



Town of East Greenwich Town Manager

125 Main Street
PO Box 111
East Greenwich, RI 02818
Phone (401) 886-8665
www.eastgreenwichri.com
anota@eastgreenwichri.com

Testimony from Andrew E. Nota, East Greenwich Town Manager
In Opposition to H5178 (Fire) and H5179 (Police), Expanding the Contract Continuation Law
House Committee on Labor
February 10, 2021

Thank you, Madam Chair and members of the committee for the opportunity to testify. As you consider these two parallel bills that are designed to expand contract continuation legislation H5437 SUB A, I would like to reiterate my strong opposition to any legislation mandating contract continuation of municipal employees. This legislation involving specifically Police and Fire personnel, would greatly limit the control of municipal leaders over aspects of the collective bargaining process impacting municipal budgets and ultimately the funding and implementation of community priorities. With personnel costs representing up to 75% of municipal expenditures in some communities, the General Assembly should be mindful of the difficulty municipalities will have in balancing community needs and local budgets when legislative influences are made to such core elements of that process. This is a local jurisdictional matter and we encourage the committee and General Assembly to allow municipal officials to engage our employees in a fair, equitable and open collective bargaining process, without any form of legislative involvement.

Thus far a total of 20 municipalities across the state have joined efforts to legally challenge the 2019 evergreen contracts law, which the Town of East Greenwich is a party. It is a municipal belief that the law violates the Rhode Island Constitutions Contract Clause and Home Rule provision. As this litigation is continuing with the recent defeat of the States Motion to Dismiss in Superior Court, allowing for the litigation to proceed, I ask that the Committee and General Assembly as a whole, to please hold any further action on these bills until this matter has been ruled on by the courts. Mayors and Town Managers from across Rhode Island, have been unified in our opposition to legislation authorizing guaranteed contract continuation. In the eyes of many in the municipal sector, there has not been legislation in recent years more harmful to cities and towns and their resident taxpayers, than this specific law. The main goal in opposing this legislation is to maintain decision making at the local level to the direct parties involved in collective bargaining negotiations, and in protecting taxpayers, providing for and delivering services in an efficient form while being able to prioritize the use of each and every tax dollar spent.

As we see from its wording, this new law would enable unions to maintain contracts indefinitely, including all contract terms, with no limitation to just wages and benefits. Varying bargaining challenges can surface over time, as benefit costs rise, changes to retiree pensions occur, that can facilitate union avoidance of willingly coming to the table, as the end result. During recessionary times, continuing contracts can cripple local budgets forcing an increase in taxes at the worst possible time for residents and forcing municipalities to consider a potentially worse option for employees, involving layoffs. As Rhode Islander's already pay the 6th highest property taxes in the country, these types of bills make things worse by not affording reasonable options to openly address critical municipal issues.

In the Governor's veto message of the contract continuation law in 2017, she noted an adverse impact of perpetual contract continuation in other parts of the country. During the great recession, a majority of labor contracts expired, but were not renegotiated, with labor unions deciding to stall negotiations instead of making concessions. This impasse forced municipalities to eliminate services and raise taxes to provide for critical necessities. It is important to reiterate, that most municipal leaders have a good working relationship with their employees and support the process of labor negotiations.

These bills will have an impact on Rhode Islanders at different times, in different Rhode Island communities for many years to come and those affected will personally feel that financial burden. I ask that you please consider holding any future action on these bills until this matter has been ruled on by the courts. Thank you for your consideration.