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Gov. Brown Proposes Pension Reform, Meets Strong Opposition

As *The Reporter* went to press, Governor Jerry Brown announced his long-awaited pension reform plan, asking the legislature to "rise to the occasion" to pass it with a two-thirds vote and send it to the voters for ratification. The plan includes a "hybrid" pension scheme for new employees, a rise in the retirement age, an end to the local government practice of re-employing workers full-time after retirement, and providing full health benefits to employees who work for 25 years or more, up from the current state commitment to full health benefits after 20 years of service.Strong opposition to the plan was expressed by Democrats in the legislature.

The hybrid plan would include the current defined benefit pension for 50% of retirement pay, plus Social Security for another 25%, and a 401(k) style plan for the last 25%. Whether the state would match employee contributions to the 401(k) was not specified. The goal would be a 75% "replacement" rate after a 30-year career, a decline from present levels where employees often see 75% from the defined benefit plan alone, plus Social Security and any savings in addition.

The level of 67 for "full" retirement was chosen to align the state with the federal Social Security full retirement age for those born in 1960 or later.

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Long Term Care Alternatives Complicated by CLASS Act Loss

By David Humphers, CSU-ERFA Health Benefits

Federal long-term care program (LTC) terminated before implementation. Department of Health and Human Services (HHS) secretary Kathleen Sebelius informed Congress, "I do not see a viable path forward for implementation at this time" (*Wall Street Journal*, 10-15-2011). She was speaking of the new CLASS Act, part of the Obamacare legislation, the Patient Protection and Affordable Care Act (PPACA).

According to Louise Radnofsky, writing for the *Wall Street Journal* (WSJ), failing to implement the LTC program is the Obama administration's "first major reversal on its signature domestic achievement," national health reform.

Legislating a long-term care program was a top priority of the late Senator Edward Kennedy. Frank Pallone (D-NJ), Congress' leading proponent for the LTC program, said the Obama administration's decision was "simply wrong; this is too important to give up." Kennedy, Pallone and a host of consumer advocates have urged Congress for years to adopt a LTC program because the evidence shows that few Americans can afford private LTC insurance.

Consequently, seniors must spend themselves into poverty before they become eligible for Medicaid (MediCal in California). The cost of home and nursing home care is not covered by Medicare. Nursing home stays are covered by Medicaid, but only for the poor. Seniors

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From the President...

As I mentioned in the last issue of *The Reporter*, I was truly looking forward to serving as President of CSU-ERFA. Of special import to me was having the opportunity to review the various components of our organization, and having done so, I was especially interested in hearing updates and opinions from various officers, committee chairs and members at the fall State Council meeting.

As with many parts of life, things did not go as I had expected. Several days before I was due to fly to San Jose, my husband fell and had to be hospitalized. John was already in ill health with heart failure due to major heart surgery and poorly functioning heart valves. In addition, he had an unusual syndrome of the brachial plexus that did not allow him to lift his left arm (I could go on but . . .). With extra help at home we managed, and he was doing reasonably well.

On the morning of the accident, I was downstairs drinking some tea and reading the newspaper when I heard a "thud." I quickly went upstairs and found John on the floor with significant facial bleeding that I couldn't stop. I called the paramedics who took him to the emergency room. He had a variety of tests and scans, sutures, ice packs and pain medication. Eventually, he was transferred to an acute setting in the hospital. Things improved over the next day until he mentioned that he was unable to move his right shoulder in addition to the left. More tests were done but with no firm conclusion. We were told that the likelihood was a syndrome similar to the one in the left arm. He was unable to move either arm and was transferred to a skilled nursing facility for rehabilitation. We are waiting to see what evolves.

I decided to share this situation with you as a reminder that we are aging and in many instances we will be in the role of care giver or care recipient. As a result, each of us needs to consider such possibilities and how we would handle them. I urge you not to wait until the need is present but to do some planning in advance. Let me make some suggestions. Talk over the situation with your mate and come up with a plan that is mutually acceptable. Discuss with your physician how to maintain the most positive health status possible—and then do it. Examine your general health insurance situation especially with regard to long term care. Review your current and potential financial status. Discuss options with your family and after several months discuss them again. Do not be reluctant to ask questions.

As I read the above, I realize that it sounds more like a health column than a message from the president. However, I hope that sharing this personal situation might encourage at least some of you to think more about the future. Oh yes, I should mention that the association materials that I previously reviewed suggest that CSU-ERFA is in a very healthy state (I will tell you more about this in the next Reporter). Maybe looking at health status isn't so bad, after all.

Barbara P. Sinclair, President

CSU-ERFA New Members

New members joining CSU-ERFA since the September issue of *The Reporter*:

Chico – James E. Richmond

Bakersfield – Roger Peck
Kathleen Ritter

East Bay – David R. Stronck

Los Angeles - Judith Washburn

Long Beach – Susan K. Cooper
Albie D. Burke

Northridge – Jean E. Daniels
Steven B. Oppenheimer

Pomona – Kathleen Harchariik

Sacramento – Rosalind Vanauker
Juanita Barrena

San Marcos - Sharon Whitehurst-Payne

Sonoma – Michael R. Pinkston
William D. Babula
Arthur Warmoth

San Bernardino – Lee W. Hanson

Stanislaus – Charles E. Floyd

Editorial: The Governor's Pension Proposal

[This editorial reflects only the opinion of the editor, not the opinions of the CSU-ERFA executive committee or other members.] Governor Brown's pension proposal has finally surfaced. It has 12 elements. We don't have much space, so we will look only at the most controversial here.

