

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7723

BILL NUMBER: HB 2071

DATE PREPARED: Jan 24, 1999

BILL AMENDED:

SUBJECT: Marion County public safety consolidation.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires a referendum allowing voters of Marion County to: (1) consolidate the Indianapolis, Speedway, Lawrence, Southport, and Beech Grove police departments with the Marion County sheriff's department and establish the Marion County sheriff as the exclusive law enforcement authority for the county, the consolidated city, and the excluded cities; and (2) consolidate fire protection service into the Marion County fire department, under the control of the Marion County fire commission.

This bill provides that if referendum question (1) passes, the Marion County sheriff is the exclusive police force of the county, the consolidated city and the excluded cities. It also provides that if referendum question (2) passes, the fire departments of the consolidated city, townships within the county, and the excluded cities are eliminated, and fire protection authority is consolidated with the Marion County fire department. This bill also makes other specific changes.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires that voters in Marion County vote in a special election for whether police and fire protection services should be consolidated under single organizations. The special election would not increase election expenses since a new ballot has to be printed for the general election.

Consolidation Expenditure Considerations

Depending on the outcome of the referendum, all of the city police departments stated in the bill would become consolidated under the Marion County Sheriff. Also, all township fire departments, the Indianapolis Fire Department and excluded city departments could become consolidated under this proposal (excluded cities may opt out of the proposal by resolution). The following costs and savings considerations apply.

Police Officers/Firefighters Pensions: Although benefits would remain the same for firefighters, police officers of the consolidated and excluded cities will have the option of switching from their current pension to sheriff-provided pensions.

Property Transfer: All police and fire units' real, personal and mixed property (structures, equipment, etc.) will be transferred to new consolidated Marion County agencies.

Conversion Expenditures: Costs to Marion County to incorporate other police and fire units into consolidated units would entail county standardizing equipment, such as uniforms, weapons as well as vehicles (repainting or accelerated purchase).

Outstanding Debts: All outstanding obligations from consolidated departments (e.g., loans and bonds) shall become payable by the Marion County Sheriff after December 31, 2001 and by the Marion County fire department after December 31, 2002.

Consolidation Savings Considerations

Experience in police consolidations suggests savings in redundant services and building lease contracts as well as auxiliary services such as communications, detention, evidence analysis, and training. Although detention and evidence gathering have been consolidated in Marion County jurisdictions, there may be savings available from consolidation of communications and training facilities. However, studies have also indicated that police consolidation does not necessarily result in economies of scale nor does it necessarily cause increased efficiency or better service provision. (Information on firefighting service consolidation is unavailable at this time, but it is assumed to be somewhat similar to police service consolidation.)

One Consolidation Example

California Highway Patrol The 1995 merger of 271 officers (and 68 non-uniformed employees) of the State Police with 5,713 officers of the Highway Patrol predicted an annual savings of about \$835,000 within two categories: personnel services and operating expenses & equipment. (*The total budget for CHP for FY 96 was \$751 M.*) Although the final savings result was undetermined, sources indicated that it came from vacating 12 leased facilities, eliminating duplicate contracts for services, and streamlining contracts for law enforcement services. Total expenditures were unavailable. No staff were eliminated.

More information will be provided as it is collected

Explanation of Local Revenues: The current special property tax which provides funding for the Indianapolis Police Department would become part of the general property tax rates of Marion County and excluded cities. Excluded city rates may change, while property tax rates inside Marion County, but outside of the IPD special tax district and excluded cities may change due to shifting of the tax burden to these areas.

More information will be provided as it is collected.

State Agencies Affected: State Board of Tax Commissioners

Local Agencies Affected: Police and fire departments of Indianapolis, Speedway, Southport, Lawrence and Beech Grove; Marion County township fire departments; Marion County Sheriff.

Information Sources: *Police Agency Consolidation: Lessons from a Case Study*, Stephen D. Mastrofski from *Police Practice in the '90s: Key Management Issues*, ICMA, 1989; Dan Jones, Marion County Auditor's Office; Calif. Legislative Analysts Office (www.lao.ca.gov); Calif. Highway Patrol (www.chp.ca.gov).