



Legislative Budget and Finance Committee

A JOINT COMMITTEE OF THE PENNSYLVANIA GENERAL ASSEMBLY

Offices: Room 400 Finance Building, 613 North Street, Harrisburg

Mailing Address: P.O. Box 8737, Harrisburg, PA 17105-8737

Tel: (717) 783-1600 • Fax: (717) 787-5487 • Web: <http://lbfc.legis.state.pa.us>

SENATORS

ROBERT B. MENSCH

Chairman

JAMES R. BREWSTER

Vice Chairman

DOMINIC PILEGGI

CHRISTINE TARTAGLIONE

KIM WARD

JOHN N. WOZNIAK

Police Consolidation in Pennsylvania

REPRESENTATIVES

ROBERT W. GODSHALL

Secretary

PHYLLIS MUNDY

Treasurer

STEPHEN E. BARRAR

JIM CHRISTIANA

DWIGHT EVANS

JAKE WHEATLEY

Conducted Pursuant to
House Resolution 2013-168

EXECUTIVE DIRECTOR

PHILIP R. DURGIN

September 2014

Table of Contents

	<u>Page</u>
Report Summary	S-1
I. Introduction	1
II. Local Police Services in Pennsylvania	3
III. Consolidation of Municipal Police Departments	25
IV. Effect of Regionalization on the Cost of Police Services	48
V. Appendices	57
A. House Resolution 2013-168.....	58
B. Selected Bills Relating to Municipal Police Consolidation	60
C. Methodology for Cost Analyses	62

Report Summary

House Resolution 2013-168 directs the Legislative Budget and Finance Committee to conduct a study concerning the consolidation or merger of municipal police departments in this Commonwealth. The resolution calls for an analysis of the current funding, recommendations on how to improve the allocation of funding, and recommendations concerning municipal police departments that are best suited for consolidation or merger. The resolution also calls for a calculation of the costs for the Pennsylvania State Police to patrol municipalities that have either part-time or no municipal police departments. See Appendix A for a copy of House Resolution 168.

Municipal police services can be provided by an individual municipal police department, by a regional police department, through a contract with a municipal or regional police department, or solely by the PA State Police (PSP). Although all municipalities are authorized to provide police services, only first class cities, second class cities, and second class A cities are required to provide them.

Municipalities report spending \$1.3 billion on police services in FY 2012, funded primarily through local taxes.¹

Although municipalities receive state funds to assist with police pension costs and a portion of certain motor vehicle citation fines, they do not otherwise receive General Fund monies for ongoing police services costs. Grants are available from the PA Commission on Crime and Delinquency (PCCD) to assist with the formation of a regional police department (RPD), but are generally limited to \$99,000 over a three-year period. This was recently increased to \$150,000 over three years, with an additional \$20,000 available to offset certain costs for regional departments that expand service areas. The Department of Community and Economic Development's Center for Local Government Services (CLGS) also provides funds to assist with the initial studies related to the formation of an RPD.

Municipalities located in counties that host casinos may also receive gaming funds that are distributed to the county. These funds may be used for municipal grants to fund, among others, emergency services and public safety expenses associated with the casino. In addition, the Gaming Board issues local law enforcement grants to be used to enforce laws relating to unlawful gambling in the Commonwealth. House Bill 2014-2296 proposes to dedicate these monies to fund grants for RPDs. Other states similarly fund local police services, in some cases provided on a county basis, through local taxes.

¹ This does not include all expenditures as, for example, Philadelphia and Pittsburgh did not report their expenditures for police services.

Over half (1,279) of Pennsylvania's 2,500 municipalities have no police department. Of those that do have a police department, most (72 percent) have ten or fewer full-time officers, the minimum number generally considered necessary for a stand-alone police department.

In 2013, Pennsylvania had 986 municipal police departments (both full-time and part-time), 34 regional police departments (comprised of 102 municipalities), and 1,279 municipalities receiving their police services solely from the PSP. The PSP also provided part-time police coverage to 420 municipalities. Additionally, 231 municipalities contracted with another municipality for police services and 13 municipalities contracted with a regional police department for police services.

Municipalities that do not have a police department rely on the PSP and/or contract with nearby municipalities or RPDs for police services. The large majority (72 percent) of Pennsylvania's 986 municipalities that have police departments have departments with ten or fewer full-time officers, and many (about 54 percent) have five or fewer full-time officers. While exceptions may exist, ten full-time officers is generally viewed as the minimum number of officers necessary to operate an efficient, stand-alone, 24/7 police department.

PSP reports spending \$540 million in 2012 to provide both full- and part-time police services to municipalities without their own full-time police departments.

The PSP provides full-time police services to 1,279 municipalities and part-time services to 420 municipalities. The total population served is 3.3 million, covering 82 percent of the Commonwealth's land area. Since local part-time police service can fluctuate on a daily, weekly and monthly basis, the PSP service also fluctuates, making it difficult for the PSP to accurately calculate the time spent on providing part-time police services to municipalities. Because the PSP's estimated costs of \$540 million cannot be accurately distributed between full- and part-time police coverage, we were not able to calculate a per capita cost.

In addition to providing all law enforcement coverage to municipalities without their own police departments, the PSP assists municipalities with their own police departments with traffic supervision, violent crime suppression, some case investigations, and other services as requested.

The municipalities do not provide any direct reimbursement to the Commonwealth for full-time, part-time, or occasional PSP services.

Municipalities without police departments report cost as the most significant reason they have not formed a police department.

We surveyed all Pennsylvania municipalities without their own police departments, and asked what factors are causing them not to establish a police department or join an RPD. Eighty-five percent of these municipalities responding to our survey cited cost as the most significant issue associated with forming a police department or joining an RPD. Those using the PSP for their police services do not pay specifically for those services, therefore, any costs for a municipal or regional department would be higher than their current police services costs. The majority of municipalities responding to our survey that formerly had their own departments but are now using the PSP also cited cost as the reason for no longer having their own police.

Many municipalities without a police force noted that they do not need additional police services due to low crime or low demand for police services in their areas. Reportedly, this may be in part the result of citizens not calling for police if served solely by the PSP due to lengthy response times or lack of enforcement authority for local ordinances. The majority of municipalities that rely on the PSP, however, reported being satisfied or very satisfied with the services they receive from the PSP.

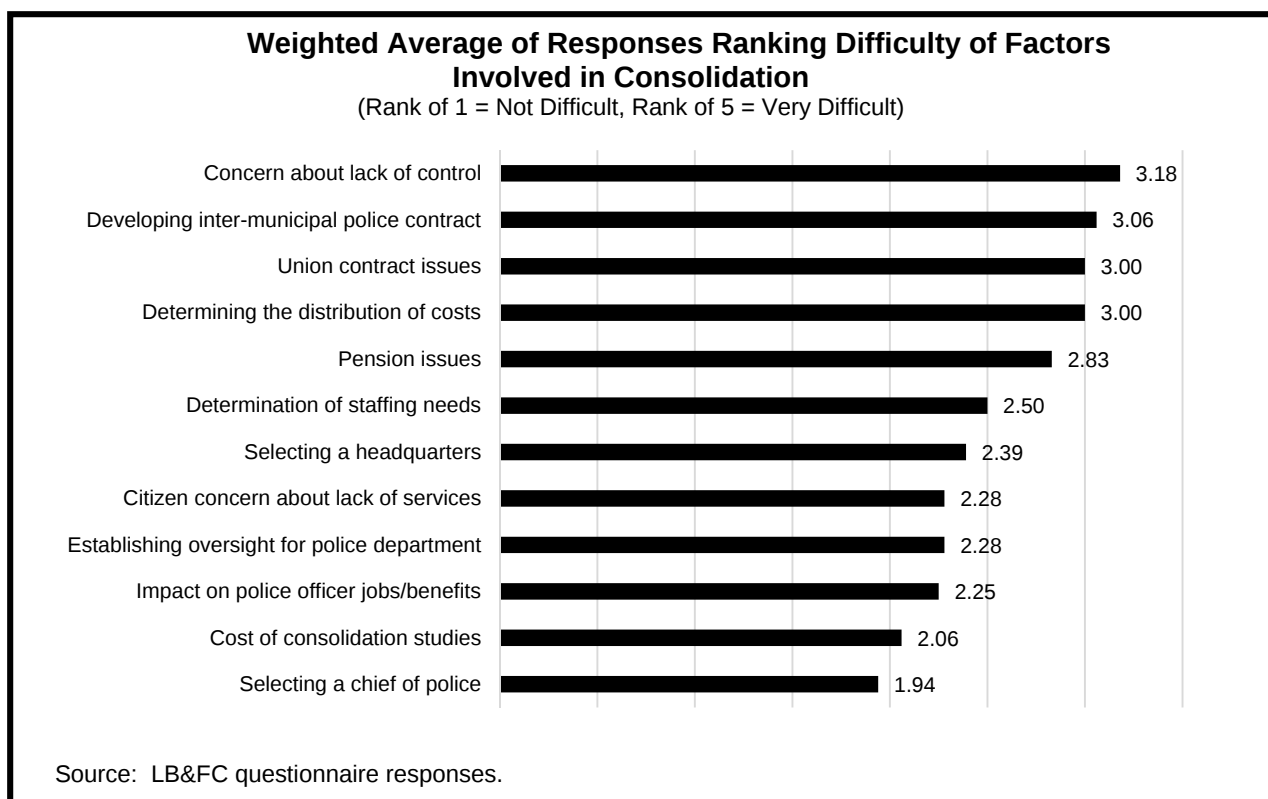
Municipalities with their own police departments having ten or fewer officers report loss of control as the top reason they had not pursued a regional department; concerns about cost, cost allocation, and pension issues were also cited as difficult to address.

For municipalities with their own force of ten or fewer officers that have considered forming or joining an RPD, the lack of control and issues regarding costs and the distribution of costs were cited as having significant influence on the decision not to form an RPD.

Although pension issues were identified as being only “moderately difficult” to address when forming an RPD by RPDs, those municipalities that considered but did not form an RPD cited pension issues as being a very difficult issue to resolve. This difficulty is the result of municipalities having different pension benefits, as directed by the applicable pension law, collective bargaining agreements, or as the result of arbitration, along with unfunded pension obligations. Also, because RPDs must comply with Act 1956-600, third class cities find it difficult to participate in a regional department due to the benefit requirements, e.g., contribution rates, being different than those in Act 600. Changes to the pension requirements could facilitate regionalization. House Bill 2013-1581 establishes a cash balance municipal plan for municipal police officers and House Bill 2013-1651 establishes a statewide municipal police officers pension fund.

RPDs cite loss of control as a difficult or very difficult issue to address when forming an RPD, with distribution of costs also being difficult to address.

We also surveyed all 35 RPDs to determine those issues that they found most difficult to resolve when forming an RPD. As shown below, concern about lack of control was rated the most difficult to resolve, followed by developing the inter-municipal police contract, union contract issues, and distribution of costs. About 44 percent of those that responded identified the concern over loss of control to be difficult or very difficult to address. About 40 percent cited distribution of costs as being difficult or very difficult to resolve. Forty-four percent of the RPDs responding cited choosing a chief of police as the least difficult issue associated with forming an RPD.

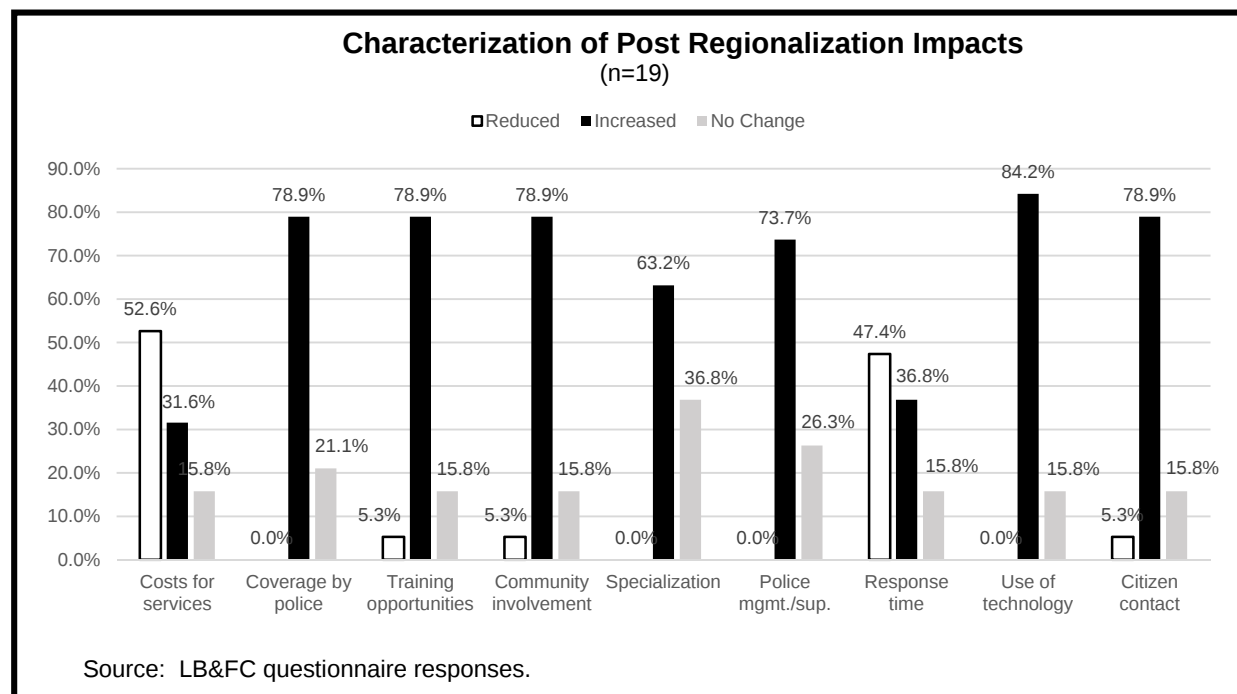


Although only 11 percent of the RPDs responding considered pension issues to be very difficult to address, about two-thirds cited them as moderately to very difficult to address, along with union contract issues.

Regional police departments offer many benefits, but may increase costs for participating municipalities in the initial years.

As shown below, the RPDs responding to our survey noted improvements in police coverage, training opportunities, and use of technology, among others as benefits of a regional police force. They also noted the ability, due to increased training

opportunities, to provide specialized services such as crisis intervention and negotiation.



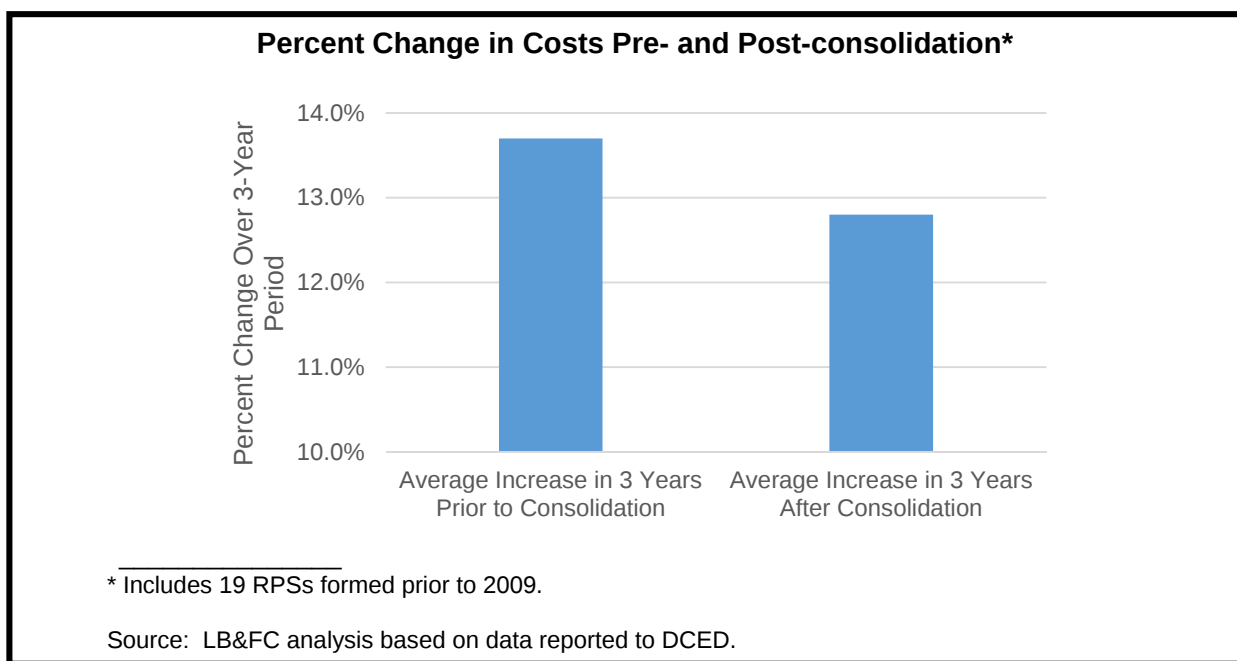
As shown above, over half the respondents reported a reduction in costs as an overall impact of regionalization. The majority of the RPDs responding to our survey question about the initial impacts of regionalization (first three years) noted however, that they experienced an increase in costs. In several cases that increase was due to the change from no or part-time police services to full-time police services. Additionally, it is unknown whether the costs reported prior to forming the RPD included all costs associated with police services. The Center for Local Government Services (CLGS) has found when providing assistance to municipalities considering regionalization that municipalities do not always include all costs as part of their police services costs. These have included costs for building and maintenance, law enforcement liability, workmen's compensation, vehicle and property insurance, and utility costs.

Several studies, however, have shown that RPDs' police services cost approximately 25 percent less than similarly situated individual municipal police services. For example, a 2006 study by the CLGS of the West Hills RPD found its costs to be 25.23 percent less than the aggregate of the four "model" municipalities supporting their own police departments.

