



# REPORTER

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

## INITIATIVE TO SAVE PERS PROPOSED LAWSUIT DEFENDANTS RESPOND

The CSU-ERFA Executive Committee in a telephone poll has agreed to back an initiative supported by Proposition 13 co-author Paul Gann's political organization, People's Advocate. This initiative, announced Monday, October 28, 1991, proposes a constitutional amendment for the November 1992 ballot that would prohibit the governor, the legislature, or anyone but a pension board from borrowing or using and California public pension funds or reserves. Joining with the Gann organization are the California State Employees Association and organizations representing fire fighters, highway patrol officers, professional engineers, faculty members, retirees, and others. The coalition, Californians for Pension Protection, hopes to begin seeking signatures in December.

Ted Costa, People's Advocate Executive Director, says the "California Pension Protection Act of 1992 was filed . . . [because] public pensions are a taxpayer responsibility [and] political plunder of these funds now will result in massive tax increases in the future." Costa adds that the recent raid on the Public Employees Retirement System (PERS) is "the kind of political meddling and mismanagement that have driven the Social Security system to the brink of bankruptcy. They [governor and legislature] must be stopped once and for all."

The coalition will have roughly five months to gather 615,958 valid signatures if it is to qualify for the November 1992 ballot.

When CSU-ERFA President Dobkin learned of the plans for this initiative, he immediately contacted the CSU-ERFA Executive Committee in order to learn whether or not CSU-ERFA would support it. The response was a strong affirmative. What form this support will take remains open at this time.

Meanwhile, the lawsuit CSU-ERFA and other employee organizations have filed is pending in the 3d District Court of Appeal. This lawsuit seeks to force the governor and the legislature to restore the 1.6 billion they took from PERS to help balance the state budget this fiscal year and to restore to PERS the actuarial authority that was taken from PERS and placed in the governor's office.

{The restoration of the actuarial authority to PERS is especially important, explains Don Moore (LA), because the "actuary's assumptions and calculations . . . [determine] the employer [all state, county, city, and school districts that use PERS] contributions each year, the set-aside of funds for special purpose, such as COLAs, and progress toward full

## PRESIDENT'S MESSAGE

Usually after a CSU-ERFA State Council meeting I center my remarks for the *Reporter* on the results of that session. This time, though, I want to mention the burgeoning activity on the post-AB702 battlefield that has occurred since our October state council meeting.

While the lawsuit goes forward to reverse AB702 (the legislative act that enabled the state to "steal" 1.6 billion from PERS and change the actuarial function from PERS to the governor's office), a "belt" has been added to that set of "suspenders." A broader coalition than even the one which filed the lawsuit has put together an initiative called "The California Pension Protection Act of 1992," an initiative to amend the state constitution to further specify that neither the governor nor the legislature may tamper with any state

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funding. An actuary serving at the pleasure of the governor is an ideal way to keep funds from the retirement system, without risking the obvious criticism and loss of tax exempt status that go with outright thefts.")

On October 9 the attorney general, responding to the lawsuit on behalf of the governor, filed these arguments with the Court:

(1) The legislature's previous enactment of IDDA/EPDA (the funds used for COLAs) did not give rise to a private contractual or vested right, since the benefits were not guaranteed on a permanent basis, but were available only if investment earnings exceeded the actuarial rate. (The response draws attention to a report by the PERS consulting actuary in November 1990 predicting that the reserves used for IDDA/EPDA would be depleted in six to ten years.)

(2) Even assuming impairment of contract, AB 702 (the act that authorized using PERS money and removing the actuarial function from PERS) bestows comparable benefits. AB 702 provides new purchasing power protection: (a) it *guarantees* retirees an increasing purchasing power that will be 75 per cent of their initial monthly allowance and (b) it finances this fund by taking 1.1 per cent from the net earnings rate on employee contributions. Because these provisions are "permanently" funded and "guaranteed," the attorney general argues, the right is thereby vested and superior to the repealed IDDA/EPDA programs.

(3) AB 702 legislation was justified as an emergency measure because of the state budget shortfall, and it averted a large number of layoffs.

