

One-way waste!

Time and again, we hear that the cost of doing business in Massachusetts is too high, that business is over-regulated and over-taxed. Isn't there any way of reducing these costs so businesses in the Commonwealth can remain competitive with lower- cost states and other nations?

Each spring, in its annual update on Worcester's municipal budget, The Research Bureau makes a number of suggestions, often year-after-year, on how to reduce governmental expenditures without damage to the public. ¹ One of those oft-repeated recommendations, switching from paid police details to civilian flaggers at construction sites, is getting attention from Governor Patrick and gaining traction with business owners and residents across the Commonwealth. As well it should!

Hiring off-duty police officers to direct traffic at construction sites is not required by State law, but the practice has been widely negotiated into local police contracts. Changing that practice would probably require action by the state legislature to enable individual communities to overturn this very expensive procedure. Flagmen are the rule in the other 49 states, including eight that use civilian flaggers exclusively.

Let's use Worcester as an example to determine the costs of this practice unique to the Commonwealth. Off-duty police officers in Worcester are paid a four-hour minimum at about \$40 per hour for detail work at construction sites. The City Treasurer's Office collects an additional 10% from City departments and construction and utility companies using the details for administrative costs. In 2006, Worcester police officers were paid more than \$6.6 million for these off-duty assignments. This sum is broken down as follows: The City of Worcester (Department of Public Works and Parks and other departments) paid more than \$1 million to Worcester police officers. Private businesses such as the utilities and construction companies paid about \$5 million for Worcester police details. (A small percentage of these costs is for details at banks, supermarkets, and the like, which are not required.) The costs paid by utility and construction companies are ultimately factored into utility rates paid by customers or rental rates paid by businesses or residents, thereby increasing the cost of doing business and living in Worcester.

What would be the cost of employing civilian flaggers to perform the same function? Some people argue that they would not cost much less because of the prevailing-wage law in Massachusetts. But as David Tuerck, Executive Director of the Beacon Hill

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¹ http://www.wrrb.org/documents/ResearchBureau07-03.pdf

Institute at Suffolk University points out in his November 9th article in the *Boston Globe*, "Throwing a Flag on Paid Details," that law applies to state-funded construction work itself, not to traffic control at work sites. He points out that the detail work is similar to that of school crossing guards, who control traffic "in the vicinity of elementary schools in order to permit school children to cross safely when going to or returning from school" and "report violations of motorists who fail to stop when directed to do so." The average pay of these guards in Boston is \$12.83 per hour or about one-third of the police officer's pay. Thus, using the 2006 figures cited above, a conservative estimate of savings for the City of Worcester would have been at least \$500,000 while the utility companies could have saved \$2.5 million or more.

What happens when we look at the cost of police details for the Commonwealth as a whole? Governor Patrick, who is to be commended for calling attention to this hefty expenditure, has focused on the payments made by state transportation agencies to state police which cost about \$44 million in 2006. In addition, a 2004 study by the Beacon Hill Institute found that local governments across the Commonwealth could save about \$37 to \$67 million a year by replacing police details with flaggers at work sites on local roads. As the Commonwealth and its 351 cities and towns begin to grapple with the revenue shortfalls projected for their FY09 budgets, they need to give to the police detail expenditure serious reconsideration.

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