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Health Benefits Report: Long Term Care Lawsuit Update, More....

By David Wagner, CSU-ERFSA Health Benefits Dir.

A belated Happy Groundhog and Valentine's day to all. We begin this new year with a number of carryover topics from 2022 that remain salient in 2023. An update on the status of each follows as do several new issues.

Long-Term Care Lawsuit Update. There is no new information on the status of settlement discussions in the Wedding Long-Term Care lawsuit. The latest public information is a court filing in October noting that the parties are still engaged in settlement negotiations. If discussions are not successful, a jury trial is scheduled for May 2023. Attorneys for both parties have repeated the caution that if you are a member of the class of policyholders covered by the lawsuit and terminate your participation in the plan, you could be excluded from a settlement or trial judgment.

CalPERS Requests for Proposals. CalPERS has initiated the required process for contracting with a pharmacy benefit manager (PBM) as well as completing a request for proposals for health care providers to provide health plans to members. OptumRX is the current PBM on what was initially a three year contract that was extended an additional two years due to the Covid pandemic.

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Legislative Report: CalPERS Investment History, Current Issues

By Robert Girling, SSU, CSU-ERFSA Legislative Dir.

Created in 1932, the California Public Employees' Retirement System (CalPERS) has grown into the nation's largest public pension plan. With a membership of more than two million workers and beneficiaries, the $460 billion pension plan covers all state workers, CSU employees, judges, and retired legislators (those elected before 1990).

Since 1937, the state has allowed local public agencies and school districts to contract with CalPERS to administer retirement benefits. Though CalPERS covers only half of all government workers in California, it often leads the conversation on pension policy and benefit changes and receives the bulk of attention from policymakers. Serving 2,892 public agencies and school districts, CalPERS may be the most complex retirement system in the world.

During a weak economy that cut into state revenues in the early 1990s, Governor Pete Wilson proposed using $1.6 billion from CalPERS' accounts to help balance the state budget, and a compliant legislature passed AB 702. Opponents including CSU-ERFSA reacted with Proposition 162, overturning the provisions of AB 702, blocking in the future what they considered "raids" on the pension fund, and

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From the President...

Dear Colleagues,

I hope you all had an excellent holiday and are looking forward to a happy and healthy 2023. For many of us, we are fortunate in avoiding the extreme weather conditions being faced in other parts of the country and the conflicts occurring in other parts of the world. For those of you who live in northern California or by the coast or rivers, I hope that you have escaped most of the flooding and/or wind or mud damage that has been highlighted on the news.

Recently, I have been having difficulties with sleeping through the night and have resorted to television and melatonin to put me back to sleep. I am struck by the misleading advertisements being shown on TV at this time. Here are a couple of examples that come to mind. A few companies state that there is a limited supply of the item available and claim "once the item is gone, it is gone." Of course it is, but that does not mean that they do not have more to sell you. This reminded me of the TV show about house flipping in San Antonio where talked about the flipper "who drove into town on his last tank of gasoline." Clearly, it was his last tank of gasoline since he reached his destination. Both claims are true, but they give the impression that there is a shortage of inventory for the item, or the flipper had overcome long odds to be successful.

Perhaps the creepiest ad that I have seen recently on TV is for *Coventry Direct*, a company that buys life insurance policies from individuals in anticipation of the insured dying (hopefully early) and Coventry Direct's being able to cash in the policy. In the commercial, a couple are bemoaning their lack of cash, and a couple of miners living in the dirt under the house are criticizing the couple for not selling their life insurance policy to get additional cash. What I find especially creepy about this ad are that there are tiny people living under one's house monitoring conversations, and they cannot be heard by the home's residents – a new take on "Big Brother is watching you." I do wonder what advertising agency thought this might be a good way to encourage people to sell their life insurance policies. In a way they reminded me of the old Anacin commercials where there was a loud banging voice saying "Feel better fast" which, if you did not have a headache, you would after listening to this commercial. I guess one can say that this is, in a sense, progress.

I recall seeing department store advertisements claiming, "lowest prices of the season," but they would never define what season they were talking about.

An interesting table in the February 2023 issue of Kiplinger's Personal Finance titled "When a Sale is Not a Sale" lists 25 major retailers and classifies sales as "Usually Misleading," "Often Misleading," "Sometimes Misleading," and "Legitimate Markdowns." Data were based on *Consumers Checkbook*.

In the "Usually Misleading" category were: *Amazon*, *Williams Sonoma*, *Nordstrom*, *Old Navy*, *Gap*, *Banana Republic*, *Dick's*, *Wayfair*, and *Foot Locker*.

In the "Legitimate Markdowns" category were *Apple*, *Costco*, and *Bed Bath & Beyond*.

Barry

Don't Lose Your CalPERS Long-Term Care Policy

If you received a letter in November or December that there was an administrative error that resulted in part of your increased policy premium not being deducted from your monthly pension check, that letter is REAL.

If you do not remit the requested additional premium, you risk forfeiting your long-term care policy.

If you have questions, call LTCG Customer Service at 1-888-877-4934, Monday through Friday, 8 a.m. to 5 p.m. Pacific time.

For more information, see the Health Benefits article starting on page 1 and continuing on page 9.

Pre-/Post-Retirement Concerns: Here's a Jolt!

By Tom Donahue, SDSU, Chair, Pre-/Post-Retirement Concerns Committee

We all remember that on the first day of our employment when we signed our papers with the CSU, we made a choice of the CalPERS pension program that we hoped to leave for our spouse. Most of us chose the program which provided the same stipend for our survivor that both members of a married couple enjoyed before the passing of the first of the two people. And of course we trusted that the special provision would work out as we originally planned.

But at present word has come that the original plan doesn't always work out. There are reports that after the passing of the first person in a couple with the same stipend plan, CalPERS recently has sent a form letter that presumes that the original member made no provision for a survivor and now demands that the survivor return all of the pay warrants sent since the death of the spouse. At this point, the victims in this case are three widows whose husbands were the original signers to the CalPERS documents at the time of their hiring. This news of course arrives just when the surviving person is presently suffering profound upset and grief.

