



REPORTER

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

ARBITRATION VICTORY

After a long battle against odds which some advised were insurmountable, the CFA, with close supportive efforts of CSU-ERFA, obtained a favorable award from the arbitrator on behalf of retired faculty who entered the Faculty Early Retirement Program (FERP) before July 1, 1987.

CFA representative Jim Semelroth presented to the arbitrator, attorney Joseph Gentile, the lead cases of unjustified layoff at San Diego State University (SDSU). He claimed that the layoff of C. Dale Johnson (CSU-ERFA's secretary) and others was unjustified because the CSU improperly laid off these faculty by applying the current CSU layoff order rather than the one in effect at the time these faculty entered the FERP.

The arbitrator held that the current layoff order was misapplied to pre-1987 FERPs (whom he acknowledged as tenured faculty). "Tenured faculty members who elected to participate in the FERP prior to 1987 should be laid off in accord with the more favorable order of layoff found in the '83-'86 Agreement, for these were the terms when the affected faculty elected to participate in the FERP."

As to remedy he "remanded to the parties for settlement with the Arbitrator retaining jurisdiction should the Parties fail to reach a mutually acceptable resolution" (remedies for those improperly laid off), but he retained jurisdiction should such an agreement not be obtained, but he "would strongly encourage the Parties to craft their own resolution."

Meanwhile, CRA is moving ahead to establish a meeting schedule for negotiations with the CSU. To do so, the CFA needs a verified list of those pre-July 1987 FERPs who were damaged by actions associated with layoff, e.g. laid off and not reinstated, offered only partial load reinstatement, etc.

All such FERPs should make certain their campus CFA representative is informed in writing about their maltreatment and should send a copy of all relevant communications to CSU-ERFA President Milton Dobkin. The CFA Director of Operations, Gail Holmes, has assured Dobkin that Dobkin will be involved with the resolution.

Meanwhile, any FERPer who entered the program before July 1, 1987, who is threatened with layoff under the

MESSAGE FROM PRESIDENT DOBKIN

The January issue of the *CSU-ERFA Reporter* contained so much important information that Editor McMahon rightfully decided to omit the president's message. If you are, in fact, reading this message, you will know that he had a change of heart (for this issue only).

On February 6, the CSU-ERFA Executive Committee discussed various matters which have resulted in substantial subsequent work on the part of committee members.

In particular, the Long-Term Health Care Committee met with Craig Hartung, Chief of the PERS Information and Program Development Division (see related story in this issue of the *CSU-ERFA Reporter*). Hartung has agreed to speak to the CSU-ERFA State Council at its meeting on May 8, 1993.

The Executive Committee also established an omnibus long-range financial committee whose charge is to plan for the raising of funds for academic activities for the CSU Foundation account. The committee consists of Jim Ryan (LB), Bob Maurer (Ch), Mac Larson (SJ), Jerome Beamish (Stan), Edwin Bartenstein (Nor), Sidney Albert (LA), and Emmett Long (Ful), chair. The work of this committee will be very important to the planning of our organization's financial future. We have sufficient funds to sustain ongoing organizational operations, but as we grow larger, we must consider changing the office structure of the organization as well as developing funds for special projects. If you have ideas for this committee to consider, please forward them to Long at Fullerton.

For some months members of the CSU-ERFA Executive Committee and CFA's membership and organization officials have met to formalize working agreements relating to recruitment of retiree membership. The CSU-ERFA Executive Committee and the CFA Board of Directors have now approved an agreement.

Although the two organizations have not placed details into final form, the procedure provides that on a two-year trail basis CSU-ERFA will be responsible for recruitment of retirees; but these retirees will also be offered an opportunity to elect a free complimentary membership in the CFA. The advantage to CSU-ERFA is that CFA will undertake no activity to recruit retiree members on a competitive basis

LEGISLATIVE REPORT

CSU-ERFA Legislative Chair Wilma Krebs reports the following bills of concern to PERS retirees are now under consideration in the legislature:

AB 1872 (Cortese) guarantees that a retiree's pension will not be allowed to fall below seventy-five per cent of original value. This bill is co-sponsored by the State Coalition of Retired Employees (SCORE), of which CSU-ERFA is a member. **AB 1471** (Cannella) establishes a six per cent crediting rate for all member contributions to PERS and funds the purchasing power protection allowance at seventy-five per cent of original value of a retiree's pension. **AB 993** (Baca) gives PERS retirees an annual cost-of-living adjustment of up to two per cent, now received in May, at an earlier date in the year. **AB 300** (Horcher) provides an income tax exemption for those who live outside the state on the first \$20,000 of their pension.

