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HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

MEMORANDUM

To: All House Members

From: Honorable Marc Gergely

Date: May 31, 2011

Subject: Request for Co-sponsorship: Amending the Municipalities Financial Recovery Act (Act 47 of 1987)

In the near future, I will be reintroducing House Bill 2416 from last session. This legislation would amend the Municipalities Financial Recovery Act (Act 47 of 1987) to set some allowances and procedures so that collective bargaining rights are not eliminated when the Commonwealth designates a distressed municipality as an Act 47 municipality.

Under Act 47, a municipality may petition the Department of Community and Economic Development (DCED) for a determination of municipal financial distress. If approved, the Secretary of DCED appoints a coordinator to prepare a fiscal plan addressing the municipality's financial problems. The distressed municipality is also eligible for state grants and assistance. Currently, there are 20 Act 47 municipalities. Twelve of these municipalities have been distressed for over 13 years.

The principal problem with Act 47 for collective bargaining is the breadth of the recovery plan. Some plans are overbroad, reaching into nearly every aspect of the employer-employee relationship and mandating changes that are not tailored to alleviating financial distress. Under my legislation, bargaining units will maintain collective bargaining rights while still recognizing and protecting the municipality's goal to recover from financial distress.

This legislation has the full support of the Fraternal Order of Police, the Pennsylvania Professional Fire Fighters Association, the AFL-CIO, ASFCME and IAFF.

Thank you for your attention in this matter. If you'd like to co-sponsor this legislation, please contact Anne-Marie at 783-1018 or aaticks@pahouse.net.

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