It is difficult to know what to make of this, and whatever one decides, it is also difficult to stay neutral toward CalPERS. Some people believe there is a problem because the time at which one chooses the specific retirement program has changed over the years. Some believe that CalPERS has not notified members of the changed time in order to disqualify members and save money.

The most generously-disposed conclusion is that CalPERS is just sending the wrong form letter. The president and vice president of CSU-ERFSA have sent a letter of protest and remonstrance to CalPERS in the hope that they would remedy this mistake at once.

A reply to this letter on January 27, 2023 from the assistant division chief of the CalPERS Disability and Survivor Benefits Division promised to conduct an inquiry into this matter.

At the same time we want to hear if other persons have been affected by this blunder upon the part of our pension provider. If you have a story to tell, please address it to the President of CSU-ERFSA at csuerfsa@csun.edu.

Letter to the Editor

To the editor:

In response to the dental item in his President's message in the latest *CSU-ERFSA Reporter*:

My dentist lives in Oakland, and he, too, has dropped Delta Dental. As he explained to me, Delta Dental hasn't increased its reimbursement in many years, and he can't go on with the Delta Dental rates, which he has to accept if he continues to get the reimbursement. Instead, we pay him for his services directly. After that, he's chosen to continue submitting to Delta Dental, but the reimbursement (or partial reimbursement) comes directly to me, the patient, in due course. That "due course" can be several weeks.

So I pay more, and I wait to get some of that money back. It's not ideal, but I understand the problem.

Also, I don't think this is entirely a Humboldt problem. I suspect it's going on across the state and I'm just lucky to have a dentist who'll still do the paperwork. Otherwise, patients have to get receipts and proof of payment and submit reimbursement requests themselves.

Aline

Aline Soules
Meditation on Woman, https://amzn.to/2CHEhst
Evening Sun: a Widow's Journey, https://amzn.to/2OTFXVE

Campus Affiliates: Share Your News

CSU-ERFSA is eager to hear all about what your association is doing! When you have a date set for any of your activities, events, and programs, please send brief information to Mark Shapiro (mshapiro@fullerton.edu). He will post the information on CSU-ERFSA's web calendar and on the page where CSU-ERFSA and campus affiliate events are listed. Having systemwide information posted on the web helps CSU-ERFSA gain a clear view of affiliates' activities, gives greater visibility to campus associations, and helps connect affiliates who want to share ideas or launch similar programs or events.

Half Price Membership in CSU-ERFSA

CSU-ERFSA's half-price membership deal is continuing until June 30th of this year. You will be joining the only association solely dedicated to supporting and improving CSU retiree benefits. All CSU retirees are eligible for membership. For more information on this deal, see: https://tinyurl.com/2s3c8hu4

DETAILS: Send your check to CSU-ERFSA, 18111 Nordhoff St., Northridge, CA 91330-8339 in the relevant amount below. Please send your name, email, phone, CSU campus and department retired from, and the date you retired. Half-price is valid for 12 months from the date received. Thereafter, you pay at the normal rate.

Gross Monthly CalPERS Benefit	Dues for the First Year
Less than $3,000	$30
$3,001 - $3,600	$36
$3,601 - $4,300	$42
$4,301 - $5,300	$48
$5,301 - $6,300	$54
$6,301 and above	$60
Donor Member	$66 and up

SEP, SAR-SEP, and SIMPLE IRAs

By John G. Kilgour, CSU East Bay

An earlier article in *The Reporter* (November 2022) examined traditional and Roth Individual and Roth Individual Retirement Accounts (IRA). This paper completes the picture by examining Simplified Employee Pensions (SEP) IRAs, Salary Reduction SEP IRAs (SAR-SEP), and Savings Investment Match Plans for Employees (SIMPLE) IRAs.

Employee-established traditional and Roth IRAs are larger by far than these alternatives. Traditional IRAs are owned by 36.6 million U.S. households (28.2% of all households) and Roth IRAs by 27.3 million households (21.0%). In contrast, employer-established SEP, SAR-SEP and SIMPLE IRAs combined are owned by only 8.6 million households (6.6%). It should be noted that these data are not additive. Many households owning IRAs own multiple types of IRAs.

SEP IRAs. SEP IRAs were created by the Revenue Act of 1978. While available to businesses with any number of employees, SEP IRAs appeal to a small business with few or no employees. Employers have discretion as to whether to make contributions or not. Contributions may be the lesser of 25% of compensation or $61,000; however, they must be the same percentage of income for all eligible employees. Participant (employee) contributions are not allowed.

Eligible employers include businesses of any size, for-profit and not-for-profit organizations, and governmental entities.

An eligible employee is anyone age 21 years or older who has worked for the employer for three out of the past five years. Excluded employees are anyone with annual earnings of less than $650 in 2022, union members covered by a collective bargaining agreement with a pension plan, and nonresident aliens with no U.S. income.

For self-employed individuals, compensation is based on self-employment income minus deductible plan contributions and 50% of self-employment taxes paid.

SAR-SEP IRAs. SAR-SEP IRAs were created by the Tax Reform Act of 1986. They were a type of retirement plan offered by small private-sector employers with 25 of fewer employees. They allowed such employees to make pre-tax contributions to IRAs through salary reduction agreements (SRA).

SAR-SEPs are no longer issued. While no new SAR-SEPs were created after January 1, 1997, existing plans were allowed to continue, and employers with active SAR-SEPs were allowed to “grandfather” new employees into existing plans providing they continued to meet certain requirements. In addition to the 25-or-fewer employee limit, at least 50% of eligible employees must choose to make contributions and the elective deferrals of highly-compensated employees (HCE) must meet SAR-SEP deferral percentage limitations.

Given the propensities of many small business to go out of business and of those that don’t to grow beyond the 25-employee limit, and the existence of the more popular Section 401(k) plans and SIMPLE IRAs, it is safe to conclude that there are few SAR-SEPs remaining.

