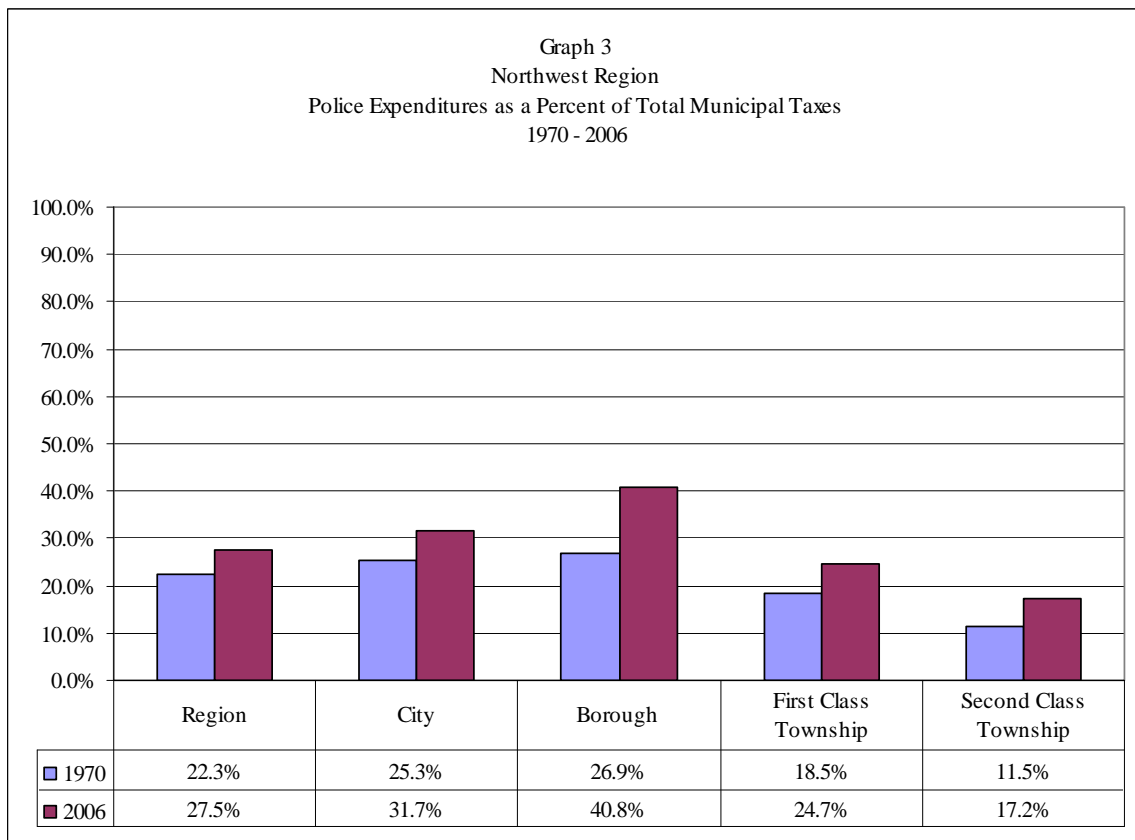
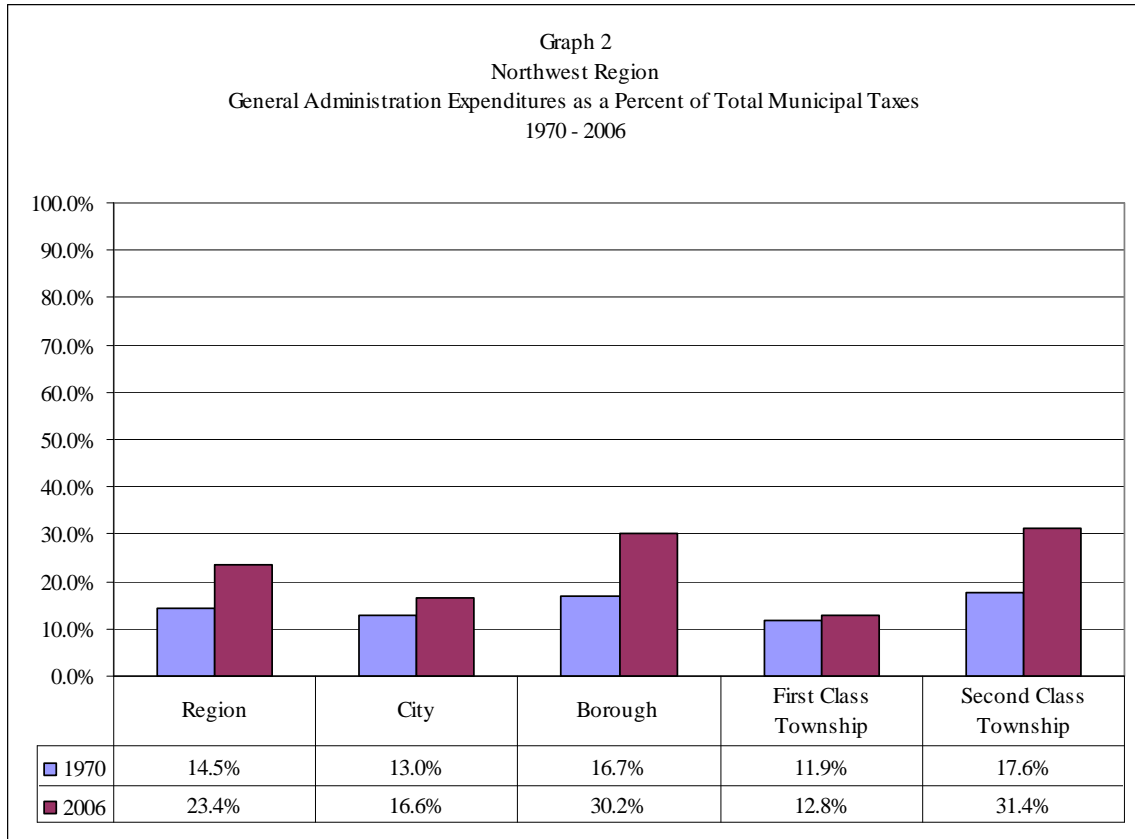
expenditures per capita of \$1,054.98 in 2006; the smallest (\$347.16) was in the townships of the second class. (See Table 6.)

Table 6
Northwest Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$662.83	\$1,054.98	392.16	59.2
Borough	363.62	823.05	459.44	126.4
1 st Class Township	500.19	657.77	157.58	31.5
2 nd Class Township	201.10	347.16	146.06	72.6
Total Region	415.30	640.67	225.37	54.3

1/ Constant dollars.

General Administrative expenditures as a percentage of municipal tax revenue has increased slightly in this region from 14.5 percent in 1970 to 23.4 percent in 2006. Unlike other regions, police expenditures in this region do not make up a great portion of the municipal taxes. In 1970, 40 of the 236 reporting boroughs showed police expenses of \$50,000 or more in adjusted dollars in 2006 this number grew slightly to 49.



