## State Budget Crisis Likely to Hit Higher Education Hard

The graph on page 9 says it all – state support per student from 1990-91 to 2009-10 has declined by $1,532, after inflation is taken into account and considering the income from increased fees. It’s a substantial decline -- over $1,500 -- in the amount available per student over almost 20 years.

That’s twenty years of increases in utilities, in upkeep, in web sites and student services now standard for modern universities – and 20 years of no increase in the percentage of full-time faculty in the CSU. Twenty years when the increase in full-time equivalent students is matched perfectly – by the increase in part-time faculty and the increase in “professional, administrative, and executive” personnel.

It’s not just the CSU. The UC figures show an even greater decline from 1990-91 to 2007-08 of $6,300 per student educated. Next year, 2009-10, the Governor is now projecting a total budget for the CSU from the general fund of $2.485 billion, a level that is $485 million or 16% below the 2007-08 level – down almost $500 million in just two fiscal years.

Chancellor Reed’s letter to the legislature on May 27, 2009, states: “Even with the recently authorized increase in student fees, and even with the one-time federal stimulus funds, we face an operating deficit for 2009-10 of $314 million. This amount is equivalent to state support for 39,000 students” (emphasis in the original).

Where will the cuts come from? The Chancellor states: “The easy options for closing large budget gaps are gone, and only unpalatable options remain. These options will include reducing labor costs – given the fact that salaries and benefits comprise almost 80 percent of our spending – and further restricting admissions and course sections.”

## Status of Health Care Reform: The Good, the Bad, & the Ugly

By David F. Humphers, CSU-ERFA Health Benefits Director

Most everyone recognizes the need for significant health care reform, but the kind of reforms and desired outcomes are in dispute. The New York Times on March 7th reported that Health Reform Dialogue, a large coalition led by the American Hospital Association with a diversified membership including representatives of physicians, nurses, hospitals, pharmacy companies, some employers, and two large labor unions, SEIU and AFSCME, began meeting and negotiating in September, 2008. Negotiations failed; in March, 2009, the labor unions pulled out. The labor unions are supporting President Obama and congressional Democrats who plan to introduce a new public insurance plan. The insurance industry and many Republicans oppose the development of a public insurance plan because, they claim, it would have an unfair advantage, and could drive some private insurers from the health insurance market.

(Continued on page 8)
From the President...

As I transition rapidly from President to Past President, I am acutely aware of the many satisfactions from service on the Executive Committee of CSU-ERFA. Regular contact with dedicated retired faculty who continue to guard the interests of the California State University and especially its retirees for years, even decades, after retirement provides pleasure that far transcends the honor of election.

Leaders Needed. As the State of California threatens to lurch toward chaos, creative thinking in our State Council and especially in its Executive Committee is in high demand. If your colleagues look to you for leadership I strongly urge that you respond with enthusiasm. Perhaps I am only preaching to the choir, for I am not aware that nominations committees meet resistance when they seek nominees.

Reporter Editor Needed. Replacement for one crucial position on the Executive Committee will be an important project in the coming year. Ted Anagnoson is retiring following the winter issue of The Reporter. The publication has properly received high praise during this period, and he leaves behind some very big shoes to fill, in every sense of the word. I am positive that President Dieter Renning will welcome nominations and applications from colleagues who would welcome this challenge.

Thanks to CSUN. Finally, I’ve said this before, but it’s worth saying again and this is my last chance. Much of the success of CSU-ERFA has been due to the hospitality, support and good fellowship of the CSU Northridge campus and its faculty who continue to guard the interests of the California State University and especially its retirees for years, even decades, after retirement provides pleasure that far transcends the honor of election.

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CSU-ERFA State Council Meets April 25th, Hears Priya Mathur of Cal-PERS, Opposes Prop. 1A

CSU-ERFA’s State Council met for its Spring 2009 meeting on April 25th at the Crowne Plaza hotel near LAX. Guests of honor at the meeting included CalPERS Board Member Priya Mathur, CSU Statewide Academic Senate Executive Committee Chair John Tarjan, and founding CSU-ERFA President Sidney P. Albert from CSULA.