SIMPLE IRAs. SIMPLE IRAs were created by the Small Business and Job Protection Act of 1996 (SBJPA). They are available to employers with up to 100 employees and, importantly, to self-employed individuals and couples. They allow employers and employees to jointly make contributions.

There is no employee age limit. However, to qualify an employee must have received al least $5,000 in compensation from the employer in two previous years and is expected to earn $5,000 or more in the current year must be allowed to participate. That pretty much ensures that participants are at least 21 or older. The employee makes a salary reduction agreement that authorizes the employer to deduct the contribution from the employee’s salary and direct it to the SIMPLE IRA. That means that the employee contribution is made with pretax dollars. When the contribution and its earnings are withdrawn as retirement benefits, they are taxed as ordinary income.

In 2022, an employee can contribute up to $14,000 to a SIMPLE IRA. If age 50 or older, an additional $3,000 catch-up contribution is allowed for a total of $17,000.

An employer may make matching contributions to a SIMPLE IRA. If the employer chooses to make matching contribution, it can contribute up to 3% of the first $350,000 in income. That would be $10,500 ($350,000 X .03 = $10,500). However, the same percentage must be applied to all participants. Of course, very few employees earn anything like $350,000 per year.

I could find no data on the subject, but I know that that SIMPLE IRAs are popular among self-employed individuals. Married couples who are partners and filing jointly can each contribute the maximum to a SIMPLE IRA.

An employer can reduce its contribution percentage to as low as 1% in two out of five years.

I don’t think a SIMPLE 401(k) plan would be allowed in place of a SIMPLE IRA. They are quite similar, but not identical. Section 401(k) plans may be the subject of a future article.

Pocket Calendar

The pocket calendar is currently being sent ONLY to those who have opted in - please notify the office at the email, phone, or address on page 2 if you would like to continue receivng the calendar.

However, if you have opted in already, you do not need to opt in again. You will remain on the list to receive the calendar.

ASCSU Report: Budgeting, Enrollment Decline, Transfer

By Jerald Schutte, CSUN, Emeriti Academic Senator

The first meeting in 2023 CSU (statewide) Academic Senate was held on January 18th and 19th. The meeting continues to be held virtually pursuant to a last-minute and somewhat controversial survey of senators conducted during December 2022.

The two-day plenary saw reports from Chair Steffel, Faculty Trustee Sabalius, the five standing committees (Faculty Affairs; Academic Affairs; Fiscal and Governmental Affairs; Academic Preparation and Educational Programs; and Diversity, Equity, and Inclusion) as well as non-standing committees (General Education Advisory Committee, California State Student Association, and the Emeritus and Retired Faculty and Staff Association).

The plenary was joined by Interim Chancellor Koester, EVC Alva, Trustee Chair Fong, and Trustee Faigen, and CFA President Toombs, as well as Gina Smith and Leslie Gomez from Cozen O'Conner.

Governor's Budget Proposal. Four themes dominated those presentations and discussions. First was the governor's budget. Chancellor Koester reported that while the CSU asked for a $530 million increase in reoccurring funds and $1.3 billion in one-time funds, the January governor's budget limited CSU fund increases to the Compact promise of a 5% raise in state general funds ($227 million), while his one-time fund allocation of $404 million is to be shifted to a CSU bond, with the $27 million per year to pay for such a bond to be included in the general fund increase. Clearly the governor's offer is less than half of what was asked for, and so with roughly $200 million in fixed cost increases, not including faculty or staff salary increases, there will be difficult decisions about what and where to allocate the remainder.

Enrollment Decline. This decision becomes more critical when addressing the second discussion over how to mitigate enrollment decline. Part of the compact with the governor was to increase enrollment by 5,000 students. In fact, the CSU has declined 7% overall this year (approximately 28,000 students). As a result, the CO will be implementing a "funding shift" through 2025-26, from the seven (mostly northern) campuses that have declined more than 10% to the campuses that are experiencing increasing enrollment. This controversial decision may also include movement of some Graduation Initiative 2025 money to fund declining enrollment mitigation.

Transfer, California Community College (CCC) Baccalaureate Programs. The third topic of discussion concerned the effects of the AB 928 and AB 927 legislation. Since AB 1460 requires a lower division course in ethnic studies to qualify for an Associate Degree for Transfer (ADT), and AB 928 is to provide a common pathway for that transfer from the CCC to the CSU and UC, there has been frustration from CCC faculty who are sending model curricula for such a course to be approved by the CSU, and yet the Statewide Ethnic Studies Committee has been rejecting many of them. The discussion continues and the Inter-Segmental Committee of the Academic Senates (ICAS) is being asked to resolve the controversy. Moreover, there is still dissensus over AB 927: several of the proposed CCC baccalaureate programs have not been approved by the CSU, while the CCC appears to be implementing them, notwithstanding the provisions of AB 927 requiring agreement.

Consultation With Cozen O'Connor re Title IX. The fourth topic of discussion concerned the Title IX consultation with the firm of Cozen O'Connor. Within their attempt to visit each campus, there has been much faculty angst over key groups (e.g., faculty and student groups), being ignored. This consultation was spawned by the controversy over Chancellor Castro's removal due to questionable decisions concerning a member of his staff and the Title IX complaint launched against him. The final report is to be delivered this spring with recommendations on best practices to implement the federal Title IX law.

Resolutions. Finally 24 resolutions were introduced by the various standing committees. Nine had their second readings; 15 were first reading items. Those passed in second reading involved:

1) Suppot for the expansion of CSU doctoral programs,

2) Funding for summer legislative advocacy,

3) Request for increased funds for campus ventilation and purification systems,

4) Adopting a readable font for CSU reports,

5) Solidarity with the Iranian university community against the repression of Iranian women,

6) Support for the California Native American Graves Protection and Repatriation Act (NAGRPA),

7) Establishing a timely response to Campus Senate resolutions,

8) A call for employee justice, equity, diversity, and inclusion (JEDI) housing program, and

9) Systematic inclusion of preferred names and pronouns within the CSU.

