



Publication of the California State  
University  
Emeritus and  
Retired Faculty  
Association

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# Jones Wins, to Speak at State Council April 19, 2008 at LAX

Henry Jones won the runoff for the CalPERS Retired Member Board seat and will speak at the CSU-ERFA State Council Meeting on April 19, 2008. The meeting will be held in Los Angeles, at the LAX Crowne-Plaza hotel.

Jones, a retired chief financial officer formerly employed by the Los Angeles Unified School District, was in a runoff election with Perry Kenny, a former tax consultant with the California State Board of Equalization. Jones received 51.7% of the votes; Kenny received 48.3%. 124,112 valid ballots were cast.

Another 1,245 ballots were invalid, mostly because the signature was missing from the back of the envelope or the ballot was

mailed too late. 31.6% of the 396,937 CalPERS members eligible to participate in the election voted.

Jones replaces incumbent Robert F. Carlson, who is retiring from the Board after a total of 37 years. The 13-member Board has six members elected by various segments of the CalPERS membership. The State Controller, State Treasurer, and Director of the Department of Personnel Administration are ex officio members. The Governor appoints two members, the Assembly Speaker and Senate Rules Committee jointly appoint a member, and the State Personnel Board appoints a member.

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# Public Employee Post-Employment Benefit Commission Reports

The California Public Employee Post-Employment Benefits Commission reported in January 2008 after a year of hearings and testimony around the state. The commission, led by Gerald Parsky, UC Regent and lawyer, released a lengthy report with over 30 recommendations for improving the funding of post-retirement benefits. The primary emphasis of the report is on pre-funding post-retirement benefits.

Parsky, in the preface to the report, emphasized that "each public agency in California faces different funding constraints, personnel needs, and organizational purposes. A one-size-fits-all approach is neither appropriate nor practi-

cal." The commission therefore did not recommend any statewide changes to retirement formulas and retirement ages, stating that "these components of benefit design are bargained and determined at the local level."

At the same time, the commission did recommend identifying and pre-funding financial obligations for retirement benefits, limiting contribution volatility from one year to the next, increasing transparency and accountability, improving plan design and communication with employees, providing independent analysis, and strengthening governance.

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**CSU-Emeritus and  
Retired  
Faculty Association**

**Executive Committee  
2007-2008**

Donald O. Dewey (LA)	President
Dieter Renning (ST)	Vice President
Judith Stanley (EB)	Secretary
Donald Cameron (NO)	Treasurer
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Robert O. Bess (SA)	At large
Milton Dobkin (HU)	At large
Iris Shah (NO)	At large
Frieda Stahl (LA)	At large
Ted Anagnoson (LA)	Reporter Editor
Mark Shapiro (FU)	Webmaster
Donald Cameron (NO)	Acting Executive Director

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Robert O. Bess (SA)	Legislative Affairs
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David Quadro (FR)	Membership
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## From the President

**Primary Election.** Thankfully we have passed our first fiscal crisis of the year. When they rejected Proposition 92 on Super Tuesday, California voters refused to limit state funding for the CSU and other segments of government still further by locking into the Constitution large amounts of the budget for Community Colleges.

**State Budget.** Cranking up for an even greater threat, the CSU-ERFA Executive Committee in February unanimously approved a resolution urging the Governor, Legislature and academic leaders to proceed with careful reflection rather than rush headlong into slash and burn measures in the state budget.

The committee also voted unanimously to enlist in the thankfully unified campaign of the Chancellor, Trustees, Academic Senate and California Faculty Association to cooperate in the achievement of responsible long-range goals.

I urge that you all read these resolutions, spread their wisdom widely among your associates, and participate in any way possible with the united campaign.

If you read this in print too late to feel that you can have an impact, this should be an inspiration for you to check the CSU-ERFA website that has already been updated as I write this admonition "for the record." Our resolutions are also available on Listserv (an email list for periodic notices, perhaps once a month), and you will have received it if you have authorized us to add your email address for Listserv purposes -- and if not, why not? Surely budget discussions will continue well through the summer.

Emeritus and Retired Faculty are highly qualified to speak with authority on these issues because our salaries are not at stake. Thus we are selflessly advancing an expression of respect and commitment for the California State University, for what it has always been and what it should continue to be, rather than seeking any personal gain.

**CSUN and CSU-ERFA.** I had intended to devote this column entirely to the courtesies, good will and tangible benefits that CSU-ERFA receives regularly

from our host campus, California State University, Northridge. But our history is that budgets have a way of intervening. I hope that earlier presidents have from time to time formally expressed gratitude for this splendid relationship. This past year the CSUN campus has given still more evidence of its appreciation for retired faculty, both in the San Fernando Valley and throughout the state.