Most controversial is a "hybrid" pension scheme, in which the defined benefit pension that now nets us 75% of our highest one or three year's pay after 30 years of work would be reduced to 50% (and you wouldn't receive the 50% until age 67). So for an average worker, half the pension would be defined benefit, one-quarter would be based on Social Security, and another quarter would be a defined contribution 401(k) style plan in which the worker would contribute part of his or her earnings. No statement on whether the state would match the worker's contribution is mentioned. While your editor feels that a plan like this would help make pensions more portable for workers who change jobs, something the existing system discriminates against in an extreme fashion (we actually have some of the existing 57+ pension plans in California that are not coordinated with one another, and nothing is coordinated if you leave the state or come here from somewhere else), the state labor unions and most liberals are against this plan no matter what. Personally, I would wait until we see more details. If it is possible to reduce the state's liability and ensure that workers receive a decent pension, we should look carefully at the plan.

Just as controversial is a proposal to lower pensions – perhaps substantially – by changing the full retirement age to 67. Some 20% to 25% of all workers are also in physically demanding jobs where working into one's sixties is simply not feasible. We'll have to see the exact figures, but we don't like lowering pensions substantially and just assuming workers can work forever.

50-50 contribution split. Employees would pay more than their current 5% share, where they pay the 5% at all. Many at the local government level don't pay anything. The advantage of the 50% share is that employees would own a greater percentage of the pension, making it more difficult for pension reform groups to attempt to change the whole system to defined contribution. But to do this, employees need decent pay raises, something that hasn't occurred since about 2000 in California. The devil here is probably in the details, in our view.

State retiree health. Current state employees work for 10 years to receive a 50% contribution toward their retiree health costs and for 20 years to receive 100%. The governor proposes that these times move toward 15 and 25 years. Given how much employees change jobs in these times, we're against these changes (different limits apply to the CSU).

CalPERS Board composition. The governor proposes to add two members to the CalPERS board in order to offset the union domination (6 seats out of 13, with the other seven mostly being statewide officials who are relatively inactive on CalPERS issues). To us, this seems to be eminently reasonable; outside

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Letter to the editor

My wife and I signed up for CalPERS long-term care insurance when it was first offered, mostly as protection for our children's inheritances. We were, of course, concerned by its recent problems, and the apparently ongoing raises in our rates. And we were upset by CalPERS's recent honest but unexpected advice to re-consider the need for it, after it had been touted so vigorously at its inception. Nonetheless, we decided to maintain it, partially because we are fortunate enough to be able to still afford it, partially because we had already invested so much into it, but mostly (believe it or not) on the principle that even if it turned out that we received no direct benefit other than peace of mind, our continued contributions might make it possible for other less fortunate colleagues to receive needed medical benefits that might not otherwise be available. (That is after all one of the relatively altruistic purposes of such insurance.) The only discomfort then that remains for us is the thought that some insurance executives, and not needy colleagues, are in fact reaping the lion's share of financial benefits from our altruism. Has CSU-ERFA or the California Insurance Commissioner or anyone researched executive compensation of CalPERS long-term care insurance providers to guarantee that our dollars are going mostly where they should and not directly into the pockets of corporate types who consider their earning potential more important than the services they offer their clients? We'd dearly like to know.

Richard Matthews, Professor Emeritus, CSU East Bay

CSU-ERFA Foundation Research Grants

Deadline January 3, 2012

Who?

CSU-ERFA members pursuing scholarly research, creative projects, and publications.

What?

Grants up to $4,000 for the current 2011-2012 grant cycle

Applications and Information?

Grant applications, guidelines, and submission information may be downloaded from the CSU-ERFA web site at http://www.csuerfa.org or contact the CSU-ERFA office for more information at (818) 718-7996.

ASCSU Report

By Harold Goldwhite, Retiree / Emeriti Senator

At the first plenary meeting of the Academic Senate CSU (ASCSU) for the 2011-2012 academic year, held at the Office of the Chancellor, Long Beach, the senate's visitors included the Chancellor; Executive Vice Chancellor Smith; Trustee Lou Monville, chair of the trustee committee on presidential selection and compensation; Bernadette Cheyne of Humboldt, the recently appointed faculty trustee; and William Blischke for CSU-ERFA, whose report was well received..

In an updated report on the CSU's budget Chancellor Reed reminded the senate that the budget had already been reduced by $650 million from the preceding year. If state revenues are not at the level of the governor's optimistic projections, a mid-year correction or "trigger" might be applied to all state agencies. If the "trigger" were pulled on a further $100 million cut for the CSU in December 2011 as projected, most campuses would be reasonably ready for it, since they have prudently set aside reserves. The legislature may be inclined to lessen the impact of the cut on higher education. The chancellor announced that there would not be a mid-year tuition hike. The ASCSU's budget has been reduced. All interim committee meetings this year will be virtual, and senators' travel costs are being reduced. The executive committee, other than the chair, was not compensated for summer service.

The governor has provided no funding for CPEC in his budget, thus terminating that commission. The senate expressed interest in maintaining the extensive data base on higher education that CPEC has developed.

Planning for the 2012-2013 budget is under way. The Trustees will probably request a $315 million augmentation to include mandatory costs, a 3% compensation increase pool, and a 5% enrollment increase.

In the board of trustees September agenda there was an item that would have eliminated campus visits by finalists for presidencies. There was opposition to this proposal from campus senates and the ASCSU. Trustee Monville and the chancellor said that the CSU had lost promising candidates for presidencies because of the reluctance of some candidates to have their home campuses know that they were applicants elsewhere. The final modified version of the policy adopted by the Board in the week following this ASCSU meeting did pay some attention to faculty input. It allows for campus visits at the discretion of the trustees' committee following advice from the advisory committee that has campus, including faculty, representatives.

The senate received reports on the Early Start program to be offered in summer 2012 in both traditional and on-line formats; the implementation of SB 1440 where nearly 20 disciplines have developed transfer model curricula; on-line education, where the senate and the technology steering committee are examining an analysis done for the CSU by an outside consultant; the graduation initiative; and the development of two new CSU doctoral programs in physical therapy and nursing practice.