AB 630 (Cannella) continues rural subsidy for PERS-CARE for 1993-94. **AB 1470** (Cannella) provides golden handshake program that would allow up to three year's service credit and an additional three years for age. **SB 400** (Hughes) permits retirement allowance to "pop-up" to an higher option level at the time of divorce if the judgment dividing community property awards the retirement interest to the member.

CSU-ERFA members are encouraged to advise their legislative representatives of their support or non-support of these bills.

CSU-ERFA members should also note that SB 1943 of 1992 (Chapter 1132) went into effect January 1, 1993. It requires major reforms in long-term care insurance policies sold in California after that date.

CSU-ERFA RECOMMENDATIONS FOR PERS

February 6, 1993, CSU-ERFA Executive Committee appointed a committee to endorse candidates for the PERS Board of Administration in the election closing May 31, 1993. Although all committee members could not participate in a full review of the ninety-six candidates, CSU-ERFA Executive Director Jack Byrom and Legislative Chair Wilma Krebs did participate and concluded that CSU-ERFA members should vote for Chuck Valdez and Ted Morrison (numbers eighteen and thirty-one on the ballot).

According to Byrom, "these candidates have a record of support for favorable action on retiree concerns, such as those CSU-ERFA approves."

(arbitration)

current Memorandum of Understanding, section 38.10, should inform the appropriate administrator that such an action is prevented by the SDSU arbitration award. It is possible that the campus university presidents may not yet know of the arbitration award.

Of special interest to CSU-ERFA members in the arbitrator's written decision were these comments: "The testimony of Milton Dobkin . . . was both instructive and very persuasive."

ACADEMIC SENATE REPORT

At the March 3-5, 1993, meeting the CSU Academic Senate Chair Sandra Wilcox reported that the CSU had selected as the CSU outstanding professors for this year Professors Michael Flachman (Eng, Bak) and Rosemarie Marshall (Micro, LA).

Wilcox revealed that R. H. Girling (Son), George Goldman (UCBerk), and Sherry Keith (SF) made a study of the impact of the CSU on the California economy. They found that it costs \$26,900 for each CSU graduate and that each will pay \$94,770 more in taxes than will a high school graduate over a normal lifetime. Every one dollar spent to add enrollments will generate \$16.80 in individual incomes and corporate profits.

The chair also described a report on costs and financing of California higher education. The FTEs general fund costs are \$8,911 for the UC, \$6,037 for the CSU, and \$2,989 for the CCs. Additional funds brings the totals to \$11,937 for the UC, \$7,551 for the CSU, and \$3,178 for the CCs. Seventy-five per cent of CSU students are independent of family for support. Only three per cent come from families with incomes above \$96,000 a year. Two-thirds report incomes less than \$24,000 a year, and only ten per cent report incomes above \$60,000 a year. Sixteen per cent of UC students come from families with incomes above \$96,000 and sixteen per cent from families with less than \$24,000.

William D. (Denny) Campbell, Chair of the Advancement Committee, observed, when "I came in five years ago, we were at a peak of four and one-half per cent of the state's budget. There has been a legislative break-down in the last five years. The gridlock in Sacramento has caused the people to fall for slick ad campaigns. Now, one of six children in the state is receiving public aid; it was one of eighteen. \$449 million have been taken from us."

The senate sent to the governor the names of David McNeil (SJ) and the incumbent, Bernie Goldstein (SF), as its nominees for faculty trustee.

(Dobkin)

with CSU-ERFA. The advantage to CFA is that any CSU-ERFA members who choose to elect the complimentary CFA membership will increase the number of retiree members with whom CFA will have contact.

The two organizations have cooperated to mutual advantage when they have agreed on issues affecting retirees or affecting those about to retire; a particular advantage to CSU-ERFA has been the lack of necessity to form its own Political Action Committee, while yet retaining its independence of action should there be disagreement on an issue with CFA. CSU-ERFA and CFA have also cooperated on the representation of FERPers, even though CFA has the legal responsibility. As further details about the option of CSU-ERFA members to elect complimentary CFA membership become known, CSU-ERFA members will receive information.—Dobkin