The earthquake of January 16, 1994 made such a shambles of the Administration Building that it was vacant for many years. After complete removal of the interior of the building and reinforcement to withstand any future earthquake, the building was renamed Bayramian Hall and was reopened to house several university departments.

The Association of Retired Faculty (called ARF but certainly no dog despite the tiny one that parades across its website at <http://www.csun.edu/arf/>) was assigned offices on the fifth floor. ARF then welcomed CSU-ERFA to a generous share of that space, just as they had through the many years when they were consigned to a temporary building across campus.

A goal since I became CSU-ERFA President was to schedule a meeting of the Executive Committee on campus. This was finally accomplished in February and left an appreciative committee with even more appreciation of our CSUN colleagues.

Further proof of this good will was demonstrated in December when we submitted a membership survey to help us with decisions on your greatest interests and needs. This was funded by a very generous donation from Milton Dobkin of Humboldt State, one of our earliest Presidents and still a member of the Executive Committee and chair of the Health Benefits Committee. ARF members volunteered to handle the mailing, which lessened the tax on Milt's wallet, still generous but less painful. Most reflective of our level of cooperation, some ARF members actually complained that their help had not been solicited.

Friends like these are friends indeed!

Don Dewey  
President, CSU-ERFA

# Editorial

## Is Death a Commodity?

You'd think so, if you were one of the growing number of older Americans who have sold their life insurance policy to an investor. There are signs in some senior centers in California - sell your life insurance and gain immediate cash! Any senior citizen who is thinking of selling his or her life insurance policy to an investor should be very cautious before doing so. We have taken the liberty of reprinting part of the warning from the California Insurance Commissioner's web site. To get the full story, go to <http://www.insurance.ca.gov/> and click on "STOLI or SPINLIFE Life Insurance Schemes."

"Seniors may find themselves being approached by investors or life insurance agents who encourage them to purchase life insurance that will be transferred a couple of years later to an investor. Often these sales pitches occur in a pleasant setting such as nice restaurant, or even on a yacht. The sales pitches can paint a tempting picture: the life insurance purchase itself is characterized as being "free," "risk-free" or "no-cost," and the senior is often promised an up-front cash bonus. These types of schemes are becoming increasingly common and are known as "Stranger Originated Life Insurance (STOLI)" or "Speculator Initiated Life Insurance (SPINLIFE)."

The California Insurance Commissioner is also aware of unscrupulous operators pitching "longevity survey" schemes. This is where seniors are paid a sum to fill out a "longevity survey" where their private medical information is divulged to unknown third parties. The Department of Insurance suspects that the latter are also used to purchase life insurance for investors who wish to wager on the senior's death.

An...important fact to keep in mind is that life settlements are not currently regulated by the California Department of Insurance. If the senior wishing to sell his or her policy has a life threatening illness, the buyer of the policy must be licensed by the California Department of Insurance. However, if the seller is not seriously ill, California does not currently have licensing requirements or restrictions on who can buy a senior's life insurance policy.

**Are STOLI or SPINLIFE Schemes Legal?** Under California law, any party purchasing life insurance must have an insurable interest in the person being insured....There thus is a great deal of uncertainty regarding whether these schemes meet the insurable interest requirement. In addition, California law prohibits executing insurance policies as "wagers" on people's lives. STOLI transactions may violate that rule. Further, as discussed below, STOLI transactions involve various risks to seniors....

**What Are the Risks Associated with STOLI and What Can Seniors Do to Protect Themselves?** Investor's Interest in the Death of the Senior - STOLI or SPINLIFE transactions involve stranger investors wagering on a senior's death. Once a "stranger" owns a life insurance policy on the life of the senior, that policy typically can be sold or transferred to another investor, this can occur multiple times. Think about it: do you want just anyone to have a financial interest in your early

**A note on editorials:** Editorials are the opinion of the author and do not necessarily reflect the opinions of CSU-ERFA or its leadership.

demise? The potential threat is underscored by the fact that some of these policies pay out in the millions once a senior dies. Even if the "Tony Soprano" scenario does not come to fruition, the insured must be comfortable with giving strangers access to their private medical information, and they will be subject to periodic contacts by the investors for the purpose of checking on the senior's health status. Again, the investors are betting on the senior's death and they'll want to know the status of the "maturity" of their investment.

**Potential Loss of Ability to Purchase Additional Life Insurance** - An individual has only a finite amount of "insurance capacity" on his or her life. Insurers will often decline to write additional insurance if substantial insurance already exists on an insured's life.

**Tax Consequences** - Seniors may suffer adverse tax consequences from a STOLI transaction. It is also important to keep in mind that life insurance payouts have traditionally enjoyed tax-free protection; this is not true of proceeds from a STOLI transaction.