The Senate adopted on waivers three resolutions. The one on selection of presidents has already been mentioned. The second recognized the 50th. anniversary of the CSU. The third supported initiatives in general education and the compass project to improve student outcomes – topics to be discussed at a WASC conference in Berkeley, October 26-29, 2011.

First reading items will return for second reading at the senate meeting of November 2-4, 2011. These include establishment of a professional doctorate advisory committee; a pattern for general education and nursing prerequisite courses in community colleges; maintaining quality in the CSU; maintaining access to the CPEC data base; and transparency in providing compensation for presidents in the CSU.

Recession Hits Hard

• A picture is now only worth 200 words.
• Congress says they are looking into the Bernard Madoff scandal. Great. The guy who made $50 billion disappear is being investigated by the people who made $1.5 trillion disappear! [More on p. 9]

The CSU-ERFA Charitable Foundation: An Opportunity for Growth

By Adnan Daoud, President

For the last fifteen years CSU-ERFA has had a 501(c)(3) tax exempt charitable foundation organized to provide support for academic research and creative projects of its members.

Funded primarily by memorial contributions on behalf of deceased association members, the CSU-ERFA Foundation has been able to support thirty-six different scholarly and creative projects with grants totaling about $30,000.

Increased resources of the Foundation will allow it to expand its contributions to support a variety of projects such as underwriting scholarly research by association members on issues important to emeriti and retirees; supporting oral history projects and establishing a library of resource materials on emeriti and retirees issues and undoubtedly other relevant projects.

The needed resources will not materialize without our help.

CSU-ERFA members have the opportunity to make tax deductible contributions to the Foundation, and we encourage them to include the Foundation among their tax-deductible contributions each year.

For more information contact the CSU-ERFA office at the address on page 2.

CFA Report. Bargaining: "1 Step Forward, 2 Back"

By Dave Du Fault, CSU-ERFA Liaison to CFA

As the fall term began on the CSU campuses, bargaining resumed on a successor contract. Unfortunately, the talks between the CFA and the CSU chancellor's cffice have accomplished little. CFA characterized the lack of progress as "One Step Forward, Two Steps Back."

Loss of tenure-track positions. CFA introduced a proposal to check the loss of tenure-track faculty. CFA believes that the CSU has lost more than 500 of these positions since 2007. Thus the union's proposal would add additional tenure-track faculty.

Workload. Similarly, on the subject of workload/class size and overcrowding, CFA proposed some limit on class size and the decrease of the ratio of students to tenure-track faculty. CFA urged "clearer language based on shared governance" to establish standards. To these arguments, the chancellor's office replied that other universities did not establish limits.

Faculty salaries. The chancellor's office insisted that there is in the budget a 3% compensation pool for next year. Despite this assertion, CSU has "put no money on the table." In addition, the chancellor's bargainers rejected CFA's proposal of a 1% increase. A neutral third party fact finder reported on the dispute over CSU's failure to pay the bargained raises for general salary increases (GSI), salary step increases (SSI), and equity in the year 2009/10. In his report the fact finder wrote that the chancellor had money to fund these increases. In the process of bargaining in the CSU, fact finders' reports are not binding, and so in harsh language, CSU rejected the report and returned to its position of 0% raises for 2009-10. **CFA characterized this action as "nothing now and less later."**

As we shall see below, the rejection of the fact finder's report allowed the union the right to engage in concerted actions on this issue.

Non-discrimination. On this subject, CFA and CSU reached a tentative agreement to add "gender identity" to the "areas on which CSU will not discriminate."

Recognition. CFA proposed that "faculty work in the CSU will continue to be done by bargaining unit 3 faculty." CSU appears to be moving toward a policy to "contract out work." CFA is trying to protect the faculty from outsourcing. The chancellor evidently favors the expansion of extended education and the transfer of classes to "outside online providers."

FERP. Although CFA and CSU have not yet reached agreement on all aspects of the faculty early retirement program, the two sides issued a joint statement saying that they agreed that the program would continue in 2012 with a five-year eligibility. This cleared the way for application of eligible faculty.

Concerted action. While CFA attempted to bargain with the mostly uncooperative Chancellor's Office, a fact finder reported (as mentioned above) on his finding about the various faculty raises refused by management in the 2009-10 academic year. In an opinion favorable to CFA, the fact finder noted that CSU had sufficient funds for the negotiated pay increases in the GSI, SSI, and equity categories. Once the administration refused to agree with the fact finder's report, the union then could take concerted actions on the issue of restoring these "unpaid wages."

CFA reacted quickly. It proposed that it would hold an "E-Summit" on September 28 that would connect all campuses with the union's central leadership to discuss and explain concerted actions. The conference was successful with faculty asking questions and CFA leaders responding.

President Lillian Taiz urged faculty to support "concerted actions" at two campuses, East Bay and Dominguez Hills, on November 17, 2011. She then asked members to sign a commitment card entitled "Enough is Enough." This card requested members to vote on joining colleagues at Dominguez Hills and East Bay on November 17, to participate in an informational picketing on each campus on November 8 or 9, to support the CFA board of directors' call for a "one-day strike on one or more campuses" and to "commit to have a one-day strike if it is called on my campus." At present the cards are being returned to CFA for tabulation.

If a strike were to be called, it would be based on the chancellor's refusal to pay "previously negotiated wages." **The fact finder's decision that the CSU possessed money to pay for previously negotiated wages met with an angry rejection by the chancellor's office.** CFA countered the chancellor's refusal in a document titled "Chancellor Reed's Inconvenient Truths" (see http://www.calfac.org/resources-downloads) that sheds light on possible available funds.