Southcentral Region

The Southcentral region is comprised of 251 municipalities. Harrisburg, the state capital, is one of three cities in the region along with York and Lebanon. There are also 94 boroughs, 12 first class townships and 94 townships of the second class. The region has grown throughout the period, increasing in population from 933,795 in 1970 to 1,225,430 in 2006 or by 291,643 or 31.2 percent. The cities and boroughs both lost population during this period while first and second class townships grew. (See Table 1.)

Table 1
Southcentral Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	146,968	114,273	-32,695	-22.2
Borough	250,682	246,741	-3,941	-1.6
1 st Class Township	123,744	183,376	59,632	48.2
2 nd Class Township	<u>412,401</u>	<u>681,048</u>	<u>268,647</u>	65.1
Total Region	933,795	1,225,438	291,643	31.2

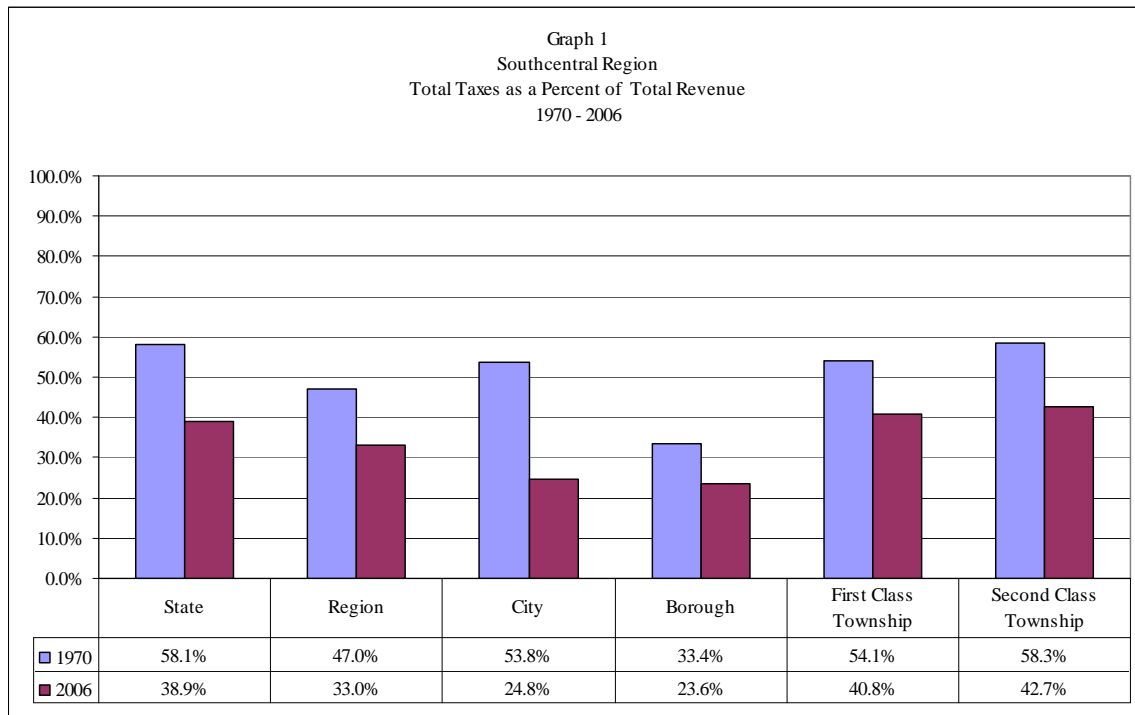
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenue in the Southcentral region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 192.7 percent, while total taxes in constant dollars collected increased by 105.6 percent. In 1970, total revenues for the reporting municipalities in this region were \$332.3 million; total taxes collected by these same municipalities represented 47.0 percent of total revenue. In 2006, total revenues for the same reporting municipalities totaled \$972.8 million, and total taxes collected represented 33.0 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Southcentral Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	101,641,374	196,915,418	95,274,044	93.7
Borough	126,411,906	294,396,724	167,984,818	132.9
1 st Class Township	34,747,778	148,437,499	113,689,721	327.2
2 nd Class Township	<u>69,494,168</u>	<u>333,040,512</u>	<u>263,546,344</u>	379.2
Total Commonwealth	332,295,226	972,790,153	640,494,927	192.7
Total Taxes				
City	54,634,632	48,841,867	-5,792,765	-10.6
Borough	42,176,103	69,416,164	27,240,061	64.6
1 st Class Township	18,803,710	60,501,096	41,697,386	221.8
2 nd Class Township	<u>40,510,813</u>	<u>142,299,154</u>	<u>101,788,341</u>	251.3
Total Commonwealth	156,125,258	321,058,281	164,933,023	105.6

^{1/} Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Southcentral region increased by \$94.80 or 56.7 percent from \$167.19 in 1970 to \$261.99 in 2006. The largest increase (\$177.97 or 117.1 percent) was in the first class townships, the smallest (\$55.67 or 15.0 percent) was in the cities. In 1970, the cities in this region had the highest per capita tax rate (\$371.75) followed by the boroughs (\$168.25); by 2006, the cities remained the highest (\$427.41) but the first class township ranked second (\$329.93) followed by the boroughs (\$281.33). (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Southcentral Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$371.75	\$427.41	\$ 55.67	15.0
Borough	168.25	281.33	113.09	67.2
1 st Class Township	151.96	329.93	177.97	117.1
2 nd Class Township	98.23	208.94	110.71	112.7
Total Region	167.19	261.99	94.80	56.7

1/ Constant dollars.

Earned income taxes per capita in the Southcentral region increased from \$71.63 in 1970 (constant dollars) to \$103.71 in 2006 or by \$32.08 or 44.8 percent. The largest absolute increase (\$39.67) was recorded in the region’s first class townships; the largest proportionate increase (55.4 percent) was experienced in the region’s townships of the second class. An additional 17 boroughs and 40 townships of the second class levied the earned income tax during this period. (See Table 4.).

Table 4
 Southcentral Region
Earned Income Taxes Per Capita in Constant Dollars
 1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	3	\$64.88	3	\$77.34	12.45	19.2
Borough	77	72.06	94	89.59	17.54	24.3
1 st Class Township	12	84.33	12	124.00	39.67	47.0
2 nd Class Township	<u>102</u>	69.34	<u>142</u>	107.78	38.44	55.4
Total Region	194	71.63	251	103.71	32.08	44.8

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities in this region spent the 2006 equivalent of \$326.0 million in local government expenses. In 2006, these municipalities expended more than three times the 1970 adjusted number or \$900.3 million to provide local services.

City spending increased by 90.4 percent from 1970 to 2006; boroughs, by 118.0 percent; first class townships, by 258.3 percent and townships of the second class by 356.3 percent during this period. (See Table 5.)

Table 5
 Southcentral Region
Total Expenditures in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$94,146,676	\$179,227,993	85,081,317	90.4
Borough	126,214,462	275,102,337	148,887,875	118.0
1 st Class Township	36,732,524	131,613,754	94,881,230	258.3
2 nd Class Township	<u>68,884,296</u>	<u>314,345,689</u>	<u>245,461,393</u>	356.3
Total Region	\$325,977,959	\$900,289,773	574,311,814	176.2

^{1/} Constant dollars.