### How can a senior protect him or herself?

**(1) It's best to remember the old adage, "if it seems too good to be true, it probably is."** Seniors need to be suspicious of slick marketing schemes involving "no-cost" life insurance and entreaties for seniors to "sell their valuable asset of insurance capacity." As we have seen, there are often profound, although hidden, costs. Remember, these schemes are typically marketed by agents who stand to make thousands in commissions, for the benefit of investors, who hope to enrich themselves when the senior dies. The purpose of life insurance is to protect your own interests; unless you have a legitimate need for life insurance to protect your dependents, steer clear of schemes involving the purchase of life insurance to be transferred to investors.

**(2) If you are not sure whether it could be a STOLI scheme, make sure to secure the independent advice of a trusted professional** (for example, your lawyer or financial adviser) of the personal, legal and financial consequences of the purchase of life insurance. Do not simply take the word of those who are trying to profit on your death....

**(3) As in all insurance applications, make sure you fill out an application for life insurance truthfully and completely.** Misrepresentations on an application for life insurance will give insurers a basis to rescind the policy. STOLI marketers prefer that insurers are kept in the dark about a senior's intention to transfer the policy, as this is a tip-off for a STOLI scheme.

**(4) Never, ever agree to give up private confidential medical information** without first consulting with a trusted independent advisor and determining exactly what the party intends to do with the information.

**(5) ) If you believe that you have encountered an improper STOLI scheme, please contact the Department's Consumer Hotline at 1-800-927-HELP (4357)."**

--Ted Anagnoson

# CalPERS Health Benefit Report

By David F. Humphers

## The Governor's Health Care Reform Bill

While Governor Schwarzenegger's health insurance proposal (AB1X) has been rejected by the Senate, I comment because the Governor appears to have the ability to resuscitate failed issues that provide great "talking points." In my view, AB1X was mislabeled as a reform proposal because it represented more of the same. The Governor's proposal failed to provide universal access; failed to provide cost controls; and failed to provide a rational financing mechanism for universal access to health care. His plan asked employers and hospitals to pick up a larger share of the cost but asked little of the health insurance industry. His plan failed to require transparency of hospitals and health insurers in pricing health services.

Health care costs in the United States are now over \$2.1 trillion or more than \$7,000 for every person in the country, and yet we have almost 50 million without health insurance. Health care costs in the U.S. are substantially more per capita than in any of the other developed or developing countries.

Typical explanations for the uncontrolled health care cost inflation in the U.S. (an aging population; the growth of new medical technologies; new pharmaceuticals) fail to take into account the fact that these same developments are occurring in the other developed nations. Robert Kuttner (*Market-Based Failure--A Second Opinion on U.S. Health Care Costs, New England Journal of Medicine*, 358:6, Feb. 7, 2008) offers the most cogent explanation: "The extreme failure of the United States to contain medical costs results primarily from our unique, pervasive commercialization" of health care. Data from the Organization for Economic Cooperation and Development indicates that nations with universal health insurance systems have the slowest growth rate in expenditures for medical care.

The "single payer" model appears to be the best approach to providing universal access to health care and, at the same time, controlling cost. A state or national government as "single payer" collects the tax, insures the entire population, and pays health care providers (and the providers remain in the private sector). "Single payer" health plans around the world operate as the method of financing health care and they do not have the reputation of interfering in the practice of medicine like the for-profit insurers in the United States.

## Hospital Costs In California

The CalPERS effort to create transparency in hospital costs continues, but most of California's hospitals refuse to reveal how they set prices for specific services.

CalPERS and the Pacific Business Group on Health, commissioned Milliman, Inc. to prepare a study, *Cost Efficiency at Hospital Facilities in California*, in an effort to determine how hospitals compare (1) in their total cost of providing services, and (2) the total amount they charge patients and their health plans. Costs for hospital care have increased at a rate faster than any other component of health care; hospital costs consume the

largest portion of the insurance premium dollar. Because hospitals are not required to disclose their actual prices for specific health care services, patients and private health insurers are unable to shop for medical care based on quality and costs.

The study, based on 2005 data, confirms that patients and their health plans (CalPERS and others) paid California hospitals \$18 billion for medical services. The Milliman study found that the cost to the hospitals to provide these services was \$13 billion. The hospitals received 40% more (\$5 billion) than their actual cost. The study concludes that "there is a highly variable pattern of hospital pricing"; the charges that patients and their insurers pay appear to be unrelated to the hospitals' costs to provide the services.

An Executive Summary of the report, "Hospital Costs in California," is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov)

## California Regional Health Information Organization: Emergency Room Data Transfer Overview

An "information only" item at the November 2007 Health Benefits Committee meeting was Dr. Donald Holmquest, presenting on the plan to implement a statewide Health Information Exchange (HIE). Holmquest is President and CEO of the Cal Regional Health Information organization (CalRHIO).