The text of these nine passed resolutions can be accessed at the following address: https://tinyurl.com/mtaby96f

What Older Americans Need To Know About Taking Paxlovid

By Judith Graham, KHN

A new coronavirus variant is circulating, the most transmissible one yet. Hospitalizations of infected patients are rising. And older adults represent nearly 90% of U.S. deaths from covid-19 in recent months, the largest portion since the start of the pandemic.

What does that mean for people 65 and older catching covid for the first time or those experiencing a repeat infection? The message from infectious disease experts and geriatricians is clear: Seek treatment with antiviral therapy, which remains effective against new covid variants. The therapy of first choice, experts said, is

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CSU-ERFA Charitable Foundation Awards 13 Grants

By Marshelle Thobaben, CSU-ERFSA Grants Committee Chair

The CSU-ERFSA grants committee members are George Diehr (SM), Marshelle Thobaben, chair (Humboldt), and Don Wort (East Bay). We recommended that all thirteen proposals received in the current grant cycle be funded. The CSU-ERFSA executive committee concurred with the recommendation. The CSU-ERFA Charitable Foundation has awarded 95 grants for a total of $83,371 since 1997.

The following members were awarded a total of $6,000, the amount available this grant cycle:

Professor Eileen Barrett (CSUEB) is executive director of Project Rebound at Cal State East Bay. The goal of her project, *Booking It: Connecting Project Rebound Students through Reading*, is to facilitate peer and campus connections through the power of reading. The Project Rebound program provides formerly incarcerated students with access to campus and community services that help them achieve their academic goals, collaborate with peers, and work to replace the revolving door of the carceral systems. The grant will allow her to purchase books and supplies for the Rebound Library.

Professor William Belan's (CSULA) project is crafted carefully as a personal journey that began as the very unreal step-by-step deterioration of his cognitive abilities after a stroke, but after ten months this deliberate time has transformed his cognitive abilities into a rmarkable repair. His chronological dialogue, creeping from its quiet steady path, will be produced by Kindle Direct Publishing. His story has a warm encouragement to the retiree who may experience the "morning of a stroke," recognize the symptoms, and call for help.

Professor Lynne Schafer Gross (CSUFU) will use her grant to help pay for the research, writing, and booklet production for her musical, *See Where We Land*. She wrote the book, lyrics, and melody for the musical during the pandemic and is working with CSUF Music Department Adjunct Professor Geoffery Munger, who is completing the piano scores for the 17 songs. Once it has been workshopped and performed at CSUF, she will make her musical available to other CSU theatre and music departments.

Professor Jo Farb Hernández's (SJSU) grant will partially support expenses of the final stages of fact-checking, editing, printing, and binding for her book, *Singular Spaces II: From the Eccentric to the Extraordinary in Spanish Art Environments*. Professor Hernández is completing her 1,064-page encyclopedic publication to introduce and analyze the work of 99 Spanish self-taught artists-builders of unique "outsider" art environments. It will be published in 2023 by 5 Continents Editions of Milan.

Professor Michael L. Kimbarow's (SJSU) grant will help defray expenses to travel to the 2022 American Speech-Language and Hearing Association Convention to attend sessions that will

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If you are reading *The Reporter* online and would like to drop your paper subscription (i.e., read *The Reporter* online only) please drop the office a note - we maintain a mailing list of those who read *The Reporter* online and will add you to it. (The online notification is sent out as soon as we go to press, so you receive earlier accesss to the current issue.)

CSU-ERFSA New Members

Bakersfield – Jenny Zorn

Channel Islands – Karen A. Jensen
Richard R. Rush

Dominguez Hills – Maria Avila
Fahimeh Rezayat

Fresno – Gary P. Gilroy
Jean M. Millar
Dennis Nef
Christine A. Villareal (aka Maul)

Fullerton – John Hart
Dru Maurer
Gregory Yorba

Humboldt – Sarah B. Whorf

Long Beach – Neena Chawla
Adriana E. Verdie de Vas Romero

Los Angeles – William M. London
Deborah L. Schaeffer

Northridge – Timothy W. Fox
Pamela Perez
Tovah Sands
William M. Stratford

Northridge/Long Beach – Cynthia Schlesinger

Pomona – Marybeth Murray

Sacramento – Daniel W. Okada

San Bernardino – Tobi Adams (Associate)
Glenda Crawley
Kathie L. Pelletier

San Diego – Cezar Ornatowski
Janusz Supernak

San Francisco – Vinay Shrivastava

San Jose – Deborah Bolding
Alison F. C. Bridger
Claire Komives
Evelyn Merritt
Laura Roden
Swathi M. Vanniarajan

San Luis Obispo – India D'Avignon
Manocher Djassemi
Ray Fernando

Sonoma – Douglas J. Jordan
Howard John Kornfeld

Stanislaus – Dana Reneau
Marjorie Sanchez-Walker

CSU-ERFA Charitable Foundation Funds 13 Grants

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inform integration of current research into the revision of his textbook, Cognitive Communication Disorders (4th ed), as well as to meet with researchers and book contributors.

Professor Christopher T. Kondo's (CSUFU) grant will partially support travel to multiple CA regions to interview CSU retirees and longevity researchers for a 20 – 30-minute documentary. Professor Kondo intends for his film, which will examine "best practices" in extending the period that CSU retirees enjoy good health and well-being following retirement, to have broad, general appeal.

Professor Alexis Krasilovsky's (CSUN) grant will help her complete the pitch deck and legal paperwork necessary to submit her feature-length screenplay *Tuki the Tiger* to producers and apply to screenwriting festivals. Her screenplay is an animated children's feature about a young Bengal tiger who fights to reunite her family against a backdrop of poachers, a cyclone, and the Bangladesh Liberation War.