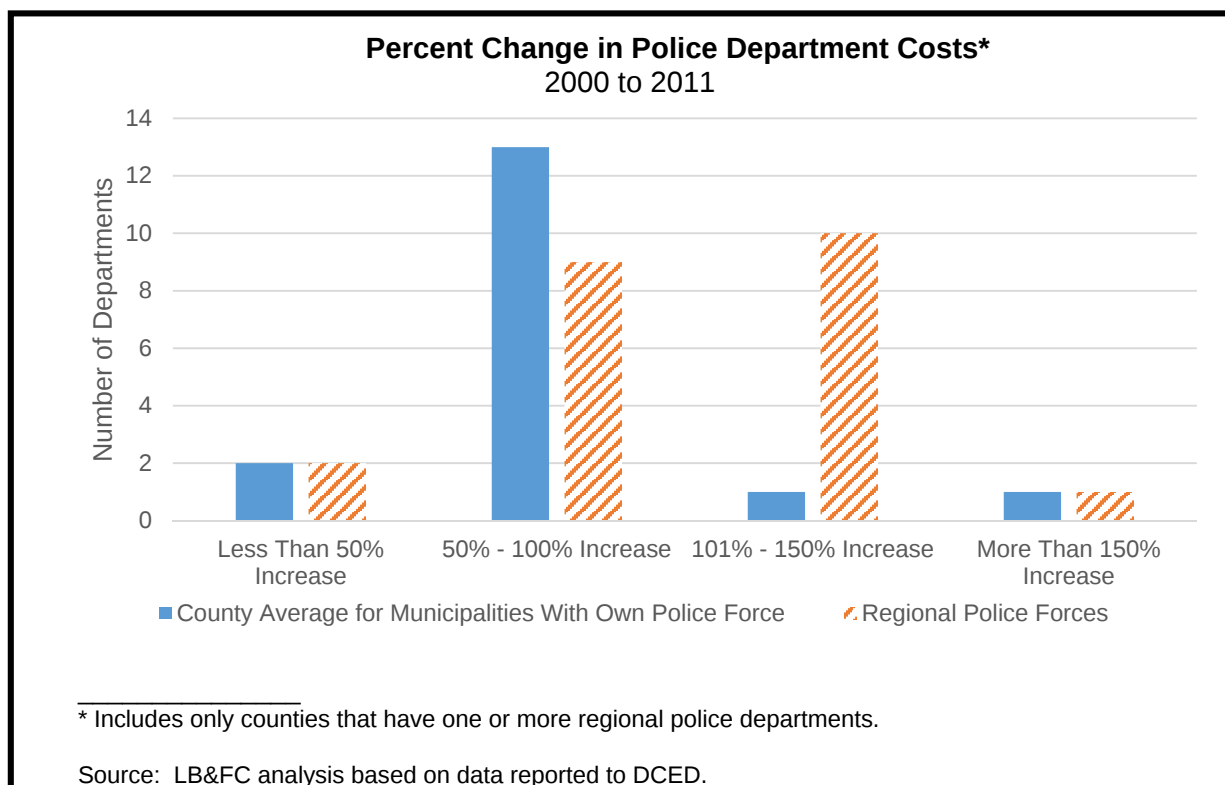
To assess the effect on costs of police services for the municipalities forming an RPD, we used DCED data to compare the change in costs of police services for the three years prior to a municipality forming an RPD to the change in costs for the three years immediately after forming the RPD. We also compared the change in costs for police services of the municipalities in an RPD to the change in costs for

police services of the municipalities with their own police departments in the same county during the period 2000 to 2011. This methodology avoids some of the cost reporting difficulties cited above as we are not making direct pre- and post-regionalization cost comparisons.

We found that although costs in general increased for the municipalities forming an RPD, the rate of increase was somewhat less after forming the RPD, as shown below. The averages should be viewed with caution, however, as there was wide variation among the various municipalities.



Conversely, when comparing the change in RPD costs with the change in other municipal police departments in the same county, the RPD costs often increased at a higher rate. The graph below compares these cost increases for the period 2000 to 2011.



Municipalities should consider size, demographics, and approach to policing when considering forming a regional police department.

Not all municipalities are equally suited for forming an RPD. Differences in location and size, both in population and land mass, may make it less likely that an RPD would be successful. Municipalities with similarities in geographic size, abutting jurisdictions, and similar demographics are more likely to form a lasting RPD than municipalities with significant variations. For example, the Northern Regional Police Department has operated in Allegheny County since 1969. Geographically it consists of three adjoining townships and a borough located within one township. The townships are all about the same size, 15 to 17 square miles, and populations range from around 8,100 to about 11,500. The per capita incomes and percent of population below the poverty line are also very comparable. Additionally, support for the combined services from both local officials and residents is a key factor in forming an RPD.

A statute defining an RPD and establishing certain requirements may encourage municipalities to consider consolidation.

Although sharing police services is authorized by the General Local Government Code for most municipalities, it does not specifically provide a legal definition or status for an RPD. Similarly, although Act 600 requires RPDs to establish their police pensions using its standards, it does not define the legal status of an RPD. In

2006, the PA State Planning Board released a report that, in part, sought to identify barriers and provide incentives to county and local governments for improved governance options. One of the recommendations was for a regional police services act to provide a clearer path under Pennsylvania law for creating regional police departments and to fund initial start-up costs for regional police agencies.

As noted in that report, issues regarding the new RPD's organizational structure, powers and duties, and ownership of assets could be resolved by creating such an act. Although the CLGS manual provides examples of how to allocate costs among the participating municipalities, they caution against limiting such in statute so as not to restrict a creative approach that may work for that particular group of municipalities.

In addition, a statute could prescribe the process for a municipality to withdraw from an RPD or for the dissolution of an RPD. Although this may be addressed in the articles of agreement signed by the participating municipalities, such a process is not required to be included in those agreements.

Recommendations

1. The General Assembly should consider:

- a. Defining certain aspects of a Regional Police Department (RPD) in statute without being too prescriptive as to allow for individual circumstances and innovative ideas to prevail. This statute could, for example:
 - Require a specified time commitment to the RPD by participating municipalities.
 - Transfer legal responsibility for the police department and its employees from the individual municipalities to the RPD.
 - Define the authority of the RPD and its staff.
 - Authorize state aid, e.g., Act 205 pension assistance, to be directly transferred to the RPD.
 - Require "dissolution" provisions.
- b. Distributing additional funds to the RPDs to reduce costs and encourage other municipalities to contract with RPDs or consider joining an RPD. The use of the \$2 million local law enforcement grants from the Gaming Act, as directed by House Bill 2296, is one approach that could be considered.
- c. Amending Act 600 to allow RPDs to use other pension requirements when a third class city is one of the municipalities in the RPD. Currently the Act 600 requirement discourages the participation of third class cities in RPDs.

2. DCED's CLGS should:

- a. Encourage all municipalities to report the actual costs of their police services by developing a form that requests specific police department expenses, e.g., liability insurance. This may encourage municipalities to consider joining or forming an RPD as the municipalities would have a clearer comparison of costs to consider.
- b. Review the Dauphin County regionalization study (when completed) and make recommendations to the General Assembly if statutory restrictions impede the desired approach for police services.
- c. Identify best practices among the existing RPDs to assist municipalities that are forming an RPD when organizing their RPD and commission.

I. Introduction

House Resolution 2013-168 directs the Legislative Budget and Finance Committee to conduct a study concerning the consolidation or merger of municipal police departments in this Commonwealth. The resolution specifically calls for an analysis of the current funding, recommendations on how to improve the allocation of funding, and recommendations concerning municipal police departments that are best suited for consolidation or merger.

Scope and Objectives Statement

1. Identify funding mechanisms for municipal police departments.
2. Identify how municipal police departments can determine and share costs of police services, such as purchasing services in this Commonwealth.
3. Identify those municipalities that have consolidated or merged municipal police departments and analyze savings that resulted from the consolidation or merger of municipal police departments.
4. Identify and provide guidelines to assist municipalities with a municipal police department to identify those municipal police departments best suited for consolidation or merger.
5. Calculate the approximate costs to the Pennsylvania State Police to patrol municipalities with either a part-time municipal police department or no municipal police department.

Methodology

We contacted several Commonwealth agencies that are involved in some manner with municipal police services and the issues we were asked to review. These included the Department of Community and Economic Development's Center for Local Government Services (CLGS), the PA Commission on Crime and Delinquency (PCCD), the PA State Police (PSP), the Municipal Police Officer Education and Training Commission (MPOETC), the Public Employee Retirement Commission (PERC), the Office of Auditor General, and the PA Gaming Commission. In addition, we contacted the PA State Association of Township Supervisors (PSATS), the PA State Association of Boroughs, the PA Chiefs of Police Association, the PA Fraternal Order of Police (FOP), the PA Municipal League, and other interested parties.

We sent surveys to all municipalities that use only the PSP for their police services, all regional police departments, and those municipalities that have their own police department and employ a total of ten or fewer officers. The surveys were used to identify the reasons municipalities use the type of police services they do, and the reasons for not using other types of police services. For the regional police departments, we sought to identify both the benefits and problems associated with forming a regional police department.

To identify increased costs or cost savings associated with forming a regional police department, we used three approaches in addition to our survey. Using CLGS municipal statistics, we were able to identify reported costs of police services (for those municipalities that had their own police departments) for the three years prior to a municipality forming a regional police department and three years immediately after forming the regional police department, and compare the pre- and post-regionalization reported costs. Using the same statistics we compared the costs for police services of the municipalities in a regional police department to the costs for police services of the municipalities with their own police departments in the same county. Finally, we reviewed studies conducted by CLGS and other interested parties of specific regional police departments that compared their costs to those of similarly situated municipalities with their own police departments.

We contacted the contiguous states to identify how local police services are provided and funded, as well as reviewed literature concerning police services in other states.

Acknowledgements

We thank the staff of the Department of Community and Economic Development's Center for Local Government Services, and in particular, Ron Stern, for their assistance throughout this project. We also thank the regional police departments and municipalities that responded to our questionnaire. In addition, we thank the PA State Police, the PA Commission on Crime and Delinquency, the Public Employee Retirement Commission, the PA Association of Township Supervisors, the PA Association of Boroughs, the PA Fraternal Order of Police, and the other stakeholders who assisted us with our work.

Important Note

This report was developed by Legislative Budget and Finance Committee staff. The release of this report should not be construed as indicating that the Committee's members endorse all the report's findings and recommendations.

Any questions or comments regarding the contents of this report should be directed to Philip R. Durgin, Executive Director, Legislative Budget and Finance Committee, P.O. Box 8737, Harrisburg, Pennsylvania 17105-8737.

II. Local Police Services in Pennsylvania

In Pennsylvania, all municipalities, regardless of their classification or size, have the authority to create a municipal police department. Only certain types of municipalities, however, are required to provide police services. A municipality that has police services may provide such services using its own police department, contracting with another municipality's police department or a regional police department, or participating in a regional police department. Municipalities without full-time police services and those without any local police services receive coverage partially or solely through the PSP.

Municipalities Required to Provide Police Services

First class cities, second class cities, and second class A cities are required to provide police services within their municipal jurisdictions. For example, the First Class City Government Law and the Second Class City Law, which also pertains to second class A cities, each provide that

There shall be a department of public safety...[which] shall have the care, management, administration, and supervision of the police affairs and all matters relating to the fire and police forces....

Municipalities Authorized to Provide Police Services

Third class cities, first class townships, second class townships, and boroughs are authorized, but not required, to provide police services. The Third Class City Code, at §2419, states that

- (a) Council shall have the power to establish and maintain a police force and define the duties of the same in accordance with Article XX.
- (b) Subject to the requirements of 53 Pa.C.S. Ch. 23 Subch. A (relating to intergovernmental cooperation), council shall have the power to provide for police services to be performed by municipal police officers by contract or by purchase of the police services or by joining or developing a consolidated regional police service.

Provisions in the Borough Code, First Class Township Code, and the Second Class Township Code, also grant authority to establish a police force. These municipal governments also have the authority to enter into cooperative agreements specifically for police services. For example, the Borough Code, at §1202(24), provides that a borough has the power to

...enter into agreements with other political subdivisions...in making joint purchases of materials, supplies or equipment and in performing governmental powers, duties and functions and...agreements with the proper authorities of municipal corporations, regional police or fire forces, or other public safety or governmental entities created by two or more municipal corporations...either for mutual aid or assistance in police and fire protection or any other public safety services, or for the furnishing to or, receiving from the municipal corporations or governmental entities, police and fire protection or any other public safety services, and to make appropriations for public safety services. When an agreement has been entered into, the police, firefighters, fire police or any other public safety services of the employing municipal corporation or governmental entity shall have all the powers and authority conferred by law on police, firefighters, fire police or any other public safety services in the territory of the municipal corporation which has contracted to secure the service.

The First Class Township Code, at §1502(LIV), provides that a first class township board of commissioners has the authority to

enter into contracts with the proper authorities of near or adjacent cities, boroughs and townships either for mutual aid or assistance in police and fire protection, or for the furnishing to or receiving from such cities, boroughs or townships aid and assistance in police and fire protection, and to make appropriations therefor....

The Second Class Township Code provides, at §1903, that any township may

...contract with any municipal corporation to secure the services within the township of the police of the municipal corporation. When any contract is made, the police officers of the employing municipal corporation have all the powers and authority conferred by law on police officers in the township which has contracted to secure police service.

Further, §1911 provides that, upon petition of a majority of the property owners of any territory within the township, the board of supervisors may

...designate the territory as a district for the purpose of providing police protection and annually assess the cost of the maintenance of the police protection by an equal assessment on all property benefited by the protection.¹

¹ The assessment is to be based on the proportional number of feet the property fronts on the street or highway or portion thereof to be protected. The board of supervisors may provide for an equitable reduction from the frontage of lots at intersections or where, due to the irregular shape of lots, an assessment of the full frontage would be inequitable. No assessment shall be made against any farmland, but vacant lots between built-up sections, whether tilled or not tilled, are not farmland. The assessment for each foot front against vacant lots shall be only 25 percent of the assessment for each foot front against property with improvements. All assessments for police protection shall be filed with the township tax collector.

Municipal Police Department Data

Of the 2,500 municipal governments in Pennsylvania, the PSP provides all police services to 1,279 municipalities and part-time police services to 420 municipalities.² Approximately 986 municipalities have their own police force.³ Of these, 136 have contracts to provide police coverage to other municipalities. A total of 570 municipalities have both full-time and part-time officers.

As shown on Table 1, municipal police departments with full-time officers range from having one to having over 100 full-time officers. Philadelphia City has the highest number of full-time officers (7,393), and also has 911 part-time officers. Pittsburgh City has the second highest number of full-time officers (885), and Erie City has the third highest number of full-time officers (173). Excluding Philadelphia and Pittsburgh, the average number of full-time officers in all municipalities is 10.3. Of the 986 municipalities that have their own police force, 131 have no full-time officers. There are 94 municipalities that have one full-time officer and 105 municipalities with two full-time officers.

Table 1

Municipalities With Full-Time Officers	
Number with 1 full-time	94
Number with 2 full-time	105
Number with 3 full-time	78
Number with 4 full-time	79
Number with 5 full-time	47
Number with 6-10 full-time	172
Number with 11-20 full-time	157
Number with 21-35 full-time	69
Number with 36-50 full-time	27
Number with 51-75 full-time	11
Number with 76-100 full-time	4
Number with over 100 full-time	<u>12</u>
Total of all.....	855

Source: Developed by LB&FC staff using information from the Governor's Center for Local Government Services.

Of the municipalities with their own police force, only four have over 20 part-time officers. Philadelphia City has the most with 911 part-time officers, Bethel Park Borough in Allegheny County has 29, and Olyphant Borough in Lackawanna County and Bethel Township in Delaware County each have 21 part-time officers. There are 285 municipalities that have no part-time officers. See Table 2.

² As reported by the PSP for fall 2013.

³ As reported by DCED's municipal statistics.

Table 2

Municipalities With Part-Time Officers

Total with 1 part-time.....	89
Total with 2 part-time.....	94
Total with 3 part-time.....	89
Total with 4 part-time.....	85
Total with 5 part-time.....	80
Total with 6 part-time.....	49
Total with 7 part-time.....	51
Total with 8 part-time.....	45
Total with 9 part-time.....	26
Total with 10 part-time.....	27
Total with 11-15 part-time	49
Total with 16-20 part-time	13
Total over 20	<u>4</u>
Total	701

Source: Developed by LB&FC staff using information from the Governor's Center for Local Government Services.

History of Municipal Police Department Consolidation in Pennsylvania

In 1973, the National Advisory Commission on Criminal Justice Standards and Goals recommended the consolidation of police departments of less than ten full-time sworn officers.⁴ Two years later, in December 1975, Pennsylvania adopted Standard 6.4 as one goal for the improvement of police services in the Commonwealth, which indicates that every local government and local police department should study the possibilities of combined and contracted police services and, where appropriate, implement such services.

Pennsylvania's Constitution, Art. IX, §5, provides a legal and constitutional basis for consolidation of police services in the Commonwealth. Article IX, §5 states:

A municipality by act of its governing body may, or upon being required by initiative and referendum in the area affected, shall cooperate or agree in the exercise of any function, power or responsibility with, or delegate or transfer any function, power or responsibility to, one or more other governmental units including other municipalities or districts, the federal government, any other state or its governmental units, or any newly created governmental unit.

⁴ Although this remains the official standard, stakeholders we spoke with recommended the consolidation of police departments with less than 15 full-time sworn officers.

In 1972, Pennsylvania's Governor signed into law Act 180, known as the Intergovernmental Cooperation Law, which set out a legal process for the cooperation and consolidation of public services in the Commonwealth. This law has since been repealed; however, these provisions are now part of the General Local Government Code at 53 Pa.C.S. §§2301-2317.⁵ This law provides, in general, that two or more local governments⁶ in this Commonwealth may jointly cooperate, or any local government may jointly cooperate with any similar entities located in any other state, in the exercise or in the performance of their respective governmental functions, powers, or responsibilities. Local governments or other entities so cooperating are authorized to enter into any joint agreements as may be deemed appropriate for those purposes.⁷ Using this authority, municipalities have formed regional police departments. See Chapter III for a discussion of the process to establish a regional police department.

As of June 2014, there were 35 regional police departments in Pennsylvania. The first, the Northern Regional Police Department, was established on January 1, 1969, in Allegheny County. More recently, in 2012, three regional departments, the Northern Lancaster County Regional Police Department, the Buffalo Valley Regional Police Department in Union County, and the Charleroi Regional Police Department in Washington County were established.

Effective January 1, 2014, the Doylestown Borough and New Britain Borough police forces combined to form the Central Bucks Regional Police Force, operating with jurisdiction over Doylestown Borough and New Britain Borough in Bucks County. See Exhibit 1 for a list of all regional police departments in Pennsylvania and a map showing their geographic locations. The exhibit also lists those municipalities that contract with the regional department for police services. As shown on Exhibit 1, about half of the regional police departments are in the central and southeastern section of the Commonwealth.

⁵ Act 1996-177.

⁶ Local government is defined as "A county, city of the second class, second class A and third class, borough, incorporated town, township, school district or any other similar general purpose unit of government created by the General Assembly after July 12, 1972."

⁷ 53 Pa.C.S. §2303.