The HIE will be introduced in two phases: (1) a hospital emergency room physician treating a patient will be able to view the patient's medication history and laboratory results online, through a secure Internet portal; (2) authorized providers in physician offices and community clinics will be able to access additional information electronically from local hospitals, pharmacies, labs, and clinics.

CalRHIO is a not-for-profit collaborative established in 2005 to develop a utility service model that will deliver patient information services "securely, reliably, and affordably to California providers." The CalRHIO presentation pointed to a list of benefits from the HIE, including improved safety and quality of care, fewer unnecessary/duplicated test procedures, lower cost of care, improved continuity of care for members who change physicians, health plans, and support for analytics.

Other than brief mention of the "online, secure Internet portal," protection of personal identifying information and protection of personal health information, there was no discussion of how the information will be protected after the information transfer takes place.

## CalPERS Health Plans: Mental Health Services

In September, 2007, CalPERS provided members with "Your Health Plan, Your Doctors and You," a booklet covering both medical and mental health services. At the November, 2007, Health Benefits Committee meeting, Blue Cross, Blue Shield and Kaiser Permanente made detailed presentations to

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# Post-Employment Retirement Benefits Commission

## From p. 1

A further set of recommendations includes coordinating with Medicare, something required by CalPERS but apparently not by all public agencies. The last set of recommendations dealt with federal tax law changes.

Some of the specific suggestions from the recommendations of the Parsky Commission include the following:

#7 - "Generally, employer contributions should not fall to zero. An employer should be permitted to have a full or partial contribution holiday only when its retirement plan is substantially overfunded."

#10 - The State Controller's Office "should publish the annual report of public pensions,...required by current law, within 12 months of the receipt of data...."

#12 - "With the exception of school districts and county offices of education, legislation should be enacted...[to] require that the future costs of a proposed benefit change be determined by an actuary and be made public at least two weeks prior to adoption."

#14 - "An employer making a contribution to retiree health care should make that contribution proportionate to the number of years of employment and should reward longer careers."

#16 - "Public sector employers should provide tax-advantaged supplemental savings plans (e.g., 457, 401(k), 403(b), etc.) to their employees on an "opt-out" basis."

Parsky, chair of the commission, is a partner of the Los Angeles-based Aurora Capital Group and a Nixon-Ford era Treasury Department and Federal Energy Office official. He served as Assistant Secretary of the Treasury for International Affairs 1974-1977.

The total liability for public employee retirement and health care costs over the next 30 years for both the state and all local governments is more than \$180 billion, according to the report. Unfunded

pension costs are approximately \$63.5 billion of that total, approximately 11% of public sector total pension contributions at present. Retiree health costs amount to about \$118 billion, with the state's portion being \$47 to \$48 billion. Prefunding it would cost \$1.23 billion a year in addition to the \$1.36 billion the state is already paying for retiree health care.

The Governor thanked the commission for their work but had no comment on the recommendations. As of the end of February, the legislature has not held hearings on the commission's recommendations.

The report is available on the CSU-ERFA web site.

### Pew Foundation Report

Another study, a December 2007 Pew Center on the States report, found none of the big states, California, Texas, New York, Florida, and Illinois, had put aside sufficient funds for retiree health care and other non-pension benefits as of 2006. The report, titled "Promises with a Price" and available at [www.pewtrusts.org](http://www.pewtrusts.org), found California's long term liability of \$48 billion second to New York's \$50 billion.

Pew recommends adopting hybrid pension plans that combine both defined benefit and defined contribution elements similar to the Federal employee's retirement plan for employees hired after 1983, something that has not been done in California.

Other recommendations included closing loopholes in pension systems to eliminate full-time credit for part-time work, something that has been done in California, and increasing medical premiums and requiring co-payments, another measure that has already been taken in California.

Most state employees in California, but not CSU employees (see separate story at right) must work a longer period for the state to make its full contribution to retiree health benefits.

# Faculty Post-Retirement Health Benefits

The retirement pension rules are clear -- five years of qualified service and age 50. You receive a pension benefit based on your years of service, age, and compensation at retirement. For post-retirement health care contributions, however, the rules have not been as clear.

At the request of several faculty, CSU-ERFA has confirmed with Pam Chapin of the CSU Chancellor's Office that there are no separate health vesting requirements for CSU employees who retire for service with CalPERS. "As long as the CSU employee is in a position eligible for health benefits at retirement, and meets the definition of annuitant in Section 22760, the CSU employee is eligible for 100% of the employer health contribution toward health premiums," said Chapin in an email to CSU-ERFA.

The question arose in the context of the CalPERS booklet on "What You Need to Know About Your CalPERS State Miscellaneous and Industrial Benefits."

The booklet, revised in Fall 2007 to include a statement that CSU employees are not subject to the requirements, has stated for some time that in general, new state employees hired after January 1, 1989 need to have 20 years or more of state service in order for the state to contribute fully toward health benefits after retirement.

