

# MEMORANDUM OF AGREEMENT

For Successor Agreements  
to the  
2009 – 2016/2017 WHITE COLLAR AGREEMENT  
(and 2010-2017 AGREEMENT covering  
New York State Nurses Association)  
and the  
2009 – 2016/2017 BLUE COLLAR AGREEMENT  
by and between

THE CITY UNIVERSITY OF NEW YORK  
and  
THE FOLLOWING JOINTLY RECOGNIZED UNIONS

**MEMORANDUM OF AGREEMENT** made this 3<sup>rd</sup> day of April 2019 (hereinafter “MOA”) by and between the undersigned parties, to wit, District Council 37, AFSCME, AFL-CIO, and its affiliated locals; the Service Employees International Union, Local 300; Motion Picture Projectionist, Video Technicians, Theatrical Employees & Allied Craft, International Alliance of Theatrical Stage Employees, Local 306; and the New York State Nurses Association (collectively referred to as the “Union”), and The City University of New York (“CUNY”);

**WHEREAS**, the undersigned parties desire to enter into collective bargaining agreements modifying certain collective bargaining agreements between CUNY and the classified staff Blue and White Collar Unions, respectively terminating on October 31, 2016, January 31, 2017, and December 15, 2017 (“predecessor agreements”), to cover employees represented by the Union (“Employees”); and

**WHEREAS**, the respective unions and locals are as follows:

District Council 37 and its affiliated Locals 375, 384, 983, 1407, 1597, 1797, 2054, and 2627, of the American Federation of State, County and Municipal Employees, AFL-CIO (blue and white collar units);

Local 300, Service Employees International Union, AFL-CIO (blue and white collar units);

Local 306, Motion Picture Projectionist, Video Technicians, Theatrical Employees & Allied Craft, International Alliance of Theatrical Stage Employees, AFL-CIO (white collar unit); and

New York State Nurses Association (white collar unit); and

**WHEREAS**, the undersigned parties to this agreement intend by this MOA to cover all economic and non-economic matters and to incorporate the following terms of this MOA into the successor agreements, as set forth below;

**NOW, THEREFORE**, it is mutually agreed to by and between the parties as follows:

**1. Term of Agreements:**

The terms of the successor agreements shall be fifty-two (52) months from the date of termination of the applicable existing separate unit agreements for District Council 37, AFSCME, AFL-CIO, and its affiliated locals; Service Employees International Union, Local 300; Motion Picture Projectionist, Video Technicians, Theatrical Employees & Allied Craft, International Alliance of Theatrical Stage Employees, Local 306; and New York State Nurses Association, as set forth below:

District Council 37:	February 1, 2017 - May 31, 2021
SEIU, Local 300:	November 1, 2016 - February 28, 2021
IATSE Local 306:	November 1, 2016 - February 28, 2021
NYSNA:	December 16, 2017 - April 15, 2022

**2. Continuation of Terms**

The terms of the predecessor agreements shall be continued except as modified by this MOA.

**3. Prohibition of Further Economic Demands**

No party to this MOA shall make additional economic demands during the terms of these agreements. Any disputes hereunder shall be promptly submitted and resolved.

**4. General Wage Increase**

a. The general wage increases for the respective unions shall be as follows:

	<u>DC 37</u>	<u>SEIU</u>	<u>IATSE</u>	<u>NYSNA</u>
i) 2% percent (1 <sup>st</sup> day of the agreement)	02/01/17	11/1/16	11/1/16	12/16/17
ii) 2% percent (1 <sup>st</sup> day of the 13 <sup>th</sup> month - compounded)	02/01/18	11/1/17	11/1/17	12/16/18
iii) 2% percent (1 <sup>st</sup> day of the 25 <sup>th</sup> month - compounded)	02/01/19	11/1/18	11/1/18	12/16/19
iv) 2% percent (1 <sup>st</sup> day of the 37 <sup>th</sup> month - compounded)	02/01/20	11/1/19	11/1/19	12/16/20

v) Part-time per annum, per session, hourly, per diem (including seasonal) employees and employees whose normal work year is less than a full calendar year shall receive the increases provided in Section 4. a. (i) through (iv) on the basis of the computations previously utilized by the parties for all such employees.

b. The increases provided in Section 4. a. (i) through (iv) shall be calculated as follows:

i) The general increases in Section 4. a. (i) shall be upon the base rates (including salary or Incremental salary schedules) of the applicable titles in effect on the last day of the applicable predecessor agreements;

ii) The general increase in Section 4. a. (ii) shall be based upon the base rates (including salary or increment salary schedules) of the applicable titles in effect on the last day of the twelfth (12<sup>th</sup>) month of the applicable successor agreements.

iii) The general increase in Section 4. a. (iii) shall be based upon the base rates (including salary or increment salary schedules) of the applicable titles in effect on the last day of the twenty-fourth (24<sup>th</sup>) month of the applicable successor agreements.

iv) The general increase in Section 4. a. (iv) shall be based upon the base rates (including salary or increment salary schedules) of the applicable titles in effect on the last day of the thirty-six (36<sup>th</sup>) month of the applicable successor agreements.

c. Other increases as follows:

i) The general increases provided in Section 4. a. above, shall be applied to the base rates incremental salary levels and the minimum and maximum rates (including levels, if any) fixed for the applicable titles.

## 5. **Additions to Gross**

“Additions to gross” shall be defined to include uniform allowances, equipment allowances, assignment differentials, service increments, longevity differentials, advancement increases, assignment (level) increases, and evening or night shift differentials, as may be applicable.

For DC37: Effective February 1, 2020 – first (1<sup>st</sup>) day of the thirty-seventh month (37<sup>th</sup>), the combined value of the general increases provided in Sections 4. a. (iii) and (iv) or 4.04%, shall be applied to “additions to gross.”

For SEIU Local 300: Effective November 1, 2019 – first (1<sup>st</sup>) day of the thirty-seventh (37<sup>th</sup>) month, the combined value of the general increases provided in Sections 4. a. (iii) and (iv) or 4.04%, shall be applied to “additions to gross.”

For IATSE Local 306: Effective November 1, 2019 – first (1<sup>st</sup>) day of the thirty-seventh (37<sup>th</sup>) month, the combined value of the general increases provided in Sections 4. a. (iii) and (iv) or 4.04%, shall be applied to “additions to gross.”

For NYSNA: Effective December 16, 2020 – first (1<sup>st</sup>) day of the thirty-seventh (37<sup>th</sup>) month, the combined value of the general increases provided in Sections 4. a. (iii) and (iv) or 4.04%, shall be applied to “additions to gross.”

**6. Additional Compensation Fund**

- a. Effective February 1, 2019 – first day of the twenty-fifth (25<sup>th</sup>) month, DC 37 and its affiliated locals, shall have available Additional Compensation Funds (“ACF”) not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.
- b. Effective November 1, 2018 – first day of the twenty-fifth (25<sup>th</sup>) month, SEIU, Local 300, shall have available Additional Compensation Funds (“ACF”) not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.
- c. Effective November 1, 2018 – first day of the twenty-fifth (25<sup>th</sup>) month, IATSE, Local 306, shall have available Additional Compensation Funds (“ACF”) not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.
- d. Effective December 16, 2019 – first day of the twenty-fifth (25<sup>th</sup>) month, NYSNA, shall have available Additional Compensation Funds (“ACF”) not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.

