

Senate Resolution 323 of 2010 Report

Study of Statutory Mandates Placed on Counties and Municipalities

Appendix H

Sample Pilot Study Interview Form and Pilot Study Summary Report

Local Government Commission
General Assembly of the Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

October 9, 2012

Appendix H

Sample Pilot Study Interview Form and Pilot Study Summary Report

SR 323 of 2010 Mandate Pilot Study Interview Form¹
Name of the Federal or State program, or Descriptive Title
Consolidated Collection of Local Earned Income Taxes
Interviewer(s) and Date
County or Municipality, and Interviewee(s) (name and title, and contact information)
Pilot Study Interview Questions
<ol style="list-style-type: none"> 1. Can the official obtain information on the cost associated with the establishment and operation of the tax collection committee, including securing a tax officer? How should the cost information be defined and in what format should it be provided? What are major hurdles, if any, in obtaining the cost information? 2. Is it possible to deduct and, if so, quantify any possible fees, state funding, or other reimbursement to capture only that portion of the cost to the municipality that is unfunded? 3. What are the indirect costs, nonmonetary costs, and “hassle level” to implement the mandate (e.g., time displacement effects, inefficient procedure, attitudinal paradigms)? 4. What is the optimum time parameter for costing the mandate (FY 2010 or other; specify)? 5. What are suggestions to reduce the fiscal impact of the mandate? How might the Commonwealth modify the mandate to provide a possible cost savings or relief?

¹ The sample is the interview form for the “Consolidated Collection of Local Earned Income Taxes” mandate.

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Name of the Federal or State program, or Descriptive Title
Consolidated Collection of Local Earned Income Taxes
Statutory and Regulatory Basis for the Mandate
Act 32 of 2008, amending Act 511 of 1965 (Local Tax Enabling Act) Ch. 5 (Consolidated Collection of Local Income Taxes)
Type of Mandate (direct order, condition of aid)
Direct Order
Description of What the Mandate Requires the County or Municipality to Do
<p>Act 32 generally requires all local governments and school districts within a county, with a couple of exceptions, to join together during a three-year transition period for consolidated collection of the local earned income tax by 2012. All municipalities and school districts within a county are required to meet and structure a tax collection committee. The committee must develop a request for proposals for a tax officer, and advertise for, interview, vote to appoint, and negotiate a contract with a tax officer. This mandate requires municipalities to share in all costs associated with the establishment of the committee and its operation for the first three years, until 2012, to secure a tax officer, and then for the foreseeable future.</p> <p><i>See also</i>, the following reports available on the Department of Community and Economic Development’s website (<http://www.newpa.com>) under “Get Local Gov Support,” “Tax Information,” “DCED’s Act 32 EIT Collection System”:</p> <p>Governor’s Center for Local Government Services, Pennsylvania Department of Community and Economic Development, <i>Earned Income Tax Consolidation System Best Practices Report [Act 32 EIT Best Practices Report]</i>, December 31, 2009.</p> <p>Governor’s Center for Local Government Services, Pennsylvania Department of Community and Economic Development, <i>Pennsylvania’s Earned Income Tax Collection System: An Analysis with Recommendations</i>, August 2004.</p>

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PILOT STUDY SUMMARY REPORT

(compiled by Dr. Paula Holoviak of Kutztown University)

PILOT STUDY OVERVIEW

TIME FRAME

- In general, best time frame is one fiscal/calendar year
- For construction related mandates such as bidding, separations etc. best time frame is three years.

OBTAINING AND DEFINING COST INFORMATION

- Actual line item costs such as wages, benefits
- Percentage added to project

MUNICIPAL

- Biggest issues are lack of funding of any kind
- Indirect costs
 - Legal
 - Secretarial
 - Other staff
 - Opportunity costs (time and money cannot be spend on other projects or services)

COUNTY

- Biggest issue: time delays in reimbursement
- Insufficient reimbursements
- Indirect costs
 - Legal
 - Secretarial
 - Other staff
 - Opportunity costs (time and money cannot be spend on other projects or services)