Resolution. Sidney Albert was honored on the occasion of his recent 95th birthday. Priya Mathur, the keynote speaker, presented an extensive update on CalPERS healthcare issues, followed by a question and answer session. Her prepared remarks are available on the CSU-ERFA web site, http://www.csuerfa.org. Prof. John Tarjan, the chair of the CSU statewide academic senate, presented information and valuable insights about the response of the CSU senate to the current California budget problems.

Proposition 1A. After an extensive debate about the pros and cons of Proposition 1A on the May 19th ballot, the council decided to oppose Prop. 1A. The proposition would have made major changes in the way the state sets aside money in its “rainy day” funds as well as restricting the circumstances under which money could be withdrawn from those funds. It would also have extended the temporary two year tax increases in the sales and income taxes, as well as the vehicle license fee, from 2010-11 to 2011-13. The governor, whose authority to manage the state budget once it is passed by the legislature is currently quite limited, would have been given more authority over expenditures. Prop. 1A was opposed by a long list of taxpayer groups and state employee associations, including the CSU faculty union, the California Faculty Association. The proposition failed in the special election, garnering only 34.6% of the vote.

(Continued on page 6)
CFA Report: “It’s Still the Budget”
By Dieter Renning, CSU-ERFA CFA Liaison

The special election of May 19th. For several months the California Faculty Association had concentrated its efforts on bringing about the defeat of Proposition 1A in the special election on May 19. It paid off, and the proposition (along with four of the other five, on which CFA had not taken a position) was soundly defeated. This, of course, did not end the battle over the state’s, and specifically the CSU’s, budget. How much CFA can influence the budget process from here on is unclear, especially since it will be hard for the faculty, who opposed 1A, to have a cooperative relationship with the Chancellor and the Trustees, who supported it.

What is clear is that CFA will, in Sacramento and across the state, continue to speak out in support of adequate CSU funding, along with monitoring, financial developments and their implications for the coming academic year. CFA’s overriding goal: To protect as much as possible the academic program and students’ access to the CSU, regardless of economic background. In this regard CFA continues to oppose the one approach which the CSU Board of Trustees has followed for some time now: Increasing student fees.

Arguments against this approach, presented by CFA and students from various campuses at the Trustees’ meeting in mid-May, did not prevent the Board from raising fees by another 10 percent. (This is the seventh increase since 2002, and student fees have doubled since then.)

Oil severance tax for higher education? In pursuing a possible long-term solution to the CSU’s budget problems, CFA has sponsored AB 656, authored by Assemblymember Alberto Torrico. This bill would establish an oil and natural gas severance tax, the proceeds of which would come out of oil company profits and would be used exclusively for funding higher education in California. CFA and other proponents of this legislation point out that this kind of tax works well in other oil-producing states, such as Texas.

Updating the California Public Records Act. Another piece of legislation, co-sponsored by CFA and the California Newspaper Publishers Association, is SB 218, authored by State Senator Leland Yee. This bill seeks to update the California Public Records Act by including auxiliary organizations which receive public funds or perform government functions on the CSU and University of California campuses. In other words, it aims at increasing financial transparency at these institutions. CFA has charged that, currently, up to $1.3 billion in on-campus auxiliary operating funds are shielded from public oversight. This bill was approved by the Senate Judiciary Committee in early May.

Bargaining. With regard to reopener bargaining, which, in reaction to the impending budget cuts for the CSU, started last November, CFA and the Administration have not made any progress. After “impasse” had been declared, both sides tried to reach agreement in a mediation session in April, but nothing was accomplished because the Administration’s bargaining team stuck to what CFA calls their “goose egg” proposal of 0% General Salary Increase (GSI), 0% Service Step Increase (SSI), and 0% equity pay increases. Since the Administration rejected CFA’s recommendation to go to binding arbitration, the next stage in the process now will be “factfinding.” At the time of this writing factfinding dates have yet to be set. In the meantime CFA keeps urging the Administration to change its mind and go the arbitration route instead.