**7. Equity Fund**

- a. Effective February 1, 2019 – first day of the twenty-fifth (25<sup>th</sup>) month, DC 37 and its affiliated locals, shall have available Equity Funds not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.
- b. Effective November 1, 2018 – first day of the twenty-fifth (25<sup>th</sup>) month, SEIU, Local 300, shall have available Equity Funds not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.
- c. Effective November 1, 2018 – first day of the twenty-fifth (25<sup>th</sup>) month, IATSE, Local 306, shall have available Equity Funds not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set

forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.

- d. Effective December 16, 2019 – first day of the twenty-fifth (25<sup>th</sup>) month, NYSNA, shall have available Equity Funds not to exceed 0.20% to purchase recurring benefits, mutually agreed to by the parties, other than to enhance the general wage increases set forth in Section 4 or the hiring rate for new employees. The funds available shall be based on the December 31, 2016 payroll, including spinoffs and pensions.

**8. Paid Family Leave**

The parties agree to work together to “opt-in” to the New York State Paid Family Leave (“PFL”) program no later than the fourth quarter of calendar year 2019. CUNY will follow the implementation procedures undertaken by the City of New York to implement this PFL program. For those CUNY employees covered by the PFL benefit, it will be paid by employees through payroll deductions.

**9. Conditions of Payment**

The general increases provided in Section 4. a. (i) through (iv) shall be payable as soon as practicable upon execution of this MOA.

**10. Education Fund:**

**Effective Dates**

<b><u>Increase</u></b>	<b><u>DC 37</u></b>	<b><u>SEIU</u></b>	<b><u>IATSE</u></b>	<b><u>NYSNA</u></b>
\$100	02/1/2019	N/A	11/1/2018	12/16/2019

- a. Effective on February 1, 2019, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for DC 37, the Education Fund contribution paid by CUNY on behalf of each full-time employee shall be a total of one-hundred dollars (\$100.00). For DC 37, for whom a twenty-five dollar (\$25.00) per annum Education Fund contribution had been in place for full-time employees, such Education Fund benefit shall be replaced by and converted to the new one-hundred dollar (\$100.00) per annum contribution.
- b. Effective on February 1, 2019, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for DC 37, CUNY shall make a \$100.00 Education Fund contribution on behalf of each part-time employee eligible for full-time welfare fund benefits, as set forth in Article IV (Welfare Fund), Section 12. 3. (d) and (e) of the applicable successor Agreement -- which provides the cap for the full-time welfare fund contributions to be made by CUNY for part-time employees in CUNY’s community college (900) and CUNY’s senior colleges (2,500).
- c. Effective on February 1, 2019, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for DC37, CUNY shall contribute a pro-rata amount of the \$100.00 Education Fund, to be paid on behalf of each part-time

employee meeting the welfare fund eligibility criteria of 17.5 work hours per week, in the amount of fifty-seven dollars and fourteen cents (\$57.14) per annum.

- d. SEIU Local 300 opted to utilize the allotted \$100.00 or the value of the negotiated economic Education Fund, as set forth in Section 10 herein, towards the inclusion of the Welfare Fund contribution to be made by CUNY, as set forth in Section 11 below.
- e. Effective on November 1, 2018, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for IATSE Local 306, CUNY shall make an Education Fund contribution paid on behalf of each full-time time employee and part-time employees meeting the welfare fund eligibility criteria of 17.5 work hours per week, in the amount of one-hundred dollars (\$100.00) per annum.
- f. Effective on December 16, 2019, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for NYSNA, CUNY shall make an Education Fund contribution paid on behalf of each full-time employee and part-time employees meeting the welfare fund eligibility criteria of 17.5 work hours per week, in the amount of one-hundred dollars (\$100.00) per annum.

**11. Welfare Fund:**

<u>Increase</u>	<u>Effective Dates</u>			
	<u>DC 37</u>	<u>SEIU</u>	<u>IATSE</u>	<u>NYSNA</u>
\$100	N/A	11/1/2018	N/A	N/A
\$50	05/1/2020	02/1/2020	02/1/2020	03/16/2021

- a. Effective on May 1, 2020, the first (1<sup>st</sup>) day of the fortieth (40<sup>th</sup>) month of the applicable successor unit agreement for District Council 37, the Welfare Fund contribution paid on behalf of each full-time active and retired employee shall be increased by fifty dollars (\$50.00) per annum.
- b. Effective on November 1, 2018, the first (1<sup>st</sup>) day of the twenty-fifth (25<sup>th</sup>) month of the applicable successor unit agreement for SEIU Local 300, the Welfare Fund contribution paid on behalf of each full-time active and retire employee shall be increased by one-hundred dollars (\$100.00) per annum. It is noted that SEIU opted to utilize the allotted \$100.00 or the value of the negotiated economic Education Fund, as set forth in Section 10 above, towards the inclusion of the Welfare Fund contribution paid by CUNY herein effective November 1, 2018.
- c. Effective on February 1, 2020, the first (1<sup>st</sup>) day of the fortieth (40<sup>th</sup>) month of the applicable successor unit agreement for SEIU Local 300, the Welfare Fund contribution paid on behalf of each full-time active and retire employee shall be increased by fifty (\$50.00) dollars per annum.
- d. Effective on February 1, 2020, the first (1<sup>st</sup>) day of the fortieth (40<sup>th</sup>) month of the applicable successor unit agreement for IATSE Local 306, the Welfare Fund

contribution paid on behalf of each full-time active and retired employee shall be increased by fifty dollars (\$50.00) per annum.

- e. Effective on March 16, 2021, the first (1<sup>st</sup>) day of the fortieth (40<sup>th</sup>) month of the applicable successor unit agreement for NYSNA, the Welfare Fund contribution paid on behalf of each full-time active and retired employee shall be increased by fifty dollars (\$50.00) per annum.
- f. The per annum contribution rates, as set forth in Section 11 above, to be paid for eligible part-time per annum, hourly, per session and per diem (including seasonal employees) and employees whose normal work year is less than a full calendar year, shall be adjusted in the same proportion heretofore utilized by the parties for all such employees as the per annum contribution rates are adjusted in Section 11 for full-time employees.
- g. The Unions agree to provide welfare fund benefits to domestic partners of covered employees in the same manner as those benefits are provided to spouses of married covered employees.

**12. Health Savings and Welfare Fund:**

Moreover, the May 5, 2014 and June 28, 2018 Letter Agreements regarding the Health Savings and Welfare Fund contributions between the City of New York and the Municipal Labor Committee will be attached hereto as an Appendix and are deemed to be part of this MOA.

**13. Continuation of Terms:**

The terms of the predecessor separate unit agreements shall continue except as modified pursuant to this MOA.

