

THE STATE-LOCAL PARTNERSHIP IN RURAL HIGHWAY MANAGEMENT

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SYNOPSIS

The main argument of this paper is that closer beneficial working relationships between State and local agencies responsible for the management of rural highway affairs, already rooted and taken as a matter of course in a few of the States, should and will be extended rapidly in the new period of highway development following the war.

The relationships it proposes will be of three kinds: supervisory, advisory and cooperative. They will be both mandatory and voluntary in character. The most enduring benefits will probably appear in the sphere of advice or consultation, with the State making the services of its specialists available to local units on a cost basis to be determined by the legislature.

The paper indicates three essentials for the establishment of a successful working relationship between a State highway agency and local highway units:

1. Adequate units of local highway administration must exist.
2. An adequate advisory and supervisory staff, along with effective procedures, must be developed within the state highway department.
3. The likelihood for an enduring relationship is largely dependent on the outlook for general agreement between State and local officials on fundamental questions of highway tax policy.

The relationships sought involve no encroachment on essential local authority; on the contrary, they contemplate the formation of effective units of local highway administration where they are lacking, and the strengthening of existing units. The field of intergovernmental relations, the paper concludes, largely unexplored, offers a vast and challenging new territory for highway research.

American rural highway history of modern times can be conveniently divided into two great periods. The first, starting with the earliest years of the "Good Roads" movement, was characterized in its beginnings by separate and independent community efforts, which were strengthened by grants of state aid, and channeled into the formation of a backbone of main intercounty and intercity routes through the gradual creation of state highway organizations and designation of state highway systems.

The second great division, dating from the establishment of a workable Federal-State relationship seeking more rapid improvement of the principal rural highways, is marked by the emergence of strong State highway departments, and by unprecedented expansion of the network of surfaced primary routes. This period is identified likewise with the initial levying of motor-fuel taxes and their subsequent development into a bulwark of the American highway financial structure. It was a time, moreover, of unequal though on the whole substantial increase in stature of local highway administrative organizations.

It may not be a reckless conjecture that we are on the threshold of a third and more mature period, distinguished by the formation and consolidation of new governmental relationships. To explore some of the hopes and possibilities for that development is the major purpose of this paper. That their translation into probabilities is contingent on compromising fundamental differences of outlook on questions of highway financial policy, it is hardly necessary to say.

We have had examples of close working relationships between State and local agencies for years, of course, although they have not been numerous. Partnerships of long standing exist in New Jersey, Iowa and Illinois. State highway departments in New England exercise general supervision over road work of the towns involving State aid. The program of federal aid for secondary roads has fostered a closer association of State and county highway agencies—notably in such States as Alabama and Minnesota. In a majority of the States of the Union, however, ties between State and local highway agencies are tenuous, uncertain or virtually nonexistent.

If it is desirable—or inevitable—that State and local highway organizations, with their separate responsibilities, be more closely associated in pursuit of the common end of a more fully developed system of rural roads, along what paths or in accordance with what patterns is it likely that their joint venture will unfold? There is some experience at hand in the field of highways, as we have observed. And lessons can be drawn from the evolution of relationships in other functional departments of government, as well as between different kinds of governmental partners.

Excursions of the latter kind should be undertaken with due caution. It is often said that the admirable and time-tested relation between the Public Roads Administration and the State highway departments is the prototype on which the State highway departments and local road organizations should form their own bonds of union. This is a simplification. The parallels are obvious; but I question that a partnership of the federal government and sovereign States furnishes wholly adequate experience to project unmodified into the State-local domain, with its vastly different balance of authority, and with the possibilities it holds for relationships unexampled in both range and intimacy.

It is not enough to say simply that a closer association of State and local highway agencies is desirable and to be sought, since relationships can be so exceedingly diverse. State and local governments are in one sense very truly perched on different levels. Will the relationship be supervisory, advisory, admonitory, exhortatory? Will someone give and someone else take orders? Or will the partners meet more or less as equals? These questions are at the root of the matter.

The essence of State-local administrative relationships in the highway field is ordinarily considered to be control of the expenditure of motor taxes shared with local units of government. Such control may range from the simplest kind of record-keeping, at one extreme, to strict requirements with respect to local engineering supervision, State approval of plans and inspection on the job. The changing times have increased and not diminished the importance of the machinery of control, but they are weaving new threads and new figures into the emerging pattern. Our concepts are enlarging. We are thinking

in terms of coordinated planning, extension of specialized consulting services, even plans for the interchange of State and local highway personnel.

