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Inside this issue:

State Council Actions

By Alan Wade, Legislative Chair

The CSU-ERFA state council met on Saturday, April 26, 2014 at Cal Poly Pomona's Kellogg Center. Highlights of the meeting included the contest between Harold Goldwhite and Barry Pasternack for election as the retiree member of the statewide academic senate, honoring Don and Beverly Gerth for having the CSU Archives named after them, and concurrence with the statewide senate's position on community college BA degrees.

Don Gerth (former president at both CSU Dominguez Hills and CSU Sacramento) and his wife Beverly were honored at CSU Dominguez Hills on May 2nd on the occasion of the dedication of the CSU Archives in their names. Prof. Judd Grenier of Dominguez Hills authored a resolution, unanimously approved by the council, congratulating Bev and Don for this signal honor. Both Don and Bev were present at the council meeting, of which Don is a member.

Barry Pasternack (Fullerton) and Harold Goldwhite (LA) were candidates for the post of retiree member of the statewide academic senate. The selection committee could not decide between these two highly qualified candidates and recommended that the choice be put to the state council for a vote. Goldwhite, the incumbent, has served us well in this post since 2008. Pasternack, the challenger, has recently retired and offered his credentials to the committee. Each seemed eminently qualified. Pasternack was elected by a narrow

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Proposition 13 Might Be Modified (!) - Is It the Proverbial "Cold Day in Hell"?

Assemblyman Brian Nestande (R-Palm Desert) got it right: "It must be a cold day in hell. The cow jumped over the moon. And pigs are flying somewhere."

The reason? The Howard Jarvis Taxpayers Association and its leader, Jon Coupal, known for its opposition to any changes to 1978's Proposition 13, let it be known in mid-May that it would not be opposed to a bill that would modify Prop. 13 to close a loophole through which many companies have avoided paying the higher property tax seemingly necessitated when property changes hands.

In this case, it is commercial property, and the precipitating incident seems to be Michael Dell's purchase of Santa Monica's Fairmont Miramar Hotel, with the new owners dividing ownership shares among his wife and two business partners so that no one of them owned more than 49% of the property.

Under the existing rules, no reassessment is triggered in those circumstances, which saved Dell about $1 million a year in property taxes. Assemblyman Tom Ammiano (D-SF), coauthor of AB 2372, said that "This particular loophole really pushed a button in people."

Supporting the general notion of modifying Proposition 13 was the Field Poll's release in April 2014 of a California Opinion Index regarding changes in the proposition. About half (49%) of the voters surveyed said that they generally supported changing parts of Prop. 13, while 34% were opposed. By a 69% to 17% margin, the voters supported changing the

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From the President...

Dear Colleagues,

State Council. Our State Council meeting was recently held at Cal Poly Pomona and covered a great deal of organizational business. Once again, our officers, executive director, and committee chairs did a grand job in reporting information regarding the work accomplished by themselves and their groups. I thank all of these individuals, as their efforts result in the work needed to keep CSU-ERFA viable. Also, I thank all of the members of the council as they did a super job in discussing issues and helping to conclude necessary business in a positive manner.

Honoring Don and Beverly Gerth. Of special interest was our archivist Judd Grenier's resolution regarding the congratulations to be offered to Dr. Donald Gerth and his wife Beverly for having the CSUDH Archives and Special Collections Department named in their honor. The resolution was passed unanimously. Fortunately, I was able to attend the formal dedication at Dominguez Hills and was greatly impressed with the recognition ceremony and the outstanding archives locale in an upper floor wing of the library.

Conferences. Since my last column, I've had the opportunity to attend several conferences on older populations. I am quite taken with all of the information that is being presented, especially on the future of aging, and since we fall into the category, I thought I would share just a few areas with you. One of the greatest advances in our history is the significant growth of life expectancy and the fact that being old does not necessarily mean being frail. Even seniors over the age of 85 far exceed society's expectations, not only in physical well-being but also in the maintenance of cognitive skills and emotional interactions (hopefully, these speak well for all of us).

Options for individuals who are aging in their communities are also improving. Maintaining and living full time in one's home, or utilizing adult day care services, or moving into an independent or assisted living facility can be positive for older populations. Consideration of health and wellness is a must and Social Security, Medicare and Medi-Cal are imperatives as significant numbers of seniors need financial support and assistance to meet health service needs as well as general day-to-day living. The question is whether or not the economy will be able to support increased funding by these plans as the older population increases and their financial needs escalate.

Alzheimer's Disease. One of the most interesting papers that I heard involved Alzheimer's disease. This tragic condition is becoming more prevalent and thus far does not have a cure. It was suggested that the condition resulted from a variety of imbalances occurring in the brain, especially at synaptic connections, and therefore, multiple treatments as opposed to one medication are necessary. Continued research will be worthwhile to review.

Fall Prevention. Better planning and implementation of programs and methods to prevent physical harm to older adults is being implemented. Fall prevention is a good example, as one in three individuals over the age of 65 will fall and of those who do, one in three will fall again.

A number of specific actions are being recommended for seniors to maintain or increase both their physical and intellectual abilities. Many are encouraged to volunteer by sharing their skills with others, to utilize creative learning sessions including music- and art-based approaches to meaningful activities and to frequently interact with others at various programs and sites.

Policy improvements are being implemented as data involving research, education, and advocacy become more available. We are even seeing the potential for another White House Conference on Aging, perhaps in 2015.

If you have the opportunity, I would strongly urge you to attend conferences regarding older populations. The information is truly interesting and certainly appropriate to all of us.

