MEMORANDUM OF AGREEMENT
For Successor Agreement
to the
2009 - 2017 STUDENT CENTER AGREEMENT
by and between
LOCAL 1597, DISTRICT COUNCIL 37, AFSCME, AFL-CIO
and
THE CITY UNIVERSITY OF NEW YORK
acting on behalf of
THE BARUCH COLLEGE STUDENT CENTER,
THE BROOKLYN COLLEGE STUDENT CENTER, and
THE QUEENS COLLEGE STUDENT CENTER

MEMORANDUM OF AGREEMENT made this 24th day of April 2019 (hereinafter “MOA”) by and between the undersigned parties, to wit, District Council 37, AFSCME, AFL-CIO, Local 1597 (“Union”), and The City University of New York (“CUNY”), acting on behalf of The Baruch College Student Center, The Brooklyn College Student Center, and The Queens College Student Center (“Student Centers”):

WHEREAS, the undersigned parties desire to enter into a collective bargaining agreement, modifying the 2009 - 2017 collective bargaining agreement between District Council 37, Local 1597 (“Union”), and The City University of New York (“CUNY”), acting on behalf of The Baruch College Student Center, The Brooklyn College Student Center, and The Queens College Student Center (“Student Centers”), to cover the employees represented by the Union (“Employees”); 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 Student Center Successor Agreement, as set forth below;

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

1. Term of Agreement:

The term of the successor Student Center unit agreement shall be fifty-two (52) months from the date of termination of the applicable existing separate unit agreement, namely, from February 1, 2017, through May 31, 2021.

2. Continuation of Terms:

The terms of the predecessor Student Center Agreement (“Student Center Agreement”) shall be continued except as modified by this MOA.

3. Prohibition of Further Economic Demands:

No party to this agreement shall make additional economic demands during the term of this agreement. Any disputes hereunder shall be promptly submitted and resolved.
4. **General Wage Increase:**

a. The general wage increases, effective as indicated, shall be as follows:

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<th>Effective Dates</th>
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<td>i) 2% percent 02/1/17 (1st day of the agreement)</td>
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<td>ii) 2% percent 02/1/18 (1st day of the 13th month - compounded)</td>
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<td>iii) 2% percent 02/1/19 (1st day of the 25th month - compounded)</td>
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<tr>
<td>iv) 2% percent 02/1/20 (1st day of the 37th month - compounded)</td>
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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 subsection 4 a. (i) through (iv) on the basis of the computations heretofore 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 based upon the base rates (including salary or incremental salary schedules) of the applicable titles in effect on the last day of the applicable predecessor Student Center agreement;

ii) The general increase in Section 4. a. (ii) shall be based upon the base rates (including salary or incremental salary schedules) of the applicable titles in effect on the last day of the twelfth (12th) month of this successor Student Center Agreement.

iii) The general increase in Section 4. a. (iii) shall be based upon the base rates (including salary or incremental salary schedules) of the applicable titles in effect on the last day of the twenty-fourth (24th) month of this successor Student Center Agreement.

iv) The general increases in Section 4. a. (iv) shall be based upon the base rates (including salary or incremental salary schedules) of the applicable titles in effect on the last day of the thirty-six (36th) month of this successor Student Center Agreement;

c. Other increases as follows:

The general increases provided in Section 4 a. (i) through (iv) 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.

Effective February 1, 2020 – first (1st) day of the thirty-seventh month (37th), if applicable, 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:**

Effective February 1, 2019 – first day of the twenty-fifth (25th) month, DC37, Local 1597, 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:**

Effective February 1, 2019 – first day of the twenty-fifth (25th) month, DC 37, Local 1597, 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:**

Per CUNY's agreement with DC37, Local 1597, the CUNY Student Centers will make arrangements for all Student Center employees to be covered by the New York State Paid Family Leave Benefit, which provides partially paid leave, health insurance and a right to return to work, in order to bond with a newly born, adopted or fostered child; care for a close relative with a serious health condition; or to assist loved ones when a family member is deployed abroad on active military service. The anticipated start date of the PFL benefit program will be no later than the fourth quarter of calendar year 2019 (October 2019), and will be paid by Student Center employees through payroll deductions.

9. **Conditions of Payment:**

The general increases provided in Section 4. a. (i) through (vi) shall be payable as soon as practicable upon execution of this MOA.
10. **Education Fund:**

Effective on February 1, 2019, the CUNY Student Centers will establish an Education Fund of $100 payable to DC37's Education Fund for each full-time time Student Center employee and a pro-rata mount of $57.14 for each part-time/hourly Student Center employee meeting the welfare fund eligibility criteria of 500 or more work hours per annum.

11. **Welfare Fund:**

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a. Effective on May 1, 2020, the first (1st) day of the fortieth (40th) month of the applicable successor Student Center unit agreement for DC37, Local 1597, the Welfare Fund contribution paid on behalf of each full-time active and retired Student Center employee shall be increased by fifty dollars ($50.00) per annum.

b. The per annum contribution rates, as set forth in Section 11 above, to be paid for eligible Student Center 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.

c. DC37 Local 1597 agrees to provide welfare fund benefits to domestic partners of covered Student Center employees in the same manner as those benefits are provided to spouses of married covered Student Center 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 Student Center MOA.

13. **Continuation of Terms:**

The terms of the predecessor Student Center unit agreement shall continue except as modified pursuant to this MOA.

14. **Resolution of Disputes:**

a. Subject to the subsequent provisions of Section 14 b. below, any dispute, controversy, or claim concerning or arising out of the execution, application, interpretation or performance of this Student Center MOA shall be submitted to arbitration upon written notice therefor by any of the parties to this Student Center MOA to the party with whom such dispute or controversy exists. The matter submitted for arbitration shall be in accordance with the terms of the dispute resolution provision of the applicable Student Center Agreement. 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 successor Student Center Agreement, any dispute, controversy or claim referred to in Section 14 a. which arises between the parties to such separate agreement, shall be submitted in accordance with the dispute resolution provisions of such applicable successor Student Center Agreement.

c. The terms of this Section 14 shall be from the date of execution of this Student Center MOA to the date of execution of any successor agreement to this Student Center MOA.

15. **Retroactivity:**

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

16. **Approval and Ratification:**

The terms of this Student Center MOA are subject to approval of the Board of Trustees of The City University of New York, and ratification by the CUNY Student Center employed rank and file membership of DC37, Local 1597, and CUNY Student Center funding. The CUNY Student Center employed rank and file membership of DC37, Local 1597, ratified the agreement on March 5, 2019, and the Board of Trustees of The City University of New York approved the agreement at its board meeting held on March 18, 2019.

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.

17. **Prohibition of Further Economic Demands:**

Except as provided for in Section 6 and Section 7 of this Student Center MOA, no party to this agreement shall make additional economic demands during the term of this Student Center MOA.

18. **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 Student Center MOA.
WHEREFORE, we have hereunto set our hands and seals on this 24th day of April 2019.

THE UNION

By: District Council 37
Henry Garrido
Executive Director

Date 04/19/19

THE CITY UNIVERSITY OF NEW YORK

By: Vita C. Rabinowitz
Interim Chancellor

Date

By: Edward Morales
President Local 1597
District Council 37

Date 04/19/19

Date 04/17/19
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,

[Signature]

Robert W. Linn
Commissioner

Agreed and Accepted on behalf of the Municipal Labor Committee

BY: [Signature]

Harry Nespoli, Chair
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. 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.

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

Harry Nespoli, Chair