



# HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

## FISCAL NOTE

HOUSE BILL: 331

PRINTER'S NO: 363

PRIME SPONSOR: Readshaw

| FISCAL IMPACT SUMMARY   | FY 2008/09 | FY 2009/10                            |
|---|------------|---------------------------------------|
| <b>Estimated Expenditure Increase/(Decrease):</b>   |            |                                       |
| Funds of local governments who have police departments, other than Philadelphia or Pittsburgh | \$0        | \$0 to \$20,000 for each municipality |

### OVERVIEW:

House Bill 331 amends Act 204 of 1984, which applies to all local governments except Philadelphia and Pittsburgh, to extend the mandate on local governments to require them to provide police chiefs and other ranking police officers not part of a labor bargaining unit with the same dollar increase in salary and benefits that the highest ranking police officer who is part of the labor bargaining unit receives. Commonwealth Court ruled in *City of Butler v. Clauser* (124 Pa. Comwlth. 492 A. 2d 1391—Decided 30, 1989) and *Bennis v. the City of Allentown* (698 A.2d 177—Decided July 31, 1997) that Act 204 mandates these increases for only those police chiefs and ranking police officers who have been forcibly removed from the labor bargaining unit by the Pennsylvania Labor Relations Board. In making its determination to remove someone from a bargaining unit, the Labor Relations Board applies a test to determine whether the person has managerial powers and responsibilities to merit the removal.

According to the Local Government Fact Sheet (January 7, 2008) of the Governor's Center for Local Government Services, Department of Community and Economic Development, Pennsylvania has 2,563 municipalities, 1,041 traditional municipal police departments, and 33 regional departments with 112 participating municipalities.

The effective date is sixty days.

### ANALYSIS:

This bill impacts those municipalities with police departments or regional police departments where the police chief and other ranking officers are not part of the labor bargaining unit and the chief or other ranking officer had not been forcibly removed from the bargaining unit.

While this bill does not immediately impact municipalities with police departments or regional police departments where the police chief or other ranking officers have been forcibly removed by the State Labor Relations Board, it will impact those municipalities in time when the police chief or other ranking officers retires or otherwise permanently leaves office.

This bill does not impact Philadelphia, Pittsburgh, and municipalities that do not have a police department, do not participate in a regional police department, or do have a police department where the police chief *is* part of the labor bargaining unit.

In order to provide data to this Committee on the potential scope of this bill, the Pennsylvania Chiefs of Police Association surveyed its members and received 136 responses, representing 12.7% of all traditional and regional police departments in the Commonwealth. The results of the survey are as follows:

1. *Are you a member of the Bargaining Unit?*  
136 Responses: Yes (10 - 7.0%); No (126 - 93.0%)
2. *If no, were you forcibly removed by action of the PLRB?*  
126 Responses: Yes (11 - 9.0%); No (115 - 91.0%)
3. *If you are not a part of the bargaining unit, do you receive the same salary increase (dollar amount) or more than the highest ranking member of the bargaining unit?*  
126 Responses: Yes (112 - 89.0%); No (14 - 11.0%)
4. *For 2009, what was the annual dollar amount increase to the highest ranking member of the bargaining unit? Choose closest number...*  
126 Responses: less than \$1000 (50 - 40.0%); \$2000 (41 - 32.0%); \$3000 (28 - 22.0%); \$4000 (5 - 4.0%); \$5000 (1 - 1.0%); more than \$5000 (1 - 1.0%)
5. *Are there other full-time command level officers in your department who are not in the bargaining unit?*  
132 Responses: Yes (41 - 31.0%); No (91 - 69.0%)
6. *If yes, how many? (not including yourself)*  
39 Responses: 1 (17 - 44.0%); 2 (12 - 30.0%); 3 (10 - 25.0%); 4 or more (0 - 0.0%)

Although the survey is not a scientifically-controlled sampling to make statistical inferences with a reasonable confidence level, it still provides some idea of the potential fiscal impact of this bill. Eleven percent of the respondents who are not part of the bargaining unit (or ten percent of all respondents) did not receive an increase in salary or benefits equal to or more than what the highest ranking police officer who was part of the labor bargaining unit received. Clearly this bill will fiscally impact those municipalities that do not provide the same increases or more to their police chiefs and ranking officers who are not part of the bargaining. According to the survey, there are at least 14 such municipalities. Using the ten percent survey result described above as a rough, unscientific guide, there could be an average 115 municipalities impacted fiscally by this bill. This was calculated by multiplying 10% to the number of municipalities with police departments or who participate in regional departments.

Any fiscal cost from the bill only occurs if a municipality chooses not to provide increases to its police chief or other ranking officers not part of the labor bargaining unit equal to or more than what the highest member of the bargaining unit received. According to the survey, the number of the supervisory officers not part of the bargaining unit range from 1 to 4 (although 69% of the respondents listed just one). The survey shows that 99% of the time, the increase in question ranged from less than \$1,000 to up to \$5,000. The potential fiscal impact for each municipality, therefore, ranges from \$0 (89% of the time police chiefs and other ranking officers indeed received increases as defined by Act 204) to \$20,000 (\$5,000, the high end of the increases, multiplied by 4, the highest number of supervisory officers not part of the bargaining unit).

The following sources were consulted in the preparation of this fiscal note: the Pennsylvania Chiefs of Police Association, the Pennsylvania Labor Relations Board, the Local Government Commission, the Department of Community and Economic Development, Pennsylvania State Association of Township Supervisors, the Pennsylvania Association of Boroughs, the Pennsylvania League of Cities and Municipalities, and the Pennsylvania State Association of Township Commissioners,

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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.*