



# REPORTER

A publication of the California State University Emeritus and Retired Faculty Association

## STATE COUNCIL MEETING MAY 4

ERFA Executive Director Jack Byrom announces that arrangements for the State Council meeting are now completed. The conference is scheduled for Saturday, May 4, beginning at 10:00 AM, with closure planned (hopefully?) for 3:30 PM. The location is Days Inn Hotel, 5101 Century Boulevard, Los Angeles, CA 90304, adjacent to the Century turn-off of the San Diego freeway. Overnight accommodations are available at \$49.00, single or double. Lunch will be served at 12:00 noon, hosted by CSU-ERFA. Free transportation is available from the airport if one calls (213)419-1234.

The conference is open to all emeritus and retired CSU faculty. Director Byrom advises, "We hope many emeritus and retired faculty about the State will attend this conference." All those who plan to attend are asked to notify the ERFA office so that ERFA can arrange for adequate luncheons and space. However, only official delegates from CSU campuses will receive travel expense reimbursements.

Each campus is entitled to select one representative for each seventy-five ERFA members or fraction thereof, regardless of campus ERFA affiliation.

Among the significant concerns are the battle to protect the PERS' and STRS' funds, the development of the phone tree, the creation of plans for long term care insurance, the election of officers, proposed changes in constitution and by-laws (including qualifications for membership), and the establishment of an ERFA foundation.

## PERS BOARD AND PERS FUND RAID

At the March PERS Board meetings, of greatest concern to CSU retired faculty was the discussion of Governor Wilson's budget proposals for an increase in the actuarial yield for PERS income from 8 1/2 % to 9 1/2 % and an extension in the amortization period for actuarial gains to five years. These proposals, which are touted as more realistically reflecting PERS income yields, will result in an estimated loss in PERS revenues of \$315 million in contributions from the State, \$65 million from schools, and tens of millions of dollars from other employing agencies. A number of PERS Board members commented that the 9 1/2 % assumed yield exceeds the current investment climate.

State Senator Frank Hill (R-Whittier) has introduced SB 1091 as a "spot" bill (a bill lacking specified provisions but introduced to hold a spot in the legislative calendar). This bill is expected to include Governor Wilson's budget proposals and a provision that the PERS Board must make economic and non-economic assumptions on an annual basis. This

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## MESSAGE FROM THE PRESIDENT

In the ancient joke about the burning vessel *The Bon Homme Richard*, John Paul Jones, the commander, emerges from below deck to cry: "I have not yet begun to fight!" A wounded marine thereupon rises from the burning deck and responds: "There is always some \*(&^%## who doesn't get the word!"

From what I have received in the mail today (and you may have also if you are members of the CSEA Retirement Division and/or RPEA) I can say to those organizations, "Welcome aboard! ERFA is pleased to know that you have finally discovered the threat to the PERS fund!"

It is unfortunate that these organizations did not see the "handwriting on the wall" last October when their lobbyists struck a deal to support a reduction in State contributions in exchange for higher benefits for active employees—probably to the detriment of all retirees, including also the present active employees upon their retirement.

Nevertheless, we welcome the belated campaigns of these organizations to ask their members to write Governor Wilson and their legislators to oppose any budget act provisions based on SB 1091 (Hill), or the like, which would result in reduced state contributions to the retirement fund and/or reduce PERS commitments to provide IDDA and EPDA supplements to retirees who have suffered substantial reductions in the purchasing power of their benefit payments.

*Each of you is urged to write as a member of CSU-ERFA.* Comments at recent PERS meetings indicate those of you who wrote PERS board members in February/March helped the PERS Board stand firm against the raid attempts. That pressures from the Governor and Legislature for the raid of the fund will continue clearly indicates that ERFA opposition must also continue. (Remember the Cal-Tax campaign of distortion.)

ERFA has another important ally; the CFA Committee on Retired Faculty sponsored the following resolution which the CFA Assembly unanimously adopted on March 17: "That CFA oppose efforts to pass legislation which would require the PERS Board of Administration to change actuarial assumptions or amortization methods which would result in the reduction of the State's contribution to State employees retirement accounts."