Student evaluation disputes settled. Meanwhile there has been progress in one matter not related to money: The CSU Administration and CFA have settled two disputes dealing with student evaluations. In the past these evaluations have been routinely required in all classes, even though the bargaining contract provides that this is a matter for the department faculty to decide. Under the settlement, student evaluations in all classes can be required only if the department faculty – including lecturers! – have, within the last five years, voted for it.

The other dispute involved the handling of on-line student evaluations on the campuses. The settlement provides that on each campus that wishes to have on-line evaluations, the CFA chapter and the campus administration bargain about the procedural implementation of such policy. That includes agreeing on the location for conducting such evaluations and their supervision.

Roy T. Brophy, Former Chair of CSU BOT, Dies

Roy T. Brophy, a Sacramento-area home builder who served on all three higher education governing boards in the state of California, died April 14, 2009 from complications related to Alzheimer’s disease.

He began his career in education by winning a seat on a local school board and went on from there to serve on the California Community Colleges Board of Governors, the CSU Board of Trustees and the UC Board of Regents.

He also served on the California Postsecondary Education Commission and the National Board for the Improvement of Postsecondary Education.

SJSU Affiliate Report

Don Keesey, the Emeritus Faculty Association’s (EFA’s) President, reports that in early May, the EFA held its annual spring luncheon, with some 85 attendees. SJSU President Jon Whitmore described developments in his first year on campus.

Equally successful was an early April excursion to the new California Academy of Sciences in Golden Gate Park. Fifty members and guests spent the day exploring the myriad exhibits in architect Renzo Piano’s innovative building.
Legislative Report, by Dave Elliott
Member, Legislative Affairs Committee

Most of our deliberative efforts at the April State Council meeting were devoted to consideration of the May 19 ballot initiatives. After a spirited debate, the council finally voted to oppose Proposition 1A, on a vote of 17 to 10, with approximately 10 members abstaining. The governor has decided to interpret the defeat of all but one of these initiatives, Proposition 1F, as a mandate to balance the yawning budget deficit our state now faces through cuts alone, with no more borrowing and no new taxes. He has received strong support in this view from the Howard Jarvis Taxpayers Association and the other anti-tax interests. Newt Gingrich and George Will have even weighed in, adding their dubious support to the governor’s cynical conclusion. CFA and other union organizations have, of course, offered a different view, saying it was the threat of placing limits on state spending that doomed Proposition 1A, and arguing that the time has come for genuine reform in the way we do budgeting in this state. We are already seeing new efforts to mount a Constitutional Convention where meaningful budgeting reforms can be considered, and I assume we will want to support these efforts.

It’s impossible to know exactly how our interests will fare in the next budget cycle, but as of this writing, the governor has already proposed: (1) phasing out all Cal Grants, with reductions of $173 million in 2009-2010 and $450 million in 2010-2011 and (2) additional reductions in the CSU and UC budgets of $335 million for each of the next two years. These budget reductions would be added to the $415 million in cuts that the university budgets suffered this year. Estimates vary on the way these cuts will affect our students, but additional tuition increases seem inevitable and, according to Lauren Asher, acting president of the nonprofit Institute for College Access and Success, at least 118 thousand students could lose all of their Cal Grant assistance.

State Council Actions On State Legislation. The State Council reviewed and took action on the following state bills:

AB 56, Portantino. Health Care Coverage: Mammographies. Existing law requires all health plans and insurers to provide mammograms for female enrollees. This bill would require these plans or insurers to provide female enrollees with notice regarding eligibility for tests for screening or diagnosis of breast cancer. This legislation would undoubtedly benefit many of our constituents. Support.

SB 56, Alquist. California Health Benefits Service Program. The California Health Benefits Service Program would be created to ensure that all Californians have access to affordable, high quality health care coverage. It would also ensure that responsibility for paying for health care coverage be “equitably” shared among employers, individuals and the government.

This approach seems to mirror the governor’s approach, providing for sharing of the costs among all of the affected parties. Bob Bess indicated in his March report that this bill will undoubtedly change as federal health care plans evolve, so it was not necessary for CSU-ERFA to take a position on it at this time. Watch.