**14. Union Rights:**

The parties agree to establish a technical committee to revise Article II of the CUNY Blue and White Collar Unit Agreements, to include pertinent language addressing the impact of the new civil service law legislation relating to union membership and the obligations of public employers, to wit, CUNY, to provide new employee information to the unions in accordance with the legal mandates established by said law. In furtherance of the above, attached hereto as an Appendix is the revised Article II (Union Rights) and Articles XXV and XXIX (Disciplinary Procedure, section 2 paragraph 2) of CUNY's Blue and White Collar Unit Agreements, which are deemed to be part of this MOA.

**15. Resolution of Disputes**

a. Subject to the subsequent provisions of Section 15 b. below, any dispute, controversy, or claim concerning or arising out of the execution, application, interpretation or performance of any of this MOA shall be submitted to arbitration upon written notice therefor by any of the parties to this MOA to the party with whom such dispute or controversy exists. The matter submitted for arbitration shall be submitted to the classified staff arbitration panel in accordance with the terms of the dispute resolution

provisions of the successor agreements. Any award in such arbitration proceeding shall be final and binding and shall be enforceable pursuant to Article 75 of the CPLR.

b. After incorporation of this Agreement into the applicable successor agreements, any dispute, controversy or claim referred to in Section 15. a. which arises between the parties to such separate agreements shall be submitted in accordance with the dispute resolution provisions of such applicable successor agreements.

c. The terms of this Section 15 shall be from the date of execution of this MOA to the date of execution of any successor agreements to this MOA.

**16. Retroactivity**

In the event that any payment is not paid on the date due under this MOA, such payment when made shall be paid retroactive to such due date.

**17. Approval and Ratification:**

The terms of this MOA are subject to approval of the Board of Trustees of The City University of New York, and ratification by the CUNY employed rank and file membership of DC37 and its affiliated Locals, SEIU Local 300, IATSE Local 306 and New York State Nurses Association, as set forth above in the opening paragraph of this MOA.

It is agreed by and between the parties that any provision of this agreement requiring legislative action to permit its implementation by amendment of law, or by providing the additional funds therefor, shall not become effective until the appropriate legislative body has given approval.

**18. Prohibition of Further Economic Demands**

Except as provided for in Section 6 and Section 7 of this MOA, no party to this agreement shall make additional economic demands during the term of this MOA or during the parties' technical meeting or labor management meeting discussions, as set forth in Sections 14 and 19 of this MOA.

**19. Labor Management Committee**

The parties agree to establish a high-level Labor Management Committee to discuss the resolution of various University-wide matters.

**20. Savings Clause**

In the event that any provision of this MOA is found to be invalid, such invalidity shall not impair the validity and enforceability of the remaining provisions of this MOA.



APRIL 3, 2019  
CB

WHEREFORE, we have hereunto set our hands and seals on this \_\_\_ day of March 2019.

THE UNIONS

THE CITY UNIVERSITY OF NEW YORK



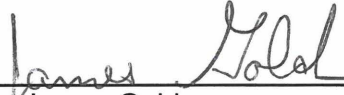
By: Henry Garrido  
Executive Director  
District Council 37

Date



By: Vita C. Rabinowitz  
Interim Chancellor  
The City University of New York

Date



By: James Golden  
President  
SEIU, Local 300

3/20/19

Date



By: Barry Garfman  
Business Representative  
IATSE, Local 306

3/20/19

Date



By: Jill Furillo, RN  
Executive Director  
New York State Nurses Association

3/21/2019

Date

**Blue Collar – Article II**  
**White Collar – Article II**

**ARTICLE II - UNION RIGHTS AND UNION SECURITY<sup>1</sup>**

Section 1

(a) Each respective Union shall have the exclusive right to the checkoff and transmittal of dues on behalf of each employee who elects to join the Union and is in a title that is associated with that respective Union.

(b) Any employee, other than one excluded from Union membership pursuant to Article I, Section 3, may authorize the deduction of dues from the employee's wages and designate the respective Union as the recipient thereof. Such authorization shall be in a form acceptable to the University and shall bear the signature of the employee, which may be written or electronic.

Section 2.

Each respective Union shall maintain custody of its dues check-off authorization cards.

(a) The employer shall commence deduction of dues as soon as practicable, but in no case fewer than (30) days, after receiving proof from the Union of a signed dues check-off authorization card.

(b) The right to membership dues shall remain in effect until: (1) the employee is no longer employed at CUNY in a title represented by the Union; or (2) the employee revokes such dues check off authorization pursuant to and in accordance with the terms of the dues check off authorization card.

Section 3.

To the extent practicable, when an employee transfers from one College to another but remains in a title represented by the same respective Union, the employee shall continue to be covered by the same dues check-off authorization card and not required to sign another authorization card.

The University will issue appropriate administrative instructions to all Colleges to insure compliance with this provision.

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<sup>1</sup> These provisions pertain as of April 12, 2018, the effective date of amendments to New York State Civil Service Law Section 208 and 209-a. For prior provisions see Article II of the 2009-2017 CUNY White Collar Unit Agreement; Section 2 thereof was, however, invalidated as of June 27, 2018, pursuant to the U.S. Supreme Court decision in Janus v. AFSCME, et al. (Is this just a note or intended footnote? Does it apply to section 2. We w'ont need it since we are deleting Sec. 2)

#### Section 4.

When an employee is promoted or reclassified to another title represented by the same respective Union as that which represents the employee's former title, the dues check-off shall continue uninterrupted.

The University will issue appropriate administrative instructions to all Colleges regarding this provision.

#### Section 5.

When an employee returns from an approved leave of absence without pay or is reappointed or temporarily appointed from a preferred list to the University in the same title, or in another title represented by the same respective Union, any dues check-off authorization in effect prior to the approved leave or layoff shall be reactivated.

The University will issue appropriate administrative instructions to all Colleges regarding this provision.

#### Section 6.

- (a) Where orientation kits are supplied to new employees, the respective Unions representing such employees shall be permitted to have union literature included in the kits, provided such literature is first approved for such purpose by the University Office of Human Resources Management.
- (b) The University shall distribute to all newly hired employees information regarding their Union administered health and security benefits, including the name and address of the fund that administers said benefits, provided such fund supplies the University the requisite information printed in sufficient quantities.
- (c) The University and/or the Colleges shall distribute information regarding the New York City Health Insurance Program and enrollment forms to eligible employees prior to the completion of thirty (30) days of employment.
- (d) Within (30) thirty days of an employee first being employed, reemployed or transferred to a new bargaining unit, the employer shall notify the bargaining unit's certified representative of the employee's name, address, job title, employing college, employee ID number, department or other operating unit work email and work location. Social Security Numbers shall be provided in a secure manner until such time as a technical committee agrees it is no longer necessary.
- (e) Within thirty (30) days of providing such notice under section 6(d) the employer shall allow a duly appointed representative of the certified union to meet with such employee for a reasonable amount of time during his or her work time without charge to leave

credits, provided that such meeting be scheduled in consultation with a designated representative of the employer. Where practicable, this requirement may be satisfied by allowing each certified Union a reasonable amount of time during a formal employee orientation program to provide membership information to employees.