Exhibit 1

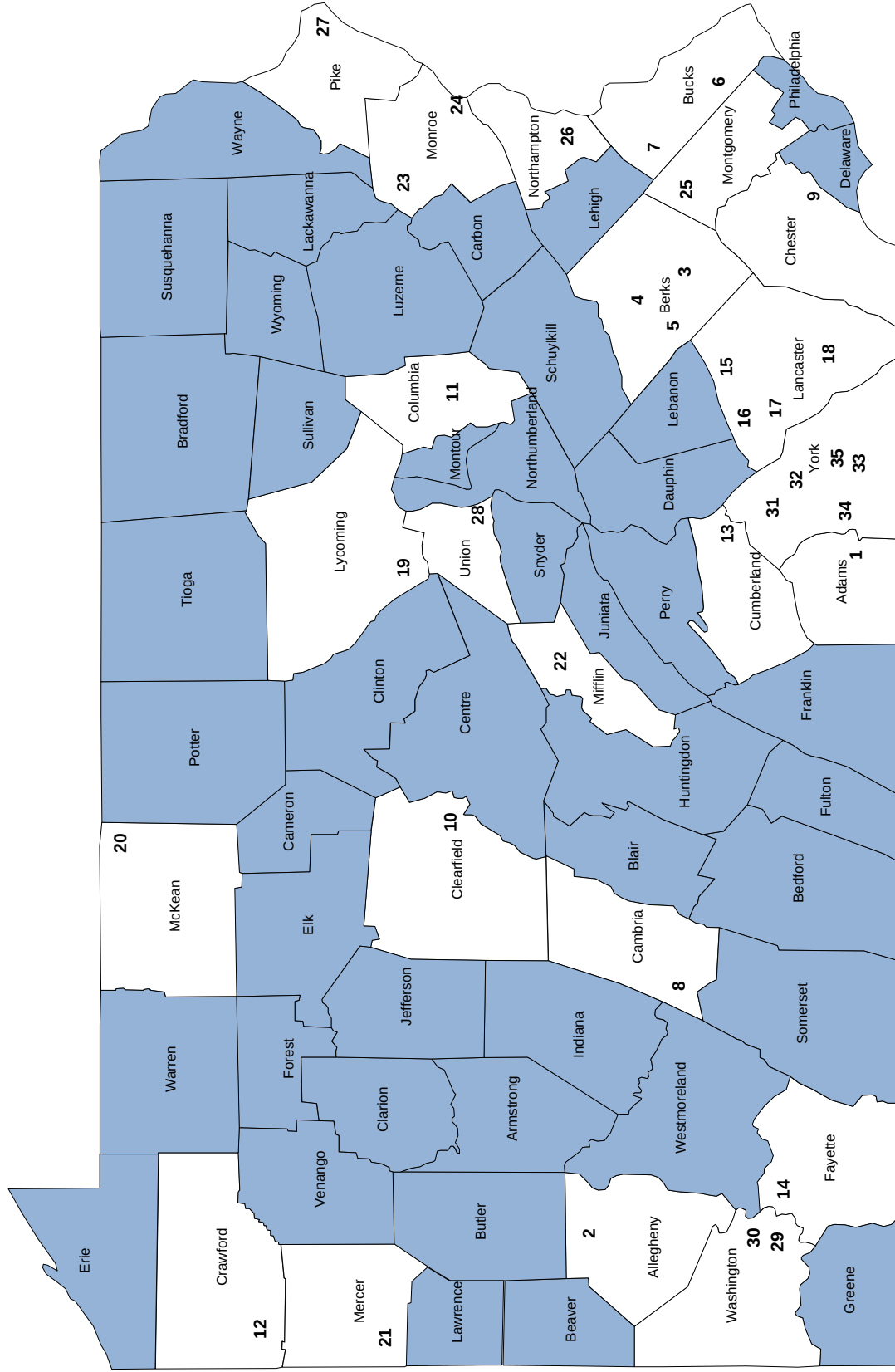
Regional Police Agencies in Pennsylvania
(As of June 2014)

	Agency	County	Year Est.	Municipalities Served
1	Eastern Adams Regional Police Department	Adams	1992	Oxford Township, New Oxford Borough
2	Northern Regional Police Department	Allegheny	1969	Bradfordwoods Borough, Pine Township, Marshall Township, Richland Township
3	Central Berks Regional Police Department	Berks	1993	Lower Alsace Township, Mt. Penn Borough; contract to St. Lawrence Borough
4	Northern Berks Regional Police Department	Berks	1991	Maidencreek Township, Ontelaunee Township, Leesport Borough
5	Western Berks Regional Police Department	Berks	2010	Robesonia Borough, Wernersville Borough
6	Central Bucks Regional Police Force	Bucks	2014	Doylestown Borough, New Britain Borough
7	Pennridge Regional Police Department	Bucks	1992	East Rockhill Township, West Rockhill Township
8	West Hill Regional Police Commission	Cambria	1978	Brownstown Borough, Southmont Borough, Westmont Borough, Lower Yoder Township
9	Westtown/East Goshen Regional Police Department	Chester	1982	Westtown Township, East Goshen Township; contract to Thornbury Township
10	Morris Cooper Regional Police Department	Clearfield	1975	Morris Township, Cooper Township
11	Orangeville Area Police Department	Columbia	2003	Orange Township, Orangeville Borough
12	Conneaut Lake Regional Police Department	Crawford	1995	Conneaut Lake Borough, Sadsbury Township
13	West Shore Regional Police Department	Cumberland	1995	Lemoyne Borough, Wormleysburg Borough
14	Southwest Regional Police Department	Fayette	2003	Belle Vernon Borough, Newell Borough, Coal Center Borough, Cokeburg Borough, Bentleyville Borough, Perry Township, Wayne Township, Union Township
15	Northern Lancaster County Regional Police Department	Lancaster	2012	Clay Township, Penn Township, Warwick Township
16	Northwest Lancaster County Regional Police Department	Lancaster	2003	West Donegal Township, Mount Joy Township
17	Susquehanna Regional Police Department	Lancaster	1996	Conoy Township, East Donegal Township, Marietta Borough
18	Southern Regional Police Department	Lancaster	2003	Pequea Township, Conestoga Township

Exhibit 1 (Continued)

	Agency	County	Year Est.	Municipalities Served
19	Tiadaghton Valley Regional Police Department	Lycoming	2010	Jersey Shore Borough, Porter Township; contract to Nippinose Township
20	Otto Eldred Regional Police Department	McKean	2004	Eldred Borough, Otto Township
21	Southwest Mercer County Regional Police Department	Mercer	1992	Farrell City, West Middlesex Borough, Wheatland Borough, Shenango Township
22	Mifflin County Regional Police Department	Mifflin	1993	Brown Township, Burnham borough, Derry Township, Union Township
23	Pocono Mountain Regional Police Department	Monroe	1994	Tobyhanna Township, Mount Pocono Borough, Tunkhannock Township, Coolbaugh Township
24	Stroud Area Regional Police Department	Monroe	2000	East Stroudsburg Borough, Stroudsburg Borough, Stroud Township
25	Upper Perkiomen Regional Police Department	Montgomery	1980	East Greenville Borough, Pennsburg Borough
26	Colonial Regional Police Department	Northampton	1995	Bath Borough, Hanover Township, Lower Nazareth Township
27	Eastern Pike Regional Police Department	Pike	2008	Matamoras Borough, Westfall Township
28	Buffalo Valley Regional Police Department	Union	2012	East Buffalo Township, Lewisburg Borough
29	RESA Regional Police Department	Washington	1990	Roscoe Borough, Elco Borough, Stockdale Borough, Allenport Borough, Dunlevy Borough
30	Charleroi Regional Police Department	Washington	2012	Charleroi Borough, North Charleroi borough, Speers Borough; contract to Twilight Borough
31	Northern York County Regional Police Department	York	1972	Conewago Township, Dover Borough, Dover Township, Franklin Township, Jackson Township, Manchester Township, North York Borough, Paradise Township
32	Northeastern Regional Police Department	York	1983	East Manchester Township, Manchester Borough, Mount Wolf Borough
33	Southern Regional Police Department	York	1992	New Freedom Borough, Shrewsbury Borough; contracts to Glenn Rock Borough, Railroad Borough, Southern York County School District
34	Southwestern Regional Police Department	York	2002	Heidelberg Township, Manheim Township, North Codorus Township, Spring Grove Borough
35	York Area Regional Police Department	York	2000	York Township, Windsor Township; contracts to boroughs of Dallastown, Felton, Jacobus, Red Lion, Windsor, and Yoe, and North Hopewell Township.

Exhibit 1 (Continued)

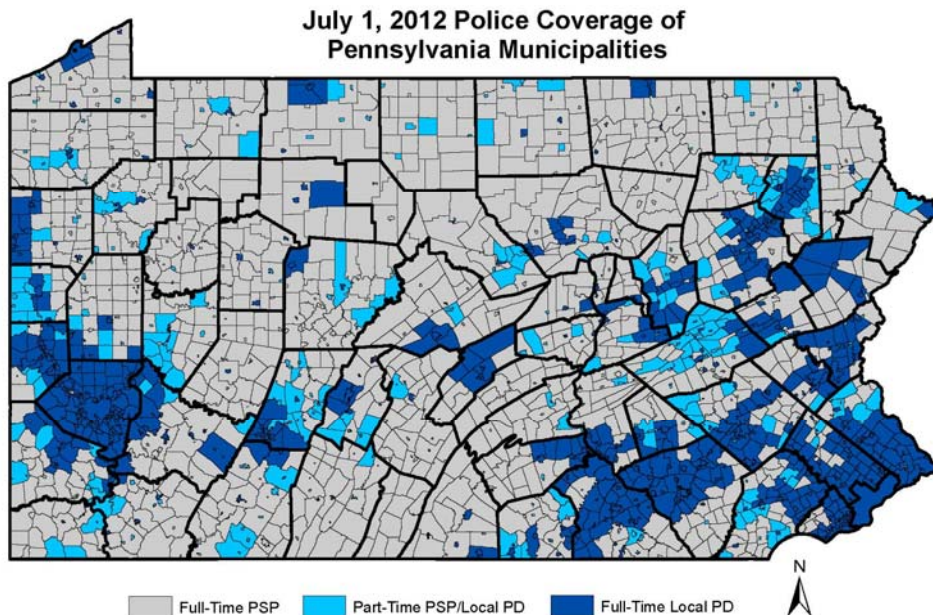


Source: Developed by LB&FC staff using information from the Governor's Center for Local Government Services. Shaded counties do not have a Regional Police Department.

PA State Police Services to Municipalities

The PA State Police (PSP) provides full-time police service to 1,279 municipalities that do not have their own police officers, and part-time police service to 420 municipalities.⁸ The PSP provides part-time service for those municipalities that have a police department but do not have police on duty 24 hours a day and seven days a week. Collectively, these municipalities comprise 66 percent of the municipalities in the Commonwealth, 82 percent of the land area, and 26 percent of the total population. Based on the 2010 census figures, that equates to approximately 3.3 million residents. Exhibit 2 shows those areas of the Commonwealth with full-time PSP coverage, part-time PSP coverage, and full-time local police departments as of July 1, 2012. The PSP also provides back-up services to all police departments in the Commonwealth.

Exhibit 2



Source: PA State Police.

The municipalities that rely on the PSP for primary or part-time services change as municipalities with their own police departments choose to dissolve those departments or reduce a full-time department to part-time services and seek coverage from the PSP. The PSP reports that in the last three years, nine municipalities terminated full-time local police services, and 17 municipalities terminated part-time local police services. During that same time, ten municipalities reduced their police services from full-time to part-time. Additionally, numerous municipalities with part-time police departments reduced the number of hours they provide coverage; however, that information is not tracked as adjustments can occur frequently.

⁸ As reported by the PSP.

Police Services Provided by the PSP

The PSP provides law enforcement coverage to municipalities without their own police departments, as well as assistance to other local, state, and federal law enforcement agencies upon request. These services include basic patrol duties, crime reporting, criminal investigation plus specialized support services (including collision analysis and reconstruction), liquor control, vice and narcotics, K-9, polygraph, aviation, criminal intelligence, equestrian detail, computer crime, and hazardous devices and explosives. The PSP, however, does not enforce local ordinances.

A recent study of PSP coverage of municipalities⁹ reported that in those municipalities where the PSP provided either full-time or part-time police coverage, the incidents most frequently reported were requests for assistance, collisions, burglaries, thefts, assaults, criminal mischief, and other, e.g., disturbance. The highest number of calls were for municipalities that rely on the PSP for their primary law enforcement. Approximately 75 percent of all PSP incident responses occurred in municipalities where the PSP provides full- or part-time police services.

Cost of Police Services Provided by the PSP

All PSP troops, except for Troop T that is exclusively used for PA Turnpike patrol, provide police services to municipalities in their patrol zones. The patrol zones may involve more than one municipality, and trooper activity is not maintained by specific location, i.e., the trooper would not log time spent in a particular municipality on patrol. Since the PSP does not receive direct funding from the municipalities receiving full-time or part-time PSP coverage, time and activity reports devoted to those municipalities are not specifically maintained by the PSP.

The PSP reports total expenses of approximately \$540 million for troops providing full- or part-time police coverage to municipalities in their patrol zones that do not otherwise have full-time police coverage. This results in a per capita cost of approximately \$162. However, the PSP notes that this calculation does not take into account that roughly 24.7 percent of this population is served by the PSP on a part-time basis. The per capita cost to provide PSP service on a part-time basis would be expected to be less than the cost to provide service on a full-time basis.

The cost to provide part-time police services is difficult to calculate because the amount of time that the PSP provides service to municipalities with part-time local police coverage varies greatly from municipality to municipality, as it is dependent upon the actual amount of time the municipality is being served by their local police department. In addition, part-time local police coverage can fluctuate on a daily, weekly, and/or monthly basis within a municipality; as such, the PSP

⁹ Gary Zajac and Lindsay Kowalski, *An Examination of Pennsylvania State Police Coverage of Municipalities* (Center for Rural Pennsylvania, April 2012). Online at <http://www.rural.palegislature.us/documents/reports/state-police-coverage-2012.pdf>.

coverage of that municipality would also fluctuate as necessary. Therefore, the amount of time the PSP serves municipalities on a part-time basis is unknown and would be difficult to determine with any degree of accuracy.

In prior legislative sessions, bills have been introduced to require per capita payments from municipalities using the PSP for all police services. Municipalities under a certain population were exempt from the requirement. In the Program Revision Request for FY 2006-07, the PSP estimated a per capita cost of \$112.29 to cover the costs associated with providing police services to municipalities with populations of over 5,000 residents.¹⁰ In the current session, SB 2013-63 would establish a voluntary program through which municipalities without a police force could enter into contracts with the PSP for police services at a rate of not less than \$65 an hour for each trooper.

The PSP does not receive direct funding from the municipalities for which it is the primary police department. However, the PSP does receive a portion of traffic fine revenue and other non-traffic fines that may be written in municipalities where the PSP has official patrol responsibility. A recent statutory amendment provides that fines and forfeitures for vehicle offenses prosecuted as a result of PSP action shall only be distributed to municipalities with a population of 3,000 or less or that provide at least 40 hours per week of local police services. This can be through their own police department, regional police department, or a contract for police services with another municipality or regional department. The revenues that are not distributed to a municipality under this provision are transferred to the PSP for cadet classes. As shown on Table 3, in FY 2013-14, approximately \$1 million was transferred for this purpose.

Table 3

State Police Fines and Penalties Allocation			
<u>Date of Allocation</u>	<u>Municipal Share</u>	<u>PSP Share</u>	<u>Total</u>
FY 2010-11	\$13,371,957.15	-	\$13,371,957.15
FY 2011-12	13,008,287.41	-	13,008,287.41
FY 2012-13 ^a	10,674,666.15	\$ 881,287.61	11,555,953.76
FY 2013-14 ^b	6,900,560.33	1,052,807.89	7,953,368.22

^a Act 2012-124 went into effect September 2012.
^b As of June 1, 2014.

Source: Pennsylvania Department of Transportation.

¹⁰ The PRR noted that there were 79 municipalities with populations in excess of 5,000 with a combined population of 708,265. There were 24 municipalities with populations in excess of 5,000 that provided sporadic part-time services with a combined population of 152,911.

Survey of Municipalities That Rely on PSP for All Police Services

The municipalities that receive primary police services from the PSP range in population from ten residents to more than 40,000 residents. We sent a survey to all municipalities¹¹ in Pennsylvania that use the PSP as their primary police services provider. One of the questions we asked was whether the municipality was satisfied with the services they received from the PSP. Of the 193 municipalities responding to that question, 82 stated they were very satisfied, 97 stated they were satisfied and only 14 expressed dissatisfaction with the services provided by the PSP.

Funding of Municipal Police Departments

Municipalities with their own police services, including those that contract with another municipality or regional police department, reported spending approximately \$1.3 billion on police services in FY 2012.¹² On average, the expenditures for police services were 16.7 percent of the total reported expenditures of the municipality. This, however, varied greatly with some municipalities' police expenditures being less than 1 percent of expenditures and others being over 40 percent. The median was 16.2 percent.

Funding for municipal police services is primarily through local tax dollars. State funds are not available for on-going funding of municipal police services, although other specific funding may be available. These other sources include:

For regional police departments or shared police services:

- ***Municipal Assistance Program (MAP)***. This Department of Community and Economic Development (DCED) program provides funding for shared services, community planning, and floodplain management. Funds may be used for the start-up or service expansion costs associated with two or more municipalities or counties working jointly or cooperatively in performance of any government function and includes police services. The program provides up to 50 percent of the total cost of the approved application, with the grantee providing the remaining amount. The grant is not available for ongoing operating costs.

As shown on Exhibit 3, in FY 2011 through FY 2013 (through March 2014), seven grants were awarded for a total of \$193,291 for regional police services.

¹¹ Based on email addresses provided by the DCED for municipalities reporting that they use the PSP for all police services.

¹² This is the most recent year for which this data is available. This number is low in that not all municipalities may have reported their costs for police services. Neither Philadelphia nor Pittsburgh, the departments with the largest number of officers, reported these costs.

The grants were used for start-up costs for newly formed regional police departments and the purchase of equipment, e.g., police radios.

Exhibit 3

DCED Regional Police Grants
(FY 2011 – FY 2013)*

Applicants	County	Project Description	Grant Request	Total Project	Approved MAP
Northern Lancaster County Regional Police Department	Lancaster	Start-up costs for newly formed regional police department	\$44,000	\$88,000	\$44,000
Charleroi Regional Police Department	Washington	Start-up costs for newly formed regional police department	50,000	100,000	50,000
York Area Regional Police Department	York	Purchase of computer, scheduling software and ALERT licenses	7,540	15,080	7,500
Northern York County Regional Police	York	Purchase in-car cameras and in-car printers	21,191	56,090	21,191
Southern Regional Police Department	Lancaster	Police radios	18,217	36,434	18,200
Northern Lancaster County Regional Police	Lancaster	Automated system to catch data at crash and crime scenes, in car digital camera systems and automated fleet tracking systems subscription	33,357	66,714	33,300
Southwestern Regional Police Department	York	Purchase equipment-computer server & software, in-car video camera & software	19,103	38,206	19,100

*Through March 2014.