AB 125, De Leon. Retirement: California Employee Savings Program. This bill would require CalPERS to study and, if feasible, implement a program that offers individual retirement accounts (IRAs) to all California workers who do not have access to employer-sponsored retirement plans. This same idea was introduced last year by Assemblyman DeLeon as AB 2940, and it failed to pass. We opposed AB 2940 last year for mixed reasons. CFA endorsed it, and the Retired Public Employees’ Association (RPEA) opposed it outright. RPEA has a watch position on AB 125, the new version. Watch.

AB 400, DeLeon. State Agencies: Fiscal Funds. This bill requires that specified information regarding general and federal fund expenditures be posted on the internet in a timely manner and updated as necessary. It was recently referred to the Assembly Appropriations Committee on an 11-0 vote. Support.

AB 810, Leno. Single-Payer Health Care Coverage. This bill would establish the California Healthcare System (CHS) under which all California residents would be eligible to receive health care from providers of their choosing. The CHS would negotiate or set fees for health care services and pay claims for those services. The bill would also establish various boards and offices, charged with responsibility for administering the system.

This measure was heard in the Senate Health Committee on 4/15 and was referred to Appropriations on a 7-4 vote. On May 4th, it was placed on the Appropriations Suspense File. According to Bob Bess, Leno predicts that this bill will pass in the second session and be vetoed again by the governor. This looks like a strong bill, but as in the case of Alquist’s SB 56, its development and ultimate shape will undoubtedly be influenced by developments at the federal level. There is no need to take action on this bill at this time. Watch.

Action On Federal Legislation

HR 235, Berman. Repeal of the Government Pension Offset (GPO) and Windfall Elimination Program (WEP) Provisions of the Social Security Act. This bill would eliminate the Windfall Elimination and Government Pension Offset that currently reduces the Social Security benefit for government employees whose employer did not deduct Social Security taxes. RPEA has decided to support this bill. Diane Feinstein has a similar bill on the Senate side that will probably be combined with Berman’s bill, so there is no need to support her bill as well. Support.

Continuing Concerns

The information Bob Bess, our Director of Legislative Affairs, provided on this subject in the March issue of the Reporter is still current and really doesn’t require any elaboration. Keith Richman and his group are still out there and will probably continue their efforts to convert our retirement system to a defined contribution arrangement. Also, Assemblyman McCauley’s Public Employee Pension Reform Act is gathering signatures and may eventually qualify for the ballot. Although this attempt to renegotiate the retirements of current retirees is patently unconstitutional and probably could not withstand a serious legal challenge, we still need to keep it in view.

(Continued on page 7)
ASCSU Report, by Bill Blischke, CSU-ERFA ASCSU Liaison

The CSU Academic Senate met in Plenary Session on May 7-8, 2009 at the Chancellor's Office. It was the last meeting of the current academic year.

As you can imagine, doom and gloom loomed over the proceedings. And this was before the May 19th election! (Of course, the pre-election polls made the outcome quite certain.) However, after centuries of existence, the academy marches on.

People. As usual, a considerable chunk of time was devoted to reports coupled with Q & A. Trustees Melinda Guzman and Craig Smith (Faculty Trustee) as well as Executive Vice Chancellors Gary Reichard (who is retiring and returning to the CSULB faculty on July 1st) and Benjamin Quillian presented less-than informative responses to budget woes.

Resolutions. Resolutions on a number of important issues were discussed and acted upon by the Senate. Several items were related to non-collegial, administrative responses to budget woes.

Shifting State Courses to Special Sessions. One of the key items (AS-2886-09) dealt with the tendency on some campuses to shift state-supported courses to special sessions. This trend both weakens the principle of public, state-supported education and creates a two-tiered system that places low-income students at a disadvantage.

Arbitrarily Raising Enrollment Caps. AS-2892-09 focused on another budget-related change occurring on many campuses, i.e., arbitrarily raising enrollment caps on sections, pressuring faculty to add additional students and altering the instructional mode of courses. This has sometimes been done by administrators without following established curricular policies and procedures. Reorganizing the academic structure of the university is a further frequent response to budget cuts.

