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OCT 25 2011

Co-sponsorship Memo

DATE:

October 25, 2011

TO:

All Senators

FROM:

Senator Jane MARK

SUBJECT:

Legislation Amending Act 47 (Municipalities Financial Recovery Act) in Response to Recent Pennsylvania Supreme Court Decision Regarding the City of Scranton and Payment of Arbitration Awards Pursuant to Act 111 (Police and Firemen Collective

Bargaining Act)

I am planning on introducing legislation that would amend section 252 (relating to plan not affected by certain collective bargaining agreements or settlements) of the act of July 10, 1987 (P.L.246, No.47), known as the Municipalities Financial Recovery Act, by further providing that such also applies to arbitration awards in addition to arbitration settlements.

This legislation is in response to the Pennsylvania Supreme Court decision in <u>City of Scranton v. Firefighters Local Union No. 60</u> (10/19/11) that held there is a distinction between the terms "arbitration settlement" and "arbitration award" and as such an Act 111 "arbitration award" is <u>not</u> impinged upon by the provisions of section 252 of Act 47. A failure to maintain the past application of the provisions of section 252 of Act 47 would be costly and harmful to distressed municipalities and take away an important tool available under Act 47 to Pennsylvania municipalities and the citizens that reside there.

Companion legislation is also being introduced in the House by Representative Chris Ross to address this important issue.

If you would either like to co-sponsor this legislation and/or have any questions, please contact Elizabeth Schubert at eschubert@pasen.gov, by Friday, October 28, 2011.