CSU-ERFA NOMINATIONS

The CSU-ERFA Nominating Committee, consisting of Gordon Stanton (SB), Milton Dobkin (Hum), Wilma Krebs (Sac), Ed Becker (LB), and Don Moore (LA), has nominated the following for the office indicated for the CSU-ERFA fiscal year, July 1, 1993, to June 30, 1994: President—Emmett Long (Ful), Vice President—Milton Dobkin (Hum), Secretary—C. Dale Johnson (SD), Treasurer—Edwin Bartenstein (Nor), Past President—Jack Byrom (Nor), Legislative Chair—Wilma Krebs (Sac), Retirement Chair—William Schlosser (Nor), Membership Chair—Allen Zeltzer (Ful), CFA Liaison—Mary Gormly (LA), CSU Academic Senate Liaison—Don Moore (LA), and Members-at-Large: Kurt Bohnsack (SD), Corwin Bjonerud (SF), Max Norton (Stan), John Houk (LA), Robert Maurer (Chi), Betty Brady (Nor), Bill Smith (Pom), and Gordon Stanton (SB).

The CSU-ERFA By-laws, specifically Article V, Sections 1 and 2, provide the rules for the election. Section 1 states (in part) "nominations from the floor may be made at the election meeting," and Section 2 states the "election shall be by majority vote of the State Council. Voting shall be by secret ballot for contested seats; a voice vote shall be in order for those offices not contested."

THE "TREACHERY" OF WILSON

When Proposition 162 was passed and Proposition 165 was defeated, many retirees felt confident that PERS was now safe from Governor Wilson's interference.

PERS is safe, so long as Wilson only takes executive action, not involving the legislature; he can not be successful in any efforts to interfere single-handedly with PERS if the PERS Board closes ranks against him. *However, . . .*

With the new year, Wilson found a new card to play. In his state budget message, presented in late January, he proposed that the state employees' and retirees' health programs be removed from PERS management and that the responsibility for purchasing health insurance be transferred to the Department of Personnel Administration (DPA). Wilson contended that using the DPA in this manner would allow the state to manage employees' and retirees' benefits in a more coordinated manner.

CSU-ERFA, RPEA, CSEA, and other retiree organizations under the umbrella of the State Coalition of Retired Employees (SCORE) were ready for Wilson. Press releases and an excellent editorial by the influential *Sacramento Bee*, which complimented PERS and castigated Wilson, helped do the trick. In February, the DPA put out a press release announcing that no action would be taken on the proposal to transfer the health benefits program from PERS to DPA. In the statement, DPA observed, "With PERS instituting a standardized benefit package this year resulting in some real cost containment on escalating health insurance premiums, instituting a reorganization would be disruptive to this effort." DPA concluded that such a reorganization "should not be pursued."

"This attempt by Wilson to move control of the health

STATE COUNCIL MEETING

The CSU-ERFA State Council is called to conference on May 8, 1993, at 10:00 AM to 4:00 PM. The meeting will be held at The Days Inn, 5101 Century Boulevard, Inglewood, CA. Craig Hartung, Chief, PERS Information Program Development Department, will be the principal speaker. Additional business will be the election of officers for the coming fiscal year. All CSU-ERFA members are invited, but are asked to advise the CSU-ERFA Northridge office, 818-886-1196, if they plan to attend.

ADIEU

The *CSU ERFA Reporter* has learned of the recent deaths of the following colleagues: Bakersfield—E. David Cooke; LA—Francesca Alexander, Dan Cappa, Samuel Gendelman, John Greenlee, Leonard F. Heath, Caro C. Hatcher, Ray F. Marsh, Dorothy R. Peckham; LB—Ross Hardy, Frances Schaaafsma, Marion Wharton; Son—Hector Lee. ?—Donald M. Wootton.

GEORGE KORBER

Many CSU-ERFA members who knew Professor George Korber (LB) will regret learning of his death on March 29, 1993. Professor Korber was a vigorous activist for faculty rights throughout his academic life. He participated in the formation of the original Association of Emeriti Professors, the forerunner of CSU-ERFA, and was one of the principal architects of the current CSU-ERFA constitution. Professor Korber and his wife last fall celebrated their fiftieth wedding anniversary.

PERK HARDEMAN HONOR

The CSU Long Beach Academic Senate Executive Committee has initiated a campaign to place a bust and commemorative plaque in the University Library in honor of Nicholas "Perk" Hardeman. Professor Richard Oden (Art) has volunteered to sculpt the bust and arrange for the foundry and masonry work. The cost is estimated at \$2,000.