Best wishes,

Barbara
Barbara P. Sinclair,
President, CSU-ERFA

Letter to the Editor: Another View of the State Council Resolution on the Community College BA

At the recent CSU-ERFA state council meeting, the group was asked to affirm the statewide academic senate resolution concerning the implementation of community college baccalaureate degrees that had been passed by the ASCSU unanimously. Because I am totally opposed to the implementation of community college baccalaureate degrees, for the reasons cited below, I could not vote yea in support of the resolution.

The bill in question, SB 850, if passed and signed by the Governor, would give the Board of Governors (BOG) of the California Community Colleges (CCC) authorization to establish baccalaureate degree pilot programs at up to 20 community college districts in direct opposition to current law that differentiates the missions and functions of both public and independent institutions of higher education. Although the bill presently stipulates that the CSU and UC must be consulted, the actual implementation requires only approval by the CCC BOG. The ASCSU resolution expresses concern for the legislation and puts forth four stipulations as to its implementation. By doing this, the resolution as written, for me, does not oppose the formulation of the program; rather, it defines its possibilities. Such a stance is counter to the mission of the state university system and is another instance of the degradation of higher education as defined by the master plan.

A new report from the University of Pennsylvania Institute for Research and Higher Education, *From Master Plan to Mediocrity: Higher Education Performance & Policy in California* (Graduate School of Education, April 2014) notes, “Despite the transfer mission of California community colleges set out by the Master Plan, completion and transfer rates at two-year institutions are below the national average.” I question how the addition of baccalaureate degree programs at these institutions will overcome the dismal completion and transfer rates that presently exist.

The analysis of SB 850 (Bill Analysis, Senate Committee on Education, April, 2014) notes as a need for this legislation that the state must increase the number of Californian four year degree graduates substantially by 2025 but does not describe the well-documented current history of underfunding of higher education in general and CSU funding in particular. The analysis also explains that there are presently several collaborative efforts by community colleges and CSU campuses to respond to the work-force needs. Although these are enumerated in the analysis, there are no completion or success data showing that the programs are successful, nor is funding explained. The analysis does pose some questions for the Senate Committee concerning other options:

(a) Should additional funding be provided to public baccalaureate degree-granting institutions to increase the number of degree slots available in high demand areas?

(b) Should the process for developing collaborative efforts to address workforce needs be modified to facilitate greater proliferation of these programs?

(c) Should a community college be required to demonstrate that existing avenues for partnering with other institutions are not possible or viable before seeking authorization to offer a BA degree?

Yet the bill itself without considering any of the above options passed the senate education committee unanimously.

I agree with the author of the legislative analysis when he/she states, “This bill proposes a broad departure from the differentiation of mission established by the Master Plan and by state statute. Prior authorizations to depart from these differentiated missions have been much more limited in scope. Additionally, the CPEC no longer exists to provide an independent review, evaluation and recommendations regarding a college’s proposal for new baccalaureate degree programs.”

The resolution passed by the ASCSU and affirmed by the CSU-ERFA state council is focused on what specific steps should be included in the program offered in SB850, not on what the result of its passage will mean to the CSU. For this and all the other reasons stated above, I could not vote to affirm ASCSU Resolution AS-363-1k/AA(Rev).

Dr. Leni Cook
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CSU Dominguez Hills
CSUDH Emeritus Faculty Association
Representative to the ERFA State Council.

Quotable on Online Education

President of the University of California Janet Napolitano, talking in March to Mark Baldassare, president of the Public Policy Institute of California: “I think there’s a developing consensus that online learning is a tool for the tool box, where higher education is concerned; that it is not a silver bullet the way it was originally portrayed to be. It’s a lot harder than it looks. And, by the way, if you do it right, it doesn’t save all that much money, because you still have to have an opportunity for students to interact with either a teaching assistant or an assistant professor or professor at some level. And preparing the courses, if they’re really going to be top-quality, is an investment as well.”

“Early on, the notion was you could use online learning to help students who were getting started, for remedial English or math, to be up to speed. I think that’s false. I think those students need the teacher in the classroom working with them. I think where online learning will turn out to be the most useful is to complement the upper-division coursework that we have.”

In contrast, Governor Brown quoted at a January 2014 regents meeting: “If this university can probe into" black holes, he said, "can't somebody create a course — Spanish, calculus, whatever — totally online? That seems to me less complicated than that telescope you were talking about.”

Pre and Post-Retirement Report: The Public Employees Pension Reform Act

By Tom Donahue, Chair, Pre- and Post-Retirement Commitee

Q. What has been going on since Governor Brown signed the Public Employees' Pension Reform Act (PEPRA) in early 2013?

A. PEPRA evolved in response to public criticism of public employee pensions in recent years. It was designed to produce a savings of $22.7 billion for CalSTRS and between $42 billion and $55 billion for CalPERS over the next 30 years.

According to Audrey Wall at the Council of State Governments Knowledge Center, for all persons hired under these retirement systems: "PEPRA increases minimum retirement ages and establishes a single, less generous, basic safety (police and firefighter) formula, along with two slightly more generous optional safety formulas, and a single non-safety formula, applicable to all employees hired on or after Jan. 1, 2013. It increases contributions for many employees, including all new state employees, to 50 percent of the actuarial normal cost of the benefit. For new employees, the annual pay used to calculate benefits will be capped, initially at $110,000 for workers in Social Security and $132,000 for those without Social Security, increasing as the Social Security maximum annual worker contribution increases in future years."