Expenditures per capita for the Southcentral region totaled \$734.67 in 2006, up from \$349.09 in 1970—an increase of \$385.58 or 110.5 percent. Cities in this region ranked first in

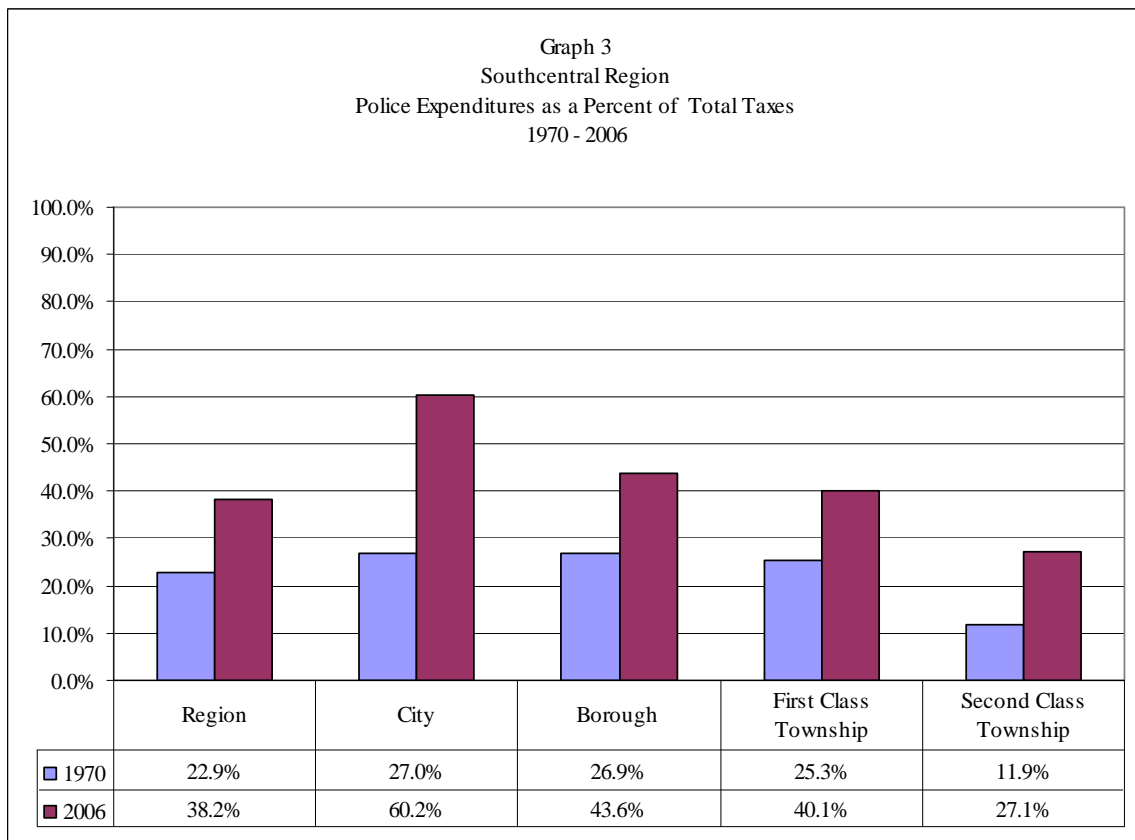
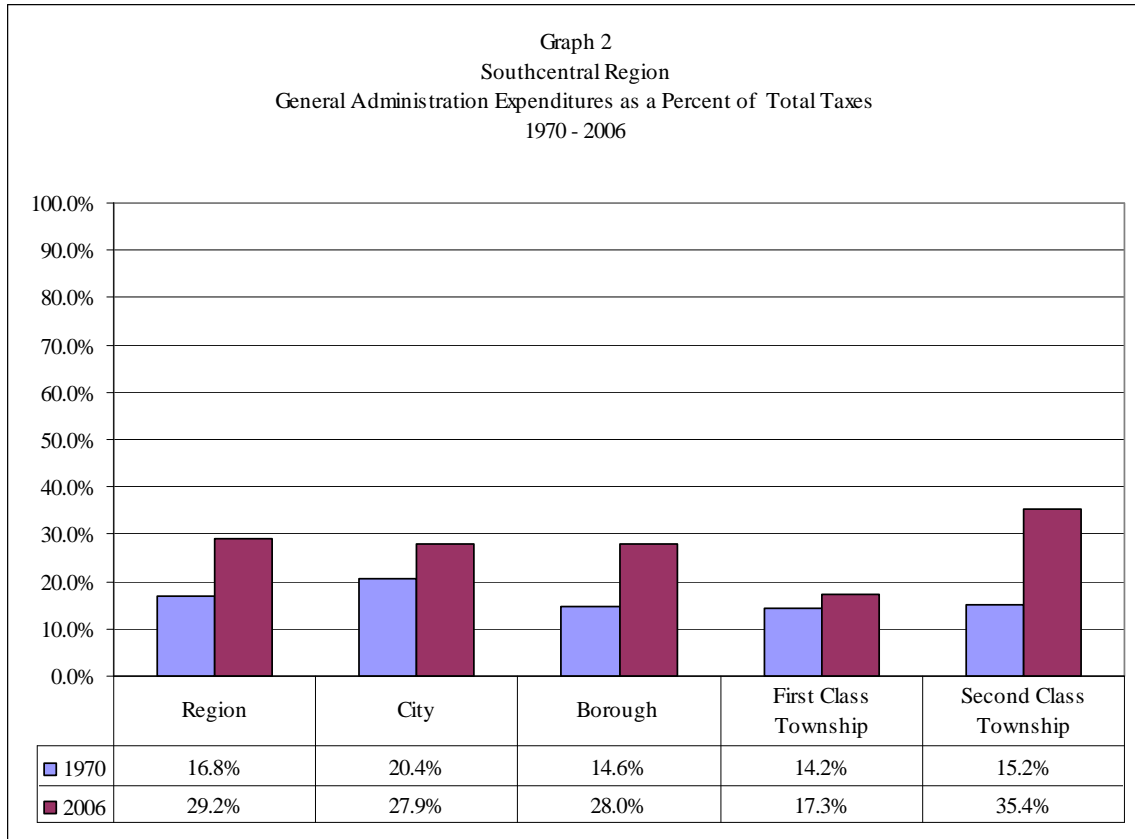
2006 with a per capita expenditure of \$1,568.42; the boroughs in this region ranked second with a per capita expenditure of \$1,114.92. (See Table 6.)

Table 6
Southcentral Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$ 640.59	\$ 1,568.42	927.83	144.8
Borough	503.48	1,114.94	611.46	121.4
1 st Class Township	296.84	717.73	420.88	141.8
2 nd Class Township	167.03	461.56	294.53	176.3
Total Region	349.09	734.67	385.58	110.5

1/ Constant dollars.

General Administration and police expenditures have all increased throughout the period as a percentage of taxes. Cities have been hit especially hard and can barely cover these types of expenditures through taxes alone. In 2006 they have spent 90.1 percent of taxes on these expenditures. (See Graphs 2 and 3.)