Obviously, the deteriorating labor relations in bargaining unit 3 faculty have created an extraordinarily serious situation. The call for concerted actions (or strike) about wages not paid from past contract years reflects an issue central to the union. However, CFA and the chancellor's office differ not only on wages and working conditions but on the future of higher education. It appears that the chancellor's "vision" includes "a highly paid corporate management and a weak work force working mainly online in a mostly privately funded university." The chancellor's office is challenging the concept of "shared governance" and seems to be using the state's serious financial situation to restructure higher education in the CSU.

Volunteers Needed for Research Studies on Aging, Cognition, More

USC School of Gerontology researchers seek people from age 18 to 100 and beyond to participate in studies of the effects of aging on cognition and emotion. For more information, call 213-740-9543 or go to healthyminds.matherlab.com. Lin Nga, the Mather Lab manager at USC's Davis School of Gerontology, reports: "Here at USC we are investigating what can be done to maintain healthy minds as we age and are always looking for people willing to volunteer in our studies…We usually recruit participants from the community by putting advertisements in newspapers and websites, flyers in senior centers and

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Health Benefits Report

By David Humphers, Health Benefits Chair

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must spend down their resources in order to become eligible for Medicaid.

The health reform legislation signed by President Obama in 2010 included a voluntary LTC insurance program that would be available to workers who earn at least $1,100 per year for at least three years. The arrangement is similar to CalPERS' LTC program. Individuals would voluntarily buy into the LTC program and would be eligible for help with the "activities of daily living," the normal standard in LTC (eating, bathing, walking, grooming, etc.).

Unidentified HHS officials said that actuaries spent almost two years attempting to design a voluntary LTC program that met the requirements of the law, chiefly, assurance that the program would remain fiscally solvent for at least 75 years.

Supporters of the program criticized HHS Secretary Sebelius for acting prematurely because the actuarial analysis released by the administration demonstrated that the LTC program was viable. AARP's advocate, Joyce Rogers, urged, "A path forward is essential because the need for long term care will only continue to grow."

As an observer of CalPERS health benefits administration, I agree with those who say that Secretary Sebelius gave up on LTC prematurely. Kathy Donnenson, CalPERS chief of health plan administration, has initiated a series of research programs to determine influences on health care and health care costs. One research project presently underway will examine the influence of LTC upon health care and health care cost. LTC may offset some of the cost of acute medical care.

National health reform challenged. The Obama administration requested that the Supreme Court decide the fate of the 2010 federal health reform legislation. This request will likely result in arguments before the Supreme Court during the 2012 presidential election. Three federal appeals courts have ruled on the question of constitutionality on the federal health reform legislation. Two of the courts concluded that the legislation did not violate the U.S. Constitution. The third decision, by the 11th Circuit Court (Atlanta), found that the requirement that individuals citizens must "have health insurance or pay a penalty" is unconstitutional.

Those challenging the PPACA claim that compelling individuals to engage in a commercial activity by purchasing a health insurance policy, or paying a penalty, exceeds congressional power to regulate interstate commerce. Supporters of the legislation argue that those who refuse to carry health insurance are not opting out of commerce; rather they are choosing to shift their health care costs to other taxpayers and to others who pay hospital bills.

More will be insured, but with the most expensive policies! The Cigna Corporation has initiated a national advertising effort to attract individuals and groups whose health insurance premiums will be subsidized by the federal government (WSJ, 9-19-11). The Kaiser Family Foundation reported that about 14 million people are currently covered by individual rather than employer group policies. The Kaiser Family Foundation estimates that the number of people buying individual policies will more than double by 2016, when the national health reform legislation is fully implemented. A public option health plan or (better yet) a "single payer" health system would have prevented the much more expensive health insurance subsidy.

Persistent lobbying pays off. Over the past 35 years women in California not covered by employer group health insurance have had to pay out-of-pocket for costs associated with pregnancy and childbirth. California Senator Jackie Speier introduced a bill in 2003 that required that all California health insurance policies cover maternity services. When Speier introduced the bill, eighty-three percent (83%) of all individual insurance policies sold in California included maternity coverage.

The leading opponent of Senator Speier's bill, Anthem Blue Cross, claims that insurers should be able to develop policies for specific populations; for example, people who are unable to have children do not need maternity services. Consistently, each year over his entire term, Governor Schwarznenegger vetoed Senator Speier's bill. During Schwarzenegger's term many insurance firms dropped maternity coverage; currently only twelve-percent (12%) of individual policies sold in California cover maternity services.

Since both AB210 and SB 222 were approved by the governor and chaptered, both individual and group policies will have to include maternity coverage in the future. And the PPACA will require all insurers to cover maternity services.

Why we need health reform? The latest Census Bureau estimates on poverty, income and health insurance coverage show the poverty rate as the highest it has been in the past 50 years. The number of Americans without health insurance rose to 49.9 million, an increase of 919,000 since 2009. The uninsured most in need of help are those families with household incomes below $25,000. They represent about one-third (16.1 million) of the uninsured. Many of those with $25,000 to $50,000 incomes will need help depending upon family size and residence location.

About 9.5 million (19%) of the uninsured have incomes over $75,000. Another 8.8 million uninsured have incomes in the $50,000 to $75,000 range. These two groups, representing about 38% of the uninsured, can afford health insurance, but they elect not to buy it. While many may be young, healthy, and able to pay out-of-pocket for routine medical exams and treatment, many of the young and healthy will end up needing expensive medical care. Emergency rooms and hospitals are required to provide care for non-paying customers, and they transfer that cost to other customers.

Uninsured non-citizens, both legal and undocumented, constitute a group of 9.7 million. Illegal immigrants will not be able to participate in the PPACA health insurance exchanges; they will continue to seek care at the most expensive medical venues, emergency rooms and community hospitals. While emergency rooms and hospitals must provide care to all, they are permitted to transfer the cost of indigent care to everyone else.

(Continued on the next page)

On the CalPERS Investment Philosophy

By Tom Donahue, Chair, Pre/Post Retirement Issues Committee

Question: I noticed throughout September that whenever the Dow dipped by 100 points, CalPERS lost a billion dollars. Should I worry?