But do not count on others to do your work. CSU-ERFA Executive Committee took action to oppose SB 1091, especially any amendment of the act which would urge, or mandate, a change in assumed yields or actuarial assumptions which would damage the integrity of the PERS fund or

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## ERFA, PERS LOOK AT LONG-TERM CARE

The ERFA Committee to Examine Long-term Health Care has received presentations from brokers about various long-term health care plans, some old, some new.

Meanwhile, the Public Employees Long-term Care Act became effective January 1991. It requires PERS to contract with qualified carriers to provide coverage to PERS members. The plans, either service or indemnity, must include home, community, and institutional care. *But the subscribers must pay all premiums.*

Enrollment is to be open to active and retired PERS members, their spouses, and their parents, subject to criteria for eligibility PERS will establish and to underwriting. The statute sets January 1, 1992, as the effective date for implementing the plan, but most doubt PERS can make this deadline.

PERS will select a consulting firm in June to begin work July 2 to study eighteen features of possible plans. One of these eighteen asks the consultants to "identify and evaluate long-term care insurance and service plans available from commercial carriers."

The ERFA Long-term Health Care Committee has just completed comparing several plans, finds it impossible to make any recommendations now, and expects to study more plans as information becomes available. The Committee and the ERFA Executive Committee have decided that the role of ERFA, at least for now, should be that of monitoring the PERS study, attending all hearings, assisting PERS, keeping ERFA members informed, and soliciting suggestions from ERFA members.

The Committee asks ERFA members please to send it suggestions about the type coverage they desire. Specifically the Committee would like responses to these questions: What rating should the company have (Best's)? What coverages are wanted (skilled nursing care, intermediate, custodial)? What options (home care, day care)? Which exclusions (pre-existing nervous disorders)? Should Alzheimer's be covered? Should policy be guaranteed renewable for life? Should a deductible period (before benefits begin) be included? Should premiums be waived once benefits begin? Should benefits be increased to offset inflation? For how long should benefits exist—life, two, three, four, ten years? Should medical approval be required for enrollment? What other benefits do ERFA members desire? For a given age what are acceptable premiums, the set of benefits, the exclusions, etc.?

Again, the Committee asks ERFA members to let it know what coverage is desired.—Don Moore

## TELEPHONE TREE REPORT

At the meeting of the Executive Committee on April 6, Bill Smith (Pomona), recently appointed to develop the ERFA telephone tree, presented a plan for organization of the tree—one that would facilitate rapid contact with ERFA membership to activate letter-writing and telephone campaigns. The plan calls for the establishment of five state regions, each with a regional coordinator and an arrangement such that no one in the phone tree would call more than five other members. Executive Committee members observed

## REPORT ON CSU ACADEMIC SENATE

The CSU Academic Senate and the campuses are more than a little preoccupied with the problems expected from the impending catastrophic budget cuts. The next issues of *The ERFA Reporter* will inform readers about the developments as they occur.

Some senators are concerned about the Trustees' appointment of Barry Munitz as the new Chancellor. Concerns seem to stem from press reports about the new Chancellor's alleged connections with the timber cutting interests and a failed savings and loan company. The ERFA liaison cautions that, in fairness to all, there is no alternative to a "wait and see" approach.

The Faculty Affairs Committee is expected to recommend to the May 2-3 session of the Senate an ERFA-supported resolution encouraging the campuses to develop fair and equitable personnel guidelines before the date when Federal law will remove upper age limits on teaching. That date is January 1, 1994.

The ERFA liaison is working on a program to get all current CSU employees to write letters to the Governor and their legislators in opposition to the plans to withhold approximately \$156 million from the PERS fund. (Three states—New York, Connecticut, and Virginia—have already used such back-door raids on their public employees' retirement funds.)—Nicholas P. Hardeman

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reduce or eliminate the IDDA and EDPA payments. The Committee also noted that second, and perhaps even additional, contacts might be needed later in the summer, or even in the fall.

Until further notice ERFA is committed to having representation at all PERS committee and board meetings; ERFA will cooperate with other organizations, but past experience demonstrates that ERFA can not rely on others to represent the ERFA membership.

ERFA will keep you advised of future developments and your need to help.