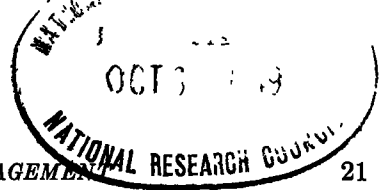
A searching study of the entire broad field of State-local governmental relations was issued in 1946 by the committee on State-local relations of the Council of State Governments (1)¹. Improvement of relations, the committee's report declared, has two main objectives. First of all, "local units of government should be strengthened so that they can meet their day-to-day problems promptly and efficiently." As a second objective, "State supervision of local affairs should be improved so that activities of state-wide concern will be carried out in all jurisdictions at a high level of performance." And these objectives, in the committee's view, are in no sense inconsistent. "More effective supervision by States will lead to stronger local governments; strong local governments, in turn, will use their discretionary authority to achieve the most efficient fulfilment of their own, and of state-wide, programs."

The report underscored certain principles. Administrative supervision is far superior to the traditional system of State control by means of detailed legislation. The most effective devices of supervision are the persuasive ones. The States should assist localities to secure stable and adequate revenues. And local governments themselves are in need of structural and geographical reorganization. These are principles that all having a bearing on the improvement of relations between governmental agencies having charge of highways.

The consolidation of governmental relationships is viewed with alarm in many quarters, as we all know. The authorities of the Council of State Governments already cited have doubtless been hung in effigy in many rural provinces. The strengthening hand of State assistance is confused with the obliterating tread of State centralization. Local institutions, we are told, will not flourish with the extension of State interest in local affairs; instead they will wither away.

This view, I think, is quite the opposite of that of most impartial and qualified observers—acknowledging, of course, that unchecked

¹ Italicized figures in parentheses refer to list of references at the end of the paper.



authority may defeat the purpose of the supervisory device. But we are speaking here of a democratic and not a dictatorial mechanism.

The concept of cooperative relationships has hardly been stated better than by Wylie Kilpatrick: "A hierarchy of state officials alone cannot better local government. The responsibility for good government is jointly that of the community, the region and the State, and not exclusively the responsibility of any one unit. If one unit falls down, correctional assistance from the other units should be possible. But responsibility at the levels of government closest to the people should be strengthened. Whether this is possible depends, in part, upon whether local governments genuinely and vitally participate in functions that increasingly are administered by two or more levels of government, or whether they are relegated to the role of a chorus in echoing the voice of superimposed authority. Perhaps the most powerful and enduring influence to prevent a failure of local government is accountability to a public that can perform its job better because of the aid and tools of State supervision. State and local government should seek to strengthen this democratic process (2)."

Before examining some of the particulars involved in establishing a successful working relationship between a State highway agency and local highway units, I think that it may be helpful to state three essentials.

1. *There must be in existence adequate units of local highway administration.*

At the start we may seem to run into a paradox. One authority (3) has proposed that counties, for example, as units of local rural road administration, might be classified roughly into two groups: Those that have attained "maturity," implying financial solvency and a sense of administrative responsibility, and those that have not. Counties in the first group would enjoy a large measure of home rule; those in the second, like irresponsible children, would be "kept in leading-strings." That is to say, the less competent units would be the chief beneficiaries of a supervisory plan.

A self-contained local unit clearly has less need for the advice of a State bureau and for externally imposed controls. But one may question how a State supervisory agency would

begin to deal with a Texas precinct, say, or a Missouri township, operating without benefit of engineering direction or the rudiments of good management. The State, if it had the authority, could supply the engineering and part of the management itself, of course; but the result would be the perpetuation of local weaknesses instead of their removal. I think that our first principle stands. Where local administration is weak, State legislation must first eliminate the immediate handicaps; then a progressive plan of State supervision will be of the greatest value during the reconstruction period.

It seems to me that one proof of the correctness of this contention is found in the varied State experience with the federal-aid secondary program. Citing in support the rapid development of qualified State highway organizations following enactment of the original federal-aid highway legislation, county officials had predicted that the principal accomplishment of a secondary program might very well be the improvement of county highway engineering and management practices. The federal-aid program *did* have a favorable influence—but almost exclusively in the States where county performance was already largely creditable. Elsewhere, except for concurrence in system selection, the county units were for the most part by-passed. The potential of the new three-level relationship did not develop where the way had not been prepared for it.

2. *There must be developed adequate advisory and supervisory staffs, along with effective procedures, within the State highway departments.*

To have a satisfactory relationship, that is, we must have competence at the State as well as at the local level. "Administrative supervision and assistance," the report of the Council of State Governments asserted, "cannot achieve its full potential unless the State departments themselves are manned by qualified workers. Professional advice cannot be given by amateurs, and technical field supervision cannot be carried out by political appointees."