Organizational Change Resolution. The ASCSU's resolution (AS-2891-09) urged campus senates to “develop guidelines, policies and/or procedures regarding the creation, reorganization, consolidation and elimination of academic units, programs, departments and schools to ensure that the processes of consultation and shared governance are followed.” In addition, they encouraged campus presidents to follow such policies and guidelines.

The Oil Severance Tax for Higher Education? The Senate also supported an innovative legislative bill (AB 656) that would create the California Higher Education Endowment Corporation. The monies from this fund would be derived from an oil and gas severance tax and would be used by all three systems of higher education. Several states (including Texas) have such a tax in place.

Textbook Resolution. Lastly, the Senate unanimously opposed SB 386. This bill would require faculty members from the community colleges and the CSU to justify adopting a new edition of a textbook within three years of the adoption of the previous edition and submit the justification to the senate, administration and student government. The ASCSU felt that this was a bureaucratic and cumbersome over-reaction to the legitimate concern regarding the high cost of textbooks.

These are the highlights and low-lights of the May plenary session. If you would like further information on any of them, go to the ASCSU website and search for the resolution numbers as indicated above. If you have any questions, feel free to email me at wblischke@csudh.edu.

State Council Meeting, from page 3

In the wake the failure of Props. 1A to 1E, the Governor has recommended meeting the $22 billion plus budget deficit for 2009-10 largely through spending cuts, including extensive cuts to higher education. At press time, the budget situation for next year is unresolved.

Reports. Several reports highlighted the condition of the association. Treasurer Mark Shapiro reported that the Association is on track to finish the 2008-09 fiscal year with a surplus of about $10,000, reflecting prudent management. Executive Director Cameron presented a proposed budget for the 2009-2010 fiscal year that projects another modest surplus for the Association. He noted that our membership is holding steady, with new members joining at about the same rate that we lose members through death.

Lifetime Membership to be Offered? Executive Director Don Cameron reported that CSU-ERFA is considering offering a lifetime membership option for those that prefer to make a one-time payment rather than having monthly dues deductions from their CalPERS retirement warrant. (Sidney Albert informed the Council that the Association did offer a lifetime membership option in the early days, and that he is the only lifetime member remaining on the membership rolls.)

Meetings North/South. The Treasurer also reiterated his recommendation that we limit our meetings in the north to one State Council and one Executive Committee meeting every two years on account of the higher costs associated with meetings in the northern part of the state.

Elections and Appointments. The Nominating Committee presented its recommendations to the State Council for Officers and Delegates-At-Large to the State Council. The nominations were accepted by acclamation. The new officers for 2009-2010 will be: President - Dieter Renning (Stanislaus), Vice President - Barbara Sinclair (Los Angeles), Secretary - Judith Stanley (East Bay), Treasurer - Mark Shapiro (Fullerton).

Elected. The following were elected to three-year terms as State Council Delegates-At-Large: Harry Sharp (San Luis Obispo), Adnan Daoud (San Jose), Donald Gerth (Sacramento).

Other Reports. CSU-ERFA Archivist Judd Grenier reported that the CSU-ERFA Archives at the CSUDH Library will be moved into the new Library Annex when construction is completed. In addition, progress is being made on cataloging materials in the archives and placing them online.

The Pre- and Post-Retire-ment Concerns Committee presented preliminary results on their survey of the rights and privileges available to retired and emeritus faculty members on the various CSU campuses.
Split the State Health Pool?
Legislative Report, continued from page 5

The ideological dust storm it would undoubtedly create if it were to qualify for the ballot could be quite harmful to retired faculty.

New Concerns – Splitting the State Health Care Pool – The governor recently proposed splitting the health care benefit pool, currently in CalPERS-PEMCHA, so that “actives” would be in one pool and retirees in another. The leveraging potentials of this are obvious, since health care costs for those who are retired are greater than those for “actives.” This idea was not included in either the state budget or the trailer bills that were adopted in February. Indications are that the governor has not given up on this idea, so we will need to be prepared to join the other employee organizations in fighting it.

