



REPORTER

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

FLASH!!!

AB 702 GOES TO WASHINGTON

As final copy for this issue of the *CSU-ERFA Reporter* was being prepared, Jack Byrom, CSU-ERFA Executive Director, learned that the PERS board voted seven to four on July 29 to ask the U S Supreme Court to consider AB 702. (AB 702 is the bill that authorized the State to take 1.9 billion from PERS and to place the actuary under the control of the governor.) The seven PERS board members who voted for this action, including Kathleen Brown and Gray Davis, decided they had the responsibility and the legal staff to appeal the California Supreme Court's recent decision "considered unfavorable" to PERS retirees.

Earlier, the State Coalition of Retiree Organizations had rejected the request of CSU-ERFA and some other members of the Coalition to take the case to the U S Supreme Court. With this week's action of the PERS Board, the CSEA Retiree Division voted unanimously to seek CSEA Council approval, a process which must be completed before CSEA can support of the lawsuit can be official.

Naturally, CSU-ERFA will support this litigation.

PERS BOARD APPROVES HEALTH PLANS

On July 29 the PERS Board approved the supplemental plan for Medicare participants without any changes from the present plan. However, the Board did approve a five dollar co-payment for those members who have only the basic health plan.

CSU-ERFA OFFICERS ELECTED

At its meeting June 6, the CSU-ERFA State Council elected officers for 1992--93: President, Milton Dobkin (Hum); Vice President, Jim Ryan (LB); Secretary, C. Dale Johnson (SD); Treasurer, Edwin Bartenstein (Nor); Legislative Committee Chair, Wilma Krebs (Sac);

Retiree/Benefits Committee Chair, William Schlosser (Nor); Academic Senate Liaison, Donald Moore (LA); Liaison to CFA, Mary Gormly (LA); At-Large Executive Committee Members: Kurt Bohnsack (SD), Corwin Bjonerud (SF), John Houk (LA), Robert Maurer (Chico), Max Norton (Stan), Gordon Stanton (SB), Alan Zeltzer (Ful), Emmet Long (Ful); and editor of *Reporter* Fred McMahon (Nor)

MESSAGE FROM PRESIDENT DOBKIN

At this writing many are still distracted and dismayed by the failure of the Legislature and the Governor to produce a budget, and we fear the consequences for higher education, the public schools, and many critical social programs when the budget is finally approved.

Perhaps, by the time you read this, our state officials will have found a compromise that is less than a complete disaster.

In any case this fall the ballot will contain several initiatives which will affect all CSU-ERFA members who rely on PERS and STRS retirement funds. The continuing budget problems will surely affect the fate of these initiatives.

By now CSU-ERFA members know our Pension Protection Act of 1992 initiative qualified for the November ballot (and a rousing thanks to all of you who gathered signatures and donated funds). Unfortunately, Governor Wilson's initiative, "Government Accountability and Taxpayer Protection Act of 1992," also qualified. Moreover, the legal challenge to the dual nature of Wilson's initiative (the placing of welfare reform and budgeting authority in the same initiative when the Constitution requires single issue initiatives) was not successful. Thus, we face the prospect of a tough campaign: to pass our initiative and to defeat a similarly entitled initiative, one called for short, "Protection Act."

Because of the annual budget impasse, the Wilson initiative may seem attractive to many voters; but it permits the Governor to declare a fiscal emergency if a budget bill is not passed by July 1 and to propose reductions and unilaterally impose them after a budget bill is passed. Indeed, as observed by one PERS board member, it will permit the Governor to reduce or forgo state employer contributions to PERS and/or STRS during a declared fiscal emergency.

We are also likely to face problems in campaigning for the Pension Protection Act:

*Many voters do not distinguish between the UC and the CSU systems, thereby mistakenly making them inclined to vote against our initiative because of the Gardner pension package to which they object.