Answer: Because of the size of CalPERS and the immense diversity of its holdings, there is not likely to be a one-to-one relationship between losses on the Dow and the monthly bottom line in CalPERS assets. A visit to the CalPERS investment site (http://www.calpers.ca.gov – then choose "Investments" from the row just under the pictures) presents an enormous vista of the size and scope of CalPERS activities, particularly if you go directly to the section on "Annual Investment and Financial Reports."

There you will see that in 2009-2010, the equity holdings of our retirement agency included stock investments in approximately 4,260 domestic firms; the Dow index, by comparison, lists only 30 firms. For a larger view and analysis of CalPERS holdings and practices, including short term investments, domestic equity, international equity, domestic debt, international debt, inflation linked investments, real estate equity, and alternative investments, please consult the audited materials in the 2010 comprehensive final annual report at the CalPERS website.

CalPERS has a "buy and hold" philosophy, which serves to keep the freight dry both in calm waters and during storms and tempests. This is a practice which serves it well in its domestic stock holdings. While you are on the website reporting audited material, you might compare the successes with the stocks held in over 5,000 international firms.

In any case, CalPERS is deliberate and rational in its overall investment strategies, and thus it provides continuing assurances that it is stable and professionally and insightfully managed. In the year in question it had a 13.3 per cent return, a considered success as the recession was setting in world-wide. Through its own staff and in its brokerage partners, you may rest assured that any nightmares that someone is taking a flier on possum / rabbit / squirrel futures are unwarranted.

The Pre- and Post-Retirement Concerns Committee solicits your views and comments on CalPERS investment practices for the next column. Please send these for discussion in the next issue to Tom Donahue at dunnie10@sbcglobal.net.

The next Q&A column will focus on the hits and misses in CalPERS investment practices. For that we ask that you look at the audited materials in the website listed above, and then we invite comments and opinions from all CSU-ERFA members who would like to participate.

Want *The Reporter* Electronically?

If you want to read *The Reporter* online only, we can save the organization the cost of printing and mailing if you notify CSU-ERFA at csuerfa@csun.edu that this is your preference.

You can opt out of the printed *Reporter* or the pocket calendar or both.

Health Benefits Report

(Continued from the previous page)

The good news is that the Centers for Disease Control and Prevention reported that the U.S. has 900,000 fewer uninsured adults in the age bracket 19 to 25 years old, because the PPACA permits parents to keep their adult children on the family's health insurance policy up to age 26. This component of the act became effective for policies renewed in September 2010 and after.

VACANCY ANNOUNCEMENT

Executive Director (part-time position)

California State University Emeritus and Retired Faculty Association (CSU-ERFA)

Qualifications:

- Emeritus status as a retired faculty member from a California State University campus
- Membership in CSU-ERFA;
- Three years or more experience as a department chair or in a management position;
- Skill in planning, organizing and implementing long-range projects;
- Ability to supervise office staff;
- Ability to communicate effectively both orally and in writing;
- Experience managing budgets;
- Familiarity with issues affecting CSU retirees, including health insurance programs and benefits;
- Ability to interact effectively with members and reasonable proximity to the CSU-ERFA office at the CSU Northridge campus.

For the full announcement, including position description, effective date of appointment, and application information, see the CSU-ERFA web site at www.csuerfa.org.

Two Reports on the October State Council Meeting

From Alan D. Wade, Legislative Committee Chair

The annual fall meeting was held at San Jose State's spacious library building. Campus hospitality was excellent, as was attendance. Yours truly and David Humphers, both from Sacramento, arrived five minutes late. Too late for coffee, and the meeting was already well underway under the iron discipline of Vice President Bill Blischke, substituting for new President Barbara Sinclair, unable to attend due to an illness in the family. See her article on p. 2. (Wade and Humphers had been delayed due in part to a near-confrontation with the Sacramento Hell's Angels contingent, also on their way to San Jose for a funeral.)

Executive Director Cameron reported that considerable savings result from holding meetings on campuses, as compared with hotels. In keeping with the austerity watchword, the spring 2012 session will be held on the Long Beach campus. The only real downside at San Jose was that the meeting room was too cold for comfort, and we were informed by maintenance that "it has always been that way." Occasional trips had to be made to the beautiful outdoors environment to keep our aging bodies from congealing. I looked out the window at one point and saw a blissful wedding in progress on campus just below.

The assembled campus representatives disposed of the agenda without rancor and with generally congenial dispatch, actually adjourning in advance of the proposed 3:30 closing. Among the items receiving most attention were these:

o **The required announcement** for the executive director position was adopted.

o **The website** continues to be a popular and well-used source of information and an extremely valuable resource for information about vital issues.

o **Goldwhite (retired faculty representative on the Statewide Academic Senate)** reported that the system-wide funding situation remains difficult, but that many campuses have reserves that may partially mitigate the anticipated shortfall. He also reported that the trend of more centralization of power in the Chancellor's office continues (i.e., trustee consideration of the issue of ending campus visits by presidential candidates). Also, the statewide academic senate will soon be marking its 50th Anniversary. It was decided that CSU-ERFA should participate actively.

o **Health Benefits report.** Humphers focused on the CalPERS Long Term Care program, a source of much correspondence and concern by our members. There will be a new provider. CalPERS officials assure us that there will in the future be more attention to the special communication needs of older folks. (Note: a few days after the meeting, it was announced that LTC will be dropped from Obamacare.)