These economic problems are serious, but they are not ERFA's sole concern. In other news you will learn of the attention ERFA is giving to the development of a program for long term health care. You will also find that the Executive Committee will attempt to negotiate with the CSU Foundation to see if ERFA can start an endowment account, one that would raise funds to support various projects, such as the support of faculty who wish to stay active in academic work during their retirement.

I hope to provide progress reports at the ERFA State Council meeting on May 4.—Milton Dobkin

that the plans for the tree were feasible and that each campus should be encouraged to participate. The plan was approved and Bill Smith was asked to get the program underway.

Any member willing to participate should notify the ERFA Northridge office or Bill Smith. "After all," as President Dobkin commented at the meeting, "the purpose of the tree is to enable ERFA to put pressure on our politicians to enact programs that all retired faculty are certain to support."



**REPORT ON STATE LEGISLATURE**

The State Legislature has given its primary focus to the catastrophic budget problems the State faces. Elsewhere in this issue of *The ERFA Reporter* are stories about SB 1091 (Hill) and the plan to use this bill to significantly diminish the State's contributions to PERS. Of course, the Legislature does not have the legal authority to effect the changes, only the PERS Board can do that. PERS experts estimate that these changes will deplete the IDDA/EPDA funds by 1996.

But other legislation of interest to ERFA has also been introduced. SB 707 (Green) provides for vision care for PERS annuitants, provided the care is funded in the budget. Most doubt such funding will occur.

AB 599 (Elder and Leslie) authorizes two extra years of service credit for those who retire between January 1, 1991, and April 30, 1991; benefits will be based on highest monthly compensation prior to January 1, 1991. ERFA urges support of this bill, but recommends that the April 30 deadline be changed so that professors on campuses with the semester system can take advantage of the program and not interrupt the semester.

SB 36 (Petris) sets forth the goal of providing comprehensive health care for all Californians, including long-term care. ERFA recommends support of this bill.

ACA 9 (Margolin and SCA 5 (Petris) proposes an amendment to the Constitution that all citizens have the right to health care.

AB 14 (Margolin) provides for health care for the uninsured and contains a small long-term care component.— data provided by Wilma Krebs.

To help protect the PERS funds ERFA members must write the following in opposition to SB 1091 (Hill) as soon as possible and as often as they are able: Senator Cecil Green, Chair, Senate PERS Committee; and PERS Committee senators Dan McCorquodale, Diane Watson, Don Rogers, Edward Royce. Address for these senators: Senate Public Employment and Retirement Committee, Room 2203 State Capitol, Sacramento, CA 95414. They may be called at (916)445-8958.

**SIDNEY ALBERT RECOVERING**

Sidney Albert, ERFA founder, is at home recovering from serious abdominal surgery.

**CONSTITUTIONAL CHANGE PROPOSED**

The ERFA Executive Committee at its meeting April 4 approved asking the State Council to consider the following change in the ERFA Constitution: "Article III, Section 2. Members. All full-time faculty, professional librarians, and academic administrators of a California State University or College and such others as have been accorded faculty status on individual campuses, or who are members of a campus organization affiliated with CSU-ERFA and who have official recognition as being retired are eligible for membership in this Association." The change is the underlined words.

The following by-law amendment was also sent to the State Council: "Article IV. Nomination and Election of Executive Committee. Section 3. Executive Committee members-at-large. Between two and five members-at-large of the executive committee shall be elected by vote of the State Council after request of the Executive Committee that the specified number of posts be filled. Change is the underlined words.

**ERFA NOW OVER 1300 MEMBERS**

CAMPUS	TOTAL	CAMPUS	TOTAL
BAKERSFIELD	5	POMONA	63
CHICO	74	SACRAMENTO	76
DOM. HILLS	16	SAN BERNAR.	16
FRESNO	69	SAN DIEGO	140
FULLERTON	61	SAN FRANCISCO	87
HAYWARD	59	SAN JOSE	107
HUMBOLDT	61	S. L. OBISPO	42
LONG BEACH	156	SONOMA	29
LOS ANGELES	106	STANISLAUS	15
NORTHRIDGE	120	<b>TOTAL</b>	<b>1,302</b>

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