



FOR IMMEDIATE RELEASE

Contact: Debbie Bitting, PML, 717-236-9469, ext. 223

March 28, 2014

Christian Muniz, CSC, 717-461-1461

LEGISLATIVE FOCUS ON ACT 111 CONTINUES TO GROW

Legislation would modernize Act 111 (binding arbitration) for first time in 46 years

HARRISBURG, PA – As more Pennsylvania communities experience adverse and costly uniformed union binding arbitration decisions across Pennsylvania, increasing numbers of state lawmakers are seeking to modernize Act 111 of 1968, the state law governing uniformed union binding arbitration.

After hearing from community and business leaders from across the state, all members of the Coalition for Sustainable Communities (CSC), State Representative Rob Kauffman (R-Chambersburg) has introduced HB 1845 which will reform and modernize Act 111. Last year, Senator Eichelberger (R-Altoona), Majority Chairman of the Senate Local Government Committee, recognized the same by introducing a similar bill, SB 1111.

“Chambersburg is but the latest example of a community grappling with the unsustainable costs tied to Act 111, and that is why I’m announcing the official introduction of HB 1845. This is not an attempt to end collective bargaining, but rather, inject fairness into a process that is currently tilted toward the unions and against taxpayers. HB 1845 would ensure that the arbitration proceedings are open to the very public expected to foot the bill, split the cost of the neutral arbitrator equally between employer and union, and require that arbitration decisions are based on factors relevant to each community, including their ability to pay,” said Rep. Kauffman.

"All sizes of communities from all corners of our Commonwealth suffer from varying levels of fiscal distress, driven by outdated provisions in state laws such as Act 111," added Allentown Mayor Ed Pawlowski, President of the Pennsylvania Municipal League. "Whether a rural township or borough, or a larger 3rd Class City such as Allentown, Republican and Democratic local elected officials agree that Act 111 needs to be modernized to respect the rights of workers and protect the fiscal integrity of Pennsylvania cities who are struggling with some of the outdated provisions in the Act that undermine even the best managed municipalities."

Community after community is falling into fiscal distress. The cost of providing essential basic services has skyrocketed due to state mandates, including Act 111. There are nearly 30 chambers of commerce around the state that want to see these important reforms made into law for the sheer reason that without them our communities will find it more difficult to attract and retain the family-sustaining jobs needed to improve our local and state economy," said Ellen Horan, President and CEO of the Greater Reading Chamber of Commerce and Industry. "No business owner wants to open or expand in an over-taxed, underserved community. The negative impact of Act 111 has united communities as different as

Chambersburg and Reading. We all know that, if your city, town or borough is subject to Act 111 you are eventually heading into an economic cul-de-sac.”

Highlights of HB 1845 reforms include:

- Penalize either party for failing to engage in good faith bargaining;
- Must show ability to pay through justification and consideration of new costs;
- Start arbitrator selection process between both parties by coin toss;
- Expand the list from which a neutral arbitrator is selected from 3 to 7;
- Require the cost of arbitration be shared equally between both parties;
- Start collective bargaining earlier in the year and require arbitration be requested earlier;
- Require evidentiary hearings to be open to the public (Sunshine Law);
- Clarify avenue for appeal process and municipal relief;
- Prohibit post-retirement health care and pension benefits from being subjects of collective bargaining.

###

State Representative Rob Kauffman was first elected to the Pennsylvania House of Representatives representing the 89th Legislative District in 2004. The district covers portions of Cumberland County consisting of the townships of Shippensburg and Southampton and the Borough of Shippensburg, and part of Franklin County consisting of the townships of Greene, Guilford (part), Letterkenny, Lurgan and Southampton and the boroughs of Chambersburg, Orrstown and Shippensburg. Kauffman serves on the Agriculture and Rural Affairs, Consumer Affairs, Tourism and Recreational Development, and Health committees. He also serves as a Deputy Republican Whip and a member of the House Republican Policy Committee’s Welfare Reform Policy Development Team.

The Coalition for Sustainable Communities (CSC) is a growing alliance of over 37 organizations, including chambers of commerce, professional and community development groups, the Pennsylvania Municipal League, the Pennsylvania State Association of Township Commissioners, the Pennsylvania State Association of Township Supervisors and the County Commissioners Association of Pennsylvania. The CSC was formed in 2011 to help the Commonwealth’s urban, suburban and rural communities address growing economic and budgetary challenges. For more information, as well as a complete listing of Coalition members, visit the website at www.coalitionforsustainablecommunities.org or Facebook at www.facebook.com/CoalitionforSustainableCommunities.