



Publication of the California State University Emeritus and Retired Faculty Association  
<http://www.csuerfa.org>

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## Health Benefits Report: Changes ARE Coming

By David Wagner, CSU-ERFA Health Benefits Director

The theme of this health benefits column is changes are coming, and I'm not referring to the upcoming political party conventions. The first change is how you will receive open enrollment information. If you do not act by July 1, 2016, all CalPERS open enrollment information will be available to you **only** online.

The final change, beginning in 2017, is that NetValue will no longer be offered to CalPERS members. Fortunately, other health plan alternatives are available.

**Open Enrollment.** The big news is how you will receive information and material on CalPERS options during the annual health open enrollment period in late summer and early fall. **As part of CalPERS efforts to improve customer service and support a green community, beginning this August you will no longer receive CalPERS health plan statements and other open enrollment materials by mail.** They will only be

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## CFA: A New Faculty Contract!

By Leni Cook, CSUDH, CSU-ERFA Liaison to CFA

CFA and the CSU announced a tentative agreement on salary and other issues in a joint news conference on Friday, April 8. Voting by CFA members took place online from April 22 to April 29, and the members overwhelmingly voted to ratify the agreement. The CSU board of trustees voted to accept the agreement at their May 24th meeting.

2016), FERP salaries will increase by the amount of the GSIs (General Salary Increases) even though pension amounts are not affected.

Listed below are some of the main features of the agreement with emphasis on the part that will affect those either planning to retire or FERP. These features are a part of the FAQ about the April 2016 Tentative Agreement, found on the CFA website.

- Faculty unit employees hired on or after July 1, 2017 shall receive full health benefits upon retirement at age 52 with at least 10 years of service credit. This increase in required service credit does not apply to current employees hired before July 1, 2017.

- Anyone who retires before July 1, 2016 will not receive any of the compounded two raises, neither in his or her pension nor in the final base salary on which his or her initial FERP salary is based.

- For faculty already participating in FERP (those who retired before July 1,

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The Reporter welcomes submissions by members of CSU-ERFA or other appropriate individuals of advertisements for academically oriented materials or services, to be printed at the discretion of the editor. To contact the editor, email [tanagno@calstatela.edu](mailto:tanagno@calstatela.edu).

## From the President...

Dear Colleagues,

**Executive Director.** I have been honored to serve on the CSU-ERFA executive committee for the last seven years in the positions of liaison to the statewide academic senate (ASCSU) from 2009 to 2015, vice president (2012-2016) and president since last July. These positions overlapped with most of the 8.5 years during which Don Cameron has been our executive director. As most of you know, Don will be retiring as of June 30th. His service to our organization has been exemplary! Our membership has grown; our visibility and influence at the campuses, in the chancellor's office, and in Sacramento, have expanded significantly; our operating budget has remained healthy; and the grant awards budget has grown.

My interactions with Don and the office staff have been very professional and yet personal. He stayed on an extra year beyond his scheduled retirement until we were able to find a replacement. His outstanding administrative leadership has been acknowledged frequently by members of the executive committee, and I want to convey my gratitude and theirs to him. Don is looking forward to his full retirement after many years of professorial and administrative service in the CSU. He also welcomes the opportunity to spend more time on the golf course and traveling. Don, you will certainly be missed and I hope you keep in touch with us.

**Harold Goldwhite.** Don's successor on July 1st will be Harold Goldwhite. Harold and I have worked together closely during my tenure as liaison to the ASCSU and as members of the CSU-ERFA executive committee. His contributions to our organization, the academic senate, and as a faculty member on the CSU Board of Trustees as well as his decades of faculty and administrative leadership at Cal State LA bode well for the future of CSU-ERFA. I look forward to working with Harold in the next few years to continue to expand and build our organization.

**Meeting With Northern California Affiliates.** During the afternoon before the state council meeting, Don Cameron and I met with the presidents or their designees from ten northern California emeriti affiliates. We gathered information and shared comparisons among the campuses in terms of their structure and

organization, finances, relations with the campuses, their events and activities and publications. Don took notes and is preparing a summary of the meeting.

**State Council Meeting.** I want to move on to a more mundane topic, the semi-annual meeting of the CSU-ERFA state council representing the emeritus and retired faculty in our 23-campus system, the largest organization of its kind on the planet, if not in the galaxy. Seriously, the spring 2016 state council meeting was held on the San Jose State campus. Once again, the meeting rooms, refreshments and meals were excellent. In addition, we faced an unprecedented challenge. Since our founding in 1985, our meetings have retained their 20th century face-to-face mode. Because our keynote speaker and our chancellor's office liaison were unable to travel to San Jose, we met with them electronically. The SJSU tech staff connected us with the speakers via the internet or audio, and with their expert assistance, we finally joined the 21st century.

