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Testimony of Les Neri, President,
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Good morning. My name is Les Neri. I am proud to serve as the elected President of the Fraternal Order of Police, Pennsylvania State Lodge, which represents more than 40,000 active and retired law enforcement officers and their families throughout the Commonwealth of Pennsylvania. Before my election as President of the FOP I was proud to serve as a Police Officer and Detective for more than 26 years in Tredyffrin Township, Chester County before my retirement in 2008.

On behalf of the members of the Fraternal Order of Police and their families, I would like to extend my sincerest thank you to each member of this joint committee for your past, present, and continued future support of Pennsylvania's law enforcement officers.

I appear before this Committee today to briefly present the viewpoint of the Fraternal Order of Police on the law that protects Pennsylvania's Police Officers and their families -- Act 111 of 1968 -- and a terrible bill that would gut Act 111 and hurt Pennsylvania's law enforcement community -- SB 1570.

In my decades of experience as a local police association member and as a statewide FOP official, I have been involved with collective bargaining under Act 111 at every level. I have negotiated collective bargaining agreements and participated in Act 111 interest arbitration proceedings when those negotiations failed. I have assisted local FOP lodges across the commonwealth in negotiating contracts and proceeding to interest arbitration when necessary. And I have defended Act 111 awards that have been unfairly challenged in court by aggressive employers.

So I am very familiar with the Act 111 bargaining and arbitration process. And I can summarize my long experience under Act 111 in three simple words -- Act 111 works. The process works. It isn't broken, and there is no need to fix it.

How do I know that Act 111 works? Because I know the facts. I know that across our Commonwealth the overwhelming majority of police contracts are settled without arbitration, and with compromise by both parties. Let me provide some perspective. There are approximately 2500 municipalities in Pennsylvania. Many of those provide police coverage through the Pennsylvania State Police, but most provide coverage through over 1100 municipal police agencies in the Commonwealth.

Of those agencies, do you know how many on average even *request* arbitration each year? About 70. And most of those 70 requests are resolved before an arbitration hearing ever takes place. This is because Act 111 requires arbitration requests to be submitted by early September, and most municipalities don't really focus on their police negotiations until budget season later in the fall. So the vast majority of initial arbitration

requests are also settled amicably. Where does that leave us? Out of 2500 municipalities and 1100 police agencies, we might have 10 or 20 interest arbitrations a year. Does that sound like a crisis to you? A tsunami? It shouldn't, because it isn't. There is no crisis, because the Act 111 process works.

In my experience there are two main reasons why Act 111 works. The first is that Police Officers and most municipal managers are willing to compromise in order to solve problems. We understand that we are all in this together, that our communities cannot thrive unless we work together to find a balance that lets us keep the streets safe with enough Police Officers, but also to provide those officers with reasonable compensation and benefits. The challenge to find the right balance requires both a willingness and an ability to compromise.

Most police and managers know this, which explains why we have many, many more negotiated settlements than arbitration awards. Those settlement agreements, by the way, will typically reflect the overall economy, meaning that we see improvements when times are good and concessions when times are bad. As you know, we are currently in a "down" cycle, which means that we have seen many negotiated settlements and arbitration awards with pay freezes and benefit concessions. Hopefully as the economy picks up we will see increases, but that remains to be seen.

This "ebb and flow" process is how Act 111 has worked for half a century, and that's how it should continue to work. For the Chamber of Commerce or the League of Cities to suggest that Police Officers act irresponsibly in bargaining is not only unfair, it is simply wrong.

The second reason why Act 111 works is because the arbitration process itself provides additional incentives for parties to compromise. This is critical. Police Officers know that if we are unreasonable in our negotiations, we could wind up before a neutral third party in arbitration, and could receive an award that is worse than what the employer is offering. Employers know the same thing. So the Act 111 process gives both sides something to lose, which means that on those occasions where the parties haven't been able to find compromise, the threat of arbitration gives us that extra push needed to get it done. After all, police officers and managers know that Act 111 awards typically contain compromise provisions that reflect the overall economy, the employer's ability to pay and the tax burden on the citizens that Police Officers are sworn to protect. So why not compromise up front? That's the reality.

The simple fact is that the Act 111 bargaining process works, and it has worked well for more than 40 years since the PA Constitution was amended to provide for it. I will remind Committee members that the bill that SB 1570 seeks to gut is the product of a constitutional amendment that received overwhelming support by legislators in three separate legislative sessions, and was directly approved by voters in a November 1967 referendum in which 1.5 million Pennsylvanians voted in favor of the same binding arbitration process. That's a mandate. And it was a mandate with incredible foresight.

Your predecessors in office and the constituents that they represented created a process that balanced the needs of Police Officers and municipalities in a way that incentivized compromise and cooperation over divisiveness and controversy. There is no reason to undermine their direction.

The issue of compromise and cooperation, and the necessity for a process that incentivizes compromise, is central to your analysis of SB 1570. Because aside from the many ways in which the bill hurts Police Officers and their families, from cutting salaries to eliminating pensions and healthcare, to eliminating our ability to secure safer workplaces, perhaps the absolute worst aspect of SB 1570 does is that it eliminates any incentive for employers to compromise. SB 1570 doesn't "level the playing field," it eliminates the field altogether.

Under SB 1570, any municipal employer can (and will) demand extraordinary concessions from their police, say "no" to any police proposals in negotiations, and simply force every negotiation to arbitration knowing that they will get exactly what they want. And in the near-impossible event under this bill than an employer doesn't get every single thing they demand in arbitration, they will simply appeal it, because SB 1570 opens the floodgates to employer appeals (with legal fees at taxpayer expense, of course).

So if you want to talk numbers, let's take the 10 or 20 arbitrations that we see now and make that 500 or so. And let's assume that 300 or so will be appealed either by the police or the employer. There's your tsunami. It's will be created by SB 1570.

To summarize, SB 1570 takes a process that works fine and throws it in trash under the guise of "reform". The bill will drive uncertainty and unrest among local police organizations, cause the number (and costs) of arbitrations and appeals to skyrocket, undermine the direction of the 1.5 million Pennsylvania voters who voted to put the Act 111 process in place, and worst of all, it will cause real and lasting harm to Police Officers who risk their lives every day to keep Pennsylvanians safe. It is a terrible bill and we would ask that any legislator who supports pubic safety to oppose it vehemently.

Thank you.