Professor Joan Melton's (CSUFU) grant will help defray the costs of staff, workplace, supplies and materials for her research project: *Voice-Movement Onstage and Off, for Performers in Theatre, Music, and Dance*. Her research is designed to compare responses to voice-movement training from professional actors, singers, and dancers after a brief period of training. Findings from her research may make significant contributions to the training curricula and practical skill sets of actors, singers, and dancers, and may have a positive influence on performer experience across a range of genres and performance media. She has authored three textbooks.

Professor Robert S. Mikell's (CSUFR) grant will help defray costs to travel to New Orleans, LA. to work at the Hogan Jazz Archive, Tulane University, the Times-Picayune Archive, and the New Orleans Jazz Collection where the primary sources of *Peter Davis, the Music Master of the Great Louis Armstrong*, are located. The purposes of the project are to examine the relationship between Louis Armstrong and Peter Davis as student and teacher at the Waifs Boys Home, to explore the life of Peter Davis as an unsung hero in New Orleans, and to identify and discuss the accomplishments of selected students who studied music under Peter Davis and the potential impact that Louis Armstrong might have had on their contribution to music.

Associate Professor Emerita Colleen Nevins (CSUCI) grant will partially pay the expenses of a statistician for her exploratory research project, *Self-Care Practices of Nursing Faculty Teaching in Baccalaureate Programs*. She will explore self-care practices in nursing faculty pre-, during and post-pandemic. She will query nursing faculty from the CSU campuses teaching in undergraduate baccalaureate nursing programs to identify faculty self-care practices, their influence as role models in self-care and promotion of self-care practices with nursing students.

CSU-ERFSA encourages members involved in research and creative projects to apply for a grant. The small grant program is competitive, with past awards ranging from $100-$1,000. Applications and guidelines can be downloaded from the CSU-ERFSA Grant Awards Program web page, by calling the CSU-ERFSA office at (818) 677-6522, or, by emailing your request to csuerfsa@csun.edu. Applications are accepted from July 1-Oct. 31.

Lecturer-Emerita Evelyn Jean Pine (SFSU) grant will allow her to visit the National Atomic Testing Museum (NATM) and Nevada Test Site (NTS), key locations to gather further information for her play, *RadioActive Daughter*. She will tour these highly secretive U.S. Government sites to do further research about these specific sites at a specific historical moment. The play is the story of a young female Egyptian nuclear scientist invited by the U.S. Government at the end of World War II to learn about the peaceful uses of the atom.

Professor Art Shulman's (CSUN) grant will partially cover marketing or production expenses for his play, *Being 80: Am I Too Old To Change?*, a comedic monolog, but also serious in parts. It provides a look at what life is like for him and can be now that he's turned 80 and retired. So, now, should he change from what he is/was? It will be performed at a local (Los Angeles) theater later this year. He has produced 25 full-length plays and over 50 one-act plays. They have been performed all over the US and Canada.

Professor Terence Young's (Cal Poly Pomona) grant will fund travel expenses for him to work at the U.S. National Archives and Record Administration's (NARA) storage complex in College Park, Maryland, to identify, photograph, and begin the analysis of the primary documents related to an *Interior Department plan-The African Student Program: 1961-1969*, his research project. He plans to evaluate the Kennedy and Johnson Administration's efforts to promote the preservation of protected areas in Africa through a version of "soft diplomacy" typical of the Cold War era. His research will result in his third of at least four articles analyzing the historical geography of international cooperation by USNPS. He plans to submit his manuscript to the Journal of Historical Geography where he has previously published.

Yvonne Walker Wins Retiree CalPERS Seat

Yvonne Walker is the winner of the runoff election for the retired member seat on the CalPERS Board of Administration. Walker won 64,553 votes, or 56.9% of the votes cast from November 4 to December 5, 2022. Randall Cheek of the Retired Public Employees Association (RPEA), endorsed by CSU-ERFSA, won 48,900 votes, or 43.1%. The turnout rate was 17.2% of the 660,000 retired members eligible to vote in the election, which although low compared to state and national elections, compares favorably with other CalPERS elections, where turnouts have been as low as 6-7% in the past.

Put and Call Options

By Barry Pasternack* and Mark Stohs,** CSU Fullerton

We plan to share general advice about investing after retirement during the next several issues of *The CSU-ERFSA Reporter*. Barry worked in financial planning in the past, and Mark was a finance professor for 28 years. As a disclaimer, neither of us is a currently registered financial planner or advisor, so decisions you make in the end are your own. Our goal is to provide ideas for thought. Should you have any topics for us to explore, please feel free to email either of us at bpasternack@fullerton.edu or mstohs@fullerton.edu. Below, when "we" is used, it may be one or the other, or both of us.

In this article we consider a few investment alternatives to common stocks and bonds, all related to the idea of options.

Options in life are valuable. For better or worse, companies now realize this and often charge extra for options associated with the products we purchase. The simplest financial options are the put and call options. We would purchase call options when we are optimistic about the future price of a stock, and a put option when we believe the price will fall. An option-like good that exists throughout our lives, and also for many individual events such as a vacation or a flight, is insurance. It functions like a put option, in that it pays off when something goes "wrong." College students have many options when faced with performing poorly in a course, such as withdrawing, taking an incomplete, or dropping the course before stated deadlines. Are these valuable options for students? Of course. And again, these are like put options. Personal call options would be like making a deposit on a big ticket item, and then having time to research it in more detail or waiting to see whether the price of comparable goods increase before we have to decide.

Financial options have existed for almost 150 years. A call option gives its owner the right to purchase (CALL AWAY) shares of a particular stock at a set price over specified amount of time, usually in months, but extending to over a year. Naturally, longer–term options cost a lot more. A put option gives the owner the right to sell shares at a prescribed price.

Information for options can be viewed easily on financial websites, though CNBC is particularly easy. Use the search function for a company, Intel (INTC), then look for the 'options' link. The following picture/chart is from CNBC for Intel's calls on February 10, 2023. Intel's market price at that time was $27.74/share.