Source: Department of Community and Economic Development.

- **Regional Police Assistance Program.** The PA Commission on Crime and Delinquency (PCCD) administers the Regional Police Assistance Program using federal Justice Assistance Grant Program funds. This grant provides up to \$99,000 (\$55,000 in the first year, \$28,000 in the second year and \$16,000 in the third year) in funding and is used to offset the costs of the chief of police of a newly formed regional police department. See Exhibit 4 for funds requested in FY 2012 through FY 2013 (through March 2014).

Recently, PCCD's Criminal Justice Advisory Committee approved increasing this grant to \$150,000 total with \$50,000 available each year of the three-year grant. PCCD also approved additional funding to support the expansion

of a regional department. This funding would provide \$20,000 for legal expenses, law enforcement equipment, and personnel costs associated with hiring additional personnel to cover expanded patrol areas.

Exhibit 4

Justice Assistance Grant Applicants
FY 2012 – FY 2013 (Through March 2014)

Applicant	Title and Project Number	Funds Requested	Date
Northern Lancaster County Regional Police Department	Northern Lancaster County Regional Police Department	\$50,000	9/11/12
Charleroi Regional Police Department	Charleroi Regional Police Grant	50,000	9/11/12
Buffalo Valley Regional Police Commission	Buffalo Valley Regional Police Administration Assistance Grant	33,000	6/12/13
Northern Lancaster County Regional Police Department	Northern Lancaster County Regional Police Department	31,250	9/11/13
Lehigh Township	Regional Central Booking Station	14,028	9/11/13
Tiadaghton Valley Regional Police Department	Regional Police Department Salary Grant	19,650	12/11/13
Central Bucks Regional Police Department	Regional Police Assistance	49,000	3/12/14

Source: PA Commission on Crime and Delinquency.

For all police departments:¹³

- Municipal Police Officers' Education and Training Commission funding.***
 Upon receipt of certification by the Commission, a police officer is authorized to enforce 18 Pa.C.S. (relating to the Crimes Code) and moving violations of 75 Pa.C.S. (relating to the Vehicle Code), and to carry a firearm. In accordance with Act 2013-89, the Commission will reimburse tuition to municipalities, on a pro rata basis, for police officers who successfully complete approved annual in-service training classes. The Commission will also reimburse municipalities 75 percent of basic academy tuition, and up to 60 percent of a new hire's salary while in basic training only upon successful completion of the basic training academy.

¹³ This includes regional and individual local police departments that meet the requirements for the funding.

In FY 2008, the program reimbursed 26 municipalities a total of \$7.7 million for salaries, travel, lodging, subsistence, and tuition for the basic police academy training of 404 participants. Grant funding for this program ended in 2009, but was reinstated by Act 2013-89. Act 89 provides \$5 million annually from the Motor License Fund to reimburse training expenses. Beginning January 2, 2015, the Commission will begin to accept requests for reimbursement of training expenses incurred during the calendar year 2014.

- **Share of Vehicle Code fines.** Prior to 2012, municipalities received one-half of all vehicle offense fines (with certain exceptions) resulting from PSP activities in their municipality. Act 2012-124 changed this to restrict the distribution of fine revenue to municipalities with a population of not more than 3,000 or that provide at least 40 hours per week of local police services through its own local police department, participation in a regional police department, or contract with other municipal or regional police for police services.¹⁴ Revenue that is not payable to a municipality is transferred to the PSP for cadet classes.

In addition, all fines that result from the any prosecution of a Vehicle Code violation by the PSP on an interstate highway are credited to the Motor License Fund. An exception is made for prosecutions for driving under the influence of alcohol or a controlled substance. One-half of the fines from those offenses prosecuted by the PSP are credited to the Motor License Fund and the remaining half are payable to the county (50 percent to the county authority which implements the county drug and alcohol program and 50 percent for expenditures related to county jails, prisons, workhouses, and detention centers). As shown on Table 3, in the most recent fiscal year, municipalities received approximately \$7 million as a result of PSP issued Motor Vehicle Code violation citations.

Municipalities with their own police departments also receive one-half of vehicle offense fines prosecuted by the local police department. As shown of Table 4, that resulted in \$17.7 million being payable to the municipalities in FY 2013.

¹⁴ Municipalities retain one-half of fines resulting from their local police action of Vehicle Code violations with the other half payable to the Commonwealth for credit to the Motor License Fund.

Table 4

Revenue to Municipalities for Motor Vehicle Violations Cited by Local Police*

County	2011 Fiscal Year Total	2012 Fiscal Year Total	2013 Fiscal Year Total ^a
Adams - (25) Municipalities	\$ 147,530	\$ 149,177	\$ 135,276
Allegheny - (131) Municipalities	2,156,123	2,072,582	1,894,945
Armstrong - (23) Municipalities	88,101	76,330	62,383
Beaver - (49) Municipalities	342,816	380,239	372,428
Bedford - (6) Municipalities	16,271	15,269	21,608
Berks - (63) Municipalities	909,660	856,969	835,672
Blair - (19) Municipalities	140,171	152,037	134,687
Bradford - (12) Municipalities	54,382	33,051	35,232
Bucks - (54) Municipalities	1,198,654	1,187,384	1,153,061
Butler - (22) Municipalities	250,982	322,368	348,346
Cambria - (52) Municipalities	197,997	190,011	181,857
Cameron - (1) Municipalities	1,567	1,888	1,239
Carbon - (18) Municipalities	112,490	96,907	89,433
Centre - (15) Municipalities	163,615	143,874	150,491
Chester - (70) Municipalities	1,312,701	1,186,837	1,174,543
Clarion - (9) Municipalities	23,514	22,743	26,722
Clearfield - (10) Municipalities	53,101	49,873	58,647
Clinton - (7) Municipalities	46,376	37,238	29,940
Columbia - (28) Municipalities	207,133	188,485	184,130
Crawford - (12) Municipalities	65,779	51,898	50,428
Cumberland - (23) Municipalities ^b	431,206	433,755	499,883
Dauphin - (26) Municipalities	666,591	611,268	631,586
Delaware - (58) Municipalities	966,438	910,941	899,732
Elk - (4) Municipalities	22,944	21,377	15,889
Erie - (16) Municipalities	307,598	291,666	287,355
Fayette - (23) Municipalities	126,056	124,877	130,939
Forest - (1) Municipalities	1,328	3,003	1,754
Franklin - (10) Municipalities	115,516	118,331	100,824
Fulton - (1) Municipalities	-	118	19
Greene - (8) Municipalities	24,334	19,359	25,786
Huntingdon - (7) Municipalities	11,219	11,371	11,558
Indiana - (10) Municipalities	48,703	44,916	43,238
Jefferson - (7) Municipalities	58,550	53,021	51,935
Juniata - (3) Municipalities	762	911	857
Lackawanna - (32) Municipalities	304,993	323,782	281,108
Lancaster - (53) Municipalities	952,223	879,077	808,716
Lawrence - (20) Municipalities	161,740	130,686	136,694
Lebanon - (30) Municipalities	260,135	238,406	291,634
Lehigh - (28) Municipalities	593,190	590,367	649,306

Table 4 (Continued)

County	2011 Fiscal Year Total	2012 Fiscal Year Total	2013 Fiscal Year Total
Luzerne - (56) Municipalities	\$ 478,794	\$ 557,020	\$ 498,383
Lycoming - (30) Municipalities	173,573	221,250	186,887
McKean - (11) Municipalities	45,810	50,694	45,596
Mercer - (23) Municipalities	171,398	165,992	172,489
Mifflin - (12) Municipalities	50,954	57,759	65,301
Monroe - (15) Municipalities	154,363	107,366	94,281
Montgomery - (68) Municipalities	1,693,575	1,615,699	1,488,217
Montour - (2) Municipalities	24,093	29,920	28,519
Northampton - (37) Municipalities	642,415	579,002	590,634
Northumberland - (19) Municipalities	122,845	101,450	111,454
Perry - (8) Municipalities	37,318	67,215	57,197
Pike - (7) Municipalities	43,629	35,692	39,364
Potter - (6) Municipalities	14,811	10,046	7,432
Schuylkill - (55) Municipalities	165,271	188,272	179,851
Snyder - (14) Municipalities	51,639	60,121	36,187
Somerset - (21) Municipalities	87,126	83,298	71,159
Sullivan - (0) Municipalities	-	-	-
Susquehanna - (12) Municipalities	26,119	26,122	21,009
Tioga - (12) Municipalities	86,591	61,736	52,781
Union - (8) Municipalities	52,927	47,012	39,776
Venango - (13) Municipalities	69,164	74,016	65,422
Warren - (6) Municipalities	34,800	40,737	37,200
Washington - (54) Municipalities	361,446	384,852	331,927
Wayne - (8) Municipalities	29,084	22,376	32,297
Westmoreland - (47) Municipalities	394,271	371,972	348,765
Wyoming - (15) Municipalities	94,560	143,409	135,138
York - (67) Municipalities	1,181,958	1,153,864	1,133,571
Total	\$18,831,022	\$18,279,284	\$17,680,717

*This does not include Philadelphia County since it does not use the statewide Magisterial District Justice System.

^a Through June 25, 2014.

^b Includes West Shore Regional Police Department. According to the AOPC, the regional police departments, depending on their agreements and preferences, may have the fine money directly disbursed to the municipalities based on statute or receive it directly and then disburse it. The majority have the fine money being directly disbursed to the municipality based on statute.

Source: Administrative Office of Pennsylvania Courts (AOPC).

- **Gaming Act funding.** The Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S.A. §1101 *et seq.*, provides for the distribution and allocation of gross terminal revenues generated at licensed slots facilities.¹⁵ Pennsylvania has a 55 percent tax rate on gross terminal revenue (GTR). Of the 55 percent, 38 percent is transferred to the State Gaming Fund,¹⁶ of which 4 percent is referred to as the Local Share Assessment. The local share assessment is distributed to counties and municipalities based on the classification of the licensee and county in which the facility is located. See Table 5, which shows the amount of money distributed during FY 2012 for the local share assessment. These funds may be used for municipal grants to fund, among others, emergency services and public safety expenses associated with the casino.

In addition, \$2 million is transferred annually from the Gaming Fund to the State Gaming Board for local law enforcement grants, and to the PSP where there is no local law enforcement agency. These grants may be used to investigate, enforce, and prevent unlawful gambling in the Commonwealth. The maximum annual award to any single law enforcement agency is \$250,000. Grant funds may only be used for the purpose of attending or conducting education and training events; defraying costs associated with the investigation, prevention, deterrence, or enforcement of laws related to illegal gambling; or the prosecution of crimes involving illegal gambling.¹⁷ Since 2007, a total of \$1,025,261 has been awarded to various police departments. As shown in Exhibit 5, in the last three fiscal years the total amount awarded was \$331,335.60.

¹⁵ Generally, these funds are to be used for job creation, economic development and tourism, revitalization of the horse racing industry, local communities, and property and wage tax relief.

¹⁶ The PA Gaming Economic Development and Tourism Fund (EDTF) receives 5 percent of each gaming entity's GTR, and the PA Race Horse Development Fund (PRHDF) receives a maximum of 12 percent of the licensed gaming entity's GTR.

¹⁷ PA Gaming Control Board website.

Table 5

Local Share Assessment Distribution of Gaming Funds FY 2012

Casino and Municipality	Slots	Tables
Statewide	\$142,269,957	\$14,263,193
Presque Isle Downs & Casino		
Erie County	11,204,908	0
Summit Township	1,308,354	0
Erie County Redevelopment Authority	0	299,123
Rivers Casino		
Pittsburgh/ICA	10,024,151	0
Visitors Bureau of Monroeville.....	0	103,921
Department of Education.....	0	1,281,699
Allegheny County	5,666,657	0
The Meadows Racetrack and Casino		
Washington County	9,254,142	170,476
Washington County Townships.....	3,016,672	189,362
North Strabane Township.....	2,382,690	359,838
Hollywood Casino at Penn National Race Course		
Dauphin County.....	13,459,236	523,896
East Hanover Township, Lebanon County.....	160,000	116,152
East Hanover Township, Dauphin County	1,028,330	116,152
Mohegan Sun at Pocono Downs		
Luzerne County CFA.....	11,914,584	429,235
Plains Township	2,414,944	429,235
Mount Airy Casino Resort		
Monroe County CFA.....	9,720,702	196,353
Monroe County	2,287,377	0
Paradise Township	858,859	392,706
PHEAA	0	196,353
Sands Casino Resort Bethlehem		
Allentown City.....	3,393,759	330,756
Easton City	0	826,890
Northampton County	2,792,672	992,268
Bethlehem City	8,687,869	826,890
Lehigh County	930,891	330,756
Valley Forge Casino Resort		
Upper Merion Township	1,118,899	315,833
Montgomery County CFA.....	1,118,899	315,833
Parx Casino		
Bucks County	7,528,362	1,103,145
Bensalem Township	9,837,039	1,103,145
SugarHouse Casino		
Philadelphia School District.....	3,914,999	876,190
Philadelphia City.....	3,456,329	830,189
Harrah's Philadelphia Casino and Racetrack		
Delaware County	4,991,376	803,308
Chester City.....	9,795,394	803,308

Source: PA Gaming Control Board Annual Report, FY 2012-13.

Exhibit 5

Local Law Enforcement Grants
FYs 2010 Through 2013 (as of August 2013)

<u>Local Police Department</u>	<u>County</u>	<u>Grant Date</u>	<u>Grant Amount</u>
Borough of Freeland Police Department	Luzerne	9/16/2010	\$23,370.00
City of Philadelphia Police Department	Philadelphia	8/18/2011	\$98,935.60
Bloomsburg Police Department	Columbia	8/22/2012	\$32,060.00
Hazleton City Police Department	Luzerne	2/20/2013	\$85,000.00
City of Chester Police Department	Chester	5/15/2013	\$30,500.00
West Hazleton Borough Police Department	Luzerne	5/15/2013	\$39,970.00
Borough of Freeland Police Department	Luzerne	8/21/2013	\$21,500.00

Source: Pa. Gaming Control Board.

Due to the restrictive use of the grants, the Gaming Board reports receiving only six to eight applications per year.¹⁸ Since the unused funds accrue, the Board has approximately \$8.5 million available for grants.¹⁹ House Bill 2014-2296 proposes to use the \$2.0 million annually allocated in the act to fund grants for RPDs.

- General Municipal Pension System State Aid Program.** This program distributes the proceeds of the insurance premium taxes on foreign fire insurance companies and foreign casualty insurance companies to municipalities that employ one or more full-time municipal employees and provide a pension plan for them. The funds are distributed based on the number of employee “units” in the municipality. A police officer or firefighter is two units, and all other employees are one unit each. The funds available for distribution are divided by the number of units to determine a per unit value. Distribution is made at that level with adjustments as needed. No municipality may receive more than 25 percent of the available funds or more than their full pension costs. In 2012, \$232.8 million was distributed, with 584 municipalities receiving amounts equaling their full pension costs and 951 receiving unit value.²⁰

¹⁸ The Gaming Board recently revised its guidelines for this program to allow for two-year grants, increased the grant award subject to a CPA audit as well as the funds available to pay for the audit, and allow 15 percent of grant funds to be used for capital equipment purchases, e.g., surveillance equipment, to encourage participation in the program.

¹⁹ Act 2014-1A transferred \$8.0 million of this balance to the General Fund.

²⁰ The distribution to the municipality is not designated to fund the uniformed versus non-uniformed municipal employees.

- **Other funds.** Municipal police departments also receive funds from federal grants, e.g., for safety equipment, proceeds from drug forfeiture, and other miscellaneous funds.
- **Funding options.** Several bills pending in the General Assembly would provide additional funding for regional and other municipal police departments. See Appendix B. This includes Senate Bill 2013-880 that establishes ongoing partial funding for part-time municipal police officers. House Bill 2014-2296 provides funding for regional police departments to be used for equipment, training, and personnel costs, among others, and House Bill 2013-229 requires a portion of proceeds from forfeited property to be distributed to the municipal police department involved in the seizure of the property.

Funding for Local Police in Other States

We surveyed the contiguous states²¹ to determine the common sources of funding for municipal police departments. We found that property taxes are the common revenue source in those states for municipal police departments. As shown on Exhibit 6, in New York State, county sheriffs' departments also receive funding from state sales tax revenues. In Delaware, there are certain grants available to city police departments (the State Aid to Local Law Enforcement grant from the state and drug enforcement grants that help cover special projects), but these grants are only a very small part of their budgets. Additionally, when the Attorney General sells seized assets in its possession, the jurisdiction within which the asset was seized receives a portion of the income.

In West Virginia, police services in cities are funded through the city budget, which has four sources of revenue, including a \$5 user service fee that is imposed weekly on all employees who work in cities.²² The city uses the revenues generated by this fee to fund municipal services such as police, fire, and trash removal. Additionally, homes and businesses in the cities are taxed based on their square footage.

²¹ New Jersey did not respond to our attempts to contact them.

²² There are exceptions to this fee, based on income.

Exhibit 6

Funding in Other States for Local Police Services

State	Police Agency	Jurisdiction	Funding Sources
Delaware	New Castle County Police ^a	New Castle County	Property taxes
	City Police	Within the city	Property taxes ^b
Maryland	Sheriffs	County	State funding
	County Police	County	County property taxes
	City Police	City	City property taxes
New York	Sheriffs	Statewide	Property taxes and state sales tax
	Municipal Police	Within the municipality	Property taxes
Ohio	Sheriffs	County	County property taxes ^c
	Municipalities	Within the municipality	Income tax ^d
West Virginia	Sheriffs	County	County property taxes
	City Police	Within the city	Business and operations tax; sales tax; municipal fees; and user fees ^e

^a Only county in Delaware with its own police department.

^b There are certain grants available (SALLE grant from the state and drug enforcement grants that help cover special projects), but these grants are only a very small part of their budgets. Additionally, when the Attorney General sells seized assets in its possession, the jurisdiction within which the asset was seized receives a portion of the income.

^c Counties also have the power to levy additional property taxes to help fund specific purposes, such as crime prevention, jail operation, etc. This additional levy would have to be approved by the voters in that county.

^d Cities and townships also have the ability to levy a tax at the same time as property tax specifically for police services.

^e The business and operations tax imposes a tax quarterly on all businesses within the city, including utilities and hospitals; municipal fees are based on the square footage of the business or home; and a \$5 per week user fee is imposed on every employee in the city, with exceptions based on income.

Source: Developed by LB&FC staff from information obtained through telephone contacts to the other states' sheriffs' associations and municipal police departments.