Proposed Tax on Pension Distributions and Health Care Benefits. Assemblyman Paul McCauley, who has already proposed an initiative to give the state the power to renegotiate our pension awards, now wants a new tax on some retired Californians. McCauley now has a green light to begin collecting the 433,971 signatures it needs to be put on the ballot. As written, it would impose additional annual taxes on California residents who receive income in excess of $40,000 from pension distributions, Social Security, and the cash value of health care benefits. It could also impose a one-time, additional tax on non-California residents whose pension benefits exceed $50,000 in a year and who earned income in California. The Legislative Analyst and the Director of Finance estimate that, beginning in 2010, this measure would increase state revenues by $6 to $8 billion. That this is an attractive idea in some quarters is obvious.

CSU-ERFA Presidential Appointments Announced

CSU-ERFA President Don Dewey announced the following appointments at the State Council meeting April 29, 2009, at the Crowne-Plaza Hotel at LAX:

At-large members of Executive Committee (term ending 2011) - Robert Bess (Sacramento), William Blischke (Dominguez Hills).


Grant Awards Committee - Sally Hurtado de Lopez, Chairperson, Sonoma), Eugene Houser (Pomona), Judith Hunt (Sonoma), Beatrice Pressley (East Bay), Iris Shah (Northridge).

Health Benefits Committee - David Humphers (Sacramento), Chairperson and Director of Health Benefits, Milton Dobkin (Humboldt), David DuFault (San Diego), Barbara Sinclair (Los Angeles), Robert Wilson (SJ), Alan Wade (Sacramento).

Legislative Affairs Committee - Robert Bess (Sacramento), Chairperson and Director of Legislative Affairs, Theodore Anagnoson (LA), David Elliott (San Jose), David Humphers (Sacramento), Judith Stanley (East Bay).

Membership Committee - David Quadro (Fresno), Chairperson, Adnan Daoud (SJ), Rosemarie Marshall (LA), Donna Ryan (San Francisco), Alan Wade (Sacramento).

Pre- and Post-Retirement Concerns Committee - Thomas Donahue (San Diego), Chairperson, Edward Aubert (Stanislaus), Donald Gerth (Sacramento), Herbert Rutemiller (Fullerton), Harry Sharp (San Luis Obispo).

Publications Committee - Theodore Anagnoson (LA), Chairperson, Vincent Buck (Fullerton), Judson Grenier (DH), Iris Shah (Northridge), Mark Shapiro (Fullerton), Frieda Stahl (LA).

Liasons to Organizations: California Faculty Association - David DuFault (San Diego). CSU Academic Senate - William Blischke (Dominguez Hills).

When Insults Had Class

The exchange between Churchill and Lady Astor: She said, "If you were my husband I'd give you poison," and he said, "If you were my wife, I'd drink it."

A member of Parliament to Disraeli: "Sir, you will either die on the gallows or of some unspeakable disease." "That depends, Sir," said Disraeli, "on whether I embrace your policies or your mistress."
Status of Health Care Reform

Continued from page 1

Republican Plan. The Republican “Patient’s Choice Act” legislation was unveiled May 20th by Reps. Paul Ryan (R-WI) and Devin Nunes (R-CA), as well as Sens. Tom Coburn (R-OH) and Richard Burr (R-NC). It provides an annual tax credit of $2,300 to each individual and $5,700 to each family to offset the cost of health insurance. This plan eliminates the employer’s tax break for providing health insurance to employees. The Center for American Progress Action Fund estimates that the Republican tax credit plan would not cover half of the health care premium cost for the average American family.

Opposition Already Launched Against Obama’s Presumed Plan. Conservative groups have launched opposition campaigns against the assumed-Obama administration reforms. The conservative advocacy group Americans for Prosperity Foundation will initiate a $1.7 million television advertising effort against Democratic health system reforms. The Conservatives for Patients’ Rights organization opposes a government health plan. The organization will begin airing 30-minute television programs with commentary by Canadian and UK physicians and patients explaining the problems in their government-sponsored health care.

Is Controlling Costs Price-Fixing? An added threat to the Obama administration’s campaign to control health care cost was introduced by a former Federal Trade Commission official, Robert Leibenluft, who said “Any agreement among competitors with regard to prices or price increases - even if they set a maximum - would raise legal concerns.” Thus, physicians, hospitals, drug and insurance companies could be at risk of violating anti-trust laws if they agree on prices in an effort to slow the growth of health care costs.