Feb23							
Calls							
Symbol	Last	Chg	Low	High	Volume	Open Interest	Strike Price
INTC2317B15	13.33	0.00	--	--	0	22.00	15.00
INTC2317B16	12.86	0.00	--	--	0	15.00	16.00
INTC2324B16	0.00	0.00	--	--	0	0.00	16.00
INTC2317B17	13.30	0.00	--	--	0	0.00	17.00
INTC2324B17	0.00	0.00	--	--	0	0.00	17.00

These calls expire on February 23, about two weeks away. Assume that not much will happen to the market or to Intel's prices during those two weeks so that Intel's price on February 24 also equals $27.74. We can then calculate the gain to the call option owner who purchases on February 10. The current price of the first option listed, $13.33, along with the strike price (also known as the exercise price, $15.00), when added together equal $28.33, just above the market price/share of $27.74. These options enable the owners to purchase shares on February 23 for $15.00 each, yielding them a loss of $27.74 – $15.00 – $13.33 = – $0.59 per share. The percentage loss would be – $0.59/$13.33 = – 4.43%, which is close to a 100% annualized loss, for holding the option for just three weeks. Of note is the volume for this option, which equals 0 (zero), indicating that investors understand the likelihood of losing money by purchasing this option, and would most likely not purchase any shares today. Someone who believes that Intel's price will spike, say to $30/share by February 23 might just purchase some call options.

Since these call options stand to lose money, they are "out of the money." Options which would gain are in the money. One can see this by adding the price of the option to the strike price. For the option considered, the sum is $28.33, higher than the actual market share price of Intel of $27.74.

The table also indicates that there are 22 contracts of "open interest" and since each contract is for 100 shares of Intel, if all of the call options are exercised, 2,200 shares could be purchased by the owners of the call options. The open interest indicates options purchased in the past. Of course there are over four billion shares of Intel outstanding.

Put options function similarly, just in the "reverse" way. The owner of a put option gains when the final price of the stock on the exercise day is lower than the exercise price. For example, if the exercise price is $15, and the final stock price is $13, the owner of the put option will gain $2 per share. If the cost of the put option was for less than $2 per share, then the owner comes out ahead.

Financial options are big business, with Intel alone having over 150 call and put options listed. Almost 40 million option contracts are traded every day in the US. And trading in options can reap very large gains. Given such possibilities, why don't we all trade options?

(Continued on page 9)

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Health Benefits Report: Long-Term Care Lawsuit, Dental Insurance

(Continued from page 1)

The request for proposals for health providers occurs every five years. Among CalPERS' broad goals is to encourage competition, reduce drug costs, and increase preventative care. The results of this process could include the addition or loss of some health providers and the expansion or contraction of certain health services in provided plans. Periodic updates from CalPERS will help track progress on both of these processes.

Dental Insurance. Members have shared their concerns with the current retiree dental care program. Issues range from dentists leaving the plan to the low rate of reimbursement for increasingly costly dental procedures. Dental and Vision insurance are not CalPERS plans, but instead are offered to retirees by the CSU. Enrollment is voluntary. It may be helpful for retirees to shop the broader marketplace to see if there are plans that better meet their individual needs.

Long -Term Care (LTC) Premium Payment Error. In November, some Long-Term Care policyholders were informed by letter that there was an administrative error resulting in partial non-payment of increased policy premiums. The error was not CalPERS' but rather the Long-Term Care Group (LTCG) that administers the program. A follow up letter was sent by the LTCG in January if they had not received the requested payment. If you do not remit the requested additional November premium, you risk forfeiting your long-term care policy. If you have questions, call LTCG Customer Service at 1-888-877-4934, Monday through Friday, 8 a.m. to 5 p.m. Pacific time.

LTC Musings. A brief expression of frustration. In almost ten years of writing this column I have tried to avoid expressing editorial opinions on health benefit issues. However, the growing public concerns with how the CalPERS Long-Term Care program was established and managed cannot be ignored. In the midst of litigation there is little likelihood that CalPERS will undertake such a critical review at this time. Even a first year law student knows the potential legal risks of doing so. However, there are thousands of state retirees, including CSU-ERFSA members, who in good faith purchased LTC policies and expected that these insurance policies would cushion the financially crippling expenses associated with long-term care.

I have spoken with retired members who cannot afford the increasing premiums and have been faced with exiting the program or significantly reducing benefit coverage. The emotional and economic toll of this is clearly evident in our conversations.

Courts adjudicate issues based on statute and precedent and will determine CalPERS' legal obligations. Hopefully, the state will commission an independent review of how this situation was allowed to develop. All this will take time, which is a commodity some of our members do not have. Regardless of judicial action or legislative review CalPERS has a moral obligation to our most vulnerable retirees to immediately explore other avenues to redress this problem. For many retirees the clock is ticking!

Put and Call Options

(Continued from page 8)

The answer lies in the size of the market. With almost 10 billion options traded in the US alone each year, the market is very "efficient," meaning that if you think you know something (good or bad) about a company, so do thousands of other investors. As a result, it is very difficult to make money in the long–run by trading options. We know of very smart and well–informed individuals who have lost what most of us would consider to be fortunes by trading options. As a result, we do not recommend getting into trading options lightly. In contrast, experimenting with small amounts of money might prove to be very instructive.

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There are similar ways to trade stocks without using options. For example, if you tink the stock price of your favorite company is going to decline, you can sell a stock short, instead of buying a put option. You borrow the shares of the stock from your broker and sell the borrowed shares now in the hope of buying the shorted stock back later at a lower price. If the price does fall as you expect, your gain could conceivably be quite large. Of course, if the stock goes up in price, one would have to make up any shortfall due to the price increase. As a result, shorting a stock can involve potentially unlimited downside risk, in contrast to the maximum risk of only losing one's investment if you purchase a put option.

The types of options available are in some important sense limited only by one's imagination, and also by law. The whole field of financial engineering is devoted to creating new ways to earn profits and/or manage individual or corporate risk.

The options discussed so far are typically traded by individuals, not corporations. But corporations have many similar investment vehicles. One call option-like instrument issued by a corporation is a warrant, which provide the owner with an "option" to purchase a given number of shares.

