



## **CITY OF PROVIDENCE**

Jorge O. Elorza, Mayor

February 2, 2022

The Honorable Anastasia Williams  
Chair, House Committee on Labor  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

Dear Chairperson Williams and Members of the Committee on Labor,

On behalf of the City of Providence, I must respectfully oppose House Bills 7089 and 7090, which would mandate contract continuation for municipal employees, such as firefighters and police officers. We recognize the important role of police, fire and EMS personnel, who have done amazing work to keep our community safe from COVID-19. We are deeply concerned that contract continuation would interfere and prevent local communities from having control over their departments, make changes, and work collaboratively with employees. These bills will further limit the control of municipal leaders over their budgets and ultimately lead to higher property taxes.

As many members of the Committee know, that law has now been challenged in court by many cities and towns. Nineteen communities are now plaintiffs in that suit, which contends that the enacted law is unconstitutional – both as a violation of the Contract Clause because it alters the terms of existing contracts, as well as a violation of the Home Rule provision of the State Constitution. In light of the ongoing litigation in this area, we do not think it is advisable to expand contract continuation laws.

The proposed language ties the hands of municipal decision makers when trying to negotiate in the best interests of their taxpayers. The expiration date of collective bargaining agreements is important as it motivates all parties to come together and resolve their issues prior to the close of the contract. If employee unions are concerned that they do not have the legal authority to extend contracts voluntarily, then we would support legislation that allows temporary contract continuation at the agreement of all parties. Four years ago, the League supported legislation allowing that voluntary extension authority for firefighter contracts (H5973 / S0288). Former Governor Raimondo signed those bills into law, so there is no reason for the contract continuation bill for firefighters that is being heard today (H7089).

The reason this issue is so important to cities and towns is that personnel is the largest category of municipal spending. Statewide, cities and towns spend 70% of their budgets on personnel – between the municipal side and the school side of the budget. Nearly all of the costs associated with personnel are governed by contracts – salary, benefits, pension costs in locally administered plans and retiree health benefits. If contract negotiations are indefinitely delayed, it will inevitably lead to property tax increases and cuts in other public services. For all of these reasons, the City of Providence opposes House Bills 7089 and 7090.

City Hall, 25 Dorrance Street, Providence, RI 02903  
Phone (401) 421-7740 Fax (401) 274-8240



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Jorge O. Elorza, Mayor

I am grateful for your consideration.

Sincerely,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a series of loops and a horizontal line at the end.

Mayor Jorge O. Elorza