Southeast Region

The Southeast region is comprised of 234 municipalities in the counties of Bucks, Chester, Delaware and Montgomery. There are two cities, Chester and Coatesville, 88 boroughs, 26 first class townships and 118 townships of the second class. The region has increased in population from 1,825,990 in 1970 to 2,236,299 in 2006 or by 410,309 or 22.5 percent. The only municipal classification to experience growth was in townships of the second class rising from 644,419 to 1,116,447—an increase of 472,028 or 73.2 percent. (See Table 1.)

Table 1
Southeast Region
Population
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			#	%
City	68,662	47,692	-20,970	-30.5
Borough	463,899	437,799	-26,100	-5.6
1 st Class Township	649,010	634,361	-14,649	-2.3
2 nd Class Township	<u>644,419</u>	<u>1,116,447</u>	<u>472,028</u>	73.2
Total Region	1,825,990	2,236,299	410,309	22.5

^{1/} Constant dollars.

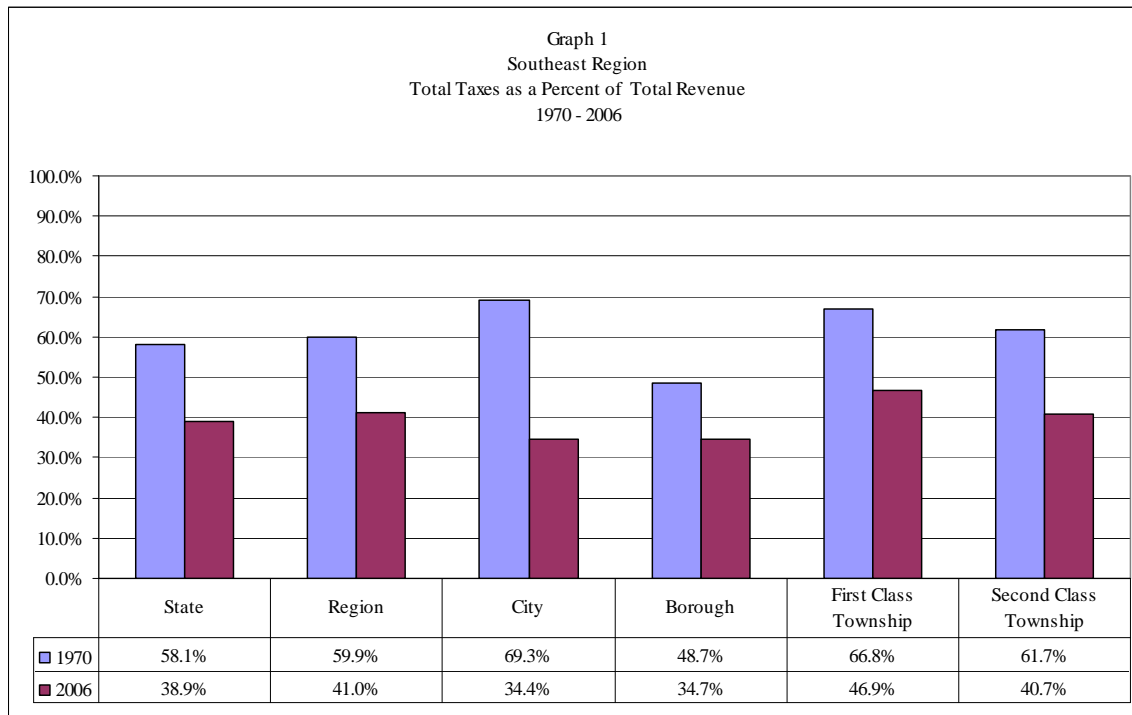
Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the Southeast region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 262.0 percent, while total taxes in constant dollars collected increased by 147.9 percent. In 1970, total revenues for the reporting municipalities in this region were \$590.7 million; total taxes collected by these same municipalities increased by \$523.6 million. In 2006, total revenues for the same reporting municipalities were \$2.1 billion, and total taxes collected represented 41.0 percent of total revenues. (See Table 2 and Graph 1.)

Table 2
Southeast Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	\$ 34,979,360	\$ 66,022,591	31,043,231	88.7
Borough	191,050,891	440,986,514	249,935,623	130.8
1 st Class Township	233,285,515	608,746,323	375,460,808	160.9
2 nd Class Township	<u>131,358,126</u>	<u>1,022,571,914</u>	<u>891,213,788</u>	678.5
Total Commonwealth	\$590,673,892	\$2,138,327,342	1,547,653,450	262.0
Total Taxes				
City	\$ 24,227,388	\$ 22,729,205	-1,498,183	-6.2
Borough	92,999,858	153,040,059	60,040,201	64.6
1 st Class Township	155,752,121	285,244,908	129,492,787	83.1
2 nd Class Township	<u>81,080,007</u>	<u>416,656,477</u>	<u>335,576,470</u>	413.9
Total Commonwealth	\$354,059,373	\$ 877,670,649	523,611,276	147.9

^{1/} Constant dollars.



Tax Revenue per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Southeast region increased by \$198.57 or 102.4 percent. The largest increase (\$247.38 or 196.6 percent) was in townships of the second class. In 1970 and 2006 the cities in this region had the highest per capita rate \$352.85 and \$476.58, respectively. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Southeast Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	352.85	476.58	123.73	35.1
Borough	200.47	349.57	149.09	74.4
1 st Class Township	239.98	449.66	209.67	87.4
2 nd Class Township	125.82	373.20	247.38	196.6
Total Region	193.90	392.47	198.57	102.4

^{1/} Constant dollars.

Earned income taxes per capita in the Southeast region increased from \$96.59 in 1970 to \$179.98 in 2006 or by \$83.39 or 86.3 percent. In 1970 the cities had the highest earned income per capita rate (\$186.48) followed by the boroughs (\$86.80). By 2006 the cities had the second highest rate (\$204.47) and the townships of the second class ranked first (\$204.78). (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Southeast Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	1	\$186.48	2	\$204.47	\$17.99	9.6
Borough	22	86.80	59	156.59	\$69.78	80.4
1 st Class Township	1	13.02	17	135.65	\$122.64	942.2
2 nd Class Township	20	51.52	100	204.78	\$153.26	297.5
Total Region	44	96.59	178	179.98	\$83.39	86.3

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, the municipalities in this region spent the 2006 equivalent of \$618.0 million to provide local government services. In 2006, these municipalities expended more than three times the 1970 adjusted number or \$2.0 billion to provide local services.

City spending increased by 84.5 percent; boroughs, by 117.7 percent; first class townships, by 142.1 percent and townships of the second class by 595.3 percent during this period. (See Table 5.)

Table 5
Southeast Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	39,331,079	72,565,600	33,234,521	84.5
Borough	197,478,086	429,846,448	232,368,362	117.7
1 st Class Township	244,865,395	592,848,321	347,982,926	142.1
2 nd Class Township	<u>136,299,524</u>	<u>947,628,699</u>	<u>811,329,175</u>	595.3
Total Region	617,974,084	2,042,889,068	1,424,914,984	230.6

^{1/} Constant dollars.