**Homelessness Among CSU Students.** Professor Rashida Crutchfield from CSULB summarized her research on the extent of homelessness and hunger among CSU students. Aspects of our lives that we assume to be restricted to uneducated, unemployed, poverty-stricken, and addicted folks are actually prevalent among our students, more so than most of us expected. Though it is very difficult to accurately determine the proportion of our enrollees without a regular roof over their heads or with empty stomachs, Professor Crutchfield estimates that 10% are homeless and 23% go to sleep with hunger pangs. This is probably, at least in part, an unanticipated consequence of the increase in student fees, as well as housing and food costs. Many CSU campuses are trying to address this crisis. I strongly encourage each of you and your local campus affiliates to become involved in task forces, committees or existing programs to combat this problem.

**Chancellor's Office Liaison Report.** The other electronic connection we made was with Vice Chancellor Garrett Ashley, the first official chancellor's office CSU-ERFA liaison, who has become a valuable communications link in short order. He provided an update on major issues in the

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# Milt Dobkin, CSU-ERFA President, 1989-1994

By Harry Sharp, Cal Poly SLO,\* and Marshelle Thobaben, HSU\*\*

Milton Dobkin, CSU-ERFA's second president (1989-1994), died on March 10 in Eureka at age 94. His distinguished service to Humboldt State University and the entire California State University spanned 60 years including nearly three decades as a passionate and engaged professor emeritus.

Born in Los Angeles, Milt was the first in his family to graduate from high school in 1940. Subsequently, he was student body president at Los Angeles City College, served in the naval reserve during World War II and earned two degrees in speech at USC.

He taught high school in Los Angeles before joining the faculty of Humboldt State College in 1955. There he started and directed the forensic program and later held posts as division chair and assistant dean at HSC and then state college dean for faculty affairs in the chancellor's office. He returned to HSC as vice president for academic affairs from 1969 until 1984, some 15 years, where he was also acting president in 1973-74. He was a beloved faculty member and administrator.

Milt was particularly proud of his service to numerous university and systemwide academic curriculum and policy committees, as well as being active in faculty governance and scholarly associations. In 1985 he received the Distinguished Service Award from the Western States Communication Association, an organization for which he served as president in 1967.

In retirement Milt was on numerous boards, including the Humboldt Redwood Arts Council, General Hospital Advisory Board in Eureka, and Humboldt Child Care Council. He was an elected member and chair of the College of the Redwoods board of trustees. He also served on the CFA board of directors and was its health and benefits committee chair.

Simultaneously Dobkin was a leader and major force in CSU-ERFA. Besides his terms as our president, he chaired the health benefits committee for many years. He was a fixture and wise contributor to deliberations in both executive committee and state council. He richly deserved our recognition as a LIFE MEMBER.

At once a gentle man and a scholar, Milt mentored anyone and everyone wise enough to listen. Seldom, if ever, did he say "no" when asked to take on another assignment. Consequently, in the selfish meaning of the term, he simply never "retired." Rather he continued to serve in his community, at HSU, the CSU and with his colleagues in CSU-ERFA.

Rest in peace, Milt. You earned it.

\* Dr. Harry Sharp, Jr. is professor and dean emeritus, Cal Poly, SLO.

\*\* Dr. Marshelle Thobaben is professor emerita at HSU and former chair of the CSU statewide academic senate.



Two Presidents: Bob Maurer, President of CSU-ERFA from 1997 to 2003, on the left, with Milt Dobkin, President from 1989 to 1994 and chair of the CSU-ERFA health benefits committee for many years.

## Recollections, By Dave Elliott, SJSU

I first met Milt at a meeting of the Western Speech Association (WSA), back in the 1960s when I was just a young assistant professor at San Jose State. I even debated him once in a WSA session. He was its president in 1967 and recipient of its Distinguished Service Award in 1985. Milt's work as AVP at the Humboldt campus was exemplary in every way. He enjoyed the consistent support of the faculty over the many years that he served in this post and was also held in high regard by the CSU administration. As Harry indicated, he even served for a time in the early years as a member of the chancellor's staff. Milt also served for a time as acting president of the Humboldt campus.

His activities in CSU-ERFA range all the way from president to the chairmanship of our health benefits committee, one of our most important groups. He started his work in this position when Wilma Krebs was our superlatively competent chair of legislative affairs and worked for many years in Sacramento in close partnership with her.

As a person, Milt was extraordinarily kind and graceful at all times. Those who opposed him in debate were always treated with utmost civility. In some ways, this was his most important attribute for me. He was a wonderful human being.

## State Council Meets at SJSU - Appoints New Director

The Spring 2016 State Council meeting was held on the campus of San Jose State University on Saturday, April 23. Thirty-four delegates from 18 CSU campuses were in attendance. Delegates heard from Professor Rashida Crutchfield from CSU Long Beach, who is conducting research on the extent of homelessness and hunger among CSU students, which is far more prevalent than expected (see "From the President" on page 2). CSU Vice Chancellor for University Relations and Advancement Garrett Ashley also addressed the group on current issues facing CSU.

The report of the search committee for an executive director was unanimously

approved and Harold Goldwhite will assume the duties of executive director for a two year term beginning on July 1, 2016. Goldwhite, professor emeritus of chemistry from CSU Los Angeles, will succeed Don Cameron, who will be completing eight and one half years in that role.