Lawsuits Filed in Reaction. This act produces a substantive and basic change in the provision of pensions for state employees, and the immediate reaction took the form of lawsuits by the state's transit workers, and by employees in Merced, Alameda, Marin, and Contra Costa counties. These suits allege unfair labor practices through conflicts with contracts previously negotiated and overlapping with the PEPRA start-up date. The federal Department of Labor agreed with the plaintiffs. CalPERS and the state government have been trying hastily to patch up these matters in recent months.

CalPERS at this point supports PEPRA, apparently comfortable with a system that requires the future managing of another tier of revenue and investment practices.

The Effects. What is not clear is the effect of this act on highly compensated CSU executives: those involved in allocating resources and in the management of budgets (read: in the 15 hour a day, tachycardia rooms here and there across the campuses.) It may be presumed that those persons will have to learn the skills of personally managing 403(b) funds, perhaps with the advice from favored outside investment institutions on the CSU system level, or perhaps instead on the local campus level. It may also be presumed that our executives will require considerably higher salaries than those they receive now.

An Executive Revolving Door? Some of us fear that there may be a new, revolving-door ethic in the CSU, where capable executives will spend seven to ten years with us and then move on to positions in other states where they may have a chance at an additional or different kind of retirement support.

The Likely Outcome. But consider this: those at the state council meeting who are informed about these issues believe that highly paid CSU executives in the future will have their pay split into two parts. The first $110,000 will be paid from state funds and will be subject to both Social Security and a CalPERS defined benefit pension. Everything above that will be paid through the university foundations where there will be a different retirement scheme, probably like a 457 or 401(k), the way that many coaches are paid at present.

Furthermore, we shouldn't worry that experienced and wiser people might not come here. The CSU is attractive to newcomers in their fifties because they know that after a brief period here, they will have excellent health care for the rest of their lives.

The committee feels that these will be the most likely outcomes for PEPRA.

Please send questions for this column to:
Tom Donahue at
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CSU-ERFA Grant Cycle 2014-2015

The CSU-ERFA Foundation is accepting grant proposals beginning May 19, 2014.
Research grant deadline is December 19, 2014.
Awards will be announced in February, 2015

Who?

CSU-ERFA retired faculty and staff members pursuing scholarly research, creative projects, and publications.
(Not a member? You can become one at the time of application.)

What?

Grants up to a total of $4,000 for the current 2014-2015 grant cycle

Grant applications, guidelines, submission information, and end-of-year report forms may be downloaded from the CSU-ERFA website at http://www.csuerfa.org, or obtained from the CSU-ERFA office for more information at (818) 677 6522.You may also contact Sally Hurtado de Lopez at comadre5@hotmail.com.

We welcome tax-deductible contributions to the CSU-ERFA Foundation.
You can now donate monthly. See www.csuerfa.org for more information.
The CSU-ERFA Foundation is a 501(c)(3) charitable organization.

Health Benefits: LTC Insurance Options and CalPERS Development of Drug Cost Containment Options

By David Wagner, CSU-ERFA Health Benefits Director

Long-Term Care Insurance. Those who still maintain CalPERS long term care insurance with coverage including lifetime benefits and/or built-in inflation protection were again notified of the five percent premium increase for 2014. In 2015 there will be an additional 85 percent premium increase spread over two years.

These increases were announced last year and policy holders were given a number of options in 2013 and again in 2014 to avoid or reduce premium increases. If you selected one of these options by the announced deadline of May 9, 2014, coverage and your new premium amount become effective July 1, 2014. If you did not respond by May 9th you will continue to be enrolled in your current plan. However, you will be given an opportunity next year to select options which will reduce your benefit coverage and reduce the 2015 rate increase.

This is the second year that options have been presented to policy holders to avoid significant rate increases which are targeted for 2015. Past issues of *The Reporter* have commented on the general topic of CalPERS long-term care insurance and on the options, first presented in 2013, to reduce or eliminate premium increases by reducing benefit coverage. CalPERS reported that during last year's selection period 28 percent of policy holders with open-ended policies, or about 16,000 members, migrated to less expensive coverage options.

LTC Lawsuit. Some readers may wonder about the status of a lawsuit filed against CalPERS on August 6, 2013 by some LTC policyholders. It alleges that CalPERS intentionally misled policy holders about future rate increases. The plaintiffs seek class action status for their suit and a rescinding of the announced 85 percent rate increase. The case is still pending in Los Angeles Superior Court. Arguments on whether the lawsuit may continue to trial are scheduled for May 21, 2014.

Cost Containment: Specialty Drugs. CalPERS continues efforts to reduce the costs of specialty prescription drug services. There are two staff proposals under consideration for implementation in 2015 with the goal of reducing specialty drug costs for prescriptions under PPO basic plans. The first proposal would initiate a review of site of care for delivery of certain drugs. This would be accomplished, CalPERS staff note, by directing the member "to a lower-cost, clinically appropriate site of care and or channel of dispensing." For example, home infusion may be appropriate rather than at an outpatient facility. If adopted this type of program would impact 390 current CalPERS members. A second proposal would expand the Anthem Blue Cross list of specialty drugs requiring precertification prior to prescribing.

Cost Containment: Generic Drugs. CalPERS staff is proposing two mutually exclusive options which focus on those who receive outpatient prescription drug benefits managed by CVS Caremark. If approved, implementation would occur in 2015. The goal is to provide members with generic alternatives to brand drugs when clinically appropriate in 15 drug classes Over 17,000 CalPERS members would be impacted by this proposal. The following information is a summary of the staff proposal presented to the CalPERS pension and health benefits committee on April 15, 2014.

> CalPERS reports that during last year's selection period 28 percent of long-term care policy holders with open-ended policies, or about 16,000 members, migrated to less expensive coverage options.