III. Consolidation of Municipal Police Departments

As noted previously, municipalities are authorized to provide police services through a cooperative agreement. There is, however, no statute that specifically defines a regional police department. The Department of Community and Economic Development's Center for Local Government Services (CLGS) offers a regional police services manual that has a comprehensive list of information needed for the in-depth analysis necessary prior to a consolidation, and identifies actions to take once the decision to consolidate is made. This includes preliminary feasibility considerations; basic steps for assessing feasibility and developing a plan; developing a regional police contract; organizing, staffing, and equipping a regional police department; and determining a method of distributing costs among participating municipalities.

Rationale for Regionalization

In 2002, a former FBI agent and Executive Director of the Major City Chiefs Association,¹ wrote that most small police departments are doing a pretty fair job of maintaining the level of law enforcement that the community desires, and there is no evidence that the lack of regional police is causing any particular hardship on rural/suburban America. However, as was also noted, population demographics, culture, economy, and values continue to be in a state of rapid change and with the nature of crime changing, current criminal behavior can be beyond the scope and capabilities of small departments to investigate.

Senior police administrators are regularly expected to evaluate how and where shared services would benefit their municipalities and whether shared services or consolidation of law enforcement services will actually enhance the delivery of efficient and effective operations to better serve the community. Just the impact of multi-jurisdictional crime alone illustrates the need for a far-reaching intelligence function, analytical capability, mutual aid agreements, joint training opportunities, and the integration and compatibility of records management and communications systems, equipment, and technology.

As noted in a *Police Chief* article, successful mergers have evolved from the inability of smaller stand-alone police agencies to maintain an adequate level of resources, equipment, training, and the expertise necessary to meet the proficiencies and operational capabilities required of a modern-day stand-alone law enforcement

¹ Major City Chiefs Association is a professional association of chiefs and sheriffs representing the largest cities in the United States, Canada, and the U.K. It was formed in 1949 to provide a forum for executives to share ideas, experiences, and strategies to address policing major urban communities.

agency.² Impacting the decision to consolidate is the degree of political support, the willingness of police leaders to accept change, the degree of community support, and the degree of union support.

Dauphin County

In May 2014, Dauphin County commissioners announced plans to undertake a study that would examine consolidating the 17 police departments in the county.³ Law enforcement officials had suggested a combined force would be more efficient and provide better service while saving taxpayer dollars. The Commissioners also were told by local government administrators that supporting a local police force with limited budgets is becoming an increasing challenge.

The study is to address the impact of consolidation on the day-to-day functions of police officers, and whether or not it will improve public safety. The study is expected to be completed in one year. Other issues that will be explored include political acceptance; a cost and a representation formula; selecting a chief; contractual issues; the consolidation of equipment, records, management, and training; selecting a headquarters facility; and developing a budget. The police regionalization committee held its first meeting at the end of May 2014.

Berks County

In 2009, at the request of the Berks County Board of Commissioners, the Police Executive Research Forum (PERF) examined the police organizations operating in Berks County and developed several alternatives for delivering police services, including a county-wide option. As noted by the Mayor of Reading in the study's report, "Multiple and overlapping governments, school districts, police forces, fire departments and fire stations, water and sewer plants, and all, cost taxpayers more than is necessary...consolidation or greatly increased regional cooperation is essential..."

Public forums and a focus group provided community input during the study and cited several reasons in support of regionalized police services, including, for example, allocation of workload among a greater number of officers, allowing investigators to focus on just that role, reducing response times from the PSP that can be lengthy, greater resource sharing among departments and with the county sheriff's office, leveling the distribution of resources, ability to access records at all times, increased opportunities for specialized officer training, and increased assistance to other departments. Concerns expressed regarding regionalization included losing the current level of community oriented policing, uncertainty that consolidation

² Julian Fantino, "Consolidation, Amalgamation, Regionalization: When Harsh Economic Realities Impact Police Agencies," *The Police Chief* 78 (October 2011): 38-42.

³ The County Code does not authorize a county-wide police department, except in Allegheny and Philadelphia Counties.

would be voluntary versus mandatory, and maintaining local tax dollars rather than giving them to the county to allocate.

Five options were presented by PERF: a county-wide police department; a “Ring” police department that has Reading Police Department remain as is and all other boroughs and township departments forming a single agency; two county-wide police departments (without Reading) in which the municipalities that formed the single department in the “Ring” option are split into a North and a South region; a Berks County Metropolitan Police Department that would consist of the 13 police departments that are the central urban/suburban core of the county (includes Reading); and ten independent regional police departments of two to six existing agencies each, with Reading remaining as it is. Since this study was completed, the Boroughs of Robesonia and Wernersville merged their police services in 2010, forming the Western Berks Regional Police.

Results of Regionalization Studies

Each regionalization study examined by LB&FC staff listed both advantages and disadvantages of a regional police force. Those most frequently cited are detailed in Exhibit 7 below.

Exhibit 7

Advantages to Consolidating Police Departments

- Improves the effectiveness of services delivered.
- Reduces cost through efficiencies.
- Increases the amount and the quality of services delivered, in particular, the uniformity and consistency of enforcement.
- Eliminates the need for part-time officers.
- Improves recruitment, training, and career development of police personnel.
- Improves supervision and organization of police.
- Improves use of technology and the consolidation of records.
- Provides the ability to spread liability costs over a larger tax base.

Disadvantages to Consolidating Police Departments

- Possible increases in cost.
- Loss of local control over the amount and level of services delivered.
- Loss of “personalized” services as the enforcement of local priorities decrease with a larger agency that is not devoted to a jurisdiction’s local neighborhood issues.
- Loss of citizen contact.
- Decreases upward mobility with only a single chief and fewer top command positions.

Source: Developed by LB&FC staff from regionalization studies completed by CLGS and PERF.

Although the studies noted a decrease in upward mobility due to a reduction in command positions, a recent doctoral dissertation suggests that regionalization may improve the development of police department staff. The dissertation notes that regionalization produces a flatter organizational structure by removing the silos that form as part of a traditional police department.⁴ This structure allows better communication flow throughout the organization and, combined with a dispersal of authority to all levels, provides field personnel with greater discretion in performing their duties. By allowing officers a greater stake in the direction and decisions within the agency, there will likely be an improvement in the development of leadership skills that will benefit the organization in the long run.

Guidelines/Characteristics

Characteristics of municipalities that appear to facilitate police consolidation include similarities in geographic size, abutting jurisdictions, demographics, and growth potential. Others include history of previous cooperation, police department adaptability, similar crime statistics and types of crimes (e.g., urban/industrial vs. rural), police call volume, and similar levels of police services desired by citizens.

The CLGS manual discusses a few of these characteristics, including existing intergovernmental cooperation; geographic conditions such as the location of the municipalities discussing regionalization in relation to each other as well as to mountains or rivers, which can impact response times; and demographics, noting that large differences in the age of residents, income levels, and social climate may require different methods and procedures for policing.

Process to Form a Regional Police Department

The Department of Community and Economic Development's Center for Local Government Services developed a manual that outlines a process for municipalities to follow when forming a regional police department.⁵ Recommended actions in this manual include: the appointment of a study committee to oversee the gathering of data and information; an analysis of the assembled information; a determination of the feasibility of regionalization; and a process and timetable for the implementation of the consolidation. The process can be time consuming and difficult.

⁴ Patrick J. Hughes, *Pennsylvania Regional Police Departments: An Exploratory Study of Predicting Leadership Culture*, December 2013.

⁵ Pennsylvania Department of Community and Economic Development, Center for Local Government Services, *Regional Police Services in Pennsylvania – A Guide for Local Government Officials*, June 2011.

Appointment of a Regional Police Study Committee

In establishing an oversight body, i.e., a Regional Police Study Committee, the CLGS recommends that at least one elected official represent each government participating in the study in order to ease access to the police and municipal information that will be needed by the committee. In addition, other participants on the committee may include, for example, persons from business, industry, government, or other citizens.

The Regional Police Study Committee serves as an advisory board, and the participating municipalities are not bound by the findings or recommendations of the committee. The basic tasks of the study committee are to: (1) determine the specific procedure to be used in undertaking the study; (2) gather the data and information that will be necessary from each municipality and its police department (if one exists); (3) analyze the data and information and from that analysis, determine the feasibility of regional police services; and (4) establish the procedure and timetable for implementation of a regional police department.

In addressing these tasks, the committee may seek the assistance and advice of persons knowledgeable of regional police services. The CLGS, for example, provides assistance upon request and, since 2005, has conducted an average of 15 regionalization⁶ studies and seven management studies⁷ annually. As of May, the Center has conducted ten regional studies and two management studies in 2014. The committee may also review the operation of an existing regional police department to gain a first-hand understanding of the operational issues involved.⁸

The CLGS also recommends that the study committee attempt to build community consensus by opening their process to the public and seeking the maximum possible coverage in the local media. The CLGS has identified tasks necessary for the study committee to complete its work. See Exhibit 8.

⁶ Thirteen of the nineteen (68 percent) regional police departments that responded to our questionnaire reported using CLGS services to assist with their consolidation.

⁷ A management study consists of a detailed examination of a police department's operations, recordkeeping, etc., and recommendations to improve efficiency and effectiveness.

⁸ In addition, CLGS makes presentations to associations and various county groups promoting regional police services, when doing fire service studies will mention the availability of police services, contributes articles and "ads" to association magazines, and maintains a website that has a downloadable manual for regional police services.

Tasks for Study Committee

1. Determine how to gather the information necessary.
2. Will using the information gathered from the CLGS's questionnaire, for example, be sufficient? If not, what other information will be needed?
3. Will a public opinion survey be necessary? If so, how will it be conducted?
4. Will it be necessary to seek advice or assistance from other than local sources?
5. Should a visit to an existing regional police department be organized?
6. Will the study completion timetable coincide with municipal budget preparations to allow implementation before financial data becomes stale?
7. Will public hearings be held and, if so, how many and when will they be held?
8. How will the public be informed of the study's progress?
9. How will the study findings and recommendations be presented to the municipal governments involved and what response is expected?

Source: Regional Police Services in Pennsylvania, DCED CLGS.

Data and Information Collection. The CLGS manual recommends that information and data be compiled from four different sources: each municipality, each existing police department, local agencies associated with the police department, and other sources not associated with the municipal government or its police department. Each elected official appointed to the committee representing a municipality serves as liaison to their community and is responsible for securing the necessary information. Exhibit 9 lists examples of the types of information that should be collected from these sources.

Analyzing Data and Determining Feasibility. The most difficult task facing the study committee, according to CLGS, is the procedure to follow to reach its conclusions. The committee must decide whether or not intergovernmental cooperation, and a change to the present system of policing, would benefit the participating municipalities and their citizens; and if so, the type of change that would bring the most benefit, and what benefits could be expected. For example, whether consolidation will expand police coverage, reduce response times, improve allocation of resources, expand training opportunities for staff, increase opportunities for staff specialization, etc., and whether these outcomes are desired by the citizens.

Procedure and Timetable for Implementation. Should a decision be made recommending a regional police program, a framework for the program and a timetable for its implementation must be developed. Depending upon the structure advocated by the committee, this may be a relatively easy or an extremely complex task. The CLGS manual discusses the mechanics of developing a regional police program in detail.⁹

⁹ For example: developing a regional police contract; organization of the regional police department; determining and filling staffing needs; adopting a pension plan; consolidating equipment, vehicles, headquarters facilities, and other transition issues; selecting a police chief; and determining a method to distribute cost among the municipalities in the region.

Exhibit 9

Information Needed by Source

Municipality

1. The population of each municipality broken out by age.
2. The size of each municipality in square miles.
3. Total miles of roads and highways within each municipality.
4. Total operating costs of each municipal government and its police department for at least the past three years.
5. A breakdown of the current budget to operate the police department including any hidden costs such as insurance on the officers, fringe benefits, vehicle operations, and costs to maintain the police facility. Non police-related items such as traffic signal purchases and maintenance of parking meters, which are often found in police operating budgets, should be excluded.
6. The name, rank, dates of employment, police training certification number, salary and fringe benefit costs for all police employees.
7. The current police department labor agreement.
8. The tax rate in mills and the assessment ratio.
9. Market value of real property.
10. Revenue from taxes and other sources.

Police Department

1. A two-year history of crime and police activity (incidents) in the community.
2. A two-year history of traffic accidents and enforcement efforts.
3. The deployment and assignment of full and part-time sworn police personnel.
4. The assignments, hours of work, salaries and fringe benefits of full and part-time civilian personnel.
5. Degree of and specific areas of cooperation with neighboring police personnel.
6. Training level of police personnel.
7. Methods of recruiting, selecting and promoting police personnel.
8. Number of vehicles, amount and conditions of other equipment.
9. Operations and personnel administration procedure.

Local Agencies Associated With the Police Department

An understanding of law enforcement procedures and/or opinions regarding regionalization may be obtained by contacting district magistrates, district attorney(s), county probation and juvenile officials, the local substation of the Pennsylvania State Police and neighboring police departments not a part of the study.

Other Sources

Local statistics and information on population, employment, economic conditions, income levels, and land area may be obtained from county or city planning agencies, crime and crime trends from the Pennsylvania State Police, and historical municipal financial information from the Center for Local Government Services (CLGS).

Source: Developed by LB&FC using *Regional Police Services in Pennsylvania*, DCED CLGS.

Brief Case Study of Recent Merger – Bucks County

The most recent police consolidation in Pennsylvania occurred in Bucks County. At the request of the elected officials for Doylestown Borough, Doylestown Township, New Britain Borough, New Britain Township, and Plumstead Township, a CLGS peer consultant examined the possibility of merging the police functions of these municipalities into one regional police department. The final report for this study was released in March 2012 and presented the options of combining all municipalities into a regional department, maintaining the separate police forces in each municipality, or consolidating two, three, or four of the municipalities if all five departments were not in agreement.

The CLGS Peer Consultant deemed the demographics of the five communities to be quite similar when viewed independently, with each municipality (and many of the bordering communities), experiencing the growth of residential subdivisions over the last ten to twenty years. See Exhibit 10. All five communities are in the same school district and each municipality has its own police force providing full-time police services. The report also concludes that for a combined population of almost 55,000 residents, the reported crime rate for the proposed region of 1,536 crimes per 100,000 residents (calculated using UCR data) is low and less than both the county-wide average of 2,312 per 100,000 for Bucks County and the 2,716 crimes per 100,000 residents rate for the Commonwealth of Pennsylvania.

Staffing needs for the new regional police department were calculated using workload to determine the number of patrol units necessary. The formula used was one developed by the International Association of Chiefs of Police (IACP) and has been used frequently by CLGS throughout the Commonwealth. The number of officers needed was determined using the number of complaints and incidents received and responded to by the current police force, and the number of hours available for the year. It was suggested that the regional force have two fewer officers than the current combined total. Despite the fewer officers and a 12 vehicle reduction to the fleet, patrol coverage would be increased to have ten to 15 officers on duty at all times. A proposed organization structure was created consisting of four operational divisions: Administrative, Patrol, Detectives, and a multi-purpose Auxiliary Services Unit. The consultant further recommended using two separate headquarters facilities, one in Doylestown Borough and one in Plumstead Township, until a new facility large enough for the new department could be constructed or renovated.

Exhibit 10

Demographics Used in Regionalization Analysis

Municipalities:	Doylestown Borough	Doylestown Township	New Britain Borough	New Britain Township	Plumstead Township	Total
Population ^a	8,227	18,829	4,222	11,070	12,442	54,790
Percent of Total Population	15.1%	34.3%	7.7%	20.2%	22.7%	
Square Miles	2.2	16.5	1.3	15	28	63
Percent of Total Square Miles	3.5%	26.2%	2.1%	23.8%	44.4%	
Housing Units	4,055	6,200	930	3,969	4,103	19,257
Population Density	3,699	1,141	3,247	738	444	870
Part 1 Crimes	184	361	23	104	170	842
Part 2 Crimes	718	365	167	173	158	1,581

Police Department:	Doylestown Borough	Doylestown Township	New Britain Borough	New Britain Township	Plumstead Township	Total
Full-time Officers	15	20	5	11	15	66
Vehicles	9	13	3	12	15	52
Clerical Staff	2	2	1	1	2	8
2012 Police Dept. Budget	\$2,392,474	\$3,099,418	\$706,832	\$2,003,956	\$2,820,812	\$11,023,492

^a Includes 1,100 resident students at DVC: 990 in New Britain Borough and 110 in Doylestown Township.

Source: Bucks County Regional Police Study, March 2012.

A budget for the newly created police department was developed that included a capital expenditures plan for the purchase of eight new marked patrol vehicles. This proposed regional budget was 7.5 percent less than the combined budgets for the five municipalities. Several alternative cost distribution methodologies were discussed using various combinations of population, assessed market value, road mileage, and total taxes collected. The method recommended for the equitable distribution of costs uses a combination of population, crimes, calls for service, and road miles. Under this methodology, the share of the regional budget for each municipality was less than the individually proposed budgets for each. Three of the municipalities were 3 percent less, one was 6 percent less, and one was 19 percent less.

In 2014, Doylestown Borough and New Britain Borough merged their police functions to form the Central Bucks County Regional Police Department. The three other participants withdrew from the regionalization plan primarily due to anticipated costs. Doylestown Township decided that cost savings to the township were not evident especially with the expense necessary to renegotiate the collective bargaining agreements and noted that the Westtown-East Goshen RPD dissolved (reportedly) over police contract negotiations. Also of concern was the projected cost to acquire land and build a new police headquarters building. New Britain Township also cited the cost of the new police building and the collective bargaining agreement. Increased response times was another concern given the proposed location of patrol units, and with one vote on the regional commission, it was felt they would lose their autonomy and ability to initiate fiscal restraint over the department. Plumstead Township withdrew over the cost for an actuary to look at pension plans and a labor attorney to negotiate with the collective bargaining units. At a township supervisors' meeting, one supervisor stated his understanding that communities in the RPDs located north of the township believed they were not being patrolled commensurate to the amount of funding being provided to the RPDs.

Consolidation Issues

The CLGS notes that cooperative agreements between local governments for solid waste disposal, sewage treatment, recreation, water services, purchasing and other services are common throughout Pennsylvania and, in most instances, complete consolidation of the service takes place. In fact, based on a 2009 survey of its members, the Pennsylvania State Association of Township Supervisors (PSATS) reports that 83 percent of survey respondents were currently involved in intergovernmental cooperation initiatives with another municipality. Many police departments already share communications systems, animal control officers, and drug labs and there are often agreements to share the costs of specialized services. However, until recently, elected officials have reportedly been reluctant to completely consolidate municipal policing.

The President's Commission on Law Enforcement and Administration of Justice Task Force Report on Police states, "The political and social pressures linked to the desire for local self-government offer the most significant barrier to the coordination and consolidation of police services." While recognizing the desire for local self-government probably is a barrier to police consolidation, the CLGS, through its police consulting services program which has been involved in police consolidations since 1972, has identified several other areas of concern about consolidating police services that have also affected the decision of municipalities to regionalize.