#### Section 7.

(a) The University shall furnish to each respective certified Union, upon request, on a quarterly basis, a listing of employees by job title code, home address when available, employee identification number or secured social security number, department name and department code number, work email address, and current work location, and college code number, as of December 31st of the preceding year, or such date as shall in like manner correspond to designated quarterly period. This listing shall constitute sufficient notice under sections 5 & 6 of this Article II.

(b) The University will furnish annually to the New York State Nurses Association seniority lists by college and will correct such lists from time to time as may be necessary. Such lists shall reflect each employee's date of original appointment and length of service in the employee's current title. The list will conclusively establish an employee's seniority in the College, unless the employee protests it, in writing, within thirty (30) days from the time it is furnished or, if the employee is on a leave of absence or vacation or otherwise unable to so protest it within such time, within thirty (30) days after the employee returns from such leave or vacation or such disability is removed.

#### Section 8.

Each respective union shall be permitted to use the college electronic mail facilities ("e-mail") for the distribution of authorized union communication and/or meeting notices.

#### Section 9.

The term Union in sections 9 and 10 of this Article shall mean Union or respective Union.

(a) The Union may post notices on bulletin boards in places and locations where notices usually are posted by the University for employees to read. All notices shall be on Union stationery, and shall be used only to notify employees of matters pertaining to Union affairs. Upon request to the Office of Human Resources of a College, the Union may use College and/or University premises for meetings during employees' lunch hour, subject to availability of appropriate space and provided such meetings do not interfere with a College's and/or University's business.

(b) The Union shall be permitted to use college electronic mail facilities ("E-mail") for the distribution of authorized union communication and/or meeting notices.

Section 10.

Time spent by employee representatives in the conduct of labor relations with the University and on union activities shall be governed by the terms of New York City Mayor's Executive Order No. 75, as amended, dated March 22, 1973, entitled "Time Spent on the Conduct of Labor Relations between the City and Its Employees and on Union Activity."

## White Collar – Article XXIX

### ARTICLE XXIX - DISCIPLINARY PROCEDURE

#### Section 1. General

(a) No permanent employee in the bargaining unit who has completed the probationary period and no provisional or non-competitive employee who has earned disciplinary rights in his or her provisional or non-competitive position shall be disciplined except for incompetency or misconduct.

(b) The forms of discipline shall include, but not be limited to, a written reprimand, a fine not to exceed \$200, demotion, suspension not to exceed 60 days without pay, termination.

(c) The procedures in this Article shall be the exclusive procedures for disciplinary action and resolving disputes relating to such disciplinary action.

(d) Effective January 1, 1991, for titles represented by District Council 37, and effective 3 months from such date thereafter as a respective union, other than DC37, has become a signatory to the agreement to so extend disciplinary rights, provisional full-time employees who have served at the same College of The City University of New York (CUNY) continuously for two years in the same or similar titles listed in Article I, Section 1 of this Agreement, or in titles which are in a related occupational group, shall be subject to the procedures of this Article. In determining if a provisional employee has completed two years of continuous service, the following additional terms shall apply:

Any period off payroll of more than 31 days shall break continuous service. No periods off payroll shall count towards the two-year eligibility. Time on an official leave without pay or time off payroll for fewer than 31 days shall not count towards the two year requirement, but will not break continuous service. An employee appointed to and serving in a different title in a different occupational group shall not be entitled to the disciplinary rights set forth herein by virtue of service in a prior title. Provisional rights acquired in another civil service jurisdiction shall not apply to an employee hired by The City University of New York. Disciplinary rights can only be obtained in a subsequent permanent appointment after serving the established probationary period.

(e) Extension of disciplinary rights to certain provisional or non-competitive employees shall not diminish the right of a College to reassign employees or terminate the employment of a provisional or non-competitive employee for reasons other than incompetency or misconduct.

(f) These procedures supersede any preexisting procedures and forums.

(g) For the purpose of this Article, the term "Union" shall mean respective Union.

## Section 2. Initiating a Disciplinary Action

Other than in exceptional situations requiring immediate action, such as, but not necessarily limited to, those involving potential injury to persons or property or unreasonable disruption of University operations, if a College has cause to believe an incident has occurred or circumstances may exist warranting disciplinary action, it shall investigate such incident or circumstances prior to taking disciplinary action. As part of the investigation, the College shall make reasonable efforts to interview any employee(s) who may be subject to disciplinary action. In those exceptional situations requiring immediate action, as described above, an employee may be immediately suspended. Such a suspension without pay pending a decision of the hearing officer may not exceed 30 days except where the charges relate to the alleged commission of a criminal offense relating to employment, in which case the suspension may continue until completion of the Criminal Court procedures, and in which case the suspension will be reviewed periodically at the request of the employee and/or the Union.

An employee who is being interrogated concerning an incident or action which may subject him or her to disciplinary action shall be notified of his or her right to have a Union representative, or a lawyer, present upon request. However, covered unions shall not be required to provide representation to employees who are not members of the Union at the time of the incident(s) prompting the interview/hearing and/or are not members at the time of the interview/hearing. This provision shall be applicable to interrogation before, during, or after filing a charge against an employee. The provisions of this Section shall not be interpreted to prevent a supervisor from questioning an employee in relation to his or her employment nor to preclude the questioning of an employee during or immediately following an incident.

In cases involving attempted or actual acts of violence or threats of violence in the workplace, the First Step of the disciplinary procedure shall be bypassed and the disciplinary procedure shall proceed directly to the Second Step.

In cases of disciplinary action against a CUNY Central Office employee, the First Step of the disciplinary procedure shall be bypassed and the disciplinary procedure shall proceed directly to the Second Step.

## Section 3. Disciplinary Charges

Following an investigation, if it is necessary in the judgment of the College to charge an individual employee with incompetency or misconduct, the college official vested with such responsibility shall furnish the employee with a written statement of the charges, specifications and possible penalties. An informational copy shall also be sent to the Union. The statement shall be hand-delivered to the employee or sent by "Certified Mail -- Return Receipt Requested" to the employee's last address on file at the College. The statement shall indicate the date, time and place, within ten days, for the first step hearing at the College. The statement shall also indicate the employee's right to representation at such hearing.

A. First Step

The hearing officer shall issue a written decision with regard to the charges and shall state the disciplinary penalty, if any, within ten working days of the conclusion of the hearing, or record closed by the Hearing Officer, whichever is applicable. The College may implement a penalty, other than termination, upon issuance of the Step One decision.

The decision shall inform the Respondent employee that he or she may accept the penalty or appeal to the Chancellor's Designee for a Step II hearing within 10 calendar days of the receipt of the Step I decision. Unreturned mail shall be presumed to have been received on the date following transmittal. The appeal must state what choice the employee has made between the two final review options: a) review by an arbitrator, or b) review by the City University Civil Service Commission. Choice of arbitration as a final step may be made only with the concurrence of the Union.

In the event such a request is not filed within the time limit, the Step I decision shall be deemed to have been accepted and except as otherwise provided in Section 4 of this Article, no issue stemming from or relating to the disciplinary action shall be subject to any further appeal.

A Step I decision to terminate employment shall be effective upon failure to appeal to Step II.

