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To: Representative Chris Ross, Chair,
Labor Subcommittee, Act 47 Task Force

From: John Kuntzelman, Commissioner,
East Pennsboro Township

Date: May 15, 2013

Re: PSATC Comments on Labor Subcommittee Issues

On behalf of the PA State Association of Township Commissioners (PSATC), please accept the following commentary for the labor subcommittee discussion:

- **Amend Act 111 or Act 47 to address time limit for arbitration panel awards. Permit Act 47 municipalities to immediately petition the court of common pleas if timeframes are not met.**

PSATC supports limiting the arbitration time under both Act 111 and Act 47. In most cases, awards should be determined and finalized before the end of the fiscal year to avoid budgeting issues and retroactive awards.

- **Amend Act 111 requiring sharing of the costs of the neutral third party arbitrator.**

PSATC has long supported the concept of the employer and union sharing the cost of the neutral arbitrator equally.

- **Arbitration award should consider municipality's ability to pay.**

PSATC supports amending Act 111 to require the neutral arbitrator to consider a municipality's financial condition and the future costs of any new and on-going benefits. This is as important for suburban communities as it is for urban. All municipalities with full-time public safety personnel face budgetary constraints that must be considered when new benefits are being contemplated.

- **Limit arbitration process to a certain timeframe and open hearings to the public.**

As stated above, PSATC believes the arbitration process should be completed by the end of the fiscal year in which it was started; however this may not be practicable in all cases.

- **Random selection of a neutral arbitrator by the state.**

PSATC does not support random selection of the neutral arbitrator. It is important for both sides to have a stake in the selection process in order for both to view the final selection as neutral.

In regards to the selection process, PSATC is supportive of one of the arbitrators on the strike list being from the county or region where the dispute is occurring. Random selection would not accommodate the opportunity for a more local choice.

- **Arbitration award should be based on each party's last best offer.**

PSATC is not in favor to utilizing last best offer to determine awards. Neutral arbitrators have the job of working to meet the needs of both parties. Furthermore, the concept of last best offer does not ensure the parties will come to the table with reasonable offers.

- **Expand ability of municipalities to appeal arbitration awards in court.**

PSATC supports keeping appeal opportunities narrow and defined. The case law that has developed since 1968 should be codified in Act 111 to ensure that it remains in place. PSATC does support an additional appeal standard for award decisions that are not based on an analysis of the evidence presented concerning a municipality's ability to pay.

- **Waive prevailing wage for only Act 47 municipalities.**

PSATC supports waiving prevailing wage for Act 47 municipalities.

Please note: PSATC is a member of the Coalition for Sustainable Communities. This partnership has endorsed amendments to Act 111 to make the process fairer and to update the law to reflect new economic realities in the 21st century.