From left, Don Cameron, CSU-ERFA Executive Director, Bill Blischke, Vice President, presiding over the meeting, and David Humphers, CSU-ERFA Director of Health Benefits. In the background, Larry Ianni of SFSU.

o **Legislative report**. Our committee recommends that "just say no" to all signature-seekers on state-wide initiatives still be our watchword. A total of 28 initiatives have been cleared for signature, and they will be after us. Many are dangerous, if not to life and limb, at least to the collective livelihood of public employees. We can look forward to a second budget fight due to probable over-optimistic revenue estimates this fall.

o **CSU-ERFA's budget.** Adopted unanimously. Prudence is the guiding word. The recent fiscal year was concluded with an excess of income ($166,379) over expenses ($154,404) of $11,975. We are in good shape financially but must continue efforts to build membership.

o **Barry Pasternak, representing the statewide academic senate, reported on pilot campus efforts for CSU-ERFA volunteers to support faculty.** Workload issues are a problem. The matter was referred to the Pre- and Post- Retirement committee for recommendations.

From Harry Sharp, Treasurer

Participants in the CSU-ERFA State Council Meeting were reminded that the CSU and State of California are in serious financial straits. State support for the CSU Budget this year is down $650 million (20%) from last year.

That support is likely to be trimmed due to the "trigger" provisions of the current state budget act. So said Harold Goldwhite as he reported on chancellor Charles Reed's address to statewide academic senate. Reed asserted that most campuses have budgeted on the assumption that the "trigger" will in fact be pulled sometime soon. Reed said that in any event students would not get a mid-year fee increase. But another tuition increase for 2012-13 is likely.

Executive Director Don Cameron (Northridge) reported that membership continues to decline slightly. Currently we have 2,570 and at the peak several years ago that number exceeded 2,700. He noted that some 9,000 persons are eligible based on their retirement from the CSU. Discussion ensued particularly related to the need to make the association more accessible to persons who do not have emeritus status, because they were key long time lecturers. On some campuses about half the teaching faculty do not hold professorial appointments.

(Continued on the next page)

Outside the SJSU Library - from left: Bill Taylor, Los Angeles; Don Dewey, Los Angeles, former President; Bill Blischke, Dominguez Hills, Vice President; Don Cameron, Northridge, Executive Director; Dave Elliott, San Jose State University, past president. About 40 delegates attended the semi-annual meeting of CSU-ERFA.

Treasurer Harry Sharp (San Luis Obispo) reported that the association again operated in the black for 2010-11. Income totaled $166,379 and expenditures $154,404. Holding State Council meetings on a campus rather than at an LAX Hotel substantially reduces the cost of those gathering. Sharp recommended and the Council voted to adopt Sharp's recommendation that at least once every five years the association will ask members who are not officers or employees but who are skilled accountants to conduct a review of our finances and related operations.

• **Webmaster Mark Shapiro (Fullerton) noted increased visits to our website,** where, among other useful materials, he posts each issue of our newsletter, *The Reporter*.

• **Archivist Judd Grenier (Dominguez Hills) reported on recent acquisitions** including papers of former chancellor Glenn Dumke and the papers of late Reporter editor Howard Seeman have been added to the archives. Grenier also observed there was recently a luncheon celebrating the CSU's 50th anniversary. Alas, few academics were invited.

• **Personnel Committee Chair Shapiro noted that under established policy the position of Executive Director must be advertised every four years** (the term is two years, but one renewal is authorized without a search). Accordingly, a job description was presented that the position will be open for a two-year term that begins July 1, 2012.

• **Ed Aubert (Stanislaus) reported on efforts to increase association membership.** A key factor continues to be personal on-campus contact as individuals retire. We need to share with them what CSU-ERFA is and what it and local affiliates are doing and can do for and with them as retirees.

CSU-ERFA's Vice-President Bill Blischke (Dominguez Hills) presided at the council in the absence of President Barbara Sinclair (Los Angles), who was unable to attend.

In addition to those listed above the following CSU-ERFA members took part in the meeting which was held on campus of San Jose State University:
Rita Jones, secretary (Long Beach),
Leni Cook (Dominguez Hills),
Jane Crosbie (Humboldt),
Adnan Daoud (San Jose),
Don Dewey (Los Angeles),
Milt Dobkin (Humboldt),
Tom Donahue (San Diego),
Dave Elliott (San Jose),
David Humphers (Sacramento),
Larry Ianni (San Francisco),
Don Keesey (San Jose),
Jerry Koppman (San Diego),
Pat Koppman (San Diego),
Bob Maurer (Chico),
Maynard Moe (Bakersfield),
Joan McCauley (Long Beach),
Art Parker (Pomona),
Barry Pasternak (Fullerton),
Dave Quadro (Fresno),
Dieter Renning (Stanislaus),
Steve Ross (Long Beach),
Donna Ryan (San Francisco),
Judith Stanley (East Bay),
Barbara Swerkes (Northridge),
William Taylor (Los Angeles),
Marchelle Thobaben (Humboldt),
Aubrey Wendling (San Diego),
Lucille Wendling (San Diego),
Robert Wilson (San Jose).

The next state council meeting will be held on the campus at CSU Long Beach on April 21, 2012.

Recession Hits Hard

• If the bank returns your check marked "Insufficient Funds," you call them and ask if they meant you or them.
• My neighbor got a pre-declined credit card in the mail.
• CEO's are now playing miniature golf.

Two of CSU-ERFA's founders - Bob Maurer of CSU-Chico, left, former President, Treasurer and many other offices, and Milt Dobkin, right, of Humboldt, CSU-ERFA's Health Benefits Director for many years, at the State Council.

Highlighting Chapters and Affiliates

Here we continue our series on the activities our campus affiliates undertake with articles on CSU Chico, San Jose State, and Cal Poly San Luis Obispo.

CSU Chico

By Fred Brooks, President
CSU, Chico - ERFA

CSU Chico had a "Banner" year in 2010 and in 2011 with activities for CSU Chico faculty retirees. Each year started out with a free lunch and an overview of the "Chico Campus Performances" for the year with a PowerPoint presentation by the director of events for the Chico campus and the discounts and other offers for retirees at all cultural and athletic events during the year. Next there were highly successful holiday socials each December. In the spring there were tours of the new AS recreation center and the new Northern.California Natural History Museum on campus. This year the CSU Chico farm will be toured. In February there are also Valentine's theme socials before an on-campus feature production. In April of each year there is a free lunch, trial memberships and drawings for various prizes at the top fitness and health club in Chico. The well-attended program, presented by an outstanding fitness staff, was on health and wellness after retirement.