Option one is the CVS Caremark's high-performance generic-step therapy that CalPERS staff explains would steer members "to more cost-effective first-line generics and provides coverage for one preferred select brand in some classes" of drugs. The retail pharmacy or mail order center would alert the prescriber to request a new prescription for a generic alternative. Dispensing a generic alternative would require a new prescription. If the prescriber determines that a generic is not appropriate the prescriber can call the prior-authorization department to request a medical-necessity clinical-exception review. If no generic claim is processed within 72 hours of a brand claim rejection, the member and the prescriber will be notified of the alternatives and options available.

Option two, targeted brand fourth tier copay, is similar to the "member-pays-the-difference" program. When the retail or CVS Caremark mail service receives a prescription request for a brand drug in one of the identified 15 drug classes where an approved generic is available, the prescription for the brand drug will be filled. The member then has a choice: to pay a higher copayment or have the pharmacist contact the prescriber for a new prescription for the lower cost generic. As with the first option the prescriber may call the prior authorization department to request a review. The proposed cost for this fourth-tier copay is $125 for up to a 30 day supply at retail or $250 for up to a 90 day supply by mail.

The estimated annual savings in adopting either alternative is six million dollars. Both plans would require large-scale coordinated communication campaigns directed at both prescribers and members. Concerns were expressed in April at both the CalPERS stakeholder engagement meeting and at the pension and health benefits committee about both options. Public comments, particularly early feedback from organizations representing retirees, stressed that should either option be approved special efforts must be made to provide information to members subject to these changes well before the implementation deadline. We will follow the progress of these proposed changes with great interest and offer suggestions to promote prescriber-patient conversations with pharmacists before an option becomes policy. Otherwise there is danger that members will face possible delays in receiving medication or paying higher prices.

Summer is Nearly Here - Minimize Air Travel Hassles

By Barry Pasternack, CSU Fullerton, The "Frugal Ferper"

As we approach the summer months many of us may be contemplating a trip involving an airplane. I longingly think back to the days when you could get to your gate without having to remove your shoes, belt, and computer and, once you got on the airplane had a chance to be served a hot meal. Well, unless you are flying overseas or business or first class domestically, getting served a hot meal is, at best, a distant memory. However, while your food choices may be limited, you can get through security without the need to partially disrobe and remove your computer and small liquid bottles from your carryon bag.

Be a "Trusted Traveler." The government has two programs which, for a fee, will certify that you are a "trusted traveler" who does not warrant detailed screening. These programs are TSA Precheck (see http://www.tsa.gov/tsa-precheck) and Global Entry (see http://www.cbp.gov/global-entry/about). While neither program is free, the nominal annual cost may be worth it considering the hassles one avoids.

TSA Precheck. TSA Precheck is a domestic program (but includes Canada) which allows one to enter a separate line for screening that does not require the normal "disrobing" and removing items to be checked separately. While originally one had to be invited to join TSA Precheck by an airline, now anyone who meets the eligibility requirements may apply. The application fee is $85, but this is good for a five year period, so in effect, one is paying only $17 per year. What one gets for this is a Known Traveler Number (KTN) which you can give to your airline so that your boarding pass will show that you are enrolled in this program. While not all air carriers participate in TSA Precheck, the following currently do so: Air Canada, Alaska Airlines, American Airlines, Delta Air Lines, Hawaiian Airlines, JetBlue Airways, Southwest Airlines, United Airlines, US Airways, and Virgin America. One can apply online, but once the application is accepted, a visit to an application center (there are currently over 250 such centers) to be fingerprinted and present valid required identity documentation is required.

Global Entry. Anyone who has returned to the US after a ten-hour or more plane ride from overseas knows the challenge of waiting in line for an hour just to get through customs. One way to avoid this is to participate in Global Entry. According to its website, Global Entry "is a U.S. Customs and Border Protection (CBP) program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the United States."

At select airports, participants avoid the normal customs line and go instead to Global Entry kiosks where they present a machine readable U.S. passport, place their fingertips on a reader, and make a customs declaration. The kiosk issues a transaction receipt and, upon its receipt, the passenger goes directly to baggage claim and then the exit. According to the Global Entry website, members may also get expedited entry in other countries.

The Trusted Traveler Card. Participants in Global Entry receive a Trusted Traveler card which can also be used in lieu of a passport for land or sea travel to Canada and Mexico. The fee for Global Entry is $100 for five years and some high-end credit cards will reimburse this fee (see http://thepointsguy.com/2013/08/1-things-you-didnt-know-about-global-entry/ for more information). One thing that is not made clear on the websites is that participants in Global Entry are automatically entered into TSA Precheck, so paying $100 for five years of participation may be the better option (note that TSA Precheck is a TSA program while Global Entry is a US Customs and Border Patrol program).

Other Programs. In addition to TSA Precheck and Global Entry, there are a number of other trusted traveler programs. These include NEXUS, SENTRI, and FAST (for details see http://www.cbp.gov/travel/trusted-traveler-programs). Another point to note is that one may find that one's ticket will indicate TSA Precheck without having applied for this. It seems that the TSA is doing this as sort of a loss-leader in order to attract more individuals to the program. This happened to me on a recent trip to Hawaii where my wife, my sister, and my brother-in-law all received the TSA Precheck designation while I had to go through the normal screening process. Seeing that they got through security about ten minutes faster than I did persuaded me to apply.

Combatting Boredom. While the above programs may help in getting through security and customs, there are invariably waiting times associated with one's travels. To pass the time, I typically bring newspapers, magazines, or books to read. One inexpensive source of magazine subscriptions is DiscountMags.com (see http://www.discountmags.com/). They often have annual magazine subscriptions on sale for $5 or less. To get information on these deals, one needs to sign up for their newsletter (click on the sign-up link on the right hand side of the top red banner).