Those wishing to contribute to this project should make out their checks to CSULB-ERFA and write "Hardeman Fund" on the check and send it to Ed Becker, 3253 Chatwin Ave., Long Beach, CA 90808.

CHINA TOUR

The China Institute at CSU Northridge announces a China tour from October 2 to 20. Dr. Harold Giedt, who speaks Chinese and lived many years in China, will lead the tour. For more information, please contact him at the China Institute, CSU Northridge, CA 91330, 818-885-3939.

care program from PERS," observes CSU-ERFA Executive Director Jack Byrom, "demonstrates that the passage of Proposition 162 does not guarantee Wilson will not still try to emasculate PERS. We must be ever on guard against his treachery."

PERS LONG TERM CARE PLANS

On March 10, CSU-ERFA representatives Jack Byrom, Wilma Krebs, Don Moore, and Max Norton met with PERS staffers Craig Hartung and Martin Walton in Sacramento to discuss the forthcoming plan for long-term care insurance for PERS members and their families. The CSU-ERFA long-term care committee consists of Krebs, Moore, Norton, and Nathan Kravetz.

In 1990 AB 4213 (Connelly) directed PERS to arrange for a self-funded employee/retiree-paid insurance plan for members, their spouses, and parents; PERS could either contract with carriers for the coverage or it could become the insurer. The firm of Towers-Perrin did a study which recommended criteria. It has recommended that PERS be the insurer, contracting with a third party for administration, including marketing, enrollment, billing, payroll interface, case management, and benefit disbursement. The PERS Board has directed staff to develop a self-funded plan.

PERS has in mind a tailored plan with the following concepts: (1) options of \$60, \$100, or \$140 maximum daily benefits; (2) eligibility for benefits on inability to perform two of six activities of daily living (ADL) (bathing, dressing, transferring, mobility, eating, and continence); (3) maximum benefit for care in-home health care (HHC); (4) maximum lifetime benefits ten years; (5) Sixty day waiting period for HHC and 120 days for NHC (Nursing Home Care); (6) right to purchase more coverage to match inflation; and (7) premiums returned if death occurs before age 65. Additional-cost options would be (1) reduced extended coverage for life if premiums terminate after ten years; (2) waiting periods may be reduced to thirty days for HHC and sixty days for NHC; and (3) automatic inflation protection at five per cent for twenty years, with premiums increasing at five per cent per year.

Some additional features recommended by PERS at this point: (1) guaranteed renewability or non-cancellation; (2) portability; (3) coverage for Alzheimer's Disease; (4) full disclosure of provisions; (5) thirty day free look; (6) guaranteed policy issue for members; (7) limited underwriting of pre-existing conditions for spouses; (8) restrictive underwriting for preexisting conditions for retirees and retiree spouses and

parents, and (9) respite care benefit.

CSU-ERFA has some reservations about some of the above proposals and expressed them at the March 10 meeting. Hartung and Walton were very open, knowledgeable, and understanding. "They clearly have done a lot of research and thinking about the issues," observed Moore. "They pointed out that as yet there is no plan but that one will be drafted as a result of the Towers-Perrin current study." Meanwhile, Hartung will meet with the CSU-ERFA Executive Committee on May 8. Hartung and Walton indicated that they welcome suggestions from all PERS members, especially from groups like CSU-ERFA.

They reported that one of the barriers to a successful plan is the lack of awareness of the need for it on the part of members. They advised that they find many people think that Medicare will cover long-term care, but it will not. They indicated that if a plan is to be successful, it must enroll a large number of the group's members, not just the high-risk members. They urge CSU-ERFA to help make members aware of the need for and the character of the plan.

A PERS' survey found that only about ten per cent of respondents indicated a willingness to pay the premiums necessary to fund the plan described above. Nearly seventy per cent of actives and over fifty per cent of retired members said they could pay no more than \$49 per month. Unfortunately, there is no plan for the employer to share any of the costs.

PERS INCOME AND COSTS

PERS advises that your retirement income in 1992 came seventy-eight per cent from investment income and sixteen per cent from member contributions. Out of the total income six per cent went for operating costs.

The *CSU-ERFA Reporter* is a publication of the California State University Emeritus and Retired Faculty Association. President: Milton Dobkin. Executive Director: Jack Byrom. Office Manager: Byrd Ehlman Office: 9010 Reseda Blvd. #224, (818)886-1196. Editor: Fred McMahon, 716 S. Catalina #1, Redondo Beach, CA 90277, (310)540-1111. All rights reserved.

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