The highlight of the year in 2010 was the induction of retired (four living, two deceased) of the "best of the best" of retired faculty, compared to outlined criteria, into the CSU Chico Legacy "Hall of Honor." They were selected from nominations by former faculty and alumni by the ERFA awards committee. Over 185 attended the induction luncheon to support the first class of inductees. They were shown receiving their awards from the campus president in news and campus media and will be featured on an ERFA Hall of Honor web page, highlighting their contributions while working at CSU, Chico, to be accessed starting this fall from the CSU, Chico home web page from anywhere in the world! The program was so successful that the administration asked ERFA to extend the awards to include retired staff. Again the awards luncheon for the inductees filled the event facility with families and supporters from across the country. The program was a huge success with six 2011 inductees each from retired faculty and staff. The inductees at both events worked most of their professional careers at the university, over 540 years total. All of the inductees or their families, where inductees were deceased, noted this event as a top highlight in their lives.

San Jose State University

By John Pollock

SJSU-ERFA started the 2011-12 school year with a bang by presenting checks for $1,000 to each of the deans of the university's seven schools. The money was offered to the deans to use in any way they thought would best benefit their students and faculty. Shortly thereafter, the first of four annual newsletters, containing information about ERFA members' activities, a report on academic senate deliberations, obituaries for deceased colleagues, etc., was sent to 330 ERFA members. A group of about 35-40 members then met with SJSU's new president, Dr. Mo Qayoumi, to discuss future plans for the university.

So far this fall, social activities have included several meetings of the group's movie club and a luncheon attended by 61 ERFA members. Dr. Hans Guth, a distinguished emeritus professor of English with over three million books in print, entertained those at the luncheon with a spirited account of his youthful experiences as a young German soldier during World War II and his eventual arrival in the U.S. as a Fulbright scholar. An updated version of ERFA's membership directory will be distributed shortly to facilitate further social exchanges among the members, and a number of members' biographies have been added to the organization's website.

Finally, the executive board members have begun planning for a holiday celebration in December, another luncheon, and a day-long excursion to some place of interest in the Bay Area in the Spring. The Board is also exploring guidelines for honoring distinguished emeriti faculty and recruitment strategies to increase ERFA membership.

Cal Poly San Luis Obispo

By Joe Sabol, President

Our chapter meets four or five times a year with a luncheon and guest speaker. Our fall 2010 speaker in September was interim campus president, Dr. Robert Glidden. We were a very receptive audience for Dr. Glidden and enjoyed his presentation. In November, state superintendent of public instruction Jack O'Connell came "home" to Cal Poly and was our speaker. Several in the audience had been one of his instructors so it was a special treat to have Jack as our speaker. Dr. Phil Bailey, dean of the college of science and mathematics, was our speaker for the March 2011 meeting. After speaking to our group, he took us on a tour to see the new science and math building under construction. It has been a long time in the planning and a thrill for Dr. Bailey to show it off to us. Our May meeting was held outside with a BBQ at the Leaning Pine Arboretum on campus. The BBQ was prepared by one of the student clubs and was served on a perfect day, Friday the 13th of May. We took a delightful tour of the arboretum and were impressed with this "hidden treasure" on our campus. Our final gathering of the year is called the

(Continued on the next page)

In Memoriam

East Bay – Theodore Roszak

Fresno – Nobuo Mori

Fullerton – Karl H. Kahrs

Long Beach – Robert W. Kapche

Northridge – Byrne C. Fernelius
Samuel Moss

San Diego – Charlotte B. Yesselman

San Jose – Alfred W. Einarsson

San Luis Obispo –
Marshall S. Wright
Hewitt G. Wight

Highlights

(Continued from the previous page)

"June Jubilee" and is the largest meeting of the year. It is a delicious Sunday afternoon meal served in Chumash Auditorium. We had a special opportunity to welcome our new university president, Dr. Jeffrey Armstrong. Dr. Armstrong gave us some brief remarks and an inspirational message about his new leadership position. We all wish him well!

Dr. Harry Sharp completed his outstanding two-year term as our president in June, and we also said "thanks" to Barbara Ciesielski who has been our local newsletter editor for many years. Officers serving in the 2011-2012 year are: Joe Sabol, President; Richard Equinoa, Vice President; Carolyn Jones, Secretary; Gail Simmons, Treasurer; Val Barbosa, Newsletter Editor, and finally, Don Morris is our "Membership Enhancement Officer." We could not operate as a successful chapter without the very supportive folks in university advancement, Eileen Amaral and Jenny Gann.

With this strong team, we conducted our first "fall" meeting in September and enjoyed two inspirational speakers, our current ASI president and Andrene Kaiwi-Lenting, assistant director of student life and leadership. Richard Equinoa is working hard to provide us with great programs and we are all looking forward to an exciting year ahead.

Legislative Report

By Alan D. Wade, Legislative Committee Chair

Some things to consider as we look ahead!

Gov. Jerry Brown is the big news right now–enigmatic, predictably unpredictable. He has made quite a fuss over the bills he has vetoed, and those he has signed, and has managed to attract both anger and support from all sides. Most relevant to our interests, he has signed a union-sponsored bill to require that all initiatives and referenda be scheduled for fall elections—supposedly a time when the most Democratic-leaning voters will show up.