Plaintiffs were obliged to respond to these arguments before November 22. They will point out again the **unconstitutional** expropriation of PERS assets, originally estimated

*(continued as initiative, page 2)*

pension fund. (See related story in this issue of the Reporter.) A poll of the CSU-ERFA Executive Committee has given unanimous support for this initiative (but for one member who could not be reached). Wilma Krebs (Sac), CSU-ERFA legislative chair, has attended organizational/informational meetings of this group since its inception. She reports that the coalition was encouraged to go forward with this campaign only after a sampling of public attitudes toward protection of pension funds indicated strong public support.

Even though CSU-ERFA's lead efforts (in 1990 CSU-ERFA was the first organization to recognize the threat to PERS and the retirement fund) to protect retiree benefits are directly related to our Articles of Incorporation (our constitution), Article II, Purposes, Section 8, dealing with support of public policy, such is not our only purpose or concern. As reported at the October state council meeting, work progresses on projects of interest/benefit to those members already retired as well as to those faculty considering retirement in the near future.

Among these is the "first step" work of a committee on continuing education and a college program for emeriti. (See related story in this issue of the Reporter.)

Another group chaired by Sidney Albert, founder of CSU-ERFA, made a preliminary report about raising funds for deposit in the CSU-ERFA account within the CSU Foundation. Purpose: to finance pre-retirement workshops/counseling, scholarship efforts of retirees, and other similar activities.

In this connection I was most pleased to receive a letter from the emeritus faculty "Diaspora." From a colleague now in Ithaca, NY, Charles "Mac" Larsen (SJ), came a message of support and a suggestion. He offered to work as a corresponding member of the committee on fund raising and, in particular, he suggested developing a visiting lecturer program. "Mac" is now appointed to the committee!

By the way, do not forget that in addition to campus affiliate newsletters that CSU-ERFA redistributes when they are available to our Northridge office, we would also like to have information about professional activities of emeritus/retired faculty so that we can use it for a special issue of the Reporter when time and resources permit.

Thanks to all for your help on matters "great and small."—Milt Dobkin

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at 1.6 billion dollars and now 1.9 billion. In addition, they will argue that the new inflation benefit can prove illusory because AB 702 forces new employees into a Tier 2 retirement system which is non-contributory, thereby resulting in employee contributions becoming less and less. Consequently, the 1.1 per cent of this fund that is suppose to *guarantee* the COLAs for retirees will become less and less until the fund ceases to exist. They will also argue that under federal tax law a trust fund is tax-exempt only if it is impossible for the assets or income to be used for purposes other than the exclusive benefit of the employees or their beneficiaries. In the violation of this law, PERS would lose its tax exempt status and employer contribu-

## REPORT ON CSU ACADEMIC SENATE

At its first meeting of the 1991-92 academic year, September 5-6, the CSU Academic Senate considered a resolution your CSU-ERFA representative had previously submitted to the Senate's Faculty Affairs Committee. This resolution asked the Senate to "express its strong support of the efforts by various organizations, including the California State Employees' Association, the CSU Emeritus and Retired Faculty Association, and the Service Employees' International Union, to obtain judicial review of the allegedly unconstitutional provisions of AB 702." Among the several points included in the reasons for the resolution were questions concerning the constitutionality of AB 702 and the contention that "doubts about the soundness of employee retirement benefits would impede efforts of the CSU to recruit and retain a diverse and high quality faculty and would have adverse effects on faculty morale." At its November 8 meeting the Senate unanimously passed this resolution..

In a plenary session of the Senate's retreat in San Pedro, October 4-5, the CSU-ERFA representative asked the new chancellor, Barry Munitz, for his reactions to the governor's and legislature's raid on the retirement fund. The tone of his remarks indicated he was supportive of the CSU-ERFA stand taken in opposition to this use of the PERS fund to balance the state's budget. He advised there are ongoing discussions with University of California President David Gardner and other state officials concerning the possible merging of the UC and CSU retirement funds. Apparently a combination of the two funds would provide greater constitutional protection for CSU retirees.

