

**Legislative Budget and Finance Committee**

**Police Consolidation in Pennsylvania**

**Report Presentation by Patricia Berger, September 24, 2014, Meeting**

Good morning. House Resolution 2013-168 directed us to conduct a study concerning the consolidation or merger of municipal police departments in this Commonwealth, including current funding. We were also asked to calculate the costs for the Pennsylvania State Police to patrol municipalities that have either part-time or no municipal police departments. 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.

In 2013, Pennsylvania had 986 municipal police departments (both full-time and part-time), 34 regional police departments (RPDs) (comprised of 102 municipalities), and 1,279 municipalities served solely by the State Police. The State Police also provides part-time police coverage to 420 municipalities. Additionally, 244 municipalities contract with another municipality or regional police department for police services. About 72 percent of the municipal police departments had ten or fewer full-time officers, with half having five or fewer full-time officers. The minimum size necessary to operate an efficient 24/7 police force is generally accepted to be ten full-time officers, so many of Pennsylvania's municipal police departments fall short of that standard.

Municipalities reported spending \$1.3 billion on police services in 2012. This does not include Philadelphia and Pittsburgh that have the two largest police departments. The majority of municipal police funding is from local taxes, although municipalities receive some state funds to assist with police pension costs, a portion of certain motor vehicle citation fines, forfeiture monies, training funds, and other federal grants. Depending on their location, a municipal police department may also receive funds from the Gaming Board. House Bill 2014-2296 proposes to dedicate some of these monies to fund grants for regional police departments. Grants related to regionalizing police services are available from the PA Commission on Crime and Delinquency, and the Department of Community and Economic Development's Center for Local Government Services.

The State Police 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 total population served is 3.3 million, covering 82 percent of the Commonwealth's land area. Because these costs cannot be accurately distributed between full- and part-time police coverage, we were not able to calculate a reliable per capita cost. Municipalities do not provide direct reimbursement to the Commonwealth for full-time, part-time, or occasional State Police services, although they would argue that their communities do contribute toward funding the State Police through their general tax dollars.

We surveyed all municipalities without their own police departments and found, not surprisingly, that cost is the most significant issue associated with choosing not to form a police department or join a regional police department. The majority of municipalities that formerly had their own departments, but are now using the State Police, also cited costs 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. The majority of municipalities that rely on the State Police also reported being satisfied or very satisfied with the services they receive.

Municipalities with small police departments (ten or fewer officers) cited the lack of control, costs, and the distribution of costs as having significant influence on their decision not to form a regional department. We also surveyed all existing 35 regional police departments to determine what they found most difficult to resolve when forming a regional department. Forty-four percent of those responding cited concern over loss of control as difficult or very difficult to address, and 40 percent cited distribution of costs as being difficult or very difficult to resolve.

Although pension issues were identified as being only “moderately difficult” to address when forming a regional department by regional departments, those municipalities that considered but did not form a regional department cited pension issues as being very difficult to resolve. This is the result of municipalities having

different pension benefits, along with unfunded pension obligations. Also, because regional departments must comply with Act 1956-600, third class cities find it difficult to participate in a regional department due to their benefit requirements, e.g., contribution rates, being different than those in that act. We recommend the General Assembly consider allowing a different approach to pensions to encourage third class cities to consider joining a regional department.

Regional departments noted improvements in police coverage, training opportunities, and use of technology, as some of the key benefits of a regional police force. The majority of regional police departments responding to our survey question about the initial impacts of regionalization noted, however, that they experienced an increase in costs in the first three years after regionalization. These municipalities also reported, however, that regionalization has resulted in cost savings over the long term.

In several cases the cost increases in the initial years were due to the change from no or part-time police services to full-time police services. The initial cost increases may also be due in part to municipalities not accurately accounting for the costs of police services. DCED has found when assisting municipalities considering regionalization that municipalities do not always include all costs, e.g., costs for building and maintenance, as part of their police services costs. We recommend that DCED encourage municipalities to report the full costs of their police services

by developing a form that requests both direct and indirect police department expenses, to ensure municipalities have a clearer comparison when considering joining or forming a regional department.

Several studies have shown that, when all costs are accounted for, regional police services cost approximately 25 percent less than similarly situated individual municipal police services. For example, a 2006 study of the West Hills Regional Police Department found its costs to be 25.23 percent less than the aggregate of the four “model” municipalities supporting their own police departments.

To make our own assessment of the effect of regionalizing on costs, we used DCED data to compare the change in costs of police services for the three years prior to a municipality forming a regional department to the change in costs for the three years immediately following the formation of the regional department. We found that costs in general increased more rapidly for the municipalities before forming a regional department, with the rate of increase being somewhat less, about 1 percent less, after forming the regional department. So the data would appear to confirm what the municipalities told us in our questionnaire, that costs tend to be higher in the initial years after regionalization, but moderate over the long term. This average should be viewed with caution, however, as there was wide variation among the various municipalities.

We also compared the change in costs for police services of the municipalities in a regional department to the change in costs for police services of the municipalities with their own police departments in the same county. We did this analysis for the period 2000 to 2011. We found that costs for the regional departments often increased at a higher rate than the cost for municipalities in the same county with their own police departments. This may be due, in part, to a higher level of services being provided by the regional departments, e.g., 24-hour coverage and greater use of technology.

Although sharing police services is authorized by the Local Government Code for most municipalities, it does not specifically provide a legal definition or status for a regional department, nor is it otherwise defined by law. 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. We recommend the General Assembly consider defining certain aspects of a regional department in law without being overly prescriptive as to allow for individual circumstances and innovative ideas to prevail.

We also recommend DCED's Center for Local Government Services review the Dauphin County regionalization study when it's completed and make recommendations to the General Assembly if statutory restrictions impede the desired approach for police services, as well as identify best practices among the existing regional departments to assist municipalities considering regionalizing their police services.

Before closing, we thank Ron Stern, Local Government Policy Specialist with the Center for Local Government Services, Lt. Robert Krol, PA State Police, and their respective staffs for the excellent cooperation they provided during this study. We also thank the regional police departments and municipalities that responded to our questionnaire, as well as the other stakeholders who assisted in our project. Thank you.