Don't sign anything! The battle of initiatives continues, with your committee's previous "don't sign anything" position still in force. Some of the "worst" of the initiatives, defined as anti-public employee and public pension, have either been withdrawn or are likely to fail for lack of signatures and money to gather them. With the willingness of some major unions to negotiate new contracts including some overdue pension reforms, the extreme public and media pressure for drastic reform (as seen in the Little Hoover Commission report, for one example) seems to be losing some of its steam.

Pension reform through legislation did not occur in the recent legislative session. Some of the most damaging bills, as well as some positive ones, either died in committee or have been carried over to the next session. It is expected that Governor Brown is currently developing a pension reform package to be submitted to the voters, probably in November 2012. Whether it will be tied to an initiative raising state revenue remains to be seen. Either way, it bears watching. As I stated earlier, Jerry Brown is not predictable, and has been known to bite the hand that feeds him—in this case, public employee unions. Our worst fear should be the inclusion of a measure that moves us away from a defined benefit system.

Are our pensions safe? Case law as well as federal and state statutes mostly seem to protect them as vested rights. Eternal vigilance is still a good idea.

On the budget front, we can probably look forward to a second debate in January over the current budget. One straw in the wind is the report that the four billion dollar revenue forecast will probably not be realized. Current revenue receipts are running ominously behind the estimate on which the budget was based.

We do indeed live in interesting times.

Governor Brown's Pension Plan

(Continued from page 1)

Most of the other provisions are designed to close loopholes that have embarrassed public sector supporters in recent years. The "highest one-year" that has led to employee salary "spiking" to take advantage of late promotions would be changed to three years. Some local governments have allowed employees to add to their highest one or three year calculations unused vacation time, special bonuses, excessive over time and other perquisites of office – all of these would no longer be counted.

Felons would have to forfeit their retirement pay, an imitation of the federal "Son of Sam" rule that keeps incarcerated felons from receiving Social Security. The plan does not mention whether retirement pay would continue for their families.

Retroactive pension increases and pension holidays for government agencies would be prohibited, no matter what the financial condition of the retirement plan. Purchasing "air" time would end, a controversial issue for conservative political groups in the last several years.

Two seats would be added to the CalPERS board of administration to provide more members with "real independence and sophistication to ensure that retirement funds deliver retirement benefits over the long haul without exposing taxpayers to large unfunded liabilities."

Volunteers Needed for Research Studies

(Continued from page 5)

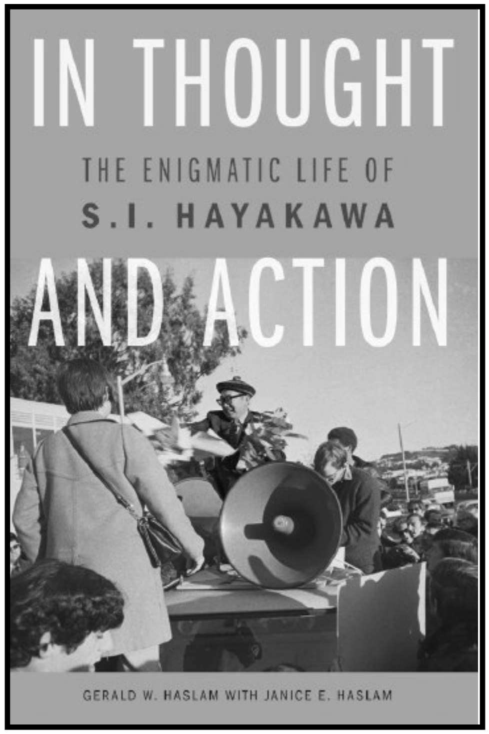
notices in various newsletters. In addition to advertising to recruiting new participants for each study, we maintain a list of people who have previously expressed an interest in participating in studies on emotion, cognition and aging." To learn more about Healthy Minds, please visit our website: http://healthyminds.matherlab.com/ You can sign up to participate by filling out your contact information at the web site.

Current research projects include studies on "telling stories," decision-making, vision, video games, strokes, Alzheimer's, and wisdom.

New Hayakawa Biography Authored by Sonoma State Emeritus Faculty

Gerald W. Haslam, professor emeritus of English at Sonoma State University and author of numerous books, has written, with the assistance of Janice E. Haslam, **In Thought and Action, The Enigmatic Life of S. I. Hayakawa** (University of Nebraska Press, November 2011).

The publisher writes: "One of the most gripping images from the 1960s captures the slight figure of Dr. S. I. Hayakawa scrambling onto a sound truck parked in front of San Francisco State College amid campus unrest. Hayakawa had hoped to use this soapbox to address the assembled demonstrators, but instead he ended up ripping out speaker wires and halting an illegal campus demonstration—or denying first-amendment rights to the crowd, depending on your perspective. Indeed, Hayakawa's entire life defies simplistic labels, and his ability to be categorized largely depends on personal perspective."



Haslam's intimate and detailed biography draws on interviews with friends and family members, as well as the subject's own papers and journals.

Haslam writes that Hayakawa "was an enigma to colleagues as well as adversaries, a Republican senator who consistently bucked his party's ideals with his support of the women's movement, abortion rights, and even Ronald Reagan's search for a female running mate."

The University of Nebraska press has made the 456 page book available at a 20% discount from its regular price of $26.95 if purchasers mention discount code "6AF11" when purchasing from the press, c/o Longleaf Services, 116 S. Boundary St., Chapel Hill, NC 27514-3808 or www.nebraskapress.unl.edu.

Pension Editorial

(Continued from page 3)

officials with expertise in pension administration and design strike us as exactly the kinds of people who should have more influence on CalPERS. In fact, we would like three or four, with the governor's recommendation here as the minimum.

The rest of the proposals mostly close loopholes that in some cases have caused scandals. We'll address them in the next issue.

CALIFORNIA STATE UNIVERSITY EMERITUS AND RETIRED FACULTY ASSOCIATION
The Retirement Center
18111 Nordhoff Street
Northridge, CA 91330-8339
http://www.csuerfa.org

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