For example, the police officers involved are often unconvinced that they will not suffer some personal loss or reduced opportunity as a result of a merger. Citizens are often unsure what will actually result and, therefore, it can often be difficult to determine if public officials have the support from their constituents to consolidate police departments.

The question as to whether or not police services will improve after a consolidation is difficult to assess. It would seem that the coordination of area policing efforts would result in improved efficiencies, but CLGS has not been able to satisfactorily document this to be the case.¹⁰ An official with CLGS told us that he is not aware of any of the regional commissions conducting follow-up studies to determine if their RPD achieved any of the improvements sought through consolidation. As part of its grant program, PCCD encourages RPDs to develop their own performance measures; but these, reportedly, can vary by individual department.¹¹

There are also other problems associated with police consolidation that are dependent on the community or area. Among those mentioned in our survey and during our interviews were the difficulties in combining municipal pensions, the cost of a regional police force, loss of control, loss of police services, and appointing a chief of police.

Desire for Self-Governance/Maintaining Control

In our questionnaire to municipalities with police departments having ten or fewer police officers, we asked if they had ever considered consolidating police services; 64 percent of the respondents stated that they had. We also asked why consolidation was not pursued and were told that one key issue was an unwillingness of leadership in the surrounding municipalities to consider consolidation. In fact, one respondent noted that a neighboring municipality would not even participate in

¹⁰ Using clearance rates as reported to the PSP to measure effectiveness, we determined that the overall 2012 rates for RPDs and for those municipalities not part of a RPD were roughly the same, while the rate for the PSP was slightly higher.

¹¹ Some of these measures include: number of officers trained in new department procedures; number of officers scheduled per shift; number of Part 1 and Part 2 crimes reported to police; number of arrests; number of citizen face-to-face contacts/interactions; number of community safety, outreach, and crime prevention programs conducted per month; and the number of participants in these programs.

a study, despite there being no cost or obligation to accept any recommendations. In some cases, a lack of public support for consolidation may also influence the decision made by local government officials. Another respondent noted that every town's political body ultimately wants to have control over the police department. The loss of control/self-governing was ranked as the highest or next to highest obstacle to overcome by more than half of the respondents to our questionnaire.

Officials from CLGS have stated that concerns about control over the police department can be addressed by establishing adequate representation on the regional police commission. As shown by the survey responses, however, this continues to be a difficult issue to overcome in initiating as well as establishing a regional police department.

Cost and Cost Distribution Determination

Eighty-one percent of the respondents to our questionnaire to municipalities that rely on the PSP for police services state that they have never considered forming a regional police force. While a lack of public support and low crime rates are both rated highly as obstacles to forming a regional police department by these municipalities, cost was cited as the biggest obstacle. Over three-quarters of these respondents reported never having their own police force, and those that did have one, for the most part, disbanded it because of costs.

Once a decision to consolidate is made, determining a method to distribute costs among the partners can be an issue that may derail a successful merger. The CLGS manual provides several options that can prevent major changes in year-to-year cost distribution. Regardless of the method adopted, the manual notes that it should be based upon stable factors which relate to the demographic, social, or economic makeup of the area. Although population can be used as the sole factor for cost distribution, CLGS suggests that population be combined with land area and/or road mileage. Other options include assessed valuation of real property or revenues and taxes collected, in conjunction with population. See Chapter IV for examples of the impact of various distribution formulae.

Northern York County Regional uses a police protective unit (PPU) concept in determining cost share for each municipality, with one PPU equaling ten hours of officer time. Each community purchases the number of units it desires and has direct control over the amount of, and cost of, the police services it receives. In the Berks County regional departments, costs are allocated among participating municipalities by the previous year's call volume. CLGS believes that costs distributed based upon services received can minimize funding conflicts among the participating municipalities.

Pensions

Almost half of the regional police departments responding to our questionnaire (8 of 19) indicated that pension issues were “moderately difficult” to resolve when forming the regional police department. Only two departments indicated that pension issues were very difficult to resolve. However, for municipalities that considered forming a regional police department, but did not do so, it was cited as a moderate or significant factor influencing the decision not to join or form a regional police department.¹²

State law requires municipalities with police officers to establish a police pension in certain circumstances.¹³ But, depending on the applicable statute and provisions of collective bargaining agreements, pension benefits differ among the municipalities.

There appear to be at least three difficulties with pensions when trying to form a regional police department:¹⁴

1. Municipalities may be subject to different statutory requirements for their pensions.
2. Municipalities may have different benefits included in their police officer pensions.
3. Municipal pensions may not be fully funded and, therefore, the legacy costs add to the costs of forming a regional department.

Statutory Requirements. Various municipal codes provide for municipal retirement systems for police officers. As shown on Exhibit 11, the statute applicable to townships and boroughs is dependent on the number of full-time police officers employed by the municipality. The individual code provision applies for municipalities with fewer than three full-time officers, and Act 1956-600, as amended, applies if the municipality has three or more full-time officers. The Third Class City Code requires those cities to establish a police pension fund and mandates certain provisions.

¹² It was cited as significant or very significant by 60 percent of those municipalities responding to our questionnaire that receive police services solely from the PSP and considered joining or forming a regional department, and by 54 percent of those municipalities responding that have their own police department with ten or fewer police officers and considered forming or joining a regional department.

¹³ Boroughs, towns, and townships are required to establish a pension fund or pension annuity if they have a police force of three or more full-time members.

¹⁴ Another pension-related issue affecting municipal police departments is the Deferred Retirement Option Plan (DROP) that allows an employee to retire with their normal pension benefits fixed at that time. The employee is able to continue to work with no accrual of further pension benefits.

Pertinent Municipal Pension Laws

Act 1956- 600 – The Municipal Police Pension Plan Law:

Boroughs, towns and townships with three or more full-time police officers and regional police departments established after May 10, 1996, must establish a pension fund or annuity fund under the provisions of the act. Under Act 600 member contributions are set between 5 percent and 8 percent of salary depending on whether the officer is covered by Social Security. Super-annuation is 25 years of service and age 55, although if an actuarial study shows a reduction in age is feasible, the department can fix the age at 50 years. The act includes other mandatory and optional provisions for benefits. For those boroughs and townships that have *fewer than three full-time officers*, they may provide a pension plan for the officers as authorized by the applicable municipal code. If a plan is provided, it can be an Act 600 plan or another benefit structure determined by the governing body subject to the applicable provisions in the borough or township codes. If the municipality has a non-Act 600 plan and subsequently increases the force to three full-time officers, the plan must be amended to conform to Act 600 on a prospective basis.

Act 1931-317 – Third class cities:

A third class city must provide a defined benefit pension plan for its police officers and paid fire fighters in accordance with the Third Class City Code. A city of the third class may establish a retirement system for elected and appointed city employees other than police officers and city paid firefighters.

Act 1915-259 – Second class cities:

A city of the second class (Pittsburgh) must provide a defined benefit pension plan for its employees.

Act 1959-400 – Second class A cities:

A city of the second class A (Scranton) must provide a defined benefit pension plan for all its city employees. City officers may become members of the retirement system.

Act 1974-15 – The PA Municipal Retirement Law:

Any municipality, whether a borough, township or city, may establish a plan with or transfer a plan to the PA Municipal Retirement System (PMRS) for police, fire and/or non-uniformed plans. The PMRS creates a separate pension system and establishes an entire administrative and investment program including a choice of various levels of benefit provisions. For pension purposes, a plan maintained under PMRS must comply with the PMRS statute rather than Act 600 or the Third Class City Code, where applicable.

If a plan transfers out of PMRS, it must then only comply with Act 600 or the Third Class City Code, if applicable. A transfer out of PMRS must be approved by the governing body, a 75 percent vote of the plan members, and by the PMRS Board of Trustees.

Act 1984-205 – The Municipal Pension Plan Funding Standard and Recovery Act:

All local government plans in PA (with the exception of county plans which are part defined benefit and part defined contribution) are governed by the funding and reporting requirements of the act. This law sets forth the way in which a municipality must calculate and pay the annual contribution to the plan, the reports that need to be prepared, filing deadlines, and when state aid entitlements are determined.

Home rule municipalities:

Section 2962(c)(5) (relating to limitation of municipal powers) of Title 53 provides that a home rule municipality may not enact any provision inconsistent with any statute enacted prior to April 13, 1972, affecting the rights, benefits or working conditions of any employee of a political subdivision of the Commonwealth. The Commonwealth Court of PA has held that this section precludes home rule municipalities from providing pension benefits different from those prescribed in general law, including Act 600.

Source: Compiled by LB&FC staff.

Regional police departments, however, are required to establish a pension fund or pension annuity under Act 1956-600, as amended.¹⁵ Therefore, it is necessary for the regional police commission to adopt a pension plan to be used by the regional department that complies with Act 1956-600, as amended. This can be difficult with plans developed under different statutory requirements, such as for municipalities that had fewer than three police officers, and, therefore had different benefit requirements.

These different statutory requirements also make it unlikely that a third class city would participate in a regional police department due to the significant differences in benefits required by that code and Act 1956-600, as amended. For example, the retirement age is lower for police officers under the Third Class City Code than under Act 1956-600, as amended, the contribution rate is lower under the Third Class City Code, and the time period used for the benefit calculation is more favorable to the employee. The use of the PA Municipal Retirement System (PMRS) could, however, address these differences as a plan under PMRS does not need to comply with Act 1956-600 or the Third Class City Code.¹⁶

Different Pension Benefits. In addition to having different statutorily required benefit standards, pension benefits may be different due to collective bargaining agreements and arbitration awards. This can include medical benefits for retirees, sick leave accumulation payable at retirement, and accrual of vacation time.¹⁷

Funding Level of Municipal Pensions. The Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §§895.101 *et seq.*, establishes funding and reporting requirements for municipal pension plans, and includes how the municipality must calculate and pay the annual contribution to the plan. Reports are submitted to the Public Employee Retirement Commission (PERC). PERC's annual report includes, among other information, general municipal pension plan data including the plan type, active members, accrued liability, assets, unfunded accrued liability, and the funded ratio.

Table 6 shows the average and range of funded ratios for police officer pension funds by the type and class of municipality and regional police departments. The 88 first class townships with police pensions have an average funded ratio of 97 percent, compared to the average for boroughs of 129 percent. Of course, as shown

¹⁵ Act 1996-33 amended Act 1956-600 to make it applicable to newly formed regional police departments. Regional police departments formed prior to that amendment could continue under the plan they had before the amendment.

¹⁶ PMRS currently administers over 900 plans including police officer pension plans.

¹⁷ A recent PS Township News article, *PSATS Supports Legislation to Control Municipal Pension Costs* (April 2014) cited an example of the costs of these benefits: "When three police officers in Lower Paxton Township, Dauphin County, retired recently, the township had to pay each for unused sick and vacation time in lump sums of \$62,077, \$67,892, and \$76,364."

Table 6

Status of Municipal Police Officer Pensions

	<u>Number</u>	<u>Average Funded Ratio</u>	<u>Range of Funded Ratios^a</u>	<u>Number and Percentage With Funded Ratio 80% or Above</u>
First Class Townships	88	97%	51% – 528%	53/60%
Second Class Townships	304	205	21 – 20,231	221/73
Boroughs	483	129	44 – 3,116	372/77
Cities.....	58	74	31 – 114	21/36
Regional PDs.....	30	99	60 – 240	27/90

^a The ratios that significantly exceed 100 percent were the result of prior state funding of municipal pensions. Prior to Act 1984-205, the Commonwealth used two inequitable formulas to annually distribute the Commonwealth monies available to aid municipalities in meeting their employee pension costs. Act 205 replaced the prior formulas with a single formula that was more efficient and equitable and restricted funding to no more than 100 percent of annual pension costs. In addition, these plans benefited from significant increases in the total state aid allocated under Act 205 between 1985 and 1989, as well as the Department of Revenue's conversion from quarterly tentative payments of the Gross Premiums Tax that fund the Act 205 aid program to a single annual prepayment. Because of this change, an advance collection of revenues that comprise the fund occurred and significantly increased the unit value. This was a one-time event that will not re-occur in the future.

Source: Developed by LB&FC staff from Status Report on Local Government Pension Plans (December 2012), Public Employee Retirement Commission.

on the table, the ranges vary greatly. Cities show an average funded ratio of 74 percent, with significant variation. Second class townships have the greatest variation in funding ratios. RPDs have the highest percentage of pensions funded at 80 percent or above.

PERC identifies the distress score for a municipal pension based upon the aggregate funded ratio of the pension plan. A plan with a 90 percent and above funded ratio is considered to have no distress. Pension funds with funded ratios between 70 percent and 89 percent are considered to have a minimal stress level and may participate in voluntary remedies. Lower funded ratios with higher stress levels are subject to mandatory remedies.¹⁸ As shown on Table 6, a large percentage of municipalities, with the exception of cities, have funded ratios of 80 percent or higher. However, there are exceptions in each municipal class that may cause difficulty in forming a regional department.

The municipalities forming a regional police department are required to adopt ordinances establishing the regional police pension fund with a benefit structure consistent with Act 1956-600. Any member of the police force of one of the participating municipalities who is appointed to the regional police force within six months of its establishment, is credited with his time as a full-time member of the

¹⁸ See PERC's *Status Report on Local Government Pension Plans* (December 2012), p. 27, for more detailed information.

police pension fund of the municipality. Prior to the adoption of the new pension plan, the municipalities must obtain an actuarial evaluation of the new plan. The participating municipalities transfer the assets from their funds for the disbanded police departments to the pension fund established for the regional police department.¹⁹

According to CLGS's manual for regional police services, "[i]n terminating existing police pension funds, obligations to retired members, other beneficiaries, and vested members must be provided for prior to transferring the remaining assets to the regional police pension fund."²⁰

Potential Reduction of Pension Costs Due to Forming a Regional Police Department. The 2012 report issued by PERC noted that 68 percent of the Commonwealth's municipal pension plans have ten or fewer active members. Per-member administrative expenses are disproportionately high in small pension plans. See Table 7. Municipalities with ten or fewer police officers who form an RPD could expect to save in the costs of administering the police pensions since the RPD would have a larger number of members included in the police pension fund. Since funds distributed under Act 205 include the costs of administering the pensions, any savings would be redistributed as part of those funds. In June 2013, 20 of the 34 regional police departments had 11 or more full-time police officers.

Table 7

Per-member Administrative Cost for Selected Municipal Pension Plans Based on Pension Plan Size*		
<u>Pension Plan Size</u>	<u>Per-Member Administrative Cost</u>	
	<u>2011</u>	<u>2009</u>
10 or fewer Active Members	\$1,567.84	\$1,440.62
11 to 100 Active Members	1,063.78	1,008.63
More than 100 Active Members	382.86	445.38
More than 500 Active Members	333.55	403.73

*To provide the most valid comparison, the aggregate per-member administrative cost data was adjusted by PERC to eliminate sources of known distortion. The adjustment restricted the pension plans included in the size-based comparison to only defined benefit municipal pension plans with at least one active member and no known understatement of administrative expenses. The adjustment results in the comparison being based on the administrative expenses reported for 1,287 defined benefit municipal pension plans.

Source: Developed by LB&FC staff from *Status Report on Local Government Pension Plans* (December 2012), Public Employee Retirement Commission.

¹⁹ 53 P.S. §770(d).

²⁰ CLGS, *Regional Police Services in Pennsylvania: A Manual for Local Government Officials*, (10th Edition June 2011), p. 19.

Pending Legislation. Two bills are currently pending in the General Assembly that would significantly change the pension structure for municipal police officers. House Bill 2013-1581 creates a cash balance pension plan for certain new municipal employees (does not apply to Philadelphia) including police officers. This plan establishes contribution requirements for both the employer and employee and allows for portability of the plan with the member.

House Bill 2013-1651 creates a statewide police pension system for new full-time municipal police officers (does not apply to Philadelphia and Pittsburgh). This plan also allows police officers in existing pension plans to vote to join the new plan if the existing plan meets certain funding requirements. This bill also provides for the portability of the member's pension benefits.

Regional Police Department Survey Results

We emailed an on-line survey instrument to all 35 regional police departments. The survey consisted of 13 questions regarding the region's consolidation experience. Nineteen of the 35 (54 percent) responded. The responses related to several issue areas are discussed below:

Staffing

Regarding the impact regionalization had on police department staffing, 18 of the 19 respondents (95 percent) stated that the overall number of staff at the time of the consolidation was not reduced. This is not surprising as it is DCED's policy that no positions should be lost as a result of a merger. Collective bargaining agreements may also have an impact on eventual staffing levels. The one department that did report a reduction in force eliminated one full-time uniformed position plus two full-time and three part-time non-uniformed positions. This would appear to address police officer concerns about personal loss or diminished career opportunities. In fact, during the three years immediately following the consolidation ten, or 53 percent of the respondents, reported an increase to staff. These departments added 23 full-time and one part-time uniformed positions as well as 11 full-time and three part-time non-uniformed positions.

Costs

In the three years immediately following the consolidation, 76 percent, or 13 out of 17 regional police departments responding, reported overall costs for the department increasing each year, and only one out of 17 reported a decrease in costs. Cost trends for the individual member municipalities within each region varied because some municipalities went from no cost (used only PSP coverage) or minimal costs (part-time coverage) to the full-service costs of the regional force. Several of

the municipalities with existing full-time coverage at the time of the merger reported a reduction in costs even though costs for the regional department as a whole increased.

Regional departments were also asked whether costs for member municipalities increased or decreased in the initial year of operation. In the responses to this question, overall costs for 18 member municipalities reportedly increased and costs for 12 member municipalities decreased in that initial year. The primary reason given for the increase in cost to the individual municipalities within their region was going from either PSP coverage or part-time police services to a full-time police department. For example, Southern Lancaster Regional reported increases of \$18,000 and \$25,000 by the two municipalities in the region. Prior to regionalization both townships operated part-time police departments with the PSP providing coverage after midnight.