However, we repeat - this requirement does not apply to the CSU.

Any retirees or prospective retirees with questions about retiree health benefits should address them to the CSU-ERFA office (see page 2). We're happy to help!

### Calling CalPERS?

If you are calling CalPERS, the number is 1-888-CALPERS (225-7377). There is a new automatic call-back feature in effect if the wait is too long; CalPERS will call you back in the same order as if you waited on hold.

# CFA: A Coalition Builder

By H. Dieter Renning  
CSU-ERFA Liaison to CFA

So, what's the California Faculty Association's main concern right now? It starts with a "B." "B" as in "Budget." "Budget" as in "CSU Budget." "CSU Budget" as in "providing adequate funding for the CSU in 2008-09."

As everybody knows, in January the Governor proposed 10 percent cuts for the next fiscal year for all state agencies, including the CSU, in order to deal with a \$14-billion-plus budget deficit (which the State's Legislative Analyst has now recalculated as more than \$16 billion).

For the CSU it would translate into a \$386.1 million reduction to its budget, consisting of \$312.9 million plus another \$73.2 million that would be necessary to avoid yet another 10 percent student fee increase in the 2008-09 academic year. Such cuts would aggravate already inadequate state funding of the CSU, which, in inflation-adjusted dollars, is currently below that of 2002-03. (In 2006-07 the CSU received \$383 million less in state general funds than it did in 2002-03 - and \$447 million less than in 2000-01!)

For the CFA leadership it was a forgone conclusion that the faculty union had to rise in defense of the CSU budget and - this is where most of CFA's efforts will be concentrated for the next weeks and months - that it is in the best position to build as broad a coalition of CSU supporters as possible, to remind the policy-makers in Sacramento, as well as the general public, of CSU's importance for California's future.

The first, and probably most promising, step in that direction was taken already in January, when CFA President Taiz, CSU Chancellor Reed, and Board of Trustees chair Achtenberg issued a joint statement in opposition to the threatened budget cuts. The Chancellor said the administration was committed to working with faculty, students, staff, alumni and other CSU supporters protecting the necessary funding for the university. Achtenberg stated: "It is absolutely key that we speak with one voice to anyone who is willing to listen to us." (For the full text of the letter go to <http://www.calstate.edu/CSULeader/2008>

/080201.htm).

At its February meeting the CFA Board of Directors, along with campus representatives of CFA's Political Action and Legislation Committee and campus chapter presidents, spent the bulk of its time discussing the implications of the proposed cuts, as well as ways to mobilize support within and outside the CSU community for influencing the budget process in CSU's favor. While everyone was conscious, of course, of the very real and similar concerns felt by other educational sectors in the state, the participants emphasized that CSU's role in the future development of the California economy is critical.

This was brought home by statistical data about the percentage of total number of degrees granted by the CSU. (See right). All these data, it was agreed, are powerful arguments in favor of protecting CSU funding. To this another piece of information should be added: As of January 29 the CSU system had received more than 500,000 undergraduate applications for the fall 2008 admission. This is an all-time high, exceeding last year's record total by almost 48,000 applications.

Meanwhile the process of disseminating information about the University's funding necessities and building a powerful coalition across the state to defend the CSU budget is getting underway, with initial emphasis being placed on local "all-campus" meetings, organized by CFA and other campus constituencies, along with campus administrations. But at the same time increasing concern is developing about plans by individual campuses to cut back already under the current budget, involving hiring freezes, reductions in various spending categories, and possible class cancellations. In these regards CFA has started to function as a kind of clearing house, so that it can organize systemwide and local protests when and where they are deemed necessary.

One final point: At its February meeting the Executive Committee of CSU-ERFA voted that our organization will be a partner of the anti-budget-cut coalition which CFA is organizing.

## Facts About the CSU

- \* The CSU has nearly 450,000 students (head count).
- \* It is the largest four-year public university in the U.S. with an enormous impact on the economy of the state and the local communities near its 23 campuses.
- \* The CSU awards 51% of all bachelor's degrees conferred in California
- \* The CSU awards 40% of all master's degrees conferred in California
- \* The CSU graduates nearly 90,000 students each year.
- \* The CSU educates the bulk of California work force in key industries (% of degrees granted in CA):
  - 87% of California's teachers
  - 51% of California's engineers
  - 64% of California's nurses
  - 89% of California's criminal justice professionals
  - 87% of California's social workers
  - 82% of California's public administrators
  - 65% of California's business professionals
  - 52% of California's agricultural professionals
  - 44% of California's life scientists
- \*The CSU awards BAs to (% is the percent who get degrees in California):
  - 58% of Latinos
  - 52% of African-Americans
  - 53% of Native Americans
  - 45% of White/Caucasians
  - 39% of Asians and Pacific Islanders

## Jones to Speak, from p. 1

CalPERS provides retirement and health benefits for 1.5 million State and local public employees and their families.

