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April 3, 2024

Hon. Arthur Corvese
Chairman
House Committee on Labor
State House
Providence, RI 02903
HouseLabor@rilegislature.gov

Re: H-7795 – An Act Relating to Public Property and Works – Labor and Payment of Debts by Contractors

Dear Chairman Corvese:

BuildRI is a domestic non-profit trade association comprised of four (4) contractor associations (the Labor Relations Division of the RI Chapter of the Associated General Contractors, the New England Mechanical Contractors' Ass'n, the RI Mason Contractors' Ass'n, and the RI and Southeast MA Chapter of the National Electrical Contractors' Ass'n), and seventeen (17) Local Trade Unions comprised of approximately 10,000 local tradesmen and women. On behalf of our organization, I write in **SUPPORT** of the above referred to legislation for the reasons that follow.

On public works project over \$1,000 contractors are required to pay their trade workers an established prevailing wage rate pursuant to R.I. Gen. Law § 37-13-1 *et seq.* The rate, established by the state Department of Labor and Training, is the combination of a base hourly wage rate plus a fringe benefit amount. The benefit includes an established amount for healthcare benefits. However, the law does not require contractors provide the actual benefit, only a purported cash equivalent, and in many instances that is exactly what they do. Contractors pay the purported cash equivalent as additional wages as opposed to providing the actual healthcare benefits to their workers. This is not only contrary to the legislative intent of our prevailing wage laws, but it is also a competitive advantage for these contractors not to provide the actual benefit. This competitive advantage is further exacerbated by the fact that construction *companies that actually provide the healthcare benefit to their workers underwrite the cost of the uninsured working on these jobs* through the premiums on their own policies.

This legislation will require contractors working on public works projects to actually provide healthcare coverage to trade workers on the project as opposed to only providing a payment in lieu of a plan. Accordingly, for the foregoing reasons, BuildRI, and our partners, urge you to pass this important and impactful legislation.

Sincerely,

Michael F. Sabitoni
Vice-Chair

Gregory A. Mancini
Executive Director