Ranking the Difficulty of Issues Faced When Forming a Regional Department

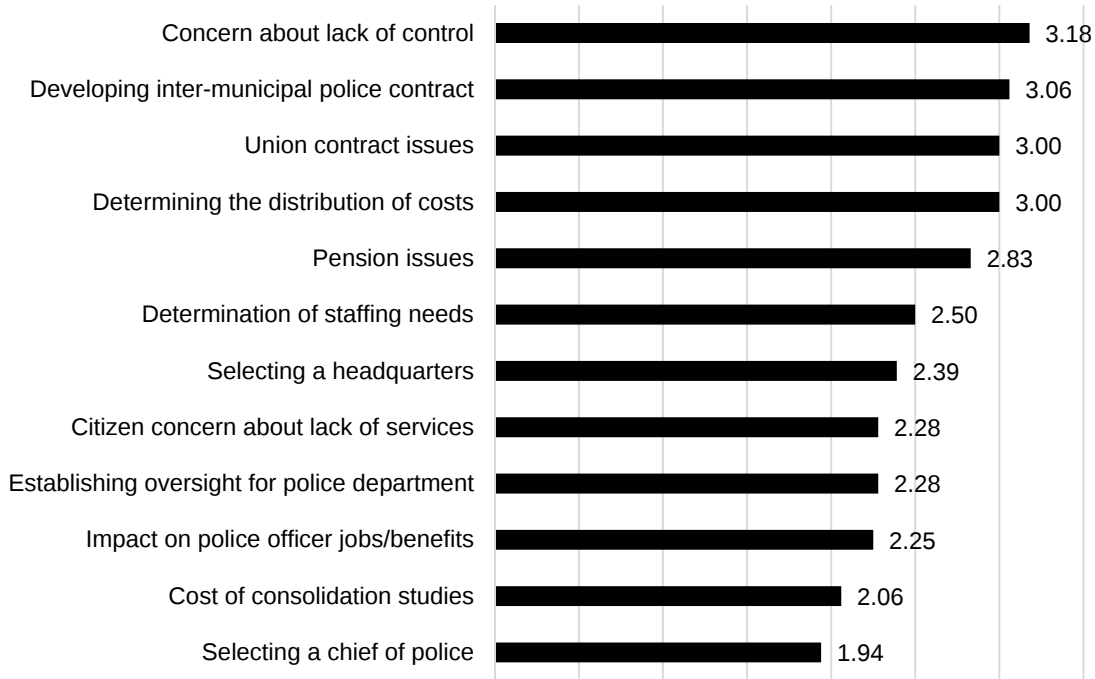
We asked the regional police departments, based on their experience, to rank the difficulty of several factors involved in a consolidation. Based on the responses, the factor deemed to be the most difficult to address was the desire of local governments to maintain control of police services, followed by the development of an inter-municipal contract, union contract issues, and a determination of the distribution of costs among the participating municipalities. The factor thought to be the least difficult to address was the selection of the region's chief-of-police.²¹ See Exhibit 12.

²¹ Although it was reported that at least one municipality declined to continue with the formation of an RPD when its chief of police was not going to continue in that role in the regional department.

Exhibit 12

Weighted Average of Responses Ranking Difficulty of Factors Involved in Consolidation

(Rank of 1 = Not Difficult, Rank of 5 = Very Difficult)



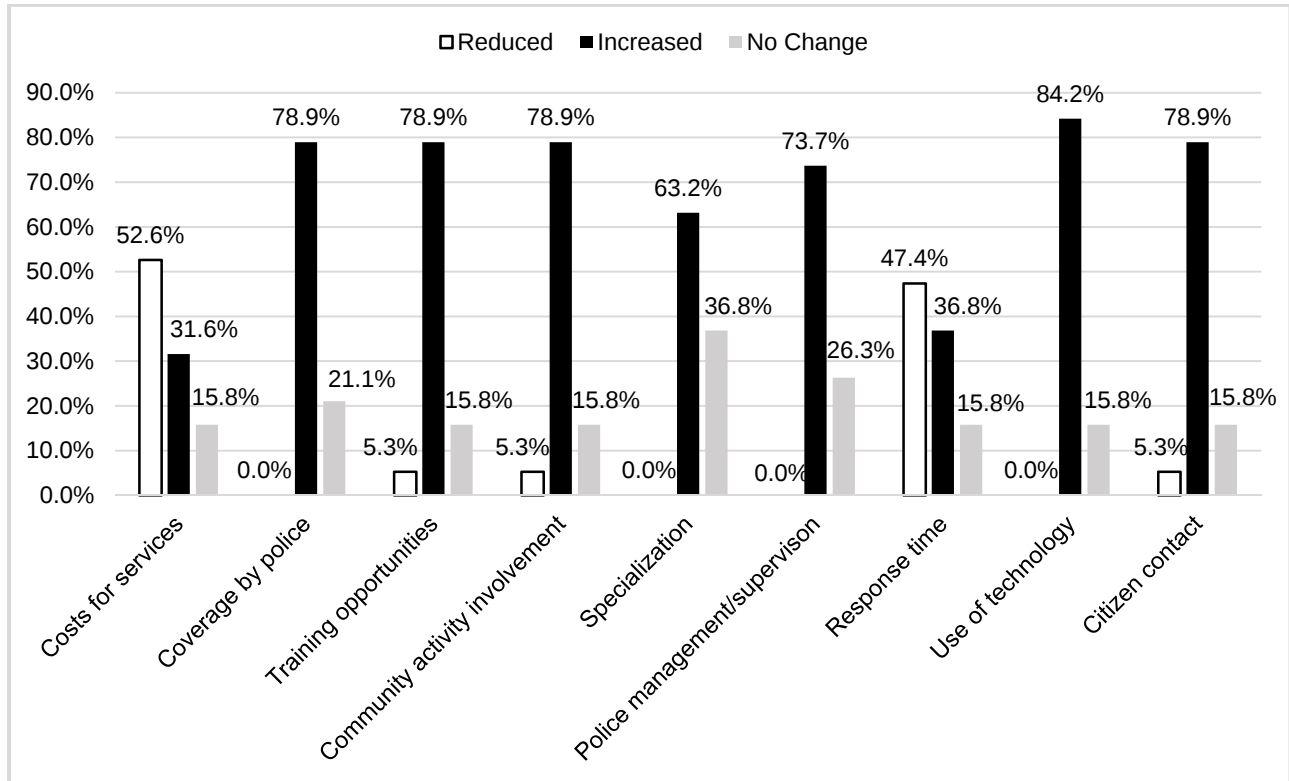
Source: Developed by LB&FC staff from analysis of questionnaire responses.

Merger Impacts

Increased coverage, training opportunities, community involvement, police management/supervision, use of technology, and citizen contact were all reported as improving as a result of a merger by nearly 80 percent of the respondents. Just over half reported reduced costs, and just under half reported improved response times. See Exhibit 13. It is interesting to note that over half of the survey respondents reported a reduction in the cost of police services as an overall impact of regionalization, despite responding in a previous survey question that costs had increased in the initial years of operation. This suggests that the long-term effects of regionalization is believed to result in reduced costs.

Exhibit 13

Characterization of Post Regionalization Impacts (n=19)



Source: Developed by LB&FC staff from analysis of questionnaire responses.

Improved Coverage/Services

One of the most often cited benefits of regionalizing police services is the expanded coverage available to participating members, particularly to those municipalities with either no police or relying on a part-time police force prior to the consolidation. Regionalization has already occurred for many police services such as dispatch, purchasing, laboratories, records management, and task forces. For example, as the Court noted in *Pennridge Regional Police Department v. Sellersville Borough*, while Sellersville was part of a regional police department, it received the benefit of a centralized police department with one administrative office, a greater level of police specialization, the creation of new programs to enhance law enforcement, and individual control over the extent of police coverage based upon its own needs and budget.

Specialized Services

Opportunities for professional growth are limited in small departments. An increased staff allows for additional training opportunities and the ability to focus this training toward specialized services such as drug task forces, traffic investigation, vice, school resource officer, gang, bomb, crisis intervention/negotiation, and SWAT teams. For example, officers in the Southern Regional Police Department (Lancaster County) work with several other units throughout the county including crash reconstruction team, community emergency response team (CERT), forensics, and major crimes unit. When the regional department needs the services of any of these units, they do not need to pay for the additional staff to be involved, and their officers continue to gain expertise. In the Chief's opinion, without these available resources, he would need to rely on the PSP.

Dissolution of Regional Police Department

Participating municipalities may decide to withdraw from a regional police department or dissolve the entire regional agreement for any number of reasons. As is the case when initially deciding to regionalize, the cost of police services can be a major factor in this decision. However, this is not always the complete explanation. For example, Lewistown withdrew from their regional police department after deciding the need for a greater police presence within the borough, and as the largest contributor to the RPD's budget, felt the services received from the RPD were not commensurate to the expenditure the borough was making. In another instance, we were advised, a participating municipality became dissatisfied with the regional department, not because of funding issues, but as the largest participant, they felt they should be receiving the lion's share of services and authority.

Several issues arise when a municipality participating in an RPD chooses to withdraw from the RPD, or when all participating municipalities choose to dissolve the RPD. In some cases, the potential issues associated with such a withdrawal are defined by the Articles of Agreement signed by the municipalities when forming the RPD. For example, notice of the decision to withdraw from the RPD is required to be given to the other participating municipalities at least one year prior to the withdrawal.

These issues, however, in some cases have been resolved by the courts. In the *Pennridge* case, the court cited the provision of the Articles of Agreement that specified the costs associated with the withdrawal of Sellersville from the RPD. The agreement stated:

The immediate costs of such withdrawal and any continuing obligations and liability necessarily assumed by the remaining members of the PRPC attributable to the withdrawing member's participating shall be

*satisfied by the withdrawing member, prior to said withdrawal becoming effective.*²²

Citing that section, the court held Sellersville liable for its share of the expenses arising out of the labor agreement negotiated prior to the notice of withdrawal and relocation of the headquarters building. Other costs associated with leave payouts, overtime court costs for prosecuting criminal cases arising out of Sellersville Borough, and costs of grievances and litigation were found not to have arisen out of the withdrawal from the RPD.

In a PA Labor Relations Board (PLRB) case involving a borough withdrawing from an RPD, the Board held that the municipality withdrawing from the RPD did not commit an unfair labor practice when it refused to assume the labor agreement negotiated with the RPD and did not recognize the Lewistown Police Association as the exclusive bargaining unit representative of the members of the borough's reformed police department.²³ Although the Articles of Agreement had language similar to that cited above in the *Sellersville* case, the board held that this agreement was not a collective bargaining agreement negotiated by the Association and, therefore, the borough did not commit an unfair labor practice. The board also found that the police services provided by the reformed borough police department were not the same as those provided by the RPD and, therefore, there was no obligation to recognize the Association as the exclusive representative of the Borough's police department.²⁴

Although the Articles of Agreement may address the withdrawal of a member municipality or the dissolution of the RPD, and, in fact, the CLGS sample Articles of Agreement include a provision similar to that in the *Pennridge* case, there is no requirement for these matters to be addressed by the agreement.²⁵ Additionally, concerns related to the continued status of officers, etc., are not included in the sample agreement. A more definitive approach to a withdrawal or dissolution, such as by statutory requirements, may resolve some of this uncertainty.

²² 2006 Pa. Dist. & Cnty. Dec. Lexis 492.

²³ *Lewistown Police Association v. Lewistown Borough*, PF-C-11-14-E (2011, Proposed Decision and Order).

²⁴ In Camden, New Jersey, the city disbanded its police force and, in its place, the surrounding county formed a new police force for the city that it wants to expand to other jurisdictions. Although most of the city police were rehired by the county, salaries and benefits were much lower (average per officer costs went from \$182,168 to \$99,605). This action has been criticized as union-busting.

²⁵ The sample Articles of Agreement also has a provision for the distribution of property in the event of the termination of the agreement.

IV. Effect of Regionalization on the Cost of Police Services

Reducing the cost of police services is an often cited benefit and goal of regionalization. Although studies of RPDs, comparing their costs to similarly situated municipalities, often find cost savings after regionalization, the participating municipalities may initially experience a significant increase in costs. This is, to a degree, what we found in our examination of municipal police expenditures. Our analysis shows that the police expenditures for many of the municipalities participating in a regional police department increased after the consolidation. Generally, those municipalities that realized a post-regionalization increase, did so, however, at a slower rate than the expenditure increases experienced beforehand. It also appears from our analysis, that the increase in police expenditures over time is sometimes greater for RPDs than for the other municipalities paying for police services in the applicable county.

Comparisons of pre- and post-regionalization costs may however, be somewhat misleading. CLGS has found, after conducting many regionalization studies, that a municipality's true police expenditures prior to consolidation may actually be higher than those reported to DCED because they may not include various overhead costs "hidden" in the municipality's administration budget. These costs may include: law enforcement liability insurance, workmen's compensation insurance, vehicle and property insurance, building and maintenance costs, utility costs, etc. All of these overhead costs would, however, appear in a regional police department's budget. So the cost advantages of a regionalization are likely to be understated when doing a direct comparison. To minimize this problem, our analysis is based primarily on the change in costs during the three years prior to a regional consolidation compared to the three-year period after consolidation.

Comparison Studies of RPD Costs

A 1997 study of the Northern York County Regional Police Department by the Department of Law and Justice, the College of New Jersey, found that when compared to a group of eight individual municipalities of similar population, land area, road miles, real estate market values, and tax rates primarily from geographically contiguous Lancaster County, the Northern York County Regional Police Department (NYCRPD) provided the same law enforcement services for 28 percent less than the total aggregate costs of the comparison group. According to the Chief of NYCRPD at the time of the study, the amount of necessary equipment was reduced, and the savings in vehicles was noteworthy. The regional department also provides specialized services including a proactive policing unit, a canine unit, an investigations unit (detectives), and juvenile specialists. The result, according to the study's authors, is that the NYCRPD provides their community a more effective delivery of police services, better crime control strategies, and a more coordinated

approach to police-fire rescue operations. Overall, NYCRPD polices the same type of community and area as the comparison group, but with a third less manpower.

According to a 1989 study by the former Department of Community Affairs (now DCED), when compared to nearby traditional police departments serving communities comparable to those served by the regional departments, nine of the ten regional departments operated at an average 24 percent lower cost. The lower costs were largely a result of the need for fewer officers, fewer vehicles, only one police chief, and only one headquarters facility.

In 2006, the CLGS published a study¹ comparing a four-municipality regional police department in Cambria County with a group of four traditional police departments. The comparison group was selected from municipalities in the same general area of the state. Although none of these municipalities had the exact demographics as the members of the regional police department, other factors were considered during the selection process, including the type of government, population served, earned income tax, real estate market value, tax rate millage, general fund expenditures, police expenditures (adjusted), per officer cost, police per capita cost, square miles, road miles, number of officers, number of vehicles, and Part 1 and Part 2 Crimes (UCR data).

To establish the true costs of police services for the comparison group, 20 percent was added to the expenditures reported to DCED to reflect overhead costs (the author of the study noted that in prior regionalization studies, CLGS has found that expenditure adjustments ranged from 20 percent to 45 percent and chose to use the more conservative 20 percent). The study concluded that the regional department provided police services for 25 percent less cost, used 39 percent fewer officers and 30 percent fewer vehicles, and provided an increased level of police services that included several specialized service units.

LB&FC Cost Analysis Using DCED's Municipal Data²

To test the premise that police consolidations result in cost savings, we looked at the change in the cost of police services in the three years immediately prior to the formation of the regional department compared to the three years immediately after the formation of the region using data reported by individual municipalities to DCED. The data used is from 2000 through 2011. Any regional department established after 2008 was not included in this analysis as expenditures for the three years after the merger would not be complete, nor were those municipalities that relied on the PSP for their police services prior to regionalization included because they reported no police expenditures for those years. Direct comparison of the reported police expenditures was not done because we could not assume that the pre-consolidation figures from each municipality included all overhead costs.

¹ *A Comparative Review of a Regional Police Department and Traditional Police Departments*; CLGS, 2006.

² See Appendix C for the methodology statement for this analysis.

Percentage Change Over Time of Police Expenditures Before and After Consolidation

Our data shows that while, overall, police services costs for all regional police departments increased in the years following the mergers, it increased at a somewhat lesser rate than was experienced by these municipalities prior to the merger. See Table 8. The wide variation between RPDs suggests, however, that the average change is likely not to apply in any given individual case.

Table 8

Percentage Change in Police Services Expenditures Over the Three Years Prior to Consolidation and Over the First Three Years Following Consolidation

<u>Regional Police Department</u>	Prior to Consolidation	After Consolidation
	Percent Change <u>YR 1 to YR 3</u>	Percent Change <u>YR 4 to YR 6</u>
Eastern Adams	17.2%	9.5%
Central Berks	11.8	6.2
Northern Berks.....	21.3	20.3
Pennridge.....	55.7	30.5
Conneaut Lake.....	-1.4	11.2
West Shore	12.9	8.8
Northwest Lancaster County	22.3	14.0
Susquehanna.....	30.1	10.9
Otto Eldred.....	-11.4	45.3
Southwest Mercer County	8.0	3.9
Mifflin County	-19.7	4.0
Pocono Mountain.....	4.7	35.5
Stroud Area.....	12.4	9.2
Colonial	-3.1	-1.9
Eastern Pike.....	3.1	3.9
RESA	4.8	140.7
Southern York County	28.9	10.1
Southwestern York County	6.4	22.6
York Area.....	23.8	11.5
Average All Selected RPDs..	13.7%	12.8%

NOTE: Municipalities without police departments prior to regionalization were not included in these calculations.

Source: Developed by LB&FC staff using historical police services expenditure data provided by DCED.

Aggregate costs for the three years prior to consolidation increased an average of 13.7 percent for the regions examined, while the average cost increase experienced the three years immediately after consolidation was 12.8 percent. Eleven of the nineteen regions compared had a slower rate of growth in the cost of services after the merger, suggesting perhaps a more efficient use of resources by the region versus an individual agency.

Officials with several of the regional police departments we contacted noted that they believe that some of the cost increase to municipalities in their region may have resulted from the loss of grant funding used in the beginning to help address initial start-up costs. See Chapter II for a discussion of grant funding for regionalization efforts. Also mentioned was the increase in personnel costs experienced by a municipality transitioning from paying for a part-time police force to sharing the cost of a full-time regional department. These officials did further note, however, that the disadvantage of this cost increase was offset somewhat by an increase in the number of officers on patrol, improved community policing, a faster response to complaints, and a more stable work force (part-time officers prior to regionalization would leave for full-time positions elsewhere).

In several regions, the difference between the percentage change in cost prior to consolidation when compared to the percentage change following the merger was significant. For example, Conneaut Lake, Otto-Eldred, and Southwestern York regionals all showed a decreasing expenditure trend prior to the merger; however, after the merger, costs trended upward over the three-year targeted period. Expenditures for RESA increased at just under 5 percent prior to regionalization, but for the three years after the merger increased over 120 percent. However, we caution that, as noted in every regional study we examined, police expenditures as reported by the municipalities to DCED may only include direct costs and fail to include a proportional share of the overhead costs (such as rent, utilities, and insurance) from the municipality's administrative budget for the police.³ For an accurate accounting of police department expenditures, the reported figures need to be adjusted to reflect a share of the municipality's indirect costs for the police department. We were not able to calculate expenditures to this level for each municipality in each of the regional police departments and for this report, we relied on the police expenditure amount as reported by the municipality to DCED.

³ For example, in a regionalization study for Allegheny and Washington Townships in Westmoreland County, the adjusted 2008 police expenditures for Allegheny Township were an additional \$248,821, or 41 percent more than the \$600,725 reported by the township to DCED. On the other hand, the adjusted figures for Washington Township were just 6 percent greater than the \$666,978 reported to DCED.