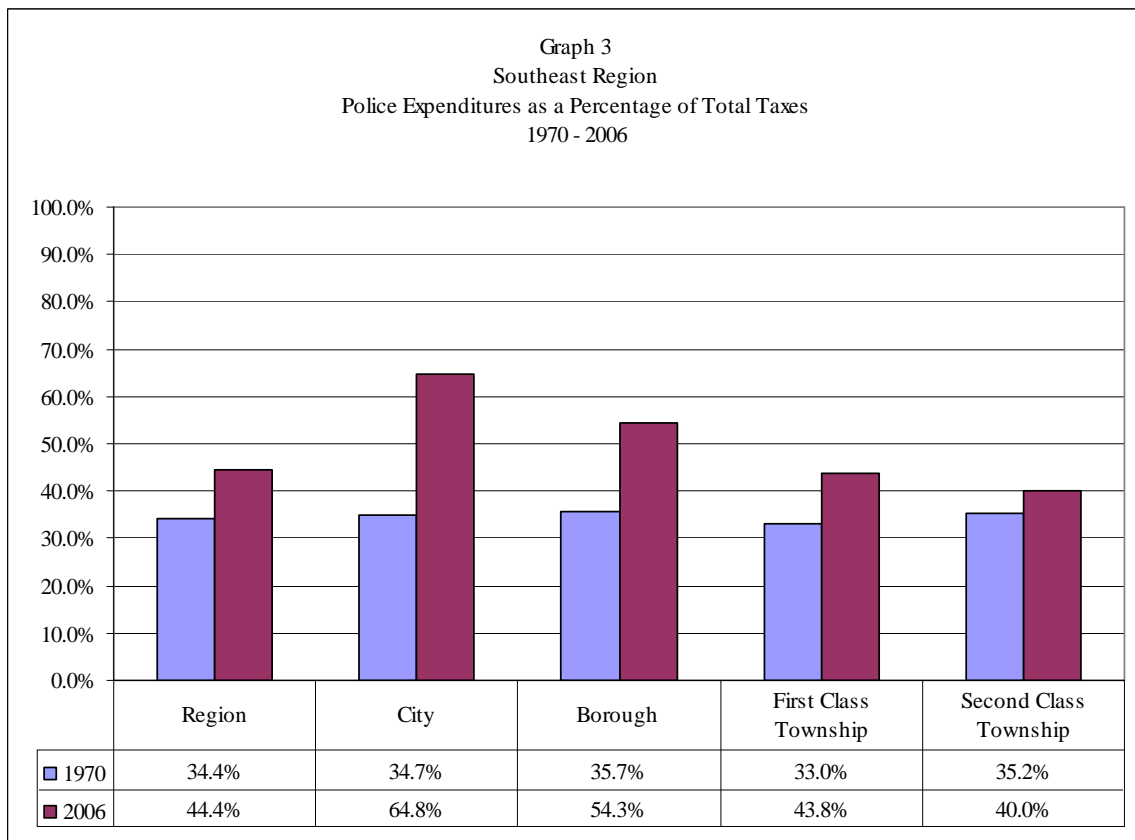
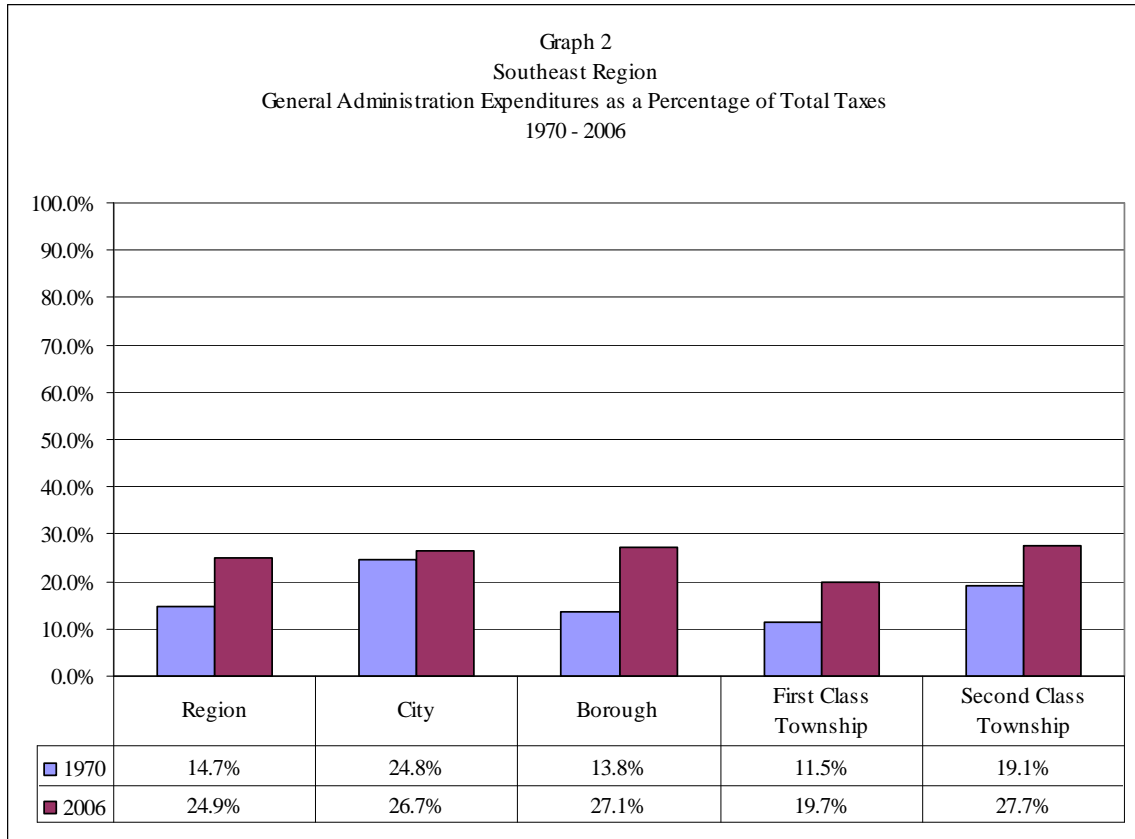
Expenditures per capita (in constant dollars) in this region grew from \$338.43 in 1970 to \$913.51 in 2006 or by \$575.08 or 169.9 percent. Expenditures per capita in the cities ranked the highest in both 1970 (\$572.82) and 2006 (\$1,521.55). (See Table 6.)

Table 6
Southeast Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970	2006	Change 1970 to 2006	
			\$	%
City	\$ 572.82	\$ 1,521.55	948.72	165.6
Borough	425.69	981.84	556.14	130.6
1 st Class Township	377.29	934.56	557.27	147.7
2 nd Class Township	211.51	848.79	637.28	301.3
Total Region	338.43	913.51	575.08	169.9

1/ Constant dollars.

General administration and police expenditures have all increased throughout the period as a percentage of taxes. Cities have been hit especially hard and can barely cover these types of expenditures through taxes alone. In 2006 they have spent 91.5 percent of taxes on these expenditures. Other municipalities reporting \$50,000 or more of police expenditures grew from 141 in 1970 to 180 in 2006. (See Graphs 2 and 3.)