Have a safe and enjoyable summer!

PPIC Study of Online Courses Shows Completion Problems

A recently completed Public Policy Institute of California (PPIC) study shows that online course enrollment in California's Community Colleges (CCC) has grown in the last 10 years, with nearly 20 percent of the students who took courses for credit taking at least one on line in 2012. However, students are less likely to complete an online course than a traditional course, and they are less likely to complete an online course with a passing grade. The PPIC study, released in May 2014, is based on longitudinal student and course level data from all 112 community colleges.

Online course enrollment at CCC—the nation's largest postsecondary system—has increased by almost 1 million since 2002. Today the colleges offer more online courses for credit than any other public higher education institution in the nation. Online participation has increased among each of the state's largest

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ASCSU Report: "Double Trouble at the May Plenary"

By Bill Blischke, CSU-ERFA Liaison to the ASCSU

In this age of captivating headlines and sound bites, I wanted to grab your attention. Hopefully, I did! I was the double trouble at the May plenary session of ASCSU. I wore the CSU-ERFA liaison hat at both the March and May sessions and the official, voting member hat of the retiree member of the ASCSU (since Harold Goldwhite was at a wedding in Great Britain) during the May meeting. Barry Pasternack will assume that position at the September plenary.

Here are the highlights of the March plenary meeting:

Emeritus Status for Lecturers. ASCSU passed a resolution expressing support for the inclusion of lecturers as eligible for emeritus status, with lecturers going through the same campus processes, using the same criteria, as full-time faculty. At the Oct. 26th CSU-ERFA State Council meeting, we passed a motion encouraging our campuses to do so as well. At last count, sixteen already do and several others are in the process of adding these long-term contributors to our emeriti groups.

Community College BAs. The senate also passed a resolution regarding the pending legislation in Sacramento to allow California community colleges to offer baccalaureate degrees. ASCSU suggested criteria for approving such degrees include a cost/benefit analysis, consultation with CSU and UC, provision of resources to CSU or UC to offer or expand such existing degrees, and the assessment of the resources (e.g. faculty with doctorates, fully equipped labs, internship opportunities, etc.) needed to offer the degrees at the two-year institutions. It was very clear in the Senate that existing CSU programs, such as nursing, should be expanded in our system rather than duplicated at the CC's. Once again, the CSU-ERFA state council strongly supported this position.

Shared governance. There have been a number of issues at CSU campuses regarding appointments by deans, provosts, vice presidents and presidents of faculty to administrative positions and to recruitment committees without consultation with the local senate. There have also been presidential appointments *sans* campus visits. This has been justified by the CO and BOT on the basis that it would be the death-knell for presidents of other universities who wanted to move to our system and were not selected. In effect, however, the faculty, staff and students (other than the single representatives of each group on the committee) do not get a chance to meet and "grill" their future campus CEO.

There were a number of other important issues that were considered at the May plenary.

Harold Goldwhite. Harold, in his absence, was accorded an incredible and well-deserved commendation that will be added to our website. Please send him your congratulations and reminiscences.

Chancellor White. In continuing contrast to his predecessor, our current Chancellor has met with the Senate at each plenary during his 16+ months in that position. In all of these sessions, he gave a brief overview of academic, budgetary and the other major issues facing the CSU. He has fielded very challenging questions and answered them, not to all Senators' satisfactions, at each of these meetings.

The most important resolutions debated at the May plenary included:

Discipline Councils. ASCSU recommended the creation of discipline councils beyond the few that already exist so that faculty can share program ideas with their counterparts at other CSU campuses (AS-3167-14)

On-Line Course Modalities. This resolution addressed the crucial and rapidly-changing balance between face-to-face classes, on-line classes and various hybrids (AS-3169-14)

Student Success Fees. Though some of us feel that a fee by any name is making the CSU increasingly unaffordable, the students on some of our campuses have voted to impose this on themselves. The very complex issues involved will be analyzed if the task force recommended in this resolution is created. I suggested that CSU-ERFA be copied on it and that we have the historical perspective on these issues that might make us valuable additions to the group.

Faculty Trustee Legislation. ASCSU continues to lobby for the passage of the legislation that would avoid an empty faculty trustee seat if the governor does not fill it when the incumbent's term is up.

Eligibility of Lecturers for Research, Scholarship, and Creative Activity (RSCA) Awards. Another step in terms of allowing lecturers to access funds and contribute to the campuses would formalize their eligibility for RSCA grants. AS-3173-14 was approved unanimously.

A closing personal note. I have enjoyed being your liaison for the last three years. It allows me to keep in touch with developments in the system where I spent almost half a century (I feel ancient expressing it in that way). The following handwritten note was very moving. It came from members of the ASCSU executive committee and said, "It's been a true pleasure working with you this year. We are SO glad you'll be here next year as there is so much more progressive work to do." I look forward to continuing to work with this impressive group of dedicated and articulate faculty members and to strengthening the role and involvement of CSU-ERFA in the CSU.

Online Course Study

(Continued from page 6)

ethnic groups, although participation is uneven across groups. It is much lower for Latino students, in part a reflection of the digital divide. It is particularly high for African Americans, a group underrepresented in California higher education.

But online course success rates are lower than those for traditional courses. In 2012, 60% of all students enrolled in online courses completed them with a passing grade—10% lower than the average success rate of 71% in traditional courses. After the researchers control for differences among students and other factors, they find that those in online courses are at least 11% and as much as 14% less likely to successfully complete online compared with similar traditional classes.

