

March 4, 2025

EMAIL ONLY

Hon. Arthur J. Corvese
Chairperson, House Labor Committee
Email: rep-corvese@rilegislature.gov

RE: SUPPORT FOR H5505 RELATING TO PUBLIC PROPERTY AND WORKS -- LABOR AND PAYMENT OF DEBTS BY CONTRACTORS

Dear Chairman Corvese:

This letter is sent by the undersigned in my capacity as Governmental Affairs Counsel for the New England Mechanical Contractors Association ("New England MCA").¹ New England MCA **supports** this bill, *which would prohibit a contractor or subcontractor from paying monetary compensation in lieu of retirement benefits as a component of prevailing wage on any public works projects if the employee was employed in excess of ninety (90) days.*

Members of New England MCA are signatories to one or more collective bargaining agreements that not only provide for the payment of but are primarily responsible for setting prevailing wages. Accordingly, members of the New England MCA pay prevailing wages on public works projects pursuant to contractual obligations as well as applicable law. Prevailing wage law, as first established by the federal government, was designed to create a safe, well trained, and stable middle class construction work force. It did so by ensuring that the wage and benefit package for such employment was sufficient to attract and retain trained and capable trades men and women in the construction trades by mandating the payment of a "living wage" on all federal public works projects. For the same policy reasons, this state, long ago, mandated the payment of prevailing wages on both state and municipal public works.

Prevailing wage is designed to provide not just a "living wage," but also to provide a competitive benefit package that includes both health care and retirement benefits. Nearly 40% of the working population is close to, if not at, retirement age.² It is the apparent intent of the bill that, by prohibiting the payment of monetary compensation in lieu of retirement benefits, it would encourage employers to allocate a portion of the prevailing wage payment to retirement benefits. The General Assembly in recent years has made a priority of ensuring Rhode Islanders' have access to retirement funds. This legislation will assist in those efforts.

For all the foregoing reasons, New England MCA strongly **supports** passage of this legislation.

Very truly yours,



Richard A. Sinapi, ras@sinapilaw.com

RAS/ras

cc: Client (email only)
Hon. K. Joseph Shekarchi, Speaker of the House (via email only(rep-shekarchi@rilegislature.gov))
Members of House Committee on Labor (via email only HouseLabor@rilegislature.gov)

¹ New England MCA represents the major commercial and industrial heating, ventilation, air conditioning, and process piping contractors in Massachusetts, Maine, and Rhode Island. It has over 80 contractor members throughout New England. New England MCA's Rhode Island members include Aero Mechanical, Inc., Arden Engineering Constructors, LLC, Delta Mechanical, Hart Engineering Corporation, Merit Service, LLC, Nexgen Mechanical, and Process Engineers & Constructors, Inc. Every New England MCA member is signatory to one or more collective bargaining agreements with the local construction industry trades. Our members have worked as contractors and subcontractors on numerous public and private works projects in Rhode Island, including major construction at URI, Rhode Island Resource Recovery, Providence College, and Amgen. During periods of major commercial construction, New England MCA member contractors may employ as many as 700 Local 51 plumbers and pipefitters in Rhode Island. *The views expressed in this letter do not necessarily represent the position of each individual member.*

² Of Rhode Island's 916,988 working age residents, approximately 363,239 (39.6%) were aged 55 and older in 2023. Nationally, 37.3 percent of the US working age population is aged 55 and older. According to the RI Department of Labor and Training September 2024 study entitled, "Rhode Island's Older Workforce."