Southern Alleghenies Region

Located in south central Pennsylvania east of Pittsburgh, the Southern Alleghenies region is comprised of 230 municipalities, including the cities of Altoona and Johnston as well as 95 boroughs and 133 townships. The population in this region has decreased from 478,723 in 1970 to 461,550 in 2006 or by 17,173 or 3.6 percent. The only municipal classification that increased during this period was townships of the second class rising from 229,421 in 1970 to 272,352 in 2006 an increase of 42,931 or 18.7 percent. The most significant decrease (32,032 or 17.9 percent) in population during this period was experienced in Cambria County which included a loss of 18,570 in the City of Johnstown. (See Table 1 and 2.)

Table 1
Southern Alleghenies Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	105,376	73,429	-31,947	-30.3
Borough	139,383	112,565	-26,818	-19.2
1 st Class Township	4,543	3,204	-1,339	-29.5
2 nd Class Township	<u>229,421</u>	<u>272,352</u>	<u>42,931</u>	18.7
Total Region	478,723	461,550	-17,173	-3.6

Table 2
Southern Alleghenies Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
Bedford	42,359	49,984	7,625	18.0
Blair	131,813	125,122	-6,691	-5.1
Cambria	179,104	147,072	-32,032	-17.9
Fulton	10,776	14,241	3,465	32.2
Huntingdon	38,634	45,158	6,524	16.9
Somerset	<u>76,037</u>	<u>79,973</u>	<u>3,936</u>	5.2
Region	478,723	461,550	-17,173	-3.6

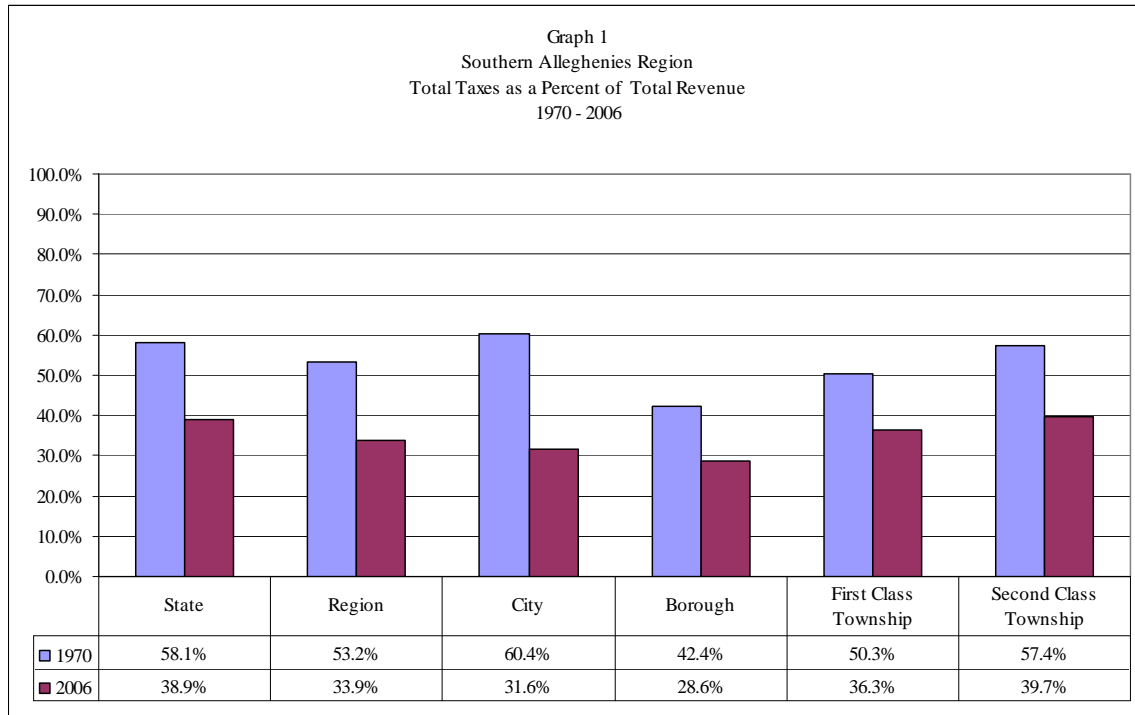
Total Revenues and Total Taxes

The proportion total taxes as a percentage of total revenue in the Southern Alleghenies region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 77.5 percent, while total taxes in constant dollars collected increased by 13.1 percent. In cities and first class townships, total taxes declined by 28.0 and 16.1 percent respectively. In 1970, total revenues for the reporting municipalities in this region were \$133.4 million; total taxes collected by these same municipalities represented 53.2 percent of total revenue. In 2006, total revenues for the same reporting municipalities were \$236.8 million, and total taxes collected represented 33.9 percent of total revenues. (See Table 3 and Graph 1.)

Table 3
Southern Alleghenies Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	\$50,919,440	\$69,980,354	19,060,914	37.4
Borough	46,421,300	72,071,494	25,650,194	55.3
1 st Class Township	1,336,093	1,551,598	215,505	16.1
2 nd Class Township	<u>34,700,780</u>	<u>93,172,617</u>	<u>58,471,837</u>	168.5
Total Commonwealth	\$133,377,613	\$236,776,063	103,398,450	77.5
Total Taxes				
City	\$30,730,601	\$22,134,074	-8,596,527	-28.0
Borough	19,679,811	20,623,317	943,506	4.8
1 st Class Township	671,674	563,628	-108,046	-16.1
2 nd Class Township	<u>19,928,490</u>	<u>36,984,837</u>	<u>17,056,347</u>	85.6
Total Commonwealth	\$71,010,576	\$80,305,856	9,295,280	13.1

^{1/} Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Southern Alleghenies region increased by 17.3 percent from \$148.33 in 1970 to \$173.99 in 2006. The largest increase was in the townships of the second class rising from \$86.86 in 1970 to \$135.80 in 2006 or by \$48.93 or 56.3 percent. The smallest increase (\$9.81 or 3.4 percent) was experienced in the region’s cities. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 4.)

Table 4
 Southern Alleghenies Region
Total Taxes Per Capita in Constant Dollars
 1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$ 291.63	\$ 301.44	9.81	3.4
Borough	141.19	183.21	42.02	29.8
1 st Class Township	147.85	175.91	28.07	19.0
2 nd Class Township	86.86	135.80	48.93	56.3
Total Region	148.33	173.99	25.66	17.3

^{1/} Constant dollars.

Earned income taxes per capita in the Southern Alleghenies region increased from \$51.80 in 1970 (constant dollars) to \$63.71 in 2006 or by \$11.90 or 23.0 percent. The largest increase (\$23.30 or 51.5 percent) was recorded in the townships of the second class. Two of the municipal classifications experienced decreases during this period; the cities decreased by \$11.49 or 20.0 percent and first class townships fell by \$13.10 or 19.7 percent. An additional 23 boroughs and 52 townships of the second class enacted the earned income tax during this period. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 5.)

Table 5
 Southern Alleghenies Region
Earned Income Taxes Per Capita in Constant Dollars
 1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	2	\$57.48	2	\$45.99	-11.49	-20.0
Borough	72	55.55	95	63.97	\$8.42	15.2
1 st Class Township	1	66.57	1	53.47	-13.10	-19.7
2 nd Class Township	<u>79</u>	45.21	<u>131</u>	68.51	23.30	51.5
Total Region	154	51.80	229	63.71	11.90	23.0

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, Southern Alleghenies municipalities spent the 2006 equivalent of \$131.2 million in local government expenses. In 2006, these municipalities expended \$228.3 million to provide local services—an increase of \$97.0 million or 73.9 percent. (See Tables 6 and 7.)