Legislative Report: Legislation, the State Political Scene

By Alan Wade, Legislative Committee Chair

The challenge for your legislative chair is to sort through as much as he can absorb of the vast mash-up of information about California government to which all of us have media access, and determine what should be CSU-ERFA's priorities for thought and action. Here are some that I think deserve our attention.

Public Opinion. The public's negative view of the state legislature has hit a new low as three Democratic senators have fallen from grace through criminal indictment. The name of one of them remains on the ballot for Treasurer in the upcoming primary. The two-thirds majority enjoyed by the Democrats for a few months has disappeared, at least temporarily forcing the governor to deal with the Republicans on revenue issues. This is not necessarily a bad thing. Perhaps a bigger problem for the legislature (remember when even the press referred to legislators as "Solons" — "wise lawgivers"?) is what to do with the surplus generated by the tax increase passed by the voters (Proposition 30). The governor is determined to take the fiscal prudence route and set it aside for a "rainy day," while the "liberal" wing avers that it is raining now and urges that the surplus be spent to restore some of the social safety net that has unraveled in recent years, along with expansion of pre-K education programs.

The Governor's Priorities. The governor, history suggests, is not a special friend of either "lower" or "higher" public education for California. Further, his avowed fiscal prudence seems not to extend to his two favorite infrastructure projects, high-speed rail and the twin tunnels designed to transfer water from the north to the south. As he has said, being governor is like paddling a canoe, you paddle left, and then you paddle right.

Is the Legislature Corrupt? This begs the question that is on the minds of at least those who pay attention: is the entire legislature corrupt? My own view is that most members are as devoted as the rest of us to the "Public Good" and do the best they can to achieve it during their careers. The realities of money and power in the modern world frequently get in the way, and changing definitions of just what is good for the public conspire to change one's mind. For example, is there a clear difference between bribes that demand a *quid pro quo* and a contribution intended to open the door to conversation? Perhaps a wide-spread and intelligent debate on the topic could spur the development of what some might call an evolved "Public Ethic." (I ask your indulgence for a little dreaming by an old Progressive.)

"OPEBS." Meanwhile. what of our pensions and "OPEBS" (Other Post-Employment Benefits), especially health care? The public pension battle will go on, even though it is temporarily on the political back burner. San Jose Mayor Chuck Reed has withdrawn his initiative to "eliminate" (well, not exactly, but it's a long story) public pensions. He is nonetheless well-funded by "Those of Great Wealth" and promises to be back. The flames are continually fueled by local government bankruptcies and reports of insolvency. It doesn't help, either, that few retirees in the private sector enjoy the benefits we as retired public employees have come to regard as our right under law and practice.

There is no immediate threat to current retirees, although those who come behind us need to pay attention to the anti-pension movement if they would like to avoid the poorhouse (which exists only in the collective unconscious) as their ultimate fate. I think we need to help them in every way possible. Your CSU-ERFA state council took a remarkable step in the direction of our own political involvement by agreeing to provide in its budget a modest but important $4,800 as a contribution to the political arm of the Retired Public Employees Association (RPEA). We have relied on the RPEA for bill tracking, lobbying, and inside legislative information for many years but have contributed nothing but our voices and ideas, not that these have been insignificant. Now we will become admittedly small but nonetheless willing players in the political process.

Please remember to cast your ballot in the June 3 primary. I intend to cast my vote for Neel Kashkari, hoping to utilize the "top two" process to advance the Republican candidate most likely in the fall to force a meaningful debate with Jerry Brown over California's priorities. Could such a debate ignite a genuine pursuit of that new "Public Ethic"? There is always hope. If Tim Donnelly is the best the tattered Republican party can come up with, Jerry Brown will simply (and

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LAO's Recommendations on California's Long-Term Debt and Liabilities

A California Legislative Analyst's Office report on Addressing California's Key Liabilities, issued in May 2014, found that the major liabilities of the state total $340 billion and result from actions that the state has taken that allowed it to provide services but to pay for them later. Liabilities include debt, deferred payments, and other liabilities.

Over $140 billion of the liabilities have been addressed by current law; no changes are necessary to eliminate this debt. This includes $50 billion in liability for the CalPERS retirement system. At press time, CalPERS was 69.6% funded for the future, and this is after several years of solid stock growth, and assumes that the CalPERS principal will grow at greater than 7% in the future. Other debt that is being taken care of includes state general obligation bonds totaling $75 billion, lease revenue bonds ($10 billion), almost $5 billon in economic recovery bonds, and several other small categories.

On the other hand, about $200 billion in liabilities are at least in part not being addressed and merit further legislative attention. For example, absent corrective action, the California State Teachers' Retirement System (CalSTRS) pension program is expected to deplete its assets during the 2040s. The CalSTRS debt totals $75 billion. Other debt and liabilities include retiree health benefits for state employees, some $65 billion at present, the UC pension program ($14 billion), retiree health benefits for

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Did Your May 1st Check Go Down?

On May 1, the annual Cost of Living Adjustments (COLA) and Purchasing Power Protection Allowance (PPPA) adjustments will be reflected in retiree checks. The COLA is given to everyone to adjust for inflation; it is limited, however, to a maximum of 2% per year. The PPPA is given to a few people, some 32,000 of the 575,000 CalPERS members who receive a check each month. You get a PPPA when the amount of inflation has become so great that the value of your check each month is less than 75% of the inflation-adjusted value.

However, for this year, something is different. This will be the first year where the COLA outpaced inflation. Because the COLA outpaced inflation, the PPPA benefit will be reduced accordingly for those retirees who are entitled to PPPA, approximately 32,000.