Another corporate options like instrument is a convertible bond. These investments are like traditional bonds that pay a set interest (coupon) over a set maturity (term). The advantage these investments have over stocks is that they are a bit more secure than owning stock if the firm faces bankruptcy or liquidation (as they typically have a more senior call on the firm's assets) and the interest rate on the bond may exceed the dividend rate on the stock.

Good luck with exploring all of the optional ways of managing your investments!

Legislative Report: CalPERS Investment History, Current Issues

(Continued from page 1)

embedding in the state constitution a new level of authority that insulates CalPERS – and all other retirement boards – from legislative interference. Retirement boards since then have had exclusive jurisdiction over investment, administration and actuarial policies. The role of the state legislature, however, remains far from limited. The state still sets the parameters for benefits, retirement formulas, eligibility ages, and, in some cases, contribution rates.

CalPERS investments. Over the past year CalPERS investments sustained a loss of 6.1 percent, in contrast with its target return of a positive 6.8 percent. While the market for publicly traded stocks declined over 18 percent, the diversification of CalPERS' holdings served as a buffer against stock market volatility. Diversification is important since CalPERS pays out about $27 billion each year to retirees. CalPERS has a significant impact on the state's economy by way of the substantial value of pensions paid out each year.

Among the issues that concern us are CalPERS investments in private equity and fossil fuels. CalPERS has recently increased its investment holdings in private equity. Private equity investments can generate higher returns than traditional asset classes, which was indeed the case over the last decade. However, an article entitled "A Big Reckoning Starting for Private Equity and Its Public Pension Fund Enthusiasts" sounded an alarm as *Pitchbook* — the premiere news outlet for the private equity industry — declared that "private equity returns are a major threat to pension plans' ability to pay retirees in 2023." This is due to the explosion of investment in private equity funds, and while these funds do their own valuations, in contrast with publicly traded equities, it's widely acknowledged that private equity firms engage in various forms of valuation chicanery. So, whether the higher returns will in fact materialize is open to question.

The CalPERS investment team presented a report from its Taskforce on Climate Related Financial Disclosure highlighting several milestones achieved on the road to a reduction in the carbon intensity of its portfolio. As a member of Net Zero Asset Owner Alliance, the pension fund has set a target of net-zero financed emissions by 2050 and has reduced its holdings by more than 30% over the past seven years. A positive sign is that around $1 billion of the corporate credit portfolio is invested in companies designated as low-carbon solutions. And more than 51% of the infrastructure portfolio is invested in renewable energy, energy efficient infrastructure, sustainability-certified assets, and carbon-neutral assets.

CalPERS member Sara Theiss maintained that in view of the magnitude of the climate crisis, CalPERS needs to move much more speedily. She questioned why CalPERS is unwilling to use divestment as a tool to strengthen the financial stability of the fund, pointing out that "CalPERS is the second largest holder of fossil fuel expanders among members of the Net Zero Asset Alliance, with at least $6.7 billion in stocks and bonds, including coal developer holdings of $1.1 billion [while] there is a 'large consensus' across all published studies that developing new oil and gas fields is 'incompatible' with the 1.5 [degrees Centigrade] climate target."

Healthcare. CalPERS has been instrumental in securing reduced costs of drugs to members. This has been aided by the Biden Administration's policy of allowing Medicare to negotiate reduced drug prices with manufacturers. In addition, the state of California is investing in making its own low-cost insulin, and a non-profit company is hoping to market affordable insulin in order to undercut the prices charged by drug companies.

Finally, Yvonne Walker, who was just elected to the retiree seat on the CalPERS Board of Administration, said the LTC program is a "failed" program by CalPERS that has no easy solution. She said, repeatedly, that CalPERS should not be in the LTC business, and that CalPERS needs to figure out how to "break that off." She said that CalPERS needs to figure out how to help people who have paid into the LTC program, expecting to have something they could look forward to as they got older.

In Memoriam

Chico – Sylvia J. Johanns
Elizabeth Van Laan
Bruce L. Yoakum

Dominguez Hills – Merle M. Milfs

East Bay – Marilyn A. Oberg

Fresno – Hugh A. Williamson

Fullerton – Margaret E. Elliott
Keith T. Neilsen

Humboldt – Demetrios Mitsanas
Ellsworth D. Pence

Long Beach – Frank J. Alfieri
Lyle R. Creamer
Chi Y. Hu
Alton H. Smith

Los Angeles – John H. Dehardt
Nathan Horwitz

Northridge – Barnabas B. Hughes
Maja (Maria) D. Reid

Pomona – Charles A. Callaci
Alfred E. Noreen

Sacramento – Shirley G. Larson
Richard L. Morrison
Mohammed A. Raza

San Diego – Dan D. McLeod
John L. Polich

San Francisco – G. David Cahoon
Leon D. Cathey
Arthur C. Lathan
Jacob Needleman
Dorothy J. Petitt

San Jose – Gilbert Guerin
Evelyn M. Neufeld

San Luis Obispo – Don M. Morris

Sonoma – Lucy D. Kortum
Phyllis E. Schubert

Welcome

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Spring Book Recommendations

By Sherry Keith, Professor Emerita, SFSU

Building Community, Answering Kennedy's Call, by Harlan Russell Green. A Peace Corps Writers Book, 2022. Reviewed by Robert Girling (professor emeritus, Sonoma State University).

This memoir will take members of CSU-ERFSA back to the "good old days" when you might have been protesting the war in Vietnam or marching for Civil Rights before, during, or after finishing graduate school. *Building Community, Answering Kennedy's Call* certainly did that for me. The author, Harlan Green, joined the first wave of Peace Corps Volunteers in 1962 on the verge of graduating from UC Berkeley, with much uncertainty as to what his next step should be.