B. Second Step

A Step II hearing shall be scheduled within fifteen (15) working days of receipt of a request by the Chancellor's Designee. A written decision shall be delivered to the Union and the Respondent employee within fourteen working days from the conclusion of the Step II hearing, or record closed by the Hearing Officer, whichever is applicable.

A Step II decision to terminate employment shall be effective upon issuance of the Step II decision by the Chancellor's Designee.

Within thirty (30) working days of receipt of the Chancellor's Designee's written decision at Step II, the Union may make a written request for arbitration, or within thirty (30) working days of receipt of the Chancellor's Designee's written decision at Step II, the Union may make a written request for review by the CUNY Civil Service Commission, or the employee may make a written request for review by the CUNY Civil Service Commission, in accordance with the choice indicated when the appeal of the First Step decision was filed. Unreturned mail shall be presumed to have been received on the date following transmittal.

Any disciplinary decision at or above step two and any appeal of a disciplinary decision may be resolved by settlement agreement only if agreed to in writing by The University



Office of Labor Relations, the employee and an authorized representative of the respective union.

C. Third Step (Arbitration)

A request for arbitration shall be made to the American Arbitration Association with a copy of such request sent to the Chancellor's designee by Certified mail.

The Association shall designate an arbitrator from the CUNY Classified Staff arbitration panel\* agreed to by the parties (excluding the titles of Staff Nurse and Nurse Practitioner represented by The New York State Nurses Association) and shall notify the Union and the Chancellor's designee of the arbitrator named. In cases involving termination of employment, the date of the arbitration shall be within fourteen calendar days of receipt of notification by the arbitrator of his or her appointment.

The arbitrator is authorized to make awards as to arbitrability.

All arbitrations shall be based upon the official rules of the American Arbitration Association.

In cases involving termination of employment, the arbitrator shall issue his or her award within 14 calendar days of the termination of the arbitration proceedings.

The arbitrator's award shall be final and binding and enforceable in any appropriate tribunal in accordance with Article 75 of the Civil Practice Law and Rules. An arbitrator may provide for and direct such relief as the arbitrator deems necessary and proper, subject to the limitations of this Agreement and any applicable limitations of law.

In any arbitration under this Section, the arbitrator may apply either the standard of "preponderance of the evidence" or the standard of "clear and convincing evidence" in determining whether the University has met its burden of proof.

D. Third Step (Civil Service Commission)

Appeal to the CUNY Civil Service Commission shall be on the basis of the record at Step II and decisions established at Step I and Step II. The employee and/or the Union shall state the basis for their appeal in their request or within thirty (30) working days following their request unless otherwise provided by the rules of the commission. A copy of such communication shall be sent to the Chancellor's Designee. The University may respond in writing within 10 working days of receipt of the statement of the basis for the appeal.

The CUNY Civil Service Commission, at its discretion may consider oral or written arguments based on the record and the Commission, or its designated Hearing Review Officer, shall hear and consider any new evidence not in existence at the time of the

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\* See Appendix E(1) and E(2).

Step II hearing which may effect its determination. The Commission may provide for and direct such relief as it deems necessary and proper, subject to the limitations of this Agreement and any applicable limitations of law.

#### Section 4. Disciplinary Procedure for Job Abandonment

In accordance with an agreement reached between the University and the respective unions, effective August 25, 2016, the colleges are allowed to implement the penalty of termination at the college level in cases where (i) an employee has been absent without authorization and has failed to notify or communicate such absence in the manner prescribed by the College Director of Human Resources for a period of fifteen (15) or more consecutive work days; and (ii) has failed to respond to follow-up correspondence sent to the employee by the College's Office of Human Resources via regular and overnight mail, advising the subject employee of his/her job abandonment status, within five (5) work days of its receipt.

In the event that an employee responds after the effective date of his/her termination, an appeal may be filed by the union within twenty (20) work days of the date that the subject employee was terminated by the college. The appeal will be heard at Step II in accordance with the procedures contained in Section 3 of the disciplinary procedure. An appeal not filed within the time frame set forth herein will be deemed waived and not subject to any further appeal.

#### Section 5. Miscellaneous

(a) If the University exceeds any time limit in this procedure, the employee and/or the Union may initiate the next step, provided that only the Union may request arbitration.

(b) Written reprimands shall be appealable up to but not beyond Step II of this procedure.

(c) All time limitations in this procedure are subject to waiver by mutual consent except that failure to file an appeal within the prescribed time limits shall indicate an acceptance of the decision.

(d) The party (Union or Respondent employee being disciplined) who files a disciplinary appeal to Step II shall be deemed the primary representative of the Respondent employee being disciplined for purposes of such Step II procedural matters as correspondence, scheduling, settlement discussions, etc.

(e) The costs and fees of arbitration shall be borne equally by the Union and the University. Consistent with Article IX, Section 21 of this Agreement, expenses of witnesses shall be the responsibility of the party calling such witnesses. The decision or award of the arbitrator shall be final and binding in accordance with applicable law.

(f) Full time employees in the non-competitive title of Staff Nurse shall be entitled to

disciplinary rights under this Article upon completion of one (1) year of service.

## Blue Collar – Article XXV

### ARTICLE XXV - DISCIPLINARY PROCEDURE

#### Section 1. General

- (a) No permanent employee in the bargaining unit who has completed the probationary period and no provisional or non-competitive employee who has earned disciplinary rights in his or her provisional or non-competitive position shall be disciplined except for incompetency or misconduct.
- (b) The forms of discipline shall include, but not be limited to, a written reprimand, a fine not to exceed \$200, demotion, suspension not to exceed 60 days without pay, termination.
- (c) The procedures in this Article shall be the exclusive procedures for disciplinary action and resolving disputes relating to such disciplinary action.
- (d) Effective January 1, 1991, for titles represented by District Council 37, and effective November 12, 1992 for titles represented by Local 237, IBT and effective 3 months from such date thereafter as a respective union, other than DC37, or Local 237, IBT, has become a signatory to the agreement to so extend disciplinary rights, provisional full-time employees who have served at the same College of The City University of New York (CUNY) continuously for two years in the same or similar titles listed in Article I, Section 1 of this Agreement, or in titles which are in a related occupational group, shall be subject to the procedures of this Article. In determining if a provisional employee has completed two years of continuous service, the following additional terms shall apply:
- Any period off payroll of more than 31 days shall break continuous service. No periods off payroll shall count towards the two-year eligibility. Time on an official leave without pay or time off payroll for fewer than 31 days shall not count towards the two year requirement, but will not break continuous service. An employee appointed to and serving in a different title in a different occupational group shall not be entitled to the disciplinary rights set forth herein by virtue of service in a prior title. Provisional rights acquired in another civil service jurisdiction shall not apply to an employee hired by The City University of New York. Disciplinary rights can only be obtained in a subsequent permanent appointment after serving the established probationary period.
- (e) Extension of disciplinary rights to certain provisional or non-competitive employees shall not diminish the right of a College to reassign employees or terminate the employment of a provisional or non-competitive employee for reasons other than incompetency or misconduct.
- (f) These procedures supersede any preexisting procedures and forums.