In addition, retirees may see a further decrease in their PPPA because of previous overstating of PPPA amounts in prior years when the timing of the adjustments was not coordinated. This could result in a retiree's total retirement allowance being reduced, despite the increase in COLA. We estimate that approximately 9,000 (28%) individuals will have a reduction in PPPA but will still see a net increase to their gross retirement allowance due to the corresponding COLA increase.

Approximately 23,000 (72%) individuals will see an overall decrease to their retirement allowance; however, nearly all of those will have an impact of less than $20. It is important to note that any decrease in PPPA due to previous overstatements will occur only once this year. All impacted retirees should have received a notification from CalPERS explaining the change prior to receiving their May 1 check.

Modifying Proposition 13 - Has The Time Finally Come?

(Continued from page 1)

provsion discussed above. Only 39% of voters supported the idea of reducing the two-thirds majority vote requirement to increase local taxes to a 55% majority.

Many misconceptions among voters as to Proposition 13's exact provisions still exist some 36 years after its enactment. Only a 42% plurality is aware that Proposition 13 applies to both residential and commercial property. Some 53% understand that Prop. 13 requires a two-thirds majority of the votes in an election to increase local taxes, and 68% know that more recent homeowners living in similar homes in the same neighborhood generally pay higher property taxes than homeowners who have lived in their homes for longer periods. In each case, between 15% and 24% of voters volunteer that they don't know the correct answer, while between 17% and 34% give an incorrect reply.

Other findings concerned the size of government:

• Most California voters (54%) say they prefer lower taxes and fewer government services to higher taxes and more government services (35%).

• Voters are divided about the overall level of government spending in California, with 39% in favor of holding spending at about current levels. About a third (34%) favor a reduction in government spending, while a quarter (24%) support an increase.

• Few voters (8% to 15%) support reducing current spending on K-12 schools, mental health, highway building or repair, and law enforcement. For K-12 schools and mental health, majorities favor more spending. Voters are more divided about spending on environmental protection and welfare, with sizable proportions advocating either more or less spending than current levels.

Logistics of Death Online

If you want to place the information in the CSU-ERFA Survivors Manual online, three web sites will do the job: www.everplans.com, http://aftersteps.com/, and http://www.principledheart.com/.

Debt & Liabilities

(Continued from page 8)

UC employees ($13 billion), school and community college obligations of $10 billion, and several smaller categories under $5 billion each.

LAO suggests prioritizing the liabilities and paying down those that result in the greatest benefits. LAO's assessment is that the top priority should be CalSTRS, and that the state should aim to fund the system fully in about 30 years. LAO states: "Doing so will be difficult. Depending on the funding arrangement, the additional contributions from the state, teachers, and districts combined could total over $5 billion per year by the early 2020s. Addressing this difficult challenge, however, only grows more costly the longer we wait, meaning that the most important action the state can take to minimize costs is to act quickly to increase contributions to CalSTRS."

The other priority, LAO feels, should be prefunding retiree health liabilities. Because of the prefunding, putting away $1.8 billion this year, while significant, will dramatically reduce state costs over the long run because of investment returns.

In Memoriam

Chico – Lois Christensen

Fresno – Benjamin Bakkegard,
Robert Comegys,
Eugene Krebs,
Dorothy Renzi,
Janbie Supersad

Long Beach – Doris Nelson,
Paul C. S. Tang

Los Angeles – Douglas L. Currell,
Seymour Levitan,
Robert H. Simmons,
Joseph E. Soldate

Pomona – George Galbreath

San Diego – Richard W. Berry,
Patrick Groff,
Louis Ezra Smith

Sonoma – Arthur Warmoth

State Council Meets, Votes for Pasternack, Approves RPEA Contribution for Political Action

(Continued from page 1)

margin.

As the result of pending legislation aimed at implementing the conferring of baccalaureate degrees in California community colleges, the statewide academic senate prepared a detailed resolution of firm but cautious opposition to the prospect. The state council concurred with the senate action, which read in part "The ASCSU holds that distinctions between public institutions of higher education in the State of California should remain clear, adhering as much as possible to the Master Plan." The resolution recognized the fact that the CSU has been authorized under specified circumstances to offer doctoral programs in specialized fields. For another view of the resolution, see the letter on page 3 from Dr. Leni Cook of CSU Dominguez Hills.

The state council recognized CSU-ERFA's long-term commitment to joint political action to protect our pensions and other post-employment benefits in Sacramento and elsewhere. The proposed budget recommended $3,200 as our contribution to the Retired Public Employees Association (RPEA), but an amendment to increase the amount to $4,800 was approved on a close vote. The $4,800 amounts to about 3% of our budget, and will help pay for independent political expenses, such as the services of lobbyist Aaron Read and Associates, who has for decades provided us with priceless information and advice on matters of critical importance. This is an important step forward, as we have for many years enjoyed the benefits of RPEA's work without contributing anything.

We are represented on the RPEA legislative committee by CSU-ERFA's legislative chair, who also has a voice in how the funds are spent. RPEA's independent expenditures committee, a political action committee, is funded by voluntary contributions from its own members, not by dues. The increase in the budgeted amount for this item was debated, and narrowly passed. No voices were raised in opposition to the principle of paying a small but significant amount for a necessary part of our promise of service to our members. We should be proud that CSU-ERFA has at last taken this step toward participation in the unruly but necessary game of legislative action.

We owe a debt of gratitude to all those who have worked so hard for CSU-ERFA in the past in this arena, including Wilma Krebs, Milt Dobkin, Bob Bess, and David Humphers, among others. This new dimension is a tribute to their tireless work on the political action scene.