The third candidate in the first election, Susan Bergeron-Vance, a retired director of finance and administrative services from the City of Santa Fe Springs, received 21.9% of the vote in the first round election and endorsed Henry Jones in the runoff. Ballots for the runoff were due no later than December 7th.

# ASCSU Report

By Ron Kroman, CSU-ERFA Liaison to the ASCSU

**Chancellor Reed Report.** At the January 2008 Statewide Senate meetings, Chancellor Reed spoke briefly to the Senate concerning the state budget crises and the 10% reduction in the compact with the governor, which amounts to \$312.9 million. This reduction will go into effect in July 2008, the next fiscal year.

At the time of his presentation he was more concerned about the effect of the ballot Proposition 92 concerning community college funding, which would have transferred \$300 million from the general fund to the Community Colleges. We have one less worry as the initiative failed.

**CFA Report to the ASCSU.** John Travis, CFA liaison to the Senate, reported that CFA will work with the CSU administration to advocate for resources for the system. He also said that the governor's proposed budget could trigger a reopening of the CFA-CSU contract regarding the 3% general salary increase scheduled for July 1, 2008 and the 2.65% step increase scheduled for the faculty member's anniversary date, but that CFA will not seek to do so and is encouraging the CSU to do the same. CFA has committees working on workload, salary structure, etc. and a joint "equity" committee with the CSU working on the problems of salary inversion.

**FERP Problems?** At the meeting of the Faculty Affairs committee, it was reported that some faculty entering FERP have complained about problems such as losing their offices, phones, and other faculty amenities. Two committee members were appointed to work on a resolution to bring the situation to the Senate's attention. A report concerning FERP faculty rights and responsibilities may eventually result from this investigation.

**Resolutions.** The Senate approved 16 resolutions, among which were:

**"Drops, Withdrawals, Incompletes, and Repeat Policies."** A taskforce composed of campus and CSU headquarters administrators, faculty and a student, produced a document "Proposed Revision of CSU Academic Policies on Course Credits: Incompletes, Withdrawals, and Repeats." A resolution not to support three of the taskforce recommendations was intro-

duced to the Senate by the Academic Affairs committee. Con arguments stated that there was no data supporting the findings and the recommendations would be difficult to enforce. Pro Senators believe that some unified policy is better than none, and that changes and corrections can be recognized and made if the recommendations were implemented. The resolution passed by a 21 to 19 vote.

**"Protecting Academic Programs, Including Area Studies."** "Consistent with constitutional protections and long-standing ... AAUP principles, the CSU is obligated to support the faculty and the integrity of its programs, including Area Studies." "Most recently the Middle Eastern Project at CSU Fresno has come under attack based on unsubstantiated accusations against faculty teaching in the area." The resolution was unanimously approved.

**"Graduate Business Fee."** The CSU administration has presented to the Trustees a request that a fee of \$210 per unit taken be added to the normal fees for graduate business students, including MBA students. This resolution strongly requests that the BOT reject the proposal. A sentence from the Rationale: "This would be the first time that the CSU enacted a fee based largely on the personal benefit accruing to the individual student rather than on the societal benefit provided by an educated populace." Senators from business departments maintained that the expense of maintaining accreditation, among other things, justifies the added fee. The resolution passed on a 27 to 12 vote.

More information on Senate resolutions can be found at <http://www.calstate.edu/AcadSen/>.

## Where Do They Go?

The Sacramento Bee's editorial of 2/28/08 notes that in 2002-03 California had 520,000 ninth-graders, but 3.5 years later in 2005-06, only 349,000 actually graduated. The schools lost more than 170,000 students, for a drop-out rate of over 30%. This is not different from several other

## In Memoriam

Bakersfield - Laskowski, Edward  
Purcell, Harold I.

Fresno - Corcoran, William H.  
Harkins, Frances H.  
Raney, George W.

Fullerton - Reyes, Raymond A.  
Welpott, Jack W.

Humboldt - Callahan, Lawrence G.

Long Beach - Gessford, John E.  
Minar, John  
Stetler, Charles E. Jr.  
Strain, Robert E.

Los Angeles - Craft, Clifford J. III  
Sandler, Ake

Northridge - Berkowitz, Leonard  
Highkin, Harry R.  
Lahr, Donald G.  
McEdwards, Mary G.  
Segalman, Ralph

Pomona - Cowan, Arnold A.  
Orton, Raymond L.

Sacramento - Gehrman, Roberta A.  
Tootle, Columbus E.

San Diego - Earnest, Sue W.  
Fields, Carolyn B.  
Steckbauer, Mark J.  
Swanson, Clayton G.

