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## LEGISLATIVE ACTION ALERT

### PA-HB 1749

# Act 111 Collective Bargaining Reform

## “The Policemen and Firemen Collective Bargaining Act”

PA HB 1749 was referred to Labor and Industry on **August 30, 2017**. This legislation was introduced by Representative Russ Diamond, a Republican, serving Lebanon County. This legislation as noted in Representative Diamond's memorandum will:

- Requires the cost of the neutral arbitration to be shared equally by both sides, rather than being borne entirely by the employer.
- Requires the arbitrator to justify the award based on the facts and evidence presented.
- Requires the evidentiary hearings to be open to the public.
- **Prohibits future pension benefits and post-retirement healthcare from being subjects of collective bargaining.**
- Expands the list of arbitrators during the selection process and provides an equal chance at being the first party to start the selection process.
- Codifies the appeal process of an award for either side.
- **Caps salary increases.**
- **Prohibits retroactive awards.**
- Starts the collective bargaining process earlier and requires a request for arbitration earlier.

#### MEMORANDUM

Posted: June 7, 2017 10:32 AM  
 From: Representative Russ Diamond  
 To: All House members  
 Subject: Act 111 Collective Bargaining Reform

In the near future I will be introducing legislation to reform Act 111, the Policemen and Firemen Collective Bargaining Act. For nearly 50 years, Pennsylvania's cities, boroughs and townships with uniformed police or fire personnel have managed public safety matters under the mandated provisions of Act 111. The law was enacted to provide public safety personnel with binding arbitration should an impasse occur during contract negotiations. Binding arbitration was

provided to such personnel in exchange for their inability to strike, and it is applicable to both negotiating sides.

Act 111 was written heavily in favor of uniformed personnel, as is the case law that has developed over the years. Today, the impact of Act 111 is significantly effecting many aspects of municipal governance, especially budget impacts. Most municipalities with full-time police or fire can easily say public safety costs are more than half of their annual budgets. Moreover, Act 111 has a far-reaching impact on future budgets. Decisions today will impact costs well into the future, not just for the term of any given arbitration award.

The significance of Act 111 on municipal finances - and ultimately taxpayers - warrants a serious look at how to create a more balanced collective bargaining process and outcome. Legislation has been introduced in previous sessions to do just that and my proposal follows those themes.

My legislation:

- Requires the cost of the neutral arbitration to be shared equally by both sides, rather than being borne entirely by the employer.
- Requires the arbitrator to justify the award based on the facts and evidence presented.
- Requires the evidentiary hearings to be open to the public.
- Prohibits future pension benefits and post-retirement healthcare from being subjects of collective bargaining.
- Expands the list of arbitrators during the selection process and provides an equal chance at being the first party to start the selection process.
- Codifies the appeal process of an award for either side.
- Caps salary increases.
- Prohibits retroactive awards.
- Starts the collective bargaining process earlier and requires a request for arbitration earlier.

These proposed changes keep the collective bargaining process in place for public safety personnel, while leveling the playing field for employers. As the cost of public safety continues to grow, it is not only necessary but fiscally responsible to address the root cause of these costs. Both municipal fiscal health and the very public safety jobs Act 111 was put in place to protect are at risk if local governments are required to continue to operate under this outdated law.

As the half century mark approaches, it's time to revisit Act 111 in the interest of fairness. Please join me in support of Act 111 reform by co-sponsoring this legislation.

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Introduced as HB1749