The Academic Senate at its November 8 meeting also had a vigorous discussion about San Diego State's and CSU Chico State's firing of faculty on the Faculty Early Retirement Program (FERPers). Last spring the CSU-ERFA representative asked the Senate Faculty Affairs Committee to take action on this issue, but it declined. The CSU-ERFA representative raised some questions about this problem with several senators, and the issue came to the floor. The Senate has now directed the Senate Faculty Affairs Committee to provide a resolution in support of these faculty for consideration at the next meeting of the Senate.—Nicholas Hardeman (LB)

## PHONE TREE VOLUNTEERS NEEDED

Bill Smith (Pom), phone tree chair, needs additional volunteers to serve in the tree. From time to time, depending on political events, he will ask participants to call five or six near-by CSU-ERFA members to contact their legislative representatives. Help by helping yourself. Contact Bill Smith, 773 Bonita Ave, Claremont, CA 91711.

tions to PERS would be included in the income of an employee who would then have to pay tax on it.

Many organizations have submitted amicus briefs supporting the plaintiffs, including the National Conference on Public Employee Retirement Systems, whose members include 400 pension funds. Oral arguments are expected in January and a decision in late spring. —Wilma Krebs (Sac), Don Moore (LA), and Milton Dobkin (Hum) provided information for this story.

**PROPOSAL FOR COLLEGE FOR EMERITI**

At the state council meeting in San Francisco October 19, an ad hoc committee composed of William Schlosser (Nor), Bob Maurer (Chico), and Emmett Long (Ful), chair, recommended that CSU-ERFA establish a college for emeriti. The report, written by Long, described the program at the University of Southern California.

The program at USC "aims to identify and to advance the continuing intellectual interests of retirees. It seeks to facilitate the service of scholars to society, to encourage their contributions to the disciplines within which they have labored and to maintain their association with the University. It endeavors to arrange lectures, teaching, consultation, and research through which mature scholars may keep their minds vigorous, their knowledge expanding, and their skills sharp."

At USC the college is part of their center for emeriti, established in 1978, "to provide service and support for faculty and staff during both the pre- and post-phases of retirement."

"The activities of the USC program include as a primary focus community lecture series given by emeriti at senior centers in the Los Angeles metropolitan area . . . [and emeritus] scholars are also offered to the community to give individual lectures as part of a 'speakers bureau.' Activities also include involving the emeriti in the educational programs of the University, viz., part-time teaching, research, and tutoring."

The report also described an alternate model at CSU Fullerton, "a membership organization with a charter from the university, a board of trustees, a staff, membership fees, and on-campus facilities."

"This model is substantially different from the USC model, but it does share some of the same purposes: "to identify and to advance the continuing intellectual interests of retirees . . . to facilitate the service of scholars to society, . . . to arrange lectures, teaching, consultation, and research

**INFORMATION FROM CSU CAMPUSES**

CSU Pomona announces that on January 30, from 2-5 PM, it will host a program on the retirement fund crisis. "Plans are being made to have state CSU-ERFA officers, PERS board members, and, if possible, selected legislators in attendance in a hands-on format so that retirees from CSU campuses can be brought up to date on all the issues involved." For further information contact Bill Smith (Pomona) 714-624-1335.

Humboldt State announces that in 1987 it set up the Humboldt State University Emeritus Faculty trust fund to "benefit the academic programs, scholarly and creative activities and research at Humboldt State University." Each retiring professor is asked to donate \$100 to the fund. Each spring the trustees advertise for proposals from the faculty. At present, the grants are small, usually from \$300 to \$500, but Humboldt hopes that as the fund grows, the grants can be significantly increased.

San Francisco State University held its annual traditional Thanksgiving luncheon in the officers club at the Presidio. The officers club is a major historical landmark, one of the oldest buildings in the state.

through which mature scholars may keep their minds vigorous, their knowledge expanding, and their skills sharp."

Finally, the report "recommended that ERFA consider (1) the adoption of an official posture regarding the desirability of encouraging the emeritus college concept; (2) the development of a principles and practices document concerned with the concept; (3) the desirability and feasibility of implementing a pilot program on a CSU campus, perhaps with foundation support."

The council unanimously approved the recommendations of the committee and referred the implementation to the executive committee. The suggestion was made that the executive committee first develop a pilot program on one of the larger campuses in order to determine the level of interest and the operational problems that may exist.