San Francisco - Best, Francis R.  
Bertrand, Raoul

San Jose - Eakins, David W.  
McCraw, William T.  
Pann, Francis

San Luis Obispo - Emmel, James R.  
Hyer, Edgar A.  
Wheeler, Noel C.

states, but California doesn't know what happened to them. Darrell Steinberg, the new head of the State Senate, championed a successful bill this year that will include the test scores of students in alternative schools in the API of the original high school, and a new bill just introduced will add tracking of five and six year graduation rates. Stay tuned; there is much more to say about this issue.

## CalPERS Health Benefits Report, From p. 4

demonstrate the effectiveness of their mental illness treatment plans. The focus was on treating serious depression.

Kaiser Permanente, Northern California and KP, Southern Cal, were both rated at four stars; the Blue Cross HMO, California Care, Pacific Care, and Western Health Advantage rated three stars; Aetna Health of CA, Blue Shield of CA HMO, CIGNA HMO, and Health Net rated two stars.

CalPERS staff had many recommendations for improvement of mental health services, including avoiding pre-authorization and gate keeper referrals, avoiding high and multiple co-pays, promoting evidence based clinical practices, and promoting member education to increase awareness about depression and self-referral for care.

### CalPERS Health And Disease Management Initiative

The Health and Disease Management Initiative Update was presented as an information only item at the December, 2007, Health Benefits Committee meeting. The goal is to develop a disease management program model across all of CalPERS health plans. This should improve the ability of members and employers to make informed decisions, resulting in improved lifestyle choices and health outcomes. The initial focus is on asthma, diabetes, chronic obstructive pulmonary disease, coronary artery disease, and heart failure. CalPERS is working with Mercer consultants to develop disease management performance monitoring measures. The results of the initiative will be reported to the March or April, 2008, Health Benefits meetings.

### CSULA Chapter News

The LA chapter celebrated the 30th anniversary of its founding on February 12 with its annual visit to the campus Academic Senate and introduction of about 30 emeriti attending. Sidney Albert, emeritus professor of philosophy, was present, introduced as the "founding father" of both the Los Angeles association in 1978 and of CSU-ERFA in 1985. Also attending were CSU-ERFA President Donald Dewey & Emeriti Academic Senator Harold Goldwhite.

## State / CalPERS News

### Annuitant Vision Care

Senate Bill 235 has been passed and signed by the Governor, allowing CSU annuitants and their dependents to enroll in a vision care program administered by the CSU. Those enrolling in the program would be required to pay the entire cost of the monthly premiums.

However, because of the economies of scale in such a program, it is expected that the premiums will be considerably less than those for comparable individual vision care insurance policies. The program is expected to start after July 1, 2008.

### George Diehr Elected Vice President of CalPERS Board

The California Public Employees Retirement System (CalPERS) Board of Administration announced at the end of February that they had unanimously reelected Rob Feckner to a fourth term as its President and George Diehr as Vice President.

Diehr, a professor of business at CSU San Marcos, is a long time California Faculty Association chapter leader and has served on the union's board of directors. "I appreciate the opportunity to serve as a CalPERS Board member and Vice President, and look forward to engaging with all of our constituencies to meet the challenges we face this year," Diehr said.

As Vice President he assumes all duties in the President's absence, and carries out special duties assigned by the President. In addition to his other duties, Diehr serves on the CalPERS Benefits and Program Administration Committee and is Chair of the Health Benefits Committee and Vice Chair of the Investment Committee.

### California Voter Registration Down

Voter registration in California rose to 15,712,753 registered voters on January 22, 2008, just before the February 5th California presidential primary, but the percentage of eligible adults continued to decline from its 1996 high of 75.15%. The percentage of the 22,948,059 eligible adults, a figure adjusted from Census data

by the California Departments of Finance and Corrections, declined to 68.47%, according to the Secretary of State's office. Approximately 2/3rds of the eligible adults in California are thus registered to vote.

By party, the Democrats have 43.0% of the registered voters, the Republicans have 33.3%, other parties have 4.3%, and those declining to state and thus registering as "non-partisans" are 19.4%. The only one of those four groups that is rising is the "decline to state," up by 4.0% in just the last four years and up by over 10% from 1992's figure of 9.7%.

The actual turnout "rate," the percentage of registered voters who turned out to vote, in the February 5th primary was considerably lower. While the Field Poll predicted that 8.9 million people would vote, the Thursday, February 7th Los Angeles Times reported only about 7 million, a 45% rate. Official turnout rates were still not available at press time.

### New State Politics Reform Effort

CSU-ERFA members might be interested in a new state political reform group discussed by Dan Weintraub in his Sacramento Bee column of February 22, 2008. The group is "California Forward," and it is a joint creation of four groups: California Common Cause, the Center for Governmental Studies, the New California Network and the Commonwealth Club of California.

The group is well funded (\$15 million for a three-year first phase) and includes people with considerable political experience such as co-chairs Leon Panetta, former Democratic Congressman and President Clinton's chief of staff, and Thomas McKernan, CEO of the Auto Club of Southern California and chair of New Majority, a group of Orange County moderate Republicans. The group's goal is not to fund studies, but to use existing studies to press for changes that can be implemented administratively or by the legislature and to build grass roots pressure for changes.

"California Forward" can be found on the web at <http://caforward.org>.

## CSU-ERFA News

### Executive Committee Meets

The CSU-ERFA Executive Committee met February 16, 2008 at CSU Northridge, receiving a tour of the CSU-ERFA offices during a break in the agenda.

**Foundation Grant Award.** Upon the recommendation of the CSU-ERFA Foundation's Grant Award committee, the Executive Committee granted \$2,000 to Dr. Christine Kolar, Associate Professor Emerita at Cal Poly Pomona, for the design and development for publication of a resource guide focusing on integrating structured journal writing into curriculum and professional development activities. Grant Award Committee Chair Max Norton made the recommendation.

**Executive Director.** The CSU-ERFA Executive Committee discussed the recommendation of the Personnel Committee regarding the position of Executive Director and voted to recommend a candidate for approval by the State Council at its upcoming April meeting.

**Budget.** Acting Executive Director Don Cameron discussed the Association's budget in some detail. He was pleased to report that for the first two quarters of our 2007-08 fiscal year our budget was on track with income exceeding expenditures by just under 10%. Don also distributed copies of our new recruiting brochure. In addition, he noted that there has been an excellent response, a 40% response rate, from members to the recent survey that was mailed to members. Publications Committee Chair Ted Anagnoson is in the process of tabulating the results, which should be published in the next issue of The Reporter.

### State Council Meeting

April 19, 2008 - Crowne Plaza Hotel, Los Angeles International Airport. Agenda to be sent in early April.

## CSU Dominguez Hills Chapter News

Three members have been brought out of retirement to assume administrative duties on campus this year. Sam Wiley, Physics and former VPAA, is currently the acting Provost and VPAA. David Karber, Public Administration, and Linda Pomerantz Zhang, History, are acting as half-time Vice Provosts assisting Provost Wiley in Academic Affairs. A search is currently being conducted for a new Provost.

## State Budget Resolution

The CSU-ERFA Executive Committee passed the following "Resolution Concerning the 2008-2009 California Budget" at its February 16, 2008 meeting at CSU Northridge:

WHEREAS, The State of California is facing a funding shortfall of major proportions; and

WHEREAS, The budget proposed by the Governor lacks support from most major players, including both majority and minority leadership in the Assembly and the Senate as well as the Legislative Analyst; and

WHEREAS, Even the Governor has made statements that cast doubt on his own support for his proposal; and

WHEREAS, The California State University Emeritus and Retired Faculty Association (CSU-ERFA) represents several thousand individuals who have devoted many years to the building of one of the finest public university systems in the world; and

WHEREAS, The California State University, together with the other segments in education, has suffered substantial reductions in real funding, putting their critical role as an engine helping to drive the State's economy at great risk; and

WHEREAS, The Governor's request for an increase in undergraduate fees of at least 10%, combined with his failure to provide new funding for enrollment growth, would further limit student access to higher education at the very time when economic conditions suggest a need for greater access; and

WHEREAS, The nature of the State budget, which is largely formula driven, tends to result in certain entities bearing a disproportionate share of reductions; and

WHEREAS, State taxes have been reduced rather than increased over the past decade, and the Governor has renewed his pledge not to raise taxes; and

WHEREAS, Structural reforms that bring the State's revenue into balance with its necessary expenditures are long overdue; now, therefore, be it

RESOLVED, That CSU-ERFA recommends the following guidelines for all deliberations on the 2008-2009 State Budget:

1. All parties involved in the deliberations should heed the advice of the Legislative Analyst, particularly with regard to the setting of priorities;
2. Tax increases and adjustments should be identified and implemented, just as decreases have been implemented in better years;
3. Priority-setting should include consideration of consequences, both long- and short-term, and the likely ability of the State to ameliorate negative consequences and avoid permanent damage; and
4. Vigorous effort should be directed to removing or revising statutory and constitutional formulas that have disproportionate impact on certain State agencies.

The CSUDH Emeritus Faculty Association has begun a fund raising effort to help support untenured, tenure track faculty members. We are asking our members to donate to a fund that will provide grants for travel, research costs, release time, etc. to assist these new faculty members to attain tenure. So far we have almost \$10,000 for grants and commitments.

On the lighter side, 35 members attended a social event held at George's Greek Cafe in Long Beach on February 13, 2008.