*The spiking problem (artificially inflating pensions of government CEO's without approval of PERS or STRS) has

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KREBS ON THE SACRAMENTO SCENE

In the seemingly never ending budget crisis in Sacramento, the Sacramento officials have tried to cut dental and medical benefits for employees and retirees. SCORE (State Coalition of Retired Employees, of which CSU-ERFA is an active participant) has met with the Department of Personnel Administration and arrived at a tentative agreement.

The State will restore dependent dental coverage. Retirees will have a small monthly co-payment, to be deducted from the monthly PERS check. For Delta Dental this amounts to \$3.30 for one and \$5.97 for two. This sum may be increased January 1, 1992.

AB 702 separates active employees, whose health insurance is covered in the bill, from retirees, whose insurance is not covered in it. However, retirees will still have the 100-90 formula, whereby the State will pay 100% for the retiree and 90% for the dependents, based on the average cost of the four largest medical plans. Because some retirees are too young to qualify for Medicare, or for some reason are not eligible for Social Security, they can only enroll in the basic plan. Medicare and the PERS Supplement to Medicare plan, of course, cover most state retirees, in which the State pays what Medicare does not cover. The question becomes: the state pays 100% of what?

The State contribution is frozen at the 1991/92 level: one, \$174; two, \$323; and family, \$410.

Meanwhile, premiums keep going up, *e.g.*, Kaiser went up 8-9 per cent last year and anticipates 6-7 percent in 1993.

At PERS, Tom Elkin, Chief of Health Plan Administration Division, and his staff are talking seriously about co-payments, partly to reduce overuse and partly to reduce premium increases. So far, the talk is confined to the basic plan. SCORE requested Elkin not to get into the Supplement to Medicare plan this year. There is some suggestion that if everyone is taking a hit in the budget crisis, then retirees should not be exempt. A further question is: if retirees are treated differently from actives, will they end up in a separate risk pool to their detriment?

If deductibles and co-payments are introduced or increased, the premiums may not increase. Thus, retirees will receive 100-90 of a smaller amount.

One can argue that the health benefits are a vested right because they were a condition of employment. Do retirees have a right to unchanging health benefits and state contributions? This issues has not been tested in the courts.

CSU-ERFA and the other groups in SCORE continue to meet and discuss these issues, both internally and with the PERS staff. The CSU-ERFA State Council took the position that it should fight additional charges for retirees as long as possible.—W. Krebs

THE CSU ACADEMIC SENATE

At the CSU Academic Senate meeting May 6-8, most of the discussion was concerned with the dreadful cuts the State is asking the CSU to accept. Chancellor Munitz advised that he is asking campuses to prepare budgets for 5%, 10%, and 15% cuts. At that time, he said the legislature was asking

FERPER LAY-OFF HEARING IN SAN DIEGO

The CSU and CFA have set September 22, San Diego, for an arbitration hearing for pre-1987 FERPers at that campus who received layoff notices based on current memoranda of understanding provisions rather than on those in effect at the time these FERPers began FERPing.

Many FERPers from other campuses who received similar layoff notices have contacted CSU-ERFA about filing a class action suit which they might join.

CSU-ERFA has advised all pre-1987 FERPers who have received such notices that they should first file grievances at the campus level (with CFA assistance, whenever possible). These grievances should emphasize that the FERPer has relied on the provisions of the code and of pre-1987 memoranda of understanding when s/he entered the FERP program. Although CFA has no class action suit in process, the arbitrator's decision in the San Diego hearing will provide a precedent and determine whether or not litigation is needed. Meanwhile, CSU-ERFA President Dobkin asks that he be kept informed about any decisions on the several campuses that deal with this layoff problem, including his being provided with copies of correspondence and any other related materials, so that he may use the information in preparation for the San Diego hearings where he will testify.

CSU-ERFA also believes that the findings of the San Diego arbitration will conclude the case for other pre-1983 FERPers unless further legal action is initiated.

In dealing with this problem on local campuses, affected FERPers may wish to cite the instructions given campus presidents by then CSU Vice Chancellor Wagner (Faculty and Staff Affairs 79-29, June 14, 1979) Among other provisions this document contains a sample letter of appointment that asks the prospective FERPer to respond as follows: "I [name of faculty member to be inserted] accept the appointment to the Faculty Early Retirement Program and the conditions of participation as outlined in Title 5, California Administrative Code, Sections 43170-43174."