SUMMARY COUNTY RESPONSES BY MANDATE

COUNTY 911 SERVICES

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Training costs
 - Actual line item costs to operate
 - Transportation to training
 - Replacing equipment (local cost)
- 2) REIMBURSEMENT
 - 30% from state
 - Free state training
 - Wireless phone lines

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- 3) **INDIRECT COSTS**
 - None
- 4) **TIME FRAME**
 - One year
- 5) **SUGGESTIONS FOR MITIGATION**
 - Increase state reimbursement to 100%

PRISON COMPLIANCE WITH DEPARTMENT OF CORRECTIONS STANDARDS

- 1) **OBTAINING AND DEFINING COST INFORMATION**
 - Actual line item cost
- 2) **REIMBURSEMENT**
 - None
- 3) **INDIRECT COSTS**
 - Impacts other offices such as HR, purchasing
- 4) **TIME FRAME**
 - One year
- 5) **SUGGESTIONS FOR MITIGATION**
 - Reduce prison population by focusing on treatment rather than incarceration for non-violent crimes
 - Create Drug and Mental Health Courts
 - Allow warden responsibility for early release and daily reporting centers

COUNTY PRISON INMATE MEDICAL COSTS

- 1) **OBTAINING AND DEFINING COST INFORMATION**
 - Inmate insurance premiums
 - Nurses on duty
 - All line item expenses
- 2) **REIMBURSEMENT**
 - None
- 3) **INDIRECT COSTS**
 - Staff administrative costs for insurance
- 4) **TIME FRAME**
 - One year
- 5) **SUGGESTIONS FOR MITIGATION**
 - Regionalization of county prisons
 - State use of county prison's open beds (\$60 per day)

COUNTY PORTION OF COSTS FOR MEDICAID RESIDENTS IN NURSING FACILITIES

- 1) **OBTAINING AND DEFINING COST INFORMATION**
 - Direct line item costs
- 2) **REIMBURSEMENT**
 - None

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- 3) INDIRECT COSTS
 - Staff time
 - Paperwork
- 4) TIME FRAME
 - One Fiscal Year
- 5) SUGGESTIONS FOR MITIGATION
 - Keep self sustaining

PREVENTABLE SERIOUS ADVERSE EVENTS ACT

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Qualitative data only
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - Staff time
 - Hassle
- 4) TIME FRAME
 - Five years
- 5) SUGGESTIONS FOR MITIGATION
 - Increase MA rates

MANDATORY REPORTING OF ALLEGED ABUSE, NEGLECT, AND MISAPPROPRIATION OF PROPERTY BY NURSING HOME EMPLOYEES

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Based on time requirement – HR costs
 - Solicitor’s fees
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - Training and record keeping
 - Reporting
 - Employee grievances
- 4) TIME FRAME
 - Five years since only 1 or 2 events a year
- 5) SUGGESTIONS FOR MITIGATION
 - Streamline process using one investigative clearinghouse and all agencies uses one report

NURSING FACILITY STAFF PHOTO IDENTIFICATION BADGE

- 1) OBTAINING AND DEFINING COST INFORMATION
 - No additional direct costs
 - Helpful due to centralized accounting through badges
- 2) REIMBURSEMENT
 - None

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- 3) **INDIRECT COSTS**
 - Software purchase
- 4) **TIME FRAME**
 - One year
- 5) **SUGGESTIONS FOR MITIGATION**
 - None

MAINTAINING THE OFFICE OF JURY COMMISSIONER

- 1) **OBTAINING AND DEFINING COST INFORMATION**
 - Salary and benefits plus payroll taxes
 - Travel
 - Association dues and conventions
 - Office space and secretary (% of time)
- 2) **REIMBURSEMENT**
 - None
- 3) **INDIRECT COSTS**
 - Court facilities used as mandated by court order
 - Office Support – part-time Jury Commissioner secretary (full-time employee who assists Jury Commissioner)
 - Election costs
- 4) **TIME FRAME**
 - Cost out per elected term of office
- 5) **SUGGESTIONS FOR MITIGATION**
 - Eliminate
 - Technology has replaced the office of jury commissioner as generating the list is now down by secretarial staff
 - Should be state employees not county
 - Continue court unification