(g) For the purpose of this Article, the term "Union" shall mean respective Union.

## Section 2. Initiating a Disciplinary Action

Other than in exceptional situations requiring immediate action, such as, but not necessarily limited to, those involving potential injury to persons or property or unreasonable disruption of University operations, if a College has cause to believe an incident has occurred or circumstances may exist warranting disciplinary action, it shall investigate such incident or circumstances prior to taking disciplinary action. As part of the investigation, the College shall make reasonable efforts to interview any employee(s) who may be subject to disciplinary action. In those exceptional situations requiring immediate action, as described above, an employee may be immediately suspended. Such a suspension without pay pending a decision of the hearing officer may not exceed 30 days except where the charges relate to the alleged commission of a criminal offense relating to employment, in which case the suspension may continue until completion of the Criminal Court procedures, and in which case the suspension will be reviewed periodically at the request of the employee and/or the Union.

An employee who is being interrogated concerning an incident or action which may subject him or her to disciplinary action shall be notified of his or her right to have a Union representative, or a lawyer, present upon request. However, covered unions shall not be required to provide representation to employees who are not members of the Union at the time of the incident(s) prompting the interview/hearing and/or are not members at the time of the interview/hearing. This provision shall be applicable to interrogation before, during, or after filing a charge against an employee. The provisions of this Section shall not be interpreted to prevent a supervisor from questioning an employee in relation to his or her employment nor to preclude the questioning of an employee during or immediately following an incident.

In cases involving attempted or actual acts of violence or threats of violence in the workplace, the First Step of the disciplinary procedure shall be bypassed and the disciplinary procedure shall proceed directly to the Second Step.

In cases of disciplinary action against a CUNY Central Office employee, the First Step of the disciplinary procedure shall be bypassed and the disciplinary procedure shall proceed directly to the Second Step.

## Section 3. Disciplinary Charges

Following an investigation, if it is necessary in the judgment of the College to charge an individual employee with incompetency or misconduct, the college official vested with such responsibility shall furnish the employee with a written statement of the charges, specifications and possible penalties. An informational copy shall also be sent to the Union. The statement shall be hand-delivered to the employee or sent by "Certified Mail -- Return Receipt Requested" to the employee's last address on file at the College. The statement shall indicate the date, time and place, within ten days, for the first step

hearing at the College. The statement shall also indicate the employee's right to representation at such hearing.

A. First Step

The hearing officer shall issue a written decision with regard to the charges and shall state the disciplinary penalty, if any, within ten working days of the conclusion of the hearing, or record closed by the Hearing Officer, whichever is applicable. The College may implement a penalty, other than termination, upon issuance of the Step I decision.

The decision shall inform the Respondent employee that he or she may accept the penalty or appeal to the Chancellor's Designee for a Step II hearing within 10 calendar days of the receipt of the Step I decision. Unreturned mail shall be presumed to have been received on the date following transmittal. The appeal must state what choice the employee has made between the two final review options: a) review by an arbitrator, or b) review by the City University Civil Service Commission. Choice of arbitration as a final step may be made only with the concurrence of the Union.

In the event such a request is not filed within the time limit, the Step I decision shall be deemed to have been accepted and except as otherwise provided in Section 4 of this Article, no issue stemming from or relating to the disciplinary action shall be subject to any further appeal.

A Step I decision to terminate employment shall be effective upon failure to appeal to Step II.

B. Second Step

A Step II hearing shall be scheduled within fifteen (15) working days of receipt of a request by the Chancellor's Designee. A written decision shall be delivered to the Union and the Respondent employee within fourteen working days from the conclusion of the Step II hearing, or record closed by the Hearing Officer, whichever is applicable.

A Step II decision to terminate employment shall be effective upon issuance of the Step II decision by the Chancellor's Designee.

Within thirty (30) working days of receipt of the Chancellor's Designee's written decision at Step II, the Union may make a written request for arbitration, or within thirty (30) working days of receipt of the Chancellor's Designee's written decision at Step II, the Union may make a written request for review by the CUNY Civil Service Commission, or the employee may make a written request for review by the CUNY Civil Service Commission, in accordance with the choice indicated when the appeal of the First Step decision was filed. Unreturned mail shall be presumed to have been received on the date following transmittal.

Any disciplinary decision at or above step two and any appeal of a disciplinary decision may be resolved by settlement agreement only if agreed to in writing by The University

Office of Labor Relations, the employee and an authorized representative of the respective union.

C. Third Step (Arbitration)

A request for arbitration shall be made to the American Arbitration Association with a copy of such request sent to the Chancellor's designee by Certified mail.

The Association shall designate an arbitrator from the CUNY Classified Staff arbitration panel\* agreed to by the parties and shall notify the Union and the Chancellor's designee of the arbitrator named. In cases involving termination of employment, the date of the arbitration shall be within fourteen calendar days of receipt of notification by the arbitrator of his or her appointment.

The arbitrator is authorized to make awards as to arbitrability.

All arbitrations shall be based upon the official rules of the American Arbitration Association.

In cases involving termination of employment, the arbitrator shall issue his or her award within 14 calendar days of the termination of the arbitration proceedings.

The arbitrator's award shall be final and binding and enforceable in any appropriate tribunal in accordance with Article 75 of the Civil Practice Law and Rules. An arbitrator may provide for and direct such relief as the arbitrator deems necessary and proper, subject to the limitations of this Agreement and any applicable limitations of law.

In any arbitration under this Section, the arbitrator may apply either the standard of "preponderance of the evidence" or the standard of "clear and convincing evidence" in determining whether the University has met its burden of proof.

D. Third Step (Civil Service Commission)

Appeal to the CUNY Civil Service Commission shall be on the basis of the record at Step II and decisions established at Step I and Step II. The employee and/or the Union shall state the basis for their appeal in their request or within thirty (30) working days following their request unless otherwise provided by the rules of the commission. A copy of such communication shall be sent to the Chancellor's Designee. The University may respond in writing within 10 working days of receipt of the statement of the basis for the appeal.

The CUNY Civil Service Commission, at its discretion, may consider oral or written arguments based on the record and the Commission, or its designated Hearing Review Officer, shall hear and consider any new evidence not in existence at the time of the Step II hearing which may effect its determination. The Commission may provide for and direct such relief as it deems necessary and proper, subject to the limitations of this Agreement and any applicable limitations of law.

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\* See Appendix E(1), and E(2).

#### Section 4. Disciplinary Procedure for Job Abandonment

In accordance with an agreement reached between the University and the respective unions, effective August 25, 2016, the colleges are allowed to implement the penalty of termination at the college level in cases where (i) an employee has been absent without authorization and has failed to notify or communicate such absence in the manner prescribed by the College Director of Human Resources for a period of fifteen (15) or more consecutive work days; and (ii) has failed to respond to follow-up correspondence sent to the employee by the College's Office of Human Resources via regular and overnight mail, advising the subject employee of his/her job abandonment status, within five (5) work days of its receipt.

In the event that an employee responds after the effective date of his/her termination, an appeal may be filed by the union within twenty (20) work days of the date that the subject employee was terminated by the college. The appeal will be heard at Step II in accordance with the procedures contained in Section 3 of the disciplinary procedure. An appeal not filed within the time frame set forth herein will be deemed waived and not subject to any further appeal.