The danger of staffing with politically qualified laymen would appear somewhat remote in the establishment of county or local bureaus within State highway departments. Greater threats might be instability of the top administrative organization, unwitting creation of a tedious volume of paper routine, or the selec-

tion of staff unfitted or untrained to understand local problems and sympathize with local points of view. Certainly we have proof, in records extending over long periods of time, that State highway departments can conduct relations with local agencies that are both complex and delicate to the satisfaction of partners on both sides.

3. *The likelihood for an enduring relationship is largely dependent on the outlook for general agreement between State and local officials on fundamental questions of highway tax policy.*

This is plainly a high hurdle. Local fiscal systems generally need to be strengthened to meet increasing local responsibilities. It should be recognized that the sharing of state-collected motor taxes with local units of government has a profound influence on the entire local fiscal structure, dependent as it is on the mainstay of property taxation, with its obvious limitations. Local units of government fare exceedingly variously in the support they receive from motor-tax sources. In a few States, local-rural highway organizations are clearly stepchildren. And in others, at the far end of the scale, they may be fairly described as the States' not-so-poor relations. What we think of State policies in this respect is actually a matter of basic outlook.

Consideration of the equity of motor-tax allocations, or of the place of motor taxes in the whole local revenue structure, is obviously far beyond the purview of this paper—fundamental as questions of tax incidence and application are in developing workable and friendly intergovernmental relations. In surveying the prospect for improved governmental relationships in any field, however, the principle should be reaffirmed that "the governmental unit best adapted to the administration of a public service is not necessarily the unit that can most effectively raise the revenues to finance the service (4)."

To return to my third point, I am not sure that our limited experience leads to generalization. But I think that hope for stable and beneficial relationships is likely to founder where governmental units are involved in a perpetual contest for funds, with periodic adjustments decided by main force. On the other hand, if a broad intergovernmental framework can be established, is it not possible that animosities may disappear as state and

local partners accustom themselves to cooperative planning for the development of all highway systems?

I do not propose to offer any detailed specifications to govern the closer association of State and local organizations in charge of rural highway affairs. To the relationships of long standing we can add newer partnerships in process of perfection, and we shall certainly witness the formation of others with each year that passes. Research will tell us where such relationships have thrived best, and show us why. Meanwhile, however, some tentative conclusions can be drawn.

The development of closer relationships implies the existence of some special agency or bureau through which the ties linking the partners will channel. This agency belongs naturally in the State highway department, although interest and activity are not necessarily localized there. State divisions of local government, State personnel agencies and associations of local officials may fit into the larger intergovernmental scheme.

The relationships themselves, I think we can say, will be of three kinds: supervisory, advisory and cooperative. They will be both mandatory and voluntary in character; experience and the nature of the case will indicate where the line should be drawn with respect to any function or activity.

An example of a *supervisory* relationship is that requiring accounting by local units for funds received from State tax sources and spent locally, along with reporting on annual accomplishments. Probably the supervision should extend to State approval of plans and specifications for state-aid projects, and State inspection of completed work. Local governments should be held as strictly accountable for the expenditure of funds as the States are themselves. But the influence of the State on local highway financial management could extend far beyond control over state-supplied funds—to the cooperative development of cost-accounting procedures, for example, that local units might adopt voluntarily as a basic management tool applicable to the whole range of their operations.

That would be an example of an *advisory* relationship. And it is in the sphere of advice or consultation that I think the most enduring benefits of state-local collaboration will appear. Of hard necessity, technical service in local

government in rural areas places a premium on versatility; the State service, in contrast, allows and encourages a high degree of specialization. The obvious conclusion is that we should combine advantageously the two extremes. All the skills at the State's disposal—the services of the soils engineers, the materials specialists, the bridge designers, the traffic analysts and the planning staff—should be placed at the disposal of local highway organizations, on a cost basis to be decided by the legislature. This technical assistance is in no sense a substitute for competent local engineering forces; on the contrary, it will be useful only where local units are staffed to take advantage of it. And I think that one thing more is clear: the state's staff of specialists and many of the research projects they are engaged in will benefit immeasurably from the new outlook local participation will afford them.