(Please Print)

**CALIFORNIA STATE UNIVERSITY  
EMERITUS AND RETIRED FACULTY ASSOCIATION**

**Membership Form**

**ERFA**

\_\_\_\_\_ Last Name First Name Initial Social Security Number

\_\_\_\_\_ Home Address — Number and Street City State Zip Code

\_\_\_\_\_ Date Retired CSU Campus Department Home Phone ( )

Please enroll me as a retired ERFA member. I hereby authorize deductions to be made from my retirement warrants by Public Employees' Retirement System for the payment of dues to the Emeritus and Retired Faculty Association. I further agree that ERFA act as my agent in payroll deduction agreements and transactions between myself, ERFA, and the Public Employees' Retirement System. This authorization will continue in effect until I submit a timely written notice of cancellation to the ERFA office.

Monthly Retirement Payment:	Recommended Dues	Check One
\$1599 and under.....	\$2.00 per month	<input type="checkbox"/>
\$1600 to \$2299 .....	\$3.00 per month	<input type="checkbox"/>
\$2300 and more .....	\$4.00 per month	<input type="checkbox"/>
Contributing Member.....	\$5.00 & up per mo.	<input type="checkbox"/>
	Amount \$ _____	<input type="checkbox"/>

Please mail the completed form to:  
CALIFORNIA STATE UNIVERSITY  
EMERITUS AND RETIRED FACULTY ASSOCIATION  
9010 Reseda Boulevard, Suite 224  
Northridge, CA 91324

\_\_\_\_\_ Signature Date

## FACULTY EXCHANGE PROGRAM

In 1990 CSU-ERFA arranged with the National Faculty Exchange for interested CSU-ERFA members to participate in the emeritus placement program. Any interested faculty member, including those recently terminated because of budget restraints, should do the following:

(1) Write or call the CSU-ERFA office for a registration form.

(2) Fill out the form and mail it to CSU-ERFA, 9010 Reseda Blvd., Suite 224, Northridge, CA 91324. (On the form ignore the request for a registration fee. CSU-ERFA will provide a reduced fee to the placement program as a benefit of CSU-ERFA membership.)

(3) If interested in actual placement, request a complete application form from CSU-ERFA. Again, complete and return this form to CSU-ERFA. This office will forward the completed application to the National Faculty Exchange office. As with the registration form, send no money. Placement fees are being waived for CSU-ERFA members, at least through the 1991-92 academic year.

(4). After the office of the National Faculty Exchange has made a "match" between an institution and your placement request, you will receive notification and then be free to negotiate conditions for appointment.

NB: Do not apply to the National Faculty Exchange directly (before step 4 occurs). Such applications will cost you substantial fees. Always use CSU-ERFA office for your contacts.

## BROWN ACQUIRES ALBERT COLLECTION

Sidney Albert (LA), CSU-ERFA founder, announces that Brown University has acquired his collection of George Bernard Shaw's books, manuscripts, photographs, and other memorabilia—"one of the world's finest private collections." He selected Brown because the University wanted the complete collection, agreed to keep it unified, had a "marvelous special collection building of seven floors with climate control to protect rare volumes," and had an advanced graduate program that could "meaningful use the collection."

## GOVERNOR WILSON RECALL

The PERS Retirement Betterment Committee on August 16, 1991, began circulating a petition to recall Governor Wilson. The primary reason for the petition, the committee advises, is to "protect PERS and other public pension funds in California." George F. Buck of Pasadena is president of the committee (818)405-4276. The committee must collect 923,937 signatures before late January 1992. Persons interested in learning more about this recall effort should write the PERS Retirement Betterment Committee, Inc., P O Box 3792, Downey, CA 90242.

## SPRING STATE COUNCIL MEETING

President Dobkin announces that the next state council meeting will be held in the Los Angeles area at the end of April or early May. He advises that the next executive committee meeting will be held in early December in the Los Angeles area. All members are invited to attend. For further details contact the Northridge office.

## ERFA MEMBERSHIP GROWTH

BAKERSFIELD	4	NORTHRIDGE	151
CHICO	89	POMONA	80
DOMINGUEZ HILLS	22	SACRAMENTO	102
FRESNO	90	SAN BERNARDINO	19
FULLERTON	79	SAN DIEGO	168
HAYWARD	64	SAN FRANCISCO	112
HUMBOLDT	83	SAN JOSE	140
LONG BEACH	175	SAN LUIS OBISPO	55
LOS ANGELES	122	SONOMA	27
		STANISLAUS	18

TOTAL 1600

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### THE ERFA REPORTER

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