This was his lucky moment because the experience of trying to mobilize villagers in a remote Turkish village set a course for his life. In this brief but well written and engaging memoir, Harlan takes to Ishmet Pasha with neither electricity or running water in 1962. Fortunately, Harlan had learned basic carpentry skills with his father while growing up and through a sincere effort to learn the Muslim villagers' language so he could understand what they wanted, in addition to what he thought they needed, the tough experience yield results as well as path and philosophy he carried forward after completing the two year mission.

The story becomes increasingly interesting, and its significance is peeled back as Harlan Green returns to the U.S. to become involved in other social movements of the 1960s and 1970s. He studied film making in San Francisco and then was hired by the Environmental Protection Agency where he honed his camera chops on such issues as airplane safety and urban air quality in Los Angeles. An account of his later work as a filmmaker for Ceasar Chavez and the United Farm Workers in 1974 is especially compelling.

This is a quick yet serious read. It could never be called a "blast from the past" because of the depth of the author's commitment to bringing positive change into our world. It would be inspirational for undergraduates. I wished momentarily for a syllabus that I could include *Building Community, Answering Kennedy's Call* as required reading.

The Family Roe: An American Story, by Joshua Prager. Reviewed by E. Kay Trimberger (professor emerita, Sonoma State University.)

Journalist Joshua Prager wrote this timely and important book (a finalist for the 2022 Pulitzer Prize) tracing the lead up and fifty year aftermath to the 1973 Supreme Court decision making abortion legal. For over a decade Prager spent hundreds of hours with Jane Roe, white, working class Norma McCorvey (1947-2017), her three daughters (all put up for adoption) and other members of her extended family, including her long-time partner, Connie Gonzales. For a man to have won these women's trust is a great achievement. Prager discovered a cache of Norma's private papers that permits him to better follow Norma's story as over the years she goes from pro-choice to pro-life and then feels disillusioned and used by both sides. Joshua himself becomes part of the story as he helps reconnect the daughters to each other and attends their reunions and Norma's funeral.

But this is not just a family story. Prager focuses on the lives of three other participants in the struggles: Linda Coffey, who filed the original Texas lawsuit and now lives in obscurity; Curtis Boyd, a former fundamentalist Christian, today a leading provider of third-trimester abortions; and Mildred Jefferson, the first Black female Harvard Medical School graduate, who became a pro-life leader. Prager embeds these personal stories in the organizational history of both sides based on his careful reading of the feminist and pro-life literature and their academic interpreters. Although he makes clear that he is pro-choice, he presents the other side in an unbiased way. While *The Family Roe* reads like a detective story, the many pages of footnotes, bibliography and index will impress the academic. Even if you think you know this history, you will learn a lot.

CFA Report: 2023 Priorities

By Jay Swartz, CSU-ERFSA Liaison to CFA

Our California Faculty Association colleagues have just wrapped up their spring kickoff sessions, armed with new energy toward their triad of fundamental principles, those of rights, respect and justice.

Toward that end, the union's bargaining team is prepping for contract reopeners and they're focusing on the full array on the menu, from salary to benefits to campus climates.

With Gov. Newsom rejecting two key issues with a surprise veto late last year, CFA is doubling down with an array of supporters advocating for the following:

- CFA's proposed parental support bill that Governor Newsom vetoed last session;
- A bill that would have eliminated the Teacher Performance Assessments as a high-stakes assessment for teacher credentialing, which the chair of the Assembly Education Committee failed to hear last session;
- A CALPERS authored divestment from fossils fuels bill, which passed the Senate, but the chair of the Assembly Public Employment and Retirement Committee refused to hear;
- A bill to require the Commission on Teacher Credentialing to convene a statewide task force to develop recommendations for creating an Ethnic Studies credential for K-12 teachers;
- A bill to award grants to teaching credential candidates while they are student teaching;
- A bill to limit law enforcement's ability to use minor traffic infractions to conduct racially biased pretextual traffic stops, which CFA contends undermines community safety.

Finally, the CFA legislative action teams statewide plan to converge on the capital April 24-26 once more to lobby and advocate their strongly held views at the statehouse.

**CALIFORNIA STATE UNIVERSITY
EMERITUS AND RETIRED FACULTY
AND STAFF ASSOCIATION**
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Personal / Professional

Prof. Steven Brydon (Chico) has published *American Propaganda from the Spanish-American War to Iraq: War Stories* (Lexington Books, 2021).

Brydon argues that many of these wars were fought based on false or misleading narratives, beginning with blaming Spain for the sinking of the Maine and continuing, most recently, with charges that Saddam Hussein had weapons of mass destruction and was involved in the terrorist attacks of September 11. Research has shown that well-told stories can affect the public's beliefs, attitudes, and actions, and Brydon has identified some of these recurring stories that have been told to support and sustain each war during this time period. Brydon critically evaluates these "war stories" to determine if they possessed narrative coherence and fidelity that provided good reasons to go to war, rather than simply the appearance of these qualities. The responsibility, Brydon stresses, is on the media and on academics to view future war narratives through a critical lens, in order to best inform the American people.

CSU-ERFSA Calendar of Events

CSU-ERFSA State Council - Meeting is via Zoom on Thursday, April 27, 12-3 p.m.

CSU-ERFSA Executive Committee - Summer meeting, via Zoom, date to be determined, most likely in August.

Taking Paxlovid

(Continued from page 5)

Paxlovid, an antiviral treatment for people with mild to moderate covid at high risk of becoming seriously ill from the virus. All adults 65 and up fall in that category. If people can't tolerate the medication — potential complications with other drugs need to be carefully evaluated by a medical provider — two alternatives are available.

"There's lots of evidence that Paxlovid can reduce the risk of catastrophic events that can follow infection with covid in older individuals," said Dr. Harlan Krumholz, a professor of medicine at Yale University.

Meanwhile, seniors should develop a plan if they should get covid. Where will you seek care? What if you can't get in quickly to see your doctor, a common problem?

You need to act fast since Paxlovid must be started no later than five days after the onset of symptoms. Will you need to adjust your medication regimen to guard against potentially dangerous drug interactions?

For more information, see the full article at Kaiser Health News, https://tinyurl.com/48ryv49c