Table 6
Southern Alleghenies Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$48,969,383	\$68,376,517	19,407,134	39.6
Borough	45,958,999	71,483,406	25,524,407	55.5
1 st Class Township	1,125,015	1,605,813	480,798	42.7
2 nd Class Township	<u>35,221,956</u>	<u>86,842,348</u>	<u>51,620,392</u>	146.6
Total Region	\$131,275,352	\$228,308,084	97,032,732	73.9

^{1/} Constant dollars.

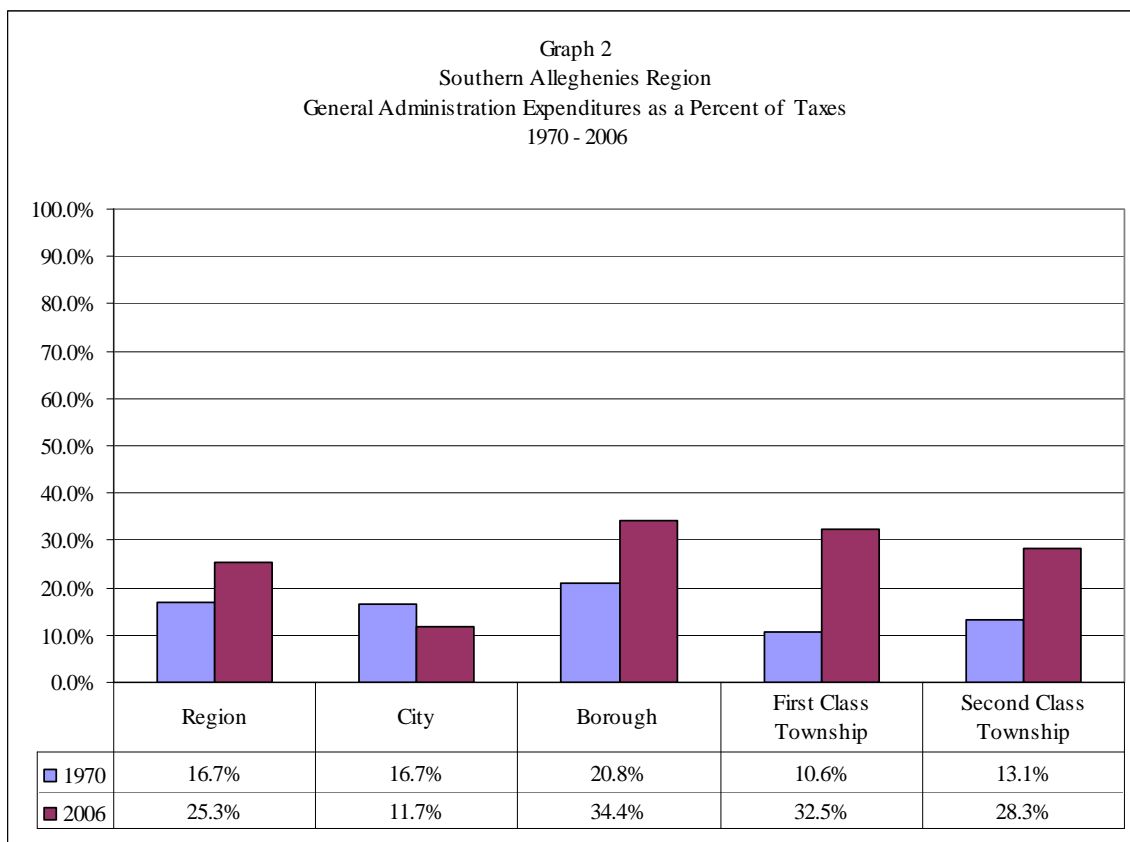
Expenditures per capita for the Southern Alleghenies region totaled \$494.66 in 2006, up from \$274.22 in 1970—an increase of \$220.44 or 80.4 percent. Cities in this region had the largest expenditures per capita of \$931.19 in 2006; the smallest was in townships of the second class \$318.86. (See Table 6.)

Table 7
Southern Alleghenies Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

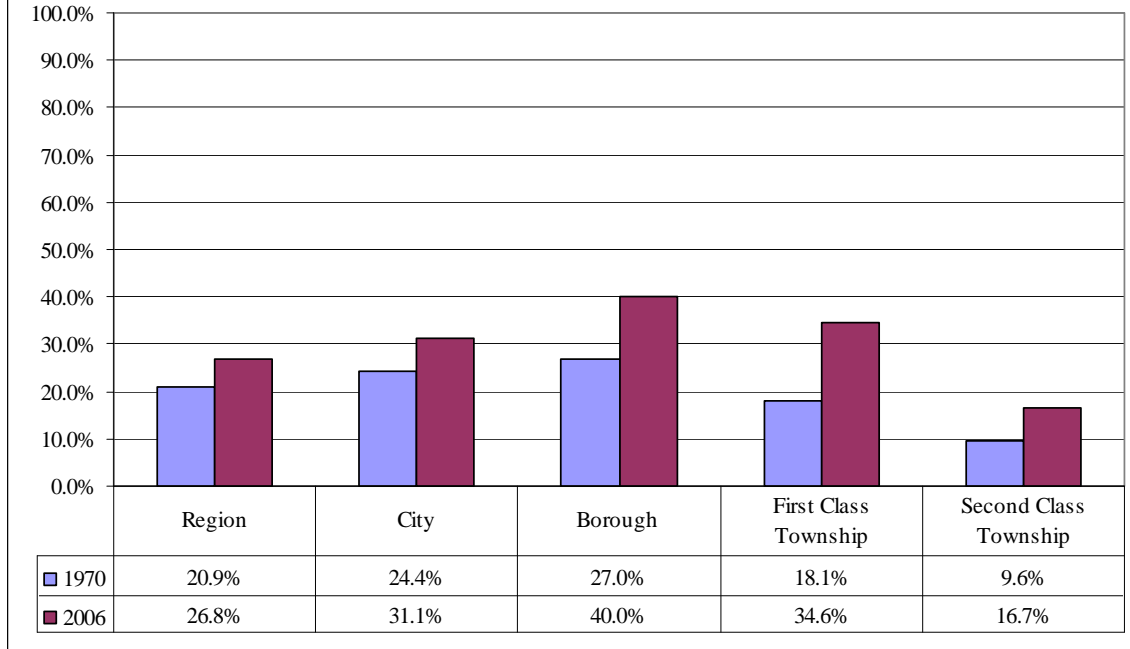
	1970	2006	Change 1970 to 2006	
			\$	%
City	\$ 464.71	\$ 931.19	466.48	100.4
Borough	329.73	635.04	305.31	92.6
1 st Class Township	247.64	501.19	253.55	102.4
2 nd Class Township	153.53	318.86	165.34	107.7
Total Region	274.22	494.66	220.44	80.4

^{1/} Constant dollars.