The *cooperative* relationship will be largely one of joint planning for the future. State and local highway agencies have a common interest in the integration of road systems, in relating highway development to the best use of the land, and in projecting balanced long-range improvement programs, designed with an eye not only to road needs, but to all the competing demands made by governmental services on the citizen's pocketbook. If State highway planning specialists will furnish most of the technical data and guidance, I think that the local officials will make their own unique contribution in appraising the requirements of communities and regions for a better rural life. I believe that a great deal will be learned on both sides. And in joint planning certainly—if anywhere—lies the hope for reconciliation of differences of outlook on questions of equity in tax raising and tax spending.

Once the extent and nature of the relationship have been defined, and granted that the underlying conditions are favorable, everything will depend on the quality of the State staff chosen to provide the day-to-day contact. It seems to me that both county and State personnel should be drawn on; indeed, I think that the coordinating agency might serve as a medium for the continuous beneficial interchange of highway engineers in State and county service. Will the staff be large or small? Will it have its own corps of special-

ists, or will it channel the flow of review and consultation to and from the department's operating divisions? Further experience will tell.

All that I have been saying implies that there is a genuine community of interest between the highway director at the State capital and the local commissioner, contemplating the fixing of a mudhole somewhere near the forks of the creek. In most of the States the relationships that connect them need to be clarified and improved. I have tried to indicate some of the principles that I think must underlie the successful coordination of their work. These I should like to supplement with a set of propositions, derived from an earlier statement(5), that cut across the terrain we are surveying in a slightly different way.

1. Decisions having to do with local highway *policy* should ordinarily be remote from State influence, whereas State assistance and some degree of supervision or control reasonably apply in the area of *administrative tasks*. The formation of local policy is, of course, sometimes influenced by planning considerations of more than community significance.

2. No plan contemplating a larger role for the State in assisting, coordinating or supervising local road work will in itself produce progressive and efficient local highway units. Conditions as fixed by State laws defining the organization of local road administration, by the extent of local resources and by other contributing factors must be favorable for their existence.

3. Any program setting out to create a more beneficial relationship between State and local highway agencies will be successful to the degree that it establishes closer acquaintance and better understanding between engineers in state and local service.

4. For the evolution of a successful state-local road platform, both parties must be qualified as partners, and the relationship between them must be one of partners or equals.

This paper has represented a preliminary and tentative effort. It has not attempted to summarize and evaluate existing relationships. It has avoided consideration of details, and of the legal questions involved. It has been confined to the partnership with agencies of local rural highway administration, although the principles stated also largely apply to

relations between states and municipalities. The field of intergovernmental relations offers a vast and challenging new territory for highway research. There is no greater opportunity, I am convinced, for rewarding and exciting work.

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TRENDS IN FINANCING COUNTY AND LOCAL RURAL ROADS

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SYNOPSIS

The current widespread interest in long-range highway planning has drawn attention to the financing of secondary and local rural roads. The Public Roads Administration recently began an investigation of the characteristics of the trends in the financing of these highways during the past 25 years. This paper presents some of the preliminary findings of the study.

The project plan calls for investigations along two lines: Compilation and analysis of available statistics about the amounts of income of various types used in individual States to finance secondary and local rural roads during the past 25 years; and an intensive study of the characteristics, limitations, etc., of specific local revenue sources. Insufficiencies in the statistical data available have limited the investigation to the period from 1923 through 1945, for which usable information was at hand for 27 States. These are well distributed geographically and are otherwise reasonably representative.

Federal work-relief expenditures on secondary and local rural roads had to be excluded from the study because of the lack of State-by-State data for the earlier years in which the relief programs were in effect. Otherwise, the statistical investigation covers all current receipts raised for secondary or local rural road purposes by any unit of government insofar as these could be determined. Borrowings were excluded from the study because of the duplicating effect in a long-term study of including both the funds borrowed and the funds raised to pay off the debt.

For purposes of analyzing the observed trends in the support of secondary and local rural roads from direct revenue sources of the counties and local units, the 27 States were grouped according to the percentage of total current income obtained from these sources in 1945. It was found that in only 2 States did these roads receive more than 80 percent of their support from these sources; 7 were found to be in the 61 to 80 percent group; 7 were found in the 41 to 60 percent group; 9 in the 21 to 40 percent group; and 2 with 20 percent or less. All secondary or local rural roads were under the jurisdiction of counties or local governments in 1923.

The preliminary analysis raised important technical questions which center about the following major factors: (1) The magnitude and character of the support of these roads; (2) the magnitude and character of the road systems; (3) the administration of these roads; (4) the ability and willingness of the public to support these roads from "local" income sources; (5) the long-term dependability of these "local" revenue sources, and the methods by which they are made available for road work. The investigation has so far been centered primarily upon the first two.

The next step in the analysis involved comparisons for individual States, and