The council also elected three new members-at-large for 2014-17: Ted Lucas of Channel Islands, Maynard Moe from Bakersfield, and Ernie Simpson from Cal Poly Pomona.

Pictured below:

(Top) Beverly and Don Gerth, honored with a resolution upon the occasion of naming the CSU Archives at CSU Dominguez Hills as the Donald R. and Beverly J. Gerth Archives and Special Collections. (Photo: Linda Zimmerman)

(Bottom) Four new delegates examining procedures for donating to the CSU-ERFA Charitable Foundation. From left: Bob Cherny (SF), David Wagner (Sacramento), Joan Merdinger (San Jose), and Dean Popp (San Diego). (Photo: Judd Grenier)

Controversial Issues Already On November Ballot

The controversial medical malpractice initiative has qualified for the November ballot, meaning that again we will see vast amounts of money spent by both sides on the issue of increasing the sum victims can recover in medical malpractice lawsuits. The current limit is $250,000 for pain and suffering in medical malpractice cases; the measure would raise that amount by over 400%, to $1.1 million, and then peg the $1.1 million to inflation.

The initiative is the fifth to qualify for the fall ballot. The proponents spent $2.1 million to prepare the initiative and collect signatures; the opponents already have almost $32 million in the bank to spend in the fall, so it should be a hot campaign, even by California standards.

Another initiative on the fall ballot will give the insurance commissioner new powers to reject health insurance rate increases. Currently the insurance commissioner does not have such powers and can only raise questions about proposed increases. Past experience is that when insurance companies are involved, initiative campaigns are very good for radio and television station revenue streams, to put it mildly.

There have been more than a few people laughing about the initiative to separate California into six states. Even if it passes in California, both Congress and the existing state legislature would have to approve the change before it would be implemented, and it is doubtful that either body would do so. Furthermore, since the initiative would create both the richest state in the nation, the area including Silicon Valley, and the poorest, the area including the Central Valley, it is doubtful that something so controversial would pass the voters, but it might.

However, like many initiatives that have a "hide-the-pea" feature, it turns out that if the state were to approve the initiative to separate California into six states, several measures in it would go into effect even if Congress turns us down. Charter counties would get more autonomy from state law on taxes and development. Counties would have the ability to group together into regional governments, and the regional governments, say the opponents to the measure, would have the ability to ignore future state laws if they don't have the money to implement them. For counties to adopt a charter giving them more local authority, there would have to be public hearings and elections in each county.

As of mid-May, the proponent, Tim Draper, has spent some $3 million collecting signatures, but he still has not decided whether to turn them in for the November ballot or to wait another two years for the 2016 ballot.

Featured speaker at the Spring State Council Meeting was Susan Menkes of the Senior Medicare Patrol, who warned of the dangers facing seniors from healthcare fraud perpetrated by scam artists purporting to be Medicare representatives. At left is her colleague Wendy Packer. (Photo: Mark Shapiro)

Legislative Report

(Continued from page 8)

rightfully) ignore him. And that would serve only to delay the debate indefinitely.

In March 2014, Legislative Chair Wade joined the RPEA legislative committee in considering positions on 49 bills of direct concern to retirees. Thirteen of these concerned residential care reform. Positions ("Watch, Support, Oppose") were taken on each. The remaining list of 12 was made available to the CSU-ERFA State Council on April 26. Topics included residential care, elder abuse prevention, and an initiative reform measure. We will keep you informed of any that require special attention during the remainder of the session.

CSU-ERFA Charitable Foundation Challenge Grant Successfully Matched

We are pleased to report that the $500 challenge grant to the CSU-ERFA Charitable Foundation announced in the last issue of *The Reporter* was a success. Donations totaling $550 were received during the challenge period.

The foundation still is in need of donations to permit it to continue its work supporting the research, scholarly, and creative activities of CSU-ERFA members through grant awards.

The CSU-ERFA Charitable Foundation is a 501(c)(3) organization. Donations in any amount from both CSU-ERFA members and the general public are always welcome.

Donations to the foundation generally are deductible from state and federal income taxes.

You may donate to the foundation by sending a check made out to the CSU-ERFA Charitable Foundation to CSU-ERFA, 18111 Nordhoff Street, Northridge, CA 91330-8339. Alternatively, members can choose to donate to the foundation monthly through a deduction from their CalPERS pension warrant.

A convenient donation form is available online at http://csuerfa.org/pdf/Donation-Agreement.pdf.

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

Have you moved? If so, please report your new address to the CSU-ERFA office at the above address.

Address Service Requested

California State University
Emeritus & Retired Faculty Association

CSU-ERFA New Members

Fresno – Felton Burns, Cheryl A. Kershaw, Robert D. Merrill

Los Angeles – Marlene Zepeda

Pomona – Danette Ailene Cook Adamson

Sacramento – Gary S. Szydelko

San Francisco – Gregory A. Antipa

San Marcos – George Diehr*

* Denotes new lifetime member

CSU-ERFA Calendar of Events

August 14, 2014 - CSU-ERFA Executive Committee meets in Torrance.

August 29, 2014 - CalPERS mails ballots for three seats on the Board of Administration. First round of voting closes for three seats on the CalPERS Board of Administration on September 29, 2014.

October 18, 2014 - CSU-ERFA State Council meets at CSU Dominguez Hills.

November 7, 2014 - CalPERS runoff ballot packages sent, if necessary. Due back by December 8, 2014.

December 19, 2014 - CSU-ERFA research grant applications due.

April 27, 2015 - State Council meets at CSU Long Beach.

October 17, 2015 - State Council meets at CSU Fullerton.