#### Section 5. Miscellaneous

- (a) If the University exceeds any time limit in this procedure, the employee and/or the Union may initiate the next step, provided that only the Union may request arbitration.
- (b) Written reprimands shall be appealable up to but not beyond Step II of this procedure.
- (c) All time limitations in this procedure are subject to waiver by mutual consent except that failure to file an appeal within the prescribed time limits shall indicate an acceptance of the decision.
- (d) The party (Union or Respondent employee being disciplined) who files a disciplinary appeal to Step II shall be deemed the primary representative of the Respondent employee being disciplined for purposes of such Step II procedural matters as correspondence, scheduling, settlement discussions, etc.
- (e) The costs and fees of arbitration shall be borne equally by the Union and the University. Consistent with Article IX, Section 21 of this Agreement, expenses of witnesses shall be the responsibility of the party calling such witnesses. The decision or award of the arbitrator shall be final and binding in accordance with applicable law.





THE CITY OF NEW YORK  
**OFFICE OF LABOR RELATIONS**  
40 Rector Street, New York, NY 10006-1705  
<http://nyc.gov/olr>

**ROBERT W. LINN**  
*Commissioner*

May 5, 2014

Harry Nespoli  
Chair, Municipal Labor Committee  
125 Barclay Street  
New York, NY 10007

Dear Mr. Nespoli:

This is to confirm the parties' mutual understanding concerning the following issues:

1. Unless otherwise agreed to by the parties, the Welfare Fund contribution will remain constant for the length of the successor unit agreements, including the \$65 funded from the Stabilization Fund pursuant to the 2005 Health Benefits Agreement between the City of New York and the Municipal Labor Committee.
2. Effective July 1, 2014, the Stabilization Fund shall convey \$1 Billion to the City of New York to be used to support wage increases and other economic items for the current round of collective bargaining (for the period up to and including fiscal year 2018). Up to an additional total amount of \$150 million will be available over the four year period from the Stabilization Fund for the welfare funds, the allocation of which shall be determined by the parties. Thereafter, \$ 60 million per year will be available from the Stabilization Fund for the welfare funds, the allocation of which shall be determined by the parties.
3. If the parties decide to engage in a centralized purchase of Prescription Drugs, and savings and efficiencies are identified therefrom, there shall not be any reduction in welfare fund contributions.
4. There shall be a joint committee formed that will engage in a process to select an independent healthcare actuary, and any other mutually agreed upon additional outside expertise, to develop an accounting system to measure and calculate savings.

5. The MLC agrees to generate cumulative healthcare savings of \$3.4 billion over the course of Fiscal Years 2015 through 2018, said savings to be exclusive of the monies referenced in Paragraph 2 above and generated in the individual fiscal years as follows: (i) \$400 million in Fiscal Year 2015; (ii) \$700 million in Fiscal Year 2016; (iii) \$1 billion in Fiscal Year 2017; (iv) \$1.3 billion in Fiscal Year 2018; and (v) for every fiscal year thereafter, the savings on a citywide basis in health care costs shall continue on a recurring basis. At the conclusion of Fiscal Year 2018, the parties shall calculate the savings realized during the prior four-year period. In the event that the MLC has generated more than \$3.4 billion in cumulative healthcare savings during the four-year period, as determined by the jointly selected healthcare actuary, up to the first \$365 million of such additional savings shall be credited proportionately to each union as a one-time lump sum pensionable bonus payment for its members. Should the union desire to use these funds for other purposes, the parties shall negotiate in good faith to attempt to agree on an appropriate alternative use. Any additional savings generated for the four-year period beyond the first \$365 million will be shared equally with the City and the MLC for the same purposes and subject to the same procedure as the first \$365 million. Additional savings beyond \$1.3 billion in FY 2018 that carry over into FY 2019 shall be subject to negotiations between the parties.

6. The following initiatives are among those that the MLC and the City could consider in their joint efforts to meet the aforementioned annual and four-year cumulative savings figures: minimum premium, self-insurance, dependent eligibility verification audits, the capping of the HIP HMO rate, the capping of the Senior Care rate, the equalization formula, marketing plans, Medicare Advantage, and the more effective delivery of health care.

7. Dispute Resolution

- a. In the event of any dispute under this agreement, the parties shall meet and confer in an attempt to resolve the dispute. If the parties cannot resolve the dispute, such dispute shall be referred to Arbitrator Martin F. Scheinman for resolution.
- b. Such dispute shall be resolved within 90 days.
- c. The arbitrator shall have the authority to impose interim relief that is consistent with the parties' intent.
- d. The arbitrator shall have the authority to meet with the parties at such times as the arbitrator determines is appropriate to enforce the terms of this agreement.
- e. If the parties are unable to agree on the independent health care actuary described above, the arbitrator shall select the impartial health care actuary to be retained by the parties.
- f. The parties shall share the costs for the arbitrator and the actuary the arbitrator selects.

If the above accords with your understanding and agreement, kindly execute the signature line provided.

Sincerely,



Robert W. Linn  
Commissioner

Agreed and Accepted on behalf of the Municipal Labor Committee

BY:   
\_\_\_\_\_  
Harry Nespoli, Chair



# OFFICE OF LABOR RELATIONS

40 Rector Street, New York, N.Y. 10006-1705  
nyc.gov/olr

ROBERT W. LINN  
*Commissioner*

RENEE CAMPION  
*First Deputy Commissioner*

CLAIRE LEVITT  
*Deputy Commissioner  
Health Care Cost Management*

MAYRA E. BELL  
*General Counsel*

GEORGETTE GESTELY  
*Director, Employee Benefits Program*

June 28, 2018

Harry Nespoli, Chair  
Municipal Labor Committee  
125 Barclay Street  
New York, New York

Dear Mr. Nespoli:

1. This is to confirm the parties' mutual understanding concerning the health care agreement for Fiscal Years 2019 – 2021:
  - a. The MLC agrees to generate cumulative healthcare savings of \$1.1 billion over the course of New York City Fiscal Years 2019 through 2021. Said savings shall be generated as follows:
    - i. \$200 million in Fiscal Year 2019;
    - ii. \$300 million in Fiscal Year 2020;
    - iii. \$600 million in Fiscal Year 2021, and
    - iv. For every fiscal year thereafter, the \$600 million per year savings on a citywide basis in healthcare costs shall continue on a recurring basis.
  - b. Savings will be measured against the projected FY 2019-FY 2022 City Financial Plan (adopted on June 15, 2018) which incorporates projected City health care cost increases of 7% in Fiscal Year ("FY") 2019, 6.5% in FY 2020 and 6% in FY 2021. Non-recurring savings may be transferrable within the years FY 2019 through FY 2021 pursuant only to 1(a)(i), 1(a)(ii), 1(a)(iii) above. For example:
    - i. \$205 million in FY 2019 and \$295 million in FY 2020 will qualify for those years' savings targets under 1(a)(i) and 1(a)(ii).
    - ii. \$210 million in FY 2019, \$310 million in FY 2020, and \$580 million in FY 2021 will qualify for those years' savings targets under 1(a)(i), 1(a)(ii), 1(a)(iii).
    - iii. In any event, the \$600 million pursuant to 1(a)(iv) must be recurring and agreed to by the parties within FY 2021, and may not be borrowed from other years.