FEEES PAID TO CONSTABLES

- 1) **OBTAINING AND DEFINING COST INFORMATION**
 - Per usage fee
 - Election day fees
 - Mileage
 - Can only estimate total usage based on per usage fee since number of warrants served will vary
- 2) **REIMBURSEMENT**
 - Fee is attached by magistrate to be paid by defendant but often not paid
 - Presence at elections generates no income
 - Reimbursement by state

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3) INDIRECT COSTS

- Court facilities used as mandated by court order
- Office Support – part-time Jury Commissioner secretary (full-time employee who assists Jury Commissioner)
- Often used to deliver PFA's
- However, if constables are not used police or sheriff's staff would have to be used
- Used most often in small municipalities without full-time police coverage
- Slow state reimbursement

4) TIME FRAME

- One Fiscal Year

5) SUGGESTIONS FOR MITIGATION

- Raise constable fees attached to defendants
- Charge a fee for civil warrants
- Magisterial fees related to outstanding criminal warrants go to the PA Dept. of Corrections and not to the counties
- Eliminate requirement that they be used on election day
- Clarify how they are being used as warrants are also delivered by police and sheriff's office

REQUIREMENT FOR COUNTIES TO HAVE A FULL-TIME DISTRICT ATTORNEY

1) OBTAINING AND DEFINING COST INFORMATION

- Salary, benefits, payroll taxes
- Staff

2) REIMBURSEMENT

- 65% of costs reimbursed by the state

3) INDIRECT COSTS

- Court mandated assistant D.A.
- Office Space
- Lack of prompt reimbursement (for example 0 in 2009 and 2010) could impact other county spending

4) TIME FRAME

- One Fiscal Year

5) SUGGESTIONS FOR MITIGATION

- Timeliness in reimbursement
- Salary related to class of county not judges salaries
- Eliminate for small counties

DUTIES AND COMPENSATION OF COUNTY AUDITORS

1) OBTAINING AND DEFINING COST INFORMATION

- Salary and benefits plus payroll taxes
- Office related expenses (postage, supplies, photocopying, advertising, office space)
- Dues and conventions
- Auto reimbursement

2) REIMBURSEMENT

- None

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3) INDIRECT COSTS

- Auditor performs more detailed work than the CPA
- Would require higher CPA hours and costs
- Delays in timely reports
- Difficulty in recruiting qualified individuals to run for this office or any individuals

4) TIME FRAME

- Calendar year works for Columbia County
- Auditor works January to April and one week in August

5) SUGGESTIONS FOR MITIGATION

- Amend the County Code to make the positions salaried rather than hourly
- Amend the County Code to eliminate the requirement to pay benefits to all part-time elected officials including the coroner, jury commissioners and auditors

PLANNING AND FINANCIAL REIMBURSEMENT REQUIREMENTS FOR COUNTY CHILDREN AND YOUTH SERVICE PROGRAMS

1) OBTAINING AND DEFINING COST INFORMATION

- Cost of borrowing to cover programs while awaiting state reimbursement
- Dollar amount owed to the county
- Difference between county expenditures and actual reimbursement

2) REIMBURSEMENT

- 80% of costs reimbursed by the state
- Underfunded

3) INDIRECT COSTS

- Opportunity costs- some other county projects delayed due to wait on reimbursement
- Difficulty in obtaining CYS providers
- Lower reimbursement rates mean lower quality providers

4) TIME FRAME

- One Fiscal Year

5) SUGGESTIONS FOR MITIGATION

- Timeliness in reimbursement (currently 9 months behind)
- Focus on adoption, placement and prevention

STORMWATER MANAGEMENT

1) OBTAINING AND DEFINING COST INFORMATION

- Engineering firm cost to create plan
- Implementation costs
- Money reimbursed to municipalities (25% of planning costs)

2) REIMBURSEMENT

- 75% of costs reimbursed by the DEP

3) INDIRECT COSTS

- Employee time used to obtain information to prepare specs for planning bids
- Costs associated with the contracting out process – RFP, advertising, time
- Lack of cooperation and information from municipalities which then requires use of county employees to obtain information
- Plans done but not completed (5 in Luzerne County)

