



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 155

PRINTER'S NO: 2040

PRIME SPONSOR: Solobay

FISCAL IMPACT SUMMARY	FY 2008/09	FY 2009/10
Estimated Expenditure Increase/(Savings):		
General Fund	\$0	(\$1,000) ^a
Motor License Fund	\$0	(\$12,000) ^a
Aggregate Local Government Funds (Due to Proposed Change to §4981)	\$0	(\$18,000) ^a
A Local Government with Police Department (Due to Proposed Change to §3368)	\$0	(Up to \$2,000) ^b

^aDoes not include labor opportunity cost or implicit cost savings. See analysis for explanation.

^bSome police departments may experience higher costs savings, but an informal survey found no example. See analysis for explanation.

OVERVIEW:

House Bill 155 makes two changes to Title 75 (Vehicles), Pa.C.S.: (1) it extends the required testing and calibration period in §3368 for speed timing devices other than radar, used primarily by local police, from sixty days to six months, and (2) it extends the required testing and calibration period for portable scales in §4981, used in enforcement of truck weights, from ninety days to one year.

Section 3368 impacts local police departments. According to the Pennsylvania Local Fact Sheet (January 7, 2008) published by the Governor's Center for Local Government Services, Department of Community and Economic Development, 1,344 municipalities in Pennsylvania have traditional police forces, 112 municipalities share police with consolidated police services (33), and 144 contract for police services. The remaining 1,266 municipalities are exclusively patrolled by the Pennsylvania State Police. The reported police expenses from the 2,432 municipalities that filed financial reports for 2006 (the most recent year readily available) with the Department of Community and Economic Development was \$1,071,404,894.

Section 4981 impacts various state agencies. The Pennsylvania Standards Laboratory, which is part of the Department of General Services (DGS), provides testing and calibration services for the Commercial Vehicle Safety Section of the Pennsylvania State Police (PSP), which has 31 teams covering all sixty-seven counties, eight Engineering Districts of the Department of Transportation (PennDOT), and 85 local and regional police departments.

The Pennsylvania Standards Laboratory is funded as part of the General Government Operations of the Department of General Services, which received \$80,331,000 from the General Fund for FY 2008/09 in the General Appropriations Act of 2008 (Act 38A). The Governor has proposed \$77,335,000 for this line item for FY 2009/10. The Laboratory employs six persons with personnel cost of \$385,000 and operating cost of \$45,000.

Commercial Vehicle Safety of the Pennsylvania State Police is funded out of the Motor License Fund and received a \$5,924,000 appropriation for FY 2008/09 in Act 38A. The Governor has proposed \$8,136,000 for this line item for FY 2009/10. PennDOT's Engineering Districts are funded out of the Motor License Fund as part of the appropriation for Highway and Safety Improvements, which is \$135,000,000 for FY 2008/09 pursuant to Act 39A. The Governor has proposed \$121,125,000 for this line item for FY 2009/10.

The effective date is ninety days.

ANALYSIS:

Change to §3368

The Pennsylvania Chiefs of Police Association conducted an informal survey in April 2009 on cost savings pursuant to the changes to §3368 as proposed by this bill. The results of the survey were incomplete, and no statistical inferences can be made. Anecdotally, however, the survey revealed the potential cost savings for some departments, which gives us at least a general sense of what the cost savings might be.

The Grove City Police Department with 10 officers and 5 patrol cars spends about \$800 a year for calibration of its speed timing devices. This bill would reduce the cost by 2/3rds, thus saving Grove City \$553. The Upper Dublin Township Police Department with 41 officers and 10 patrol cars spends about \$2000 a year; thus it would save \$1,333. The City of Reading Police Department with 210 officers spends only \$1,690 per year; thus its savings would be about \$1,127. Bloomsburg with 16 officers and 11 cars spent about \$2,500; thus its savings would be about \$1,667. The Philadelphia Police Department, the largest department in the State with 6,624 officers and 653 patrol cars, spends about \$2,565 per year; thus its savings would be about \$1,710.

From this anecdotal data, it can be deduced that the savings for a police department could be up to \$2,000, rounding to the nearest thousand, depending on the number of speed timing devices it utilizes. \$2,000 was selected as the upper range amount because no department answering the survey would have savings over that amount. Considering the limitations of the survey, however, a municipality that spends more for calibration than those who answered the survey would realize higher savings.

Change to §4981

A study (February 22, 2008) by the Pennsylvania Standards Laboratory estimated cost savings due to the changes to §4981 as proposed by this bill as follows:

	Cost Savings in Dollars			
	Labor	Mileage	Other	Total
PennDot	1,879	2,435	0	4,314
PSP	9,883	9,895	0	19,778
Local Government	21,812	18,268	0	40,080
PA Standards Lab	4,141	0	0	4,141
<u>Test Equipment Calibration Costs</u>	<u>0</u>	<u>0</u>	<u>952</u>	<u>952</u>
TOTAL	37,715	30,598	952	69,265

The savings in labor was calculated using estimated wages (excluding benefits) multiplied by estimated hours dedicated to calibration for nine months. The labor savings are opportunity

costs savings or implicit cost savings, which free up human resources to be dedicated to other activities, such as enforcement. These implicit cost savings are spread over numerous personnel positions and do not allow for staff reductions or actual cash savings. For example, the \$21,812 labor savings for local government was calculated using 76 local governments that utilize the PA Standards Laboratory at the time the calculation was made.

Mileage savings were calculated by multiplying the estimated round trip mileage to bring scales to the laboratory with the reimbursement rate. These savings are actual cash savings or explicit cost savings, which can be spent elsewhere or reduce the amount needed to be budgeted. Test equipment calibration costs are estimated savings by the Pennsylvania Standards Laboratory for the test equipment, and, like the mileage costs, are explicit savings.

The effective date is ninety days. Assuming enactment by July 1, 2009, all scales would be calibrated within the first ninety days but would not be required to be recalibrated until FY 2010/11 unless a particular scale experiences problems and must be recalibrated sooner. The Fiscal Impact Summary only states the explicit cost savings. Rounding to the nearest one thousand dollars, the General Fund would save \$1,000 for the PA Standards Laboratory, the Motor License Fund \$12,000 (for PSP and PennDOT), and \$18,000 for local government.

Sources

The following sources were used in the preparation of this fiscal note: The Pennsylvania Chiefs of Police Association, the Department of General Services, the Department of Transportation, and the Department of Community and Economic Development.

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*