CSU-ERFA is continuing its work with CFA on behalf of these FERPers who have "illegally" received layoff notices that do not honor their status as tenured members of the faculty as the CSU originally promised them. CSU-ERFA will keep you advised of the developments.—M. Dobkin

that the CSU make only a cut of 6.5%, but he added that a cut of 18% is being considered for all state agencies. If the cuts should be this severe, he observed, the CSU may have to reduce enrollments by 90,000 students.

The Senate adopted a resolution that insists on full funding of year round operation in the CSU, both on the four present year round campuses and on any future sites. The Senate stressed the importance of providing programs to attract international students, even though Sacramento says the State can not afford them. The control of note taking in the CSU was also addressed: the Senate urged campuses to forbid use of university services for note-taking businesses, and to add to their codes of conduct prohibition of selling class notes; it asked the CSU General Counsel to pursue legal action against those who sell notes without permission of the professor.—based on material from Don Moore.

MEMBERSHIP GOES TO 1788

Over 450 new members have joined CSU-ERFA during the past fiscal year. Every campus has shown growth.

President M. Dobkin, in speaking for the CSU-ERFA Council, stated, "We are grateful for the continued growth and the support for the efforts of the organization." He added, "Campus leaders are to be commended for the excellent programs they are developing."

He also observed that with the passage of the Golden Handshake, there should be many new retirees and that he hopes each CSU-ERFA member will recruit one new member during this fiscal year.

Campus	7/22/91	7/1/92	Increase
Bakersfield	5	7	2
Chico	75	93	18
Dominguez Hills	16	24	8
Fresno	71	98	27
Fullerton	62	87	25
Hayward	59	74	15
Humboldt	62	92	30
Long Beach	155	184	29
Los Angeles	107	138	31
Northridge	125	161	36
Pomona	66	103	37
Sacramento	81	109	28
San Bernardino	16	22	6
San Diego	143	194	51
San Francisco	89	133	44
San Jose	110	150	40
San Luis Obispo	43	60	17
Sonoma	27	46	19
Stanislaus	17	21	4
TOTALS	1,329	1,796	467

(continued from p. 3. FERF Meetings)

at Northridge has scheduled a meeting in Lamb's Lounge, University Club for August 11 at 3:00 PM to discuss the FERF program and lay-offs. For more information call Ray McHugh (818)788-3367. All interested parties are invited.

A GOLDEN HANDSHAKE???

Among the many ambiguities in Sacramento this year is the status of the "Golden Handshake" for present faculty, AB 1522.

This assembly bill, originally on an unrelated subject, was "hijacked" in the Senate and successfully amended in the Public Employee Committee to provide for early retirement incentives as a means of addressing part of the budget problems. At last count, these budget problems had resulted in more than 1400 lay-off notices (even before the total extent of the budget cuts are determined).

Subsequently, the bill received a "do-pass" from the Senate Appropriations Committee. The Senate then passed the bill. The bill has now been referred to the Assembly Ways and Means Committee; it will probably receive a favorable consideration there and then go to the Assembly for concurrence with the amendments made in the Senate. The Governor must eventually approve it and issue a proclamation for implementation before anything else can occur.

At this writing, the Senate version included many changes in the original proposal: (1) it deleted the optional provision that would give employees a two year service credit and a two year age credit because the Department of Finance objected to the age provision precedent; and (2) the five year service credit provision was reduced to four and limited to faculty. However, the State Department of Finance still objects; it fears other state agencies might seek a similar arrangement.

The CSU and CFA are combining efforts to get legislative support for a genuine "golden" handshake, rather than a leaden one. CSU-ERFA is supporting these efforts because it supports the welfare of CSU retirees.--Dobkin

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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A PUBLICATION OF THE CSU EMERITUS AND RETIRED FACULTY ASSOCIATION

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