Comparison of Actual Costs of Regional Departments to the Cost of Police Services for All Other Municipalities Within the County Over Time⁴

We also compared the percentage change over time of the cost of police services for a regional police department to the aggregate percentage change in the cost of services for the other municipalities within the county where the regional police department is headquartered. Because data is only available through 2011, regional departments formed after 2010 were not included in the analysis, nor were those municipalities relying solely on the PSP for law enforcement services.

Exhibit 14 compares the change in costs for regional police departments to the remaining municipalities in that county with their own police forces. As can be seen in Exhibit 14, expenditures by the regional departments, from year of formation through 2011, generally increased more than the expenditures for the remaining municipalities in the county over the same time period, although there are exceptions.

⁴ See Appendix C for the methodology statement for this analysis.

Exhibit 14

**Percentage Change in Cost of Police Services Over Time:
Regional Police Department vs. County Average for Municipalities
With Own Police Force or Using a Contract for Services***

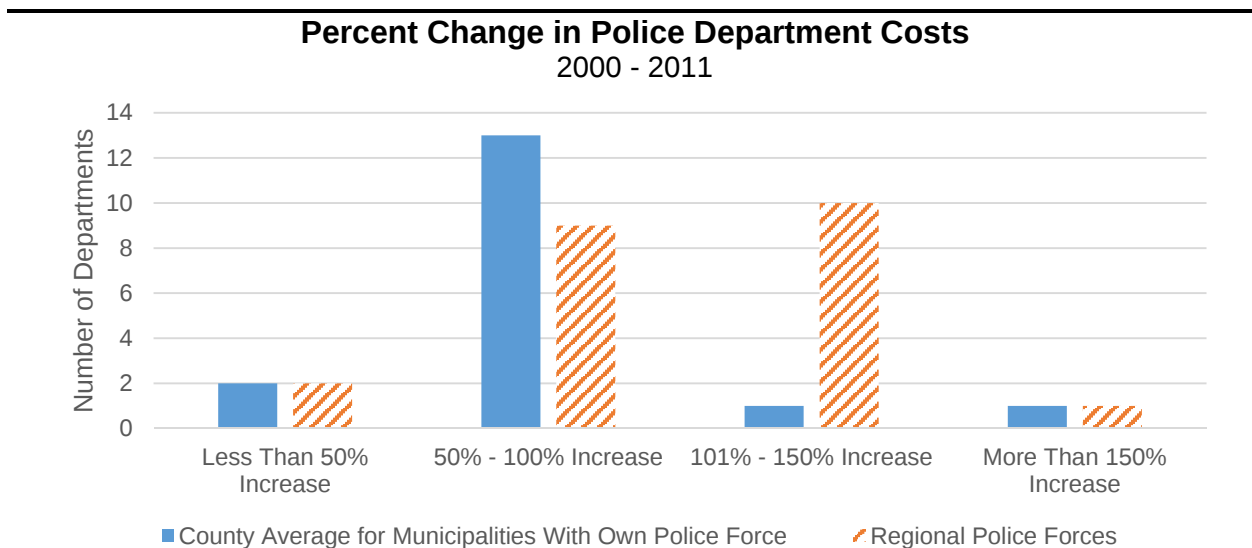
2000 – 2011			
<u>County</u>	<u>Percent Change</u>	<u>Regional Police Department</u>	<u>Percent Change</u>
Adams County	94.3	<i>Eastern Adams Regional</i>	115.1
Allegheny County	58.4	<i>Northern Regional Police</i>	78.9
Berks County	97.7	<i>Central Berks Regional</i>	108.8
		<i>Northern Berks Regional</i>	127.7
Bucks County	88.2	<i>Pennridge Regional</i>	120.6
Cambria County	19.8	<i>West Hill Regional</i>	40.8
Chester County	98.1	<i>Westtown/East Goshen</i>	151.9
Clearfield County	66.4	<i>Morris Cooper</i>	73.4
Crawford County	55.3	<i>Conneaut Lake Reg.</i>	86.7
Cumberland County	83.7	<i>West Shore Regional</i>	126.0
Lancaster County	86.8	<i>Susquehanna Regional</i>	143.7
Mercer County	55.2	<i>Southwest Mercer</i>	60.0
Mifflin County	35.4	<i>Mifflin County Regional</i>	89.5
Monroe County	334.8	<i>Pocono Mountain Regional</i>	119.6
		<i>Stroud Area Regional</i>	54.6
Montgomery County	70.0	<i>Upper Perkiomen Regional</i>	135.7
Northampton County	110.9	<i>Colonial Regional</i>	134.2
Washington County	62.6	<i>RESA Regional</i>	49.4
York County	73.3	<i>Northern York County</i>	68.2
		<i>Northeastern Regional</i>	100.8
		<i>York Area Regional</i>	50.2
		<i>Southern Regional</i>	91.3
2002 - 2011			
York County	61.4	<i>Southwestern Regional</i>	89.3
2003 - 2011			
Fayette County	46.2	<i>Southwest Regional</i>	-79.4
Lancaster County	32.1	<i>Southern Regional</i>	109.0
		<i>Northwest Lancaster</i>	51.8
2004 - 2011			
McKean County	219.7	<i>Otto Eldred Regional</i>	-53.0
2008 - 2011			
Pike County	-2.9	<i>Eastern Pike Regional</i>	10.6

* Municipalities reporting \$0 or not reporting costs for police services in either the starting year or the ending year of the time range were excluded from the analysis. As a result, for example, the percent change for Southwest RPD (Fayette County) is for only five of the eight members and the percent change for Otto Eldred RPD (McKean County) is solely for Otto Township.

Source: Developed by LB&FC staff using historical police services expenditure data provided by DCED.

Exhibit 15 aggregates this information and presents it in graphic form for those RPDs in operation from 2000 to 2011. For these years, the rate of increase in the costs for police services in 17 of 22 RPDs was greater than the aggregate rate for the remaining municipalities in that RPD's county.

Exhibit 15

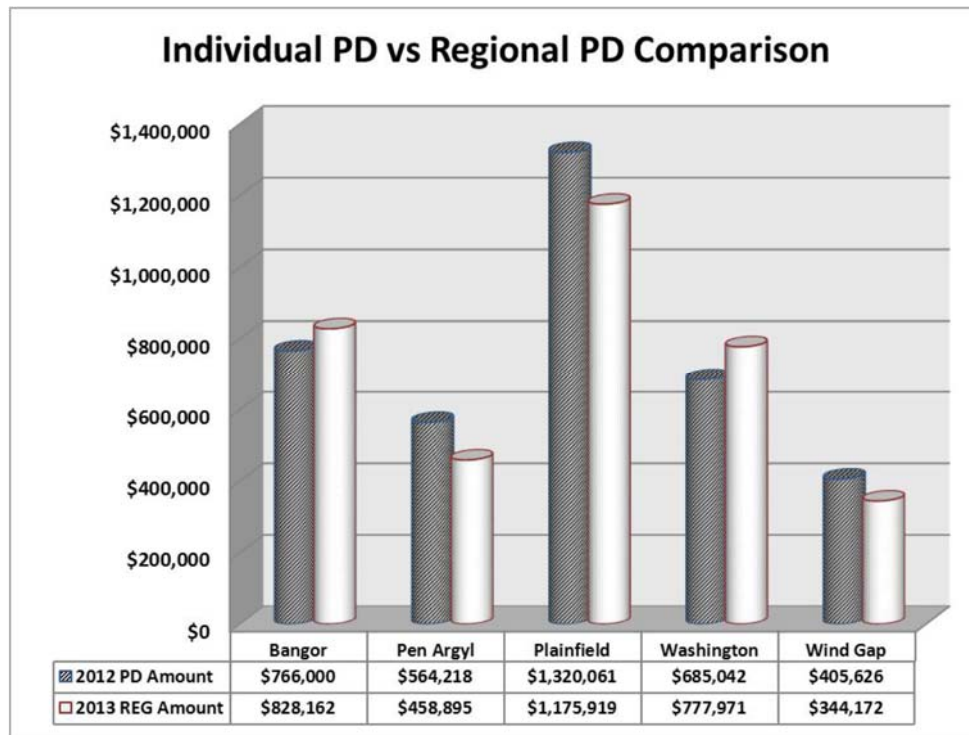


Source: Developed by LB&FC staff using historical police services expenditure data provided by DCED.

In part, this may reflect that the regionals offer coverage 24/7 with full-time officers, while many of the other county municipalities used for comparison operate with staff available on just a part-time basis or with only part-time staff. For example, the Borough Council of Avoca recently decided not to pursue a consolidation of police services with Duryea, Dupont, Hughestown, Laflin, Yatesville, and Jenkins Township because their costs as part of a regional would be almost \$70,000 more than they are currently paying for police services from their own department. In this case, Avoca operates with two full-time police officers and a rotating staff of 21 part-time officers.

As shown in Exhibit 16, the issue of increased police costs to a municipality resulting from participation in a regional police department is not limited to Avoca. In a recent regional study conducted for five municipalities in Northampton County, under the proposed regional department structure, two of the municipalities would be paying more for police services provided by the region than was budgeted by each for 2012. On the other hand, the proposed expenditures for the remaining three municipalities were all less than their current budgets, and the total police services expenditures for the region was \$156,000 less than the sum of the previous year's budgeted amounts for all five municipalities.

Exhibit 16



Source: Regional Police Study, "Slate Belt Regional"; CLGS peer Consultant Chief Joseph L. Kirschner, Ret., 2012.

V. Appendices

APPENDIX A

PRIOR PRINTER'S NOS. 1196, 2433

PRINTER'S NO. 2652

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 168

Session of
2013

INTRODUCED BY CALTAGIRONE, KOTIK, BURNS, KORTZ, SCHLOSSBERG,
ROZZI, GRELL, D. COSTA, MARSHALL, MAHONEY, DeLUCA, DENLINGER,
COHEN, GINGRICH AND MURT, MARCH 18, 2013

AS AMENDED, HOUSE OF REPRESENTATIVES, NOVEMBER 13, 2013

A RESOLUTION

Directing the Legislative Budget and Finance Committee to
conduct a study concerning the consolidation or merger of
municipal police departments in this Commonwealth.

WHEREAS, There are 1,124 municipal police departments serving
the citizens of this Commonwealth; and

WHEREAS, This Commonwealth currently faces a period of fiscal
concern that requires each level of government in this
Commonwealth to consider avenues of potential reduction in costs
and expenditures; and

WHEREAS, One potential way to reduce costs while continuing
to ensure public safety is to consolidate or merge municipal
police departments; therefore be it

RESOLVED, That the House of Representatives direct the
Legislative Budget and Finance Committee to conduct a study
concerning the consolidation or merger of municipal police
departments in this Commonwealth; and be it further

RESOLVED, That the study include an analysis of the funding
of municipal police departments and provide recommendations

Appendix A (Continued)

necessary to improve the manner in which municipal police departments are funded throughout this Commonwealth; and be it further

RESOLVED, That the study include an exploration of additional ways in which municipalities can determine and share the costs of police services, such as purchasing services in this Commonwealth; and be it further

RESOLVED, That the study include an analysis of any potential savings that may result from the consolidation or merger of municipal police departments or otherwise sharing police services, such as purchasing services in this Commonwealth; and be it further

RESOLVED, That the Legislative Budget and Finance Committee provide suggested guidelines to assist municipalities with a municipal police department to identify those municipal police departments best suited for consolidation or merger; and be it further

RESOLVED, THAT THE STUDY INCLUDE AN APPROXIMATION OF THE COST TO THE PENNSYLVANIA STATE POLICE TO PATROL MUNICIPALITIES WITH EITHER A PART-TIME MUNICIPAL POLICE DEPARTMENT OR NO MUNICIPAL POLICE DEPARTMENT; AND BE IT FURTHER

RESOLVED, That the Legislative Budget and Finance Committee prepare a report with its analysis and recommendations and transmit a copy of the report to the chairman, minority chairman and all members of the Local Government Committee of the House of Representatives within one year of the adoption of this resolution.

APPENDIX B

Selected Bills Relating to Municipal Police Consolidation

(As of July 1, 2014)

House Bill 28: grants to officers serving an airport authority, college, or university and certain other police departments limited authority to come to the aid of an officer in a nearby jurisdiction or follow a criminal beyond their jurisdictional border. (Marsico)

House Bill 38: allows radar to be used by full-time municipal police officers who are members of a full-service municipal or regional police department and who have successfully completed a training course approved by the Pennsylvania State Police and the Municipal Police Officers' Education and Training Commission; upon conviction of a speeding violation, 50 percent of the fine shall be payable to the municipality in which the offense occurred. (Scavello)

House Bill 229: requires that whenever a municipal police agency is substantially involved in the seizure of property ultimately forfeited by the court, the proceeds shall be distributed so as to allocate at least 25 percent of the proceeds of any sale of said property to that municipal police agency. (DeLuca)

House Bill 936: grants to campus police the authority to arrest for Crimes Code (Title 18) violations and Vehicle Code (Title 75) violations. (Carroll)

House Bill 1017: imposes a fee for service on municipalities for patrol services provided by the Pennsylvania State Police; establishes the Regional Police Assistance Fund and the Cadet Training Fund; providing for powers and duties of the Center for Local Government Services and the Pennsylvania State Police. (Sturla)

House Bill 1297: permits radar usage by full-time local police officers currently employed by full-time service police departments in counties of the first, second, second A, and third class. Prior to operating speed timing devices, local police officers must complete training approved by both the Pennsylvania State Police and the Municipal Officers' Education and Training Commission. In addition, local municipalities must adopt a local ordinance permitting such devices; as well as erect signs 500 feet outside the boundary of the political subdivision that notifies motorists of radar usage within the municipality. (Santarsiero)

House Bill 1379: allows radar to be used by local police for townships with greater than 75,000 people; upon conviction of a speeding violation, 50 percent of the fine shall be payable to the municipality in which the offense occurred. (Miccarelli)

House Bill 1581: provides for a cash balance municipal pension reform plan. (Grove)

House Bill 1651: provides for a Statewide Municipal Police Officers Pension Plan. (Grell)

House Bill 1657: grants to sheriffs the ability to enforce the laws of the Commonwealth and establishes a sheriffs and deputy sheriffs training program under the Municipal Police Officer's Education and Training Commission. (Mahoney)

House Bill 1752: permits a municipal or regional police officer who has been employed full-time for at least six months to have the officer's previous part-time employment with the same force credited to the officer's employment record for pension benefit purposes. (Murt)

House Bill 1927: allows State Police officers to purchase up to five years of retirement credit for prior service as a municipal police officer in this Commonwealth. (Gibbons and Denlinger)

Appendix B (Continued)

House Bill 2296: provides for grants to regional police departments; imposes powers and duties on the Center for Local Government Services and the Department of Community and Economic Development; and provides for transfers from the State Gaming Fund. (Grove)

Senate Bill 59: provides that county park police officers in Westmoreland County will be required to obtain the same training as municipal police officers, and the county is liable for any costs associated with the training for certification. (Ward)

Senate Bill 129: permits municipal police to be reimbursed for serving a warrant. (Greenleaf)

Senate Bill 162: provides state assistance grants to municipalities for regionalizing police operations; imposes powers and duties on the Center for Local Government Services. (Yudichak)

Senate Bill 703: relates to the buyback of military time for Scranton's public safety and non-uniformed employees; specifically removes a three-year time limit within which members of the Scranton police and fire pension systems must begin working for the city in order to be eligible for purchasing credit for time spent in the armed forces. (Blake)

Senate Bill 838: provides for an increase in the hotel room tax in certain situations and provides that certain revenues generated shall be used by the county commissioners for grants to municipalities that have a municipal police department employing at least two full-time police officers assigned to law enforcement duties and who work a minimum of two hundred days per year or are a member of a regional police department that provides full-time police services to the municipality pursuant to an agreement or contract. (Alloway)

Senate Bill 880: establishes the Municipal Police Recruitment and Retention Program and provides for a law enforcement enhancement surcharge. (Brewster)

Senate Bill 890: requires municipal retirement systems to pay annual postretirement adjustments to certain retired municipal employees, including municipal police officers. (Kasunic)

Senate Bill 1111: amends the Policemen and Firemen Collective Bargaining Act, commonly known as Act 111, by requiring costs of arbitration to be split evenly by the parties and by balancing the influence of the arbitration board. The bill would also open arbitration proceedings to the public, and require decisions of arbitrators to be based on relevant factors, which are explained in writings available for public inspection. (Eichelberger)

Senate Bill 1154: provides that, of the \$2 million transferred annually from the State Gaming Fund to the Gaming Control Board for grants to local law enforcement agencies to investigate unlawful gambling, \$250,000 be transferred to the Attorney General for the purpose of issuing grants to district attorneys to assist them in the investigation, prosecution, and enforcement of laws related to illegal gambling that involves animal fighting. (Yudichak)

Senate Bill 1194: allows school districts to enter into cooperative police service agreements with local law enforcement located outside of the municipality in which the school is located when that municipality's police services are furnished solely by the Pennsylvania State Police. (White) (Act 2014-122)

Senate Bill 1223: reinstates the municipal police jurisdiction of the Westmoreland County Park Police, thereby enabling the Park Police to enforce the laws of this Commonwealth and perform the functions of their office. (Ward)

Source: Developed by LB&FC staff from a review of legislative proposals.

APPENDIX C

Methodology for Cost Analyses

Methodology Used to Analyze Cost Data for Three Years Prior to Regionalization and the Three Years After Regionalization

Using municipal financial data reported to DCED, we selected only those municipalities in the regions reporting police expenditures for each year – i.e. we excluded those jurisdictions that relied on police coverage by the PSP. Reported data from several of the individual municipalities was incomplete, some counties more so than others, but more than enough data was available to look at broad cost trends. Data from Pittsburgh and Philadelphia were not included.

We looked at the cost of police services in the three years prior to the formation of the regional department and the three years immediately after the formation of the region. Data was available from the each municipality that merged to form regional police departments for 22 regions. Data was available only through 2011, thus regions established after 2008 were not included in this analysis because data for all three years after merger did not exist. Data for each municipality within a region for all six years was complete for 19 regions.

Methodology to Compare Cost of Police Services Over Time of the Regions to the Cost of Police Services Paid for Over Time By All Other Municipalities in the County

Using the DCED Municipal Data, historical costs for police services were identified for each regional police department as well as for each municipality that had their own police force or contracted for police services. Municipalities using PSP for their police services were excluded. Data from Pittsburgh and Philadelphia were not included. The percent change in the cost of police services for each regional police department and the aggregate percent change of the other municipalities within the county where the regional police department is headquartered was calculated from the year 2000 through 2011 unless the region was formed after 2000. In that case the year the region was formed was used as the beginning date, ending also in 2011. Regional departments formed after 2010 were not included.