General administrative expenditures as a percentage of municipal tax revenue has increased slightly in this region from 16.7 percent in 1970 to 25.3 percent in 2006. Like other more rural regions, police expenditures in this region do not make up a great portion of the municipal taxes. In 1970, 37 of the 230 reporting boroughs showed police expense of \$50,000 or more in adjusted dollars in 2006 this number grew slightly to 53. Police expenditures in this region represented 20.9 percent of taxes; in 2006 they represented 26.8 percent. (See Graphs 2 and 3.)



Graph 3
 Southern Alleghenies Region
 Police Expenditures as a Percent of Taxes
 1970 - 2006



Southwest Region

The Southwest region is comprised of 536 municipalities in ten counties. This region has decreased in population from 2,439,647 in 1970 to 2,321,048 in 2006 or by 118,599 or 4.9 percent. The only municipal classification to experience any growth were the townships of the second class which increased by 155,012 or 20.9 percent. The cities, boroughs, and first class townships all recorded decreases in population during this period. (See Table 1.)

Table 1
Southwest Region
Population
1970 to 2006

	1970	2006	Change 1970 to 2006	
			#	%
City	302,483	213,531	-88,952	-29.4
Borough	939,542	785,419	-154,123	-16.4
1 st Class Township	454,968	424,432	-30,536	-6.7
2 nd Class Township	<u>742,654</u>	<u>897,666</u>	<u>155,012</u>	20.9
Total Region	2,439,647	2,321,048	-118,599	-4.9

Total Revenues and Total Taxes

The proportion of total taxes as a percentage of total revenues in the Southwest region has decreased since 1970. From 1970 to 2006, total municipal revenue collected in constant dollars increased by 101.3 percent, while total taxes in constant dollars collected increased by 38.6 percent. In 1970, total revenues for the reporting municipalities in this region were \$718.2 million; total taxes collected by these same municipalities represented 67.5 percent of total revenue. In 2006, the revenue for the same reporting municipalities totaled \$1.4 billion, and total taxes collected represented 46.5 percent of total revenues. Cities actually lost taxes in adjusted dollars decreasing from \$89.8 million in 1970 to \$62.6 million in 2006 or by 27.2 million or 30.3 percent. (See Table 2 and Graph 1.)

Table 2
Southwest Region
Total Revenue and Total Taxes in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
Total Revenue				
City	\$137,786,236	\$170,410,667	32,624,431	23.7
Borough	323,412,622	559,273,783	235,861,161	72.9
1 st Class Township	134,156,474	306,166,806	172,010,332	128.2
2 nd Class Township	<u>122,814,188</u>	<u>409,638,614</u>	<u>286,824,426</u>	233.5
Total Region	\$718,169,520	\$1,445,489,870	727,320,350	101.3
Total Taxes				
City	\$89,804,463	62,557,650	-27,246,813	-30.3
Borough	214,942,411	250,611,660	35,669,249	16.6
1 st Class Township	99,419,892	162,362,738	62,942,846	63.3
2 nd Class Township	<u>80,285,208</u>	<u>195,977,775</u>	<u>115,692,567</u>	144.1
Total Region	\$484,451,973	\$671,509,823	187,057,850	38.6

^{1/} Constant dollars.



Tax Revenue Per Capita

While the percentage of taxes to total revenue decreased throughout the period the taxes on the individual increased. On a per capita basis, total taxes in the Southwest region increased by \$90.74 or 45.7 percent. The largest absolute increase (\$164.02) in was in the first class townships; the largest proportionate increase (101.9 percent) occurred in townships of the second class. Cities in this region showed a slight decrease in taxes per capita falling from \$296.89 in 1970 to \$292.97 in 2006 or by \$3.92 or 1.3 percent. (Any comparison of tax revenue per capita must also consider the value of commercial and industrial assessed properties that produces real estate taxes without necessarily having residents occupying the property. The affect of commercial and industrial assessments can influence comparisons of actual individual tax burdens between municipal classes.) (See Table 3.)

Table 3
Southwest Region
Total Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	\$296.89	\$ 292.97	-3.92	-1.3
Borough	228.77	319.08	90.31	39.5
1 st Class Township	218.52	382.54	164.02	75.1
2 nd Class Township	108.11	218.32	110.21	101.9
Total Region	198.57	289.31	90.74	45.7

^{1/} Constant dollars.

Earned income taxes per capita in the Southwest region increased from \$62.31 in 1970 to \$99.07 in 2006 or by \$36.76 or 59.0 percent. In both 1970 and 2006 the highest earned income tax per capita was found in the region’s first class townships \$74.46 and \$136.14, respectively. One hundred more municipalities enacted an earned income tax during this period. (Unlike real estate taxes, earned income taxes per capita can be compared across municipal classifications.) (See Table 4.)

Table 4
Southwest Region
Earned Income Taxes Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}		2006		Change 1970 to 2006	
	#	Per Capita	#	Per Capita	\$	%
City	17	\$54.63	18	\$72.20	\$17.58	32.2
Borough	217	66.32	257	88.92	22.59	34.1
1 st Class Township	35	74.46	36	136.14	61.68	82.8
2 nd Class Township	<u>165</u>	51.98	<u>224</u>	96.79	44.81	86.2
Total Region	434	62.31	535	99.07	36.76	59.0

^{1/} Constant dollars.

Total Expenditures – 1970 and 2006

In 1970, these municipalities spent the 2006 equivalent of \$749.5 million to provide local government services. In 2006, these municipalities increased spending by 87.3 percent to \$1.4 billion.

City spending increased by 19.4 percent from 1970 to 2006; boroughs, by 63.7 percent; first class townships, by 110.7 percent and townships of the second class by 200.3 percent during this period. (See Table 5.)

Table 5
Southwest Region
Total Expenditures in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	141,902,904	169,374,593	27,471,689	19.4
Borough	336,037,816	550,110,446	214,072,630	63.7
1 st Class Township	146,218,415	308,024,507	161,806,092	110.7
2 nd Class Township	<u>125,370,284</u>	<u>376,435,859</u>	<u>251,065,575</u>	200.3
Total Region	749,529,420	1,403,945,405	654,415,985	87.3

^{1/} Constant dollars.

Expenditures per capita in the Southwest region totaled \$604.88 in 2006, up from \$307.23 in 1970—an increase of \$297.65 or 96.9 percent. Cities in this region had the largest expenditures per capita of \$793.21 in 2006; the smallest \$419.35 was in the townships of the second class.

Table 6
Southwest Region
Expenditures Per Capita in Constant Dollars
1970 to 2006

	1970 ^{1/}	2006	Change 1970 to 2006	
			\$	%
City	469.13	793.21	324.08	69.1
Borough	357.66	700.40	342.74	95.8
1 st Class Township	321.38	725.73	404.35	125.8
2 nd Class Township	168.81	419.35	250.54	148.4
Total Region	307.23	604.88	297.65	96.9

^{1/} Constant dollars.

General administrative expenditures as a percentage of municipal tax revenue has increased slightly in the region from 13.5 percent in 1970 to 21.1 percent in 2006. Police expenditures in this region represented 25.6 percent of taxes in 1970; by 2006 this figure had increased to 34.0 percent.