More Americans Lack Health Insurance. The number of uninsured Americans has soared over the past year. The country’s largest health insurers reported first quarter earnings and the number of insured members they are losing to unemployment. In the WSJ of April 23rd, WellPoint, the largest health insurer in the U.S., with about 35 million medical plan members, reported that it has lost almost 500,000 members in the first quarter of 2009. United Health Group, the nation’s second largest health insurer, reported a first quarter drop of 900,000 in the number of enrollees in its commercial health plans. The Kaiser Family Foundation estimated that nine million people have lost employer health coverage since December, 2007. Of that number, four million are uninsured and about three and a-half million have enrolled in Medicaid or another public program.

Medicare Actions Imminent? Medicare is on the table for reform in Washington. Medicare Advantage managed care plans have been about 14% more per beneficiary than that paid to basic Medicare health plans. The Medicare Advantage supplemental payments were intended to pay for enhanced services (for example, prevention, health education). Many plans did not provide the intended enhanced services. Cuts to Medicare Advantage health plan payments are expected; some plans may disappear. The Obama administration expects to save about $175 billion over the next ten years by requiring competitive bidding by health care contractors.

Medicare purchases health care for about forty-five million Americans. Fidelity Investments’ well-publicized studies over the last several years project that a 65-year old couple retiring in 2009 and enrolling in Medicare will need about $240,000 to cover their costs for medical care in their lifetimes. The study assumes that the couple have no employer-provided health insurance and a life expectancy of 17 years for the man and 20 years for the woman, both the median remaining years of life for men and women aged 65.

Medicare as a Model? Medicare is likely to serve as the infrastructure for reforming health care delivery and rendering the entire health care system less wasteful. According to Senate Finance Commit-tee Chair Max Baucus (D-MT), “Medicare is going to be the driver to achieve quality reform, in large part because the other players (public and private health plans, hospitals, the pharmaceutical industry) tend to follow Medicare.” The Finance Committee heard reports and opinions from experts and health industry representatives on April 21st on how to revamp health care delivery in the United States. According to the Senator, Medicare reform will focus on keeping chronically ill patients from being hospitalized repeatedly when problems like high blood pressure get out of control. A major focus will be on improving follow-up care by family doctors and nurses. Hospitals may be penalized if patients are repeatedly readmitted for the same problems.

The Medicaid Crisis. As a result of the financial crisis at least 25 states have enacted or proposed significant cuts in the federal Medicaid (Medi-Cal in California) program for the poor, leaving millions with reduced medical care or no care at all. An estimated 250,000 people will lose health care due to the cuts. The Kaiser Family Foundation is estimating that the 4.5% increase in unemployment from December 2007 to May 2009 has resulted in 11.1 million people in the US losing their employer-sponsored health insurance, with Medicaid enrollment up 4.5 million and a 4.9 million increase in uninsured people. The American Recovery and Reinvestment Act (ARRA), the economic stimulus bill enacted on February 17, 2009, will provide an $87 billion temporary increase in the federal share of Medicaid, as well as $25 billion in temporary COBRA subsidies for those who are involuntarily terminated from their jobs between September 1, 2008 and December 31, 2009.

The federal Medicaid program provides matching funds to the states for indigent health care. When a state cuts funding for Medicaid the amount of the federal “match” is reduced. The California legislature assigned responsibility for indigent health care. When a state cuts funding for Medicaid the amount of the federal “match” is reduced. The California legislature assigned responsibility for indigent (Continued on page 9)

In Memoriam

Chico- James F. Lindsey
Fullerton- Richard H. Lindley Flora L. Olsen
Los Angeles- Ke Ting Hsia
Long Beach- Ruth H. Afflack
Pomona- Thomas A. Burdick Joseph P. Tassoney
San Diego- John H. Dirks Frank A. Tennant
Lois P. Kessler
Employer Health Insurance Falling. The UC Berkeley Center for Labor Research and Education reported in April that health care coverage for employees is declining sharply as a result of the severe economic crisis. An estimated 3.7 million workers have lost their health care coverage; about 500,000 of those who lost health care coverage are in California. The WSJ reported on May 26th that increasing numbers of small businesses are dropping health care for their employees. In 1993, 63% of small businesses provided health care benefits; the percent dropped to 37% by 2008. A Hewitt Associates survey estimates that 19% of small businesses will stop providing health care over the next few years.