Goldwhite, author of seven books and over 100 articles, won his campus' Outstanding Professor Award and was the Trustees' Outstanding Professor of the CSU. Goldwhite chaired the academic senate on his campus, as well as the statewide academic senate, and was faculty trustee for five years. Goldwhite lives close enough to the Northridge campus for the central office to remain in the same location.

Cameron received a standing ovation for his accomplishments, which include stabilizing CSU-ERFA's expenses, hiring and managing a new office manager, ensuring that the search for a new executive director was successful, and revitalizing CSU-ERFA's member recruitment efforts.

Other items of interest included news that a new retired faculty association is being formed on the CSU Bakersfield campus; CSU-ERFA expects to end the fiscal year on June 30 with a slight surplus of income over expenses; Marshelle Thobaben (Humboldt) will succeed Sally Hurtado de Lopez as Chair of the Grant Awards Committee, and Tom Donahue (San Diego) and David Wagner (Sacramento) were appointed to two year terms on the CSU-ERFA Executive Committee.

Photo by Mark Shapiro, CSU Fullerton.



CSU-ERFA state council meeting at SJSU, April 23, 2016 - Seated at the head table, from the left, are Barry Pasternack, Vice President; Don Cameron, Executive Director; Bill Blischke, President; Rita Jones, Secretary; and Harry Sharp, Treasurer.

## CSU-ERFA Foundation Research Grants Available

The CSU-ERFA Foundation announces its annual grant award program, with applications due December 16, 2016. A minimum of \$6,000 will be available for research and creative projects that are in accordance with the following goals:

- Scholarly research on issues important to the retiree as a continuing member of an academic discipline or community,
- Research and scholarly projects that contribute to the quality of life of the retirees in the CSU,
- Research pertaining to the retirement concerns of faculty within the CSU, or
- Research and creative projects that contribute to a given academic discipline.

An end-of-the-year report is required one

year from receiving the grant. Failure to submit a report will exclude an applicant from future grant awards. Awards will be announced in February 2017.

Applications are available from the CSU-ERFA web site [www.csuerfa.org](http://www.csuerfa.org) or from the CSU-ERFA office. The chair of the committee, Professor Marshelle Thobaben, can also supply applications or answer questions at (707) 822-1624 or through email, [marshelle.thobaben@humboldt.edu](mailto:marshelle.thobaben@humboldt.edu)

The foundation welcomes tax-deductible contributions, which may be monthly contributions. See the above web site for more information. The foundation is a 501(c)(3) charitable organization. Contributions made through June 30, 2016 are matched 1:1 through an anonymous grant from a CSU faculty member.

### CSU-ERFA New Members

**Bakersfield** – Lonnie R. Kellenberger  
Steven E. Suter  
Janette Titus  
Louis R. Wildman

**Dominguez Hills** – Trina O'Quinn

**Fresno** – William H. Dailey, Jr.  
Phillip D. Kimble

**Fullerton** – David A. Cherin  
Sheryl A. Garza

**Long Beach** – Dorothy Abrahamse  
Dennis Fisher

**Los Angeles** – Diane Haager

**Northridge** – Catherine Jeppson

**Pomona** – Ralph Miller

**San Jose** – Nancie Fimbel  
Lucy McProud  
Sigurd Meldal

**San Luis Obispo** – William C. Kellogg

**Stanislaus** – Hugh Thomas Hoy

# ASCSU Report: Report of the May 2016 Meeting

By Barry Pasternack, Emeritus and Retired Faculty Senator, and Harold Goldwhite, CSU-ERFA Liaison to ASCSU

**Governance Problems.** Near the beginning of the meeting there was a discussion of difficulties on a number of campuses related to governance problems. These include problems at San Bernardino that arose as a result of a campus climate survey (e.g. bullying) and Stanislaus (involvement of faculty in the strategic planning process). A resolution dealing with this issue was passed during the plenary (please see below).

**CFA.** CFA President Jennifer Eagan spoke about the collective bargaining agreement (CBA) and three CFA sponsored bills: AB 2019 (step increases), AB 2163 (CSU presidential searches), and AB 2294 (union affiliates release time). Academic freedom and tenure density task forces will have representatives from CFA as well as the ASCSU among others. CFA has plans to be creating a new set of research papers on topics such as graduation rates and funding models.

**Trustee Report.** CSU Trustee Silas "Sy" Abrego, an emeritus administrator from CSU Fullerton, addressed the ASCSU on issues that were of concern to him. These included the cost of education, as well as the need for a diverse faculty and the closing of the achievement gap. He welcomed comments from members of the ASCSU and found that hearing from faculty was quite useful to him as a trustee.

**No Smoking.** Lori Lamb, CSU Vice Chancellor for HR, addressed the ASCSU on a proposed CSU smoking policy, as well as a CSU policy on doing background checks. Ms. Lamb indicated the intent of the smoking policy is one of education. No fines will be issued to violators until a campus has developed a policy on the issue.

**Faculty Bullying.** Faculty Trustee Steven Stepanek reported that at one of his campus visits he