- c. Savings attributable to CBP programs will continue to be transferred to the City by offsetting the savings amounts documented by Empire Blue Cross and GHI against the equalization payments from the City to the Stabilization Fund for FY 19, FY 20 and FY 21, unless otherwise agreed to by the City and the MLC. In order for this offset to expire, any savings achieved in this manner must be replaced in order to meet the recurring obligation under 1(a)(iv) above.
    - d. The parties agree that any savings within the period of FY 2015 - 2018 over \$3.4 billion arising from the 2014 City/MLC Health Agreement will be counted towards the FY 2019 goal. This is currently estimated at approximately \$131 million but will not be finalized until the full year of FY 2018 data is transmitted and analyzed by the City's and the MLC's actuaries.
    - e. The parties agree that recurring savings over \$1.3 billion for FY 2018 arising under the 2014 City/MLC Health Agreement will be counted toward the goal for Fiscal Years 2019, 2020, 2021 and for purposes of the recurring obligation under 1(a)(iv) above. This is currently estimated at approximately \$40 million but will not be finalized until the full year of FY 2018 data is transmitted and analyzed by the City's and the MLC's actuaries. Once the amount is finalized, that amount shall be applied to Fiscal Years 2019, 2020, 2021 and to the obligation under 1(a)(iv).
2. After the conclusion of Fiscal Year 2021, the parties shall calculate the savings realized during the 3 year period. In the event that the MLC has generated more than \$600 million in recurring healthcare savings, as agreed upon by the City's and the MLC's actuaries, such additional savings shall be utilized as follows:
  - a. The first \$68 million will be used by the City to make a \$100 per member per year increase to welfare funds (actives and retirees) effective July 1, 2021. If a savings amount over \$600 million but less than \$668 million is achieved, the \$100 per member per year (actives and retirees) increase will be prorated.
  - b. Any savings thereafter shall be split equally between the City and the MLC and applied in a manner agreed to by the parties.
3. Beginning January 1, 2019, and continuing unless and until the parties agree otherwise, the parties shall authorize the quarterly provision of the following data to the City's and MLC's actuaries on an ongoing quarterly basis: (1) detailed claim-level health data from Emblem Health and Empire Blue Cross including detailed claim-level data for City employees covered under the GHI-CBP programs (including Senior Care and Behavioral Health information); and (2) utilization data under the HIP-HMO plan. Such data shall be provided within 60 days of the end of each quarterly period. The HIP-HMO utilization data will also be provided to the City's and MLC's actuaries within 60 days of the execution of this letter agreement for City Fiscal Year 2018 as baseline information to assess ongoing savings. The HIP-HMO data shall include: (i) utilization by procedure for site of service benefit changes; (ii) utilization by disease state, by procedure (for purposes of assessing Centers of Excellence); and (iii) member engagement data for the Wellness program, including stratifying members by three tranches (level I, II and III). The data shall include baseline data as well as data regarding the assumptions utilized in determining expected savings for comparison. The data described in this paragraph shall be provided pursuant to a data sharing agreement entered into by the City and MLC, akin to prior data agreements, which shall provide for the protection of member privacy and related concerns, shall cover all periods addressed by this Agreement (i.e., through June 30, 2021 and thereafter), and shall be executed within thirty days of the execution of this letter agreement.

4. The parties agree that the Welfare Funds will receive two \$100 per member one-time lump-sum payments (actives and retirees) funded by the Joint Stabilization Fund payable effective July 1, 2018 and July 1, 2019.
5. The parties recognize that despite extraordinary savings to health costs accomplished in the last round of negotiations through their efforts and the innovation of the MLC, and the further savings which shall be implemented as a result of this agreement, that the longer term sustainability of health care for workers and their families, requires further study, savings and efficiencies in the method of health care delivery. To that end, the parties will within 90 days establish a Tripartite Health Insurance Policy Committee of MLC and City members, chaired by one member each appointed by the MLC and the City, and Martin F. Scheinman, Esq. The Committee shall study the issues using appropriate data and recommend for implementation as soon as practicable during the term of this Agreement but no later than June 30, 2020, modifications to the way in which health care is currently provided or funded. Among the topics the Committee shall discuss:
  - a. Self-insurance and/or minimum premium arrangements for the HIP HMO plan.
  - b. Medicare Advantage- adoption of a Medicare Advantage benchmark plan for retirees
  - c. Consolidated Drug Purchasing- welfare funds, PICA and health plan prescription costs pooling their buying power and resources to purchase prescription drugs.
  - d. Comparability- investigation of other unionized settings regarding their methodology for delivering health benefits including the prospect of coordination/cooperation to increase purchasing power and to decrease administrative expenses.
  - e. Audits and Coordination of Benefits- audit insurers for claims and financial accuracy, coordination of benefits, pre-65 disabled Medicare utilization, End Stage Renal Disease, PICA, and Payroll Audit of Part Time Employees.
  - f. Other areas- Centers of Excellence for specific conditions; Hospital and provider tiering; Precertification Fees; Amendment of Medicare Part B reimbursement; Reduction of cost for Pre-Medicare retirees who have access to other coverage; Changes to the Senior Care rate; Changes to the equalization formula.
  - g. Potential RFPs for all medical and hospital benefits.
  - h. Status of the Stabilization Fund.

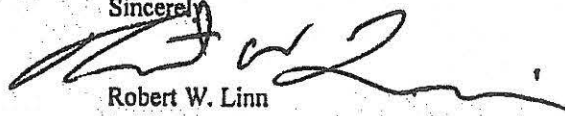
The Committee will make recommendations to be considered by the MLC and the City.

6. The joint committee shall be known as the Tripartite Health Insurance Policy Committee (THIPC) and shall be independent of the existing "Technical Committee." The "Technical Committee" will continue its work and will work in conjunction with the THIPC as designated above to address areas of health benefit changes. The Technical Committee will continue to be supported by separate actuaries for the City and the MLC. The City and the MLC will each be responsible for the costs of its actuary.
7. In the event of any dispute under sections 1-4 of this Agreement, the parties shall meet and confer in an attempt to resolve the dispute. If the parties cannot resolve the dispute, such dispute shall be referred to Martin Scheinman for resolution consistent with the dispute resolution terms of the 2014 City/MLC Health Agreement:
  - a. Such dispute shall be resolved within 90 days.

- b. The arbitrator shall have the authority to impose interim relief that is consistent with the parties' intent.
- c. The arbitrator shall have the authority to meet with the parties as such times as is appropriate to enforce the terms of this agreement.
- d. The parties shall share the costs for the arbitrator (including Committee meetings).

If the above conforms to your understanding, please countersign below.

Sincerely,



Robert W. Linn

Agreed and Accepted on behalf of the Municipal Labor Committee

BY:



Harry Nespoli, Chair