Sacramento Health Reform Conference. The National Coalition on Health Care conference in Sacramento on April 14 focused on the need for and impact of health reform in California. At the conference, the New America Foundation reported strong public support but significant legislative barriers regarding major health care reform. For example, California’s constitution gives great power to the minority party in the state legislature. California is one of only three states that require a two-thirds majority to adopt the state budget and one of 16 to require a supermajority vote to increase taxes. In California, raising revenues/taxes requires a two-thirds vote. At the same conference, Health Access California, a health consumer advocacy coalition, reported that California, compared to other states, has more people without health insurance, fewer with employer-based health care, lower levels of Medicaid eligibility, and more people exposed to a fractured health care market. Health Access California’s conclusions were based upon the following measures:

US: 17.2% of the population has no health insurance; in California, the proportion is 20.4%. Most uninsured Californian’s (80%) are in working families with low or moderate income.

US: 60.9% have employer-based coverage. CA: 54.7%. The average California employer-based health insurance premium rose more than 8% in 2008 but less than 5% nationally.

Nationally, 5.5% buy insurance on the individual market. In California, 7.4% do. California and 45 other states allow health insurers in the individual market to deny coverage for pre-existing conditions and base premiums on the individual’s age and health status.

(Continued on page 10)
Health Reform
From p. 9

Nationally, 13.9% depend on Medicaid (Medi-Cal) & SCHIP. In California, 16% do. About 7 million Californians are covered by Medi-Cal and the State Children’s Health Insurance Program (SCHIP), and about half of them are in working families. The other half are low-income seniors and persons with disabilities.

President Obama and the Democratic party seem entirely correct is pushing universal health care to the top of the legislative agenda, even as the economy remains dormant.

Conditions generated by the current financial crisis (the loss of jobs, loss of health insurance coverage, the growing number of uninsured) and the fact that health reform is now supported by physicians associations, by many employers, and by a majority of the population, all suggest that this is the best opportunity in the past century for a successful legislative effort on universal health care.

Personal and Professional

Donald Dewey, President of CSU-ERFA and emeritus professor of history (LA) reports that Nova Science Publishers, Inc., has published James Madison: Defender of the Republic. It is a volume in its First Men: American Presidents series.

Also in May 2009 Dewey spoke to the campus chapter of the History honorary Phi Alpha Theta on “Mr. Madison, Mrs. Parker and the History of History at LA State.”

Ted Anagnoson, Editor of the CSU-ERFA Reporter and emeritus professor of political science (LA) reports that the second edition of Governing California in the 21st Century (W.W. Norton, 2009) has been published. He is the lead author of seven, including emeriti political science professors J. Vincent Buck (Fullerton) and Richard E. DeLeon (SFSU).

Anagnoson also taught “public policy analysis” in Winter 2009 and “California Politics: Is California Ungovernable?” in Spring as a visiting professor at UCSB.

HSU-ERFA Report

At Humboldt State University, we have “dues” of $5.00 per year to defray the printing of our meeting notices. We request that newly retired members donate $100.00 to an endowment fund held by the campus foundation. From the income of this fund, we offer some small (up to $500) grant awards to junior faculty. We have eight, catered luncheon meetings during the Academic Year. About half the luncheon speakers are junior faculty reporting on the work for which we made awards. Others are travelogues or campus staff keeping us informed about changes at the university.

We are loosely governed by a committee of volunteers. We have a chairperson and a treasurer. Another member schedules speakers. We have a representative on the HSU Senate and two representatives to the statewide ERFA. Offices have no terms or term limits. Vacancies are filled by the time-honored, HSU method of railroading some absent member. The HSU Senate’s secretary holds us together and mails our letters and meeting announcements. She is our patron saint!