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- 4) TIME FRAME
 - 3 Fiscal Years due to time frame involved in getting bids and then creating the plan
- 5) SUGGESTIONS FOR MITIGATION
 - Require regional planning
 - Create a process to authorize delays in the process
 - State planning grants
 - Guarantee federal funding to implement plan

COMPETITIVE BIDDING AND RELATED ADVERTISING REQUIREMENTS

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Size of advertising
 - Engineering fees to prepare RFP specifications
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - Project delays
 - Cost overruns
 - Other county employees time including purchasing department, solicitor
 - Since no other business can service a project once bid, loss to local businesses
- 4) TIME FRAME
 - One Fiscal Year – just to get a snapshot in time
- 5) SUGGESTIONS FOR MITIGATION
 - Raising the bid limit
 - Create a mechanism to take into account inflation in construction costs
 - Redefine the proprietary terms
 - Allow for service contracts
 - Use quotations rather than bids which will maintain transparency without all the costs involved in the process
 - Allow for more on-line advertising
 - Change how and where ad must be placed

SUMMARY MUNICIPAL RESPONSES BY MANDATE

POLICE AND FIREFIGHTER COLLECTIVE BARGAINING ARBITRATION

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Solicitor fees
 - Staff preparation time
 - ½ arbitrator fee
 - Food, hotel and related fees for arbitrator
- 2) REIMBURSEMENT
 - None

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3) INDIRECT COSTS

- Staff time – secretarial and managerial
- Damage to working relationships (animosity, confrontation)
- Time spent trying to avoid arbitration
- Travel costs to Harrisburg

4) TIME FRAME

- 3 to 4 Fiscal Years

5) SUGGESTIONS FOR MITIGATION

- Modify arbitration process by requiring mediation as a first step
- Allow municipalities to have a first strike in selecting the arbitrator
- Involve courts in dispute resolution
- Split cost of entire process, not just arbitrator fee

PREVAILING WAGE FOR PUBLIC WORKS PROJECTS

1) OBTAINING AND DEFINING COST INFORMATION

- Market rate versus prevailing rate or take roughly 25 to 30% of prevailing wage rate to calculate difference
- Roughly 20 to 40% additional costs to any project

2) REIMBURSEMENT

- None except up to 25% of Liquid Fuels Fund for road projects
- CDBG funding for some projects

3) INDIRECT COSTS

- Audit to certify payroll costs
- Choose to pursue fewer projects or even grants
- Small businesses and nonunion shops shut out of process
- Delay or break-up projects to avoid paying prevailing wage

4) TIME FRAME

- 1 Fiscal Year

5) SUGGESTIONS FOR MITIGATION

- Regionalization of prevailing wage based on market rates
- Raise dollar threshold for projects requiring prevailing wage
- Exclude road paving and resurfacing from prevailing wage

CONSOLIDATED COLLECTION OF LOCAL EARNED INCOME TAXES

1) OBTAINING AND DEFINING COST INFORMATION

- Tax Collection Committee expenses in addition to commission
- Yearly dues

2) REIMBURSEMENT

- None

3) INDIRECT COSTS

- Staff time to reconcile difference with regional staff
- Appeals with regional appeal committee
- Issue of communities with no zip codes (e.g. Wilkes-Barre Township and Wilkes-Barre city have same zip codes)

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- 4) TIME FRAME
 - One year
- 5) SUGGESTIONS FOR MITIGATION
 - Eliminate mandate
 - Make it voluntary
 - Allow some leverage in choosing agency, school districts dominate the process

WORKERS' COMPENSATION ACT AMENDMENT (ACT 46 OF 2011) TO PROVIDE FOR FIREFIGHTERS WITH CANCER

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Changes in insurance premiums
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - None
- 4) TIME FRAME
 - N/A
- 5) SUGGESTIONS FOR MITIGATION
 - Do not pass

PROPERTY EXEMPT FROM REAL ESTATE TAXES

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Estimate tax loss using tax map
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - None
- 4) TIME FRAME
 - One year
- 5) SUGGESTIONS FOR MITIGATION
 - Voluntary contributions (negotiated deals)

COMPETITIVE BIDDING AND RELATED ADVERTISING REQUIREMENTS

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Engineering fees to prepare specs
 - Advertising
 - Inspection of bids by engineering firm
 - Legal fees
- 2) REIMBURSEMENT
 - None
 - Loans subsidized by state do help

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3) INDIRECT COSTS

- Staff time – secretarial and administrative to prepare and review bids
- Delay in projects or even not pursuing projects
- Opportunity costs – other projects not completed
- Small and local businesses find process too costly so they don't bid

4) TIME FRAME

- 1 Fiscal Year

5) SUGGESTIONS FOR MITIGATION

- Regionalized or cooperative bidding with an incentive and/or penalty for not utilizing this process
- Centralized purchasing at the county level
- Inter-municipal agreements including school districts
- Allow use of Liquid Fuels money
- Raise project dollar limit
- Shorter, condensed ads in press with direction to municipal website for additional information

RIGHT-TO-KNOW LAW (ACT 3 of 2008)

1) OBTAINING AND DEFINING COST INFORMATION

- Staff time
- Copying costs

2) REIMBURSEMENT

- 25 cents per photocopy

3) INDIRECT COSTS

- Competitors use it to undercut current vendors
- Frivolous requests

4) TIME FRAME

- One year

5) SUGGESTIONS FOR MITIGATION

- Redefine what is allowed to prevent frivolous or malevolent requests
- Clarify what is “public” information
- Require specific requests rather than general

REQUIREMENTS FOR SIGNAGE, PAVEMENT MARKINGS, AND TRAFFIC SIGNALS ON STATE HIGHWAYS AND RIGHTS-OF-WAY

1) OBTAINING AND DEFINING COST INFORMATION

- Maintenance costs
- Replacement costs

2) REIMBURSEMENT

- Less than \$10,000

3) INDIRECT COSTS

- Staff time

4) TIME FRAME

- N/A

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5) SUGGESTIONS FOR MITIGATION

- None

STORMWATER FACILITY MAINTENANCE REQUIREMENTS ALONG STATE HIGHWAYS

1) OBTAINING AND DEFINING COST INFORMATION

- Cost to upgrade existing facilities (estimate)

2) REIMBURSEMENT

- None

3) INDIRECT COSTS

- Engineering fees
- Permit review

4) TIME FRAME

- N/A

5) SUGGESTIONS FOR MITIGATION

- None

SEPARATE SPECIFICATIONS AND BIDS FOR PLUMBING, HEATING, VENTILATING, AND ELECTRICAL WORK

1) OBTAINING AND DEFINING COST INFORMATION

- Engineering costs
- Inspection costs

2) REIMBURSEMENT

- None

3) INDIRECT COSTS

- Staff time for oversight and coordination of multiple firms
- Time and cost overruns as contractors wait for one another to complete their portion of the project

4) TIME FRAME

- 3 to 5 Fiscal Years

5) SUGGESTIONS FOR MITIGATION

- Issue of maintaining overall quality of project when a one small contractor handles just one portion of the project
- Allow general contractor to oversee subcontractors

UNIFORM CONSTRUCTION CODE TRIENNIAL EDUCATION AND CERTIFICATION REQUIREMENTS

1) OBTAINING AND DEFINING COST INFORMATION

- Continuing education costs
- Certification costs
- Increase in customer costs due to need to use 3rd party inspectors

2) REIMBURSEMENT

- None

3) INDIRECT COSTS

- Difficulty in obtaining in-house inspectors with all the necessary certifications

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- 4) TIME FRAME
 - 1 year
- 5) SUGGESTIONS FOR MITIGATION
 - None

AMENDMENTS TO THE FISCAL CODE PROVIDING FOR PERMIT EXTENSIONS

- 1) OBTAINING AND DEFINING COST INFORMATION
 - Land development permit fees
 - No direct costs
- 2) REIMBURSEMENT
 - None
- 3) INDIRECT COSTS
 - Staff time to track developers progress during extension
 - Hassle
- 4) TIME FRAME
 - 3 years
- 5) SUGGESTIONS FOR MITIGATION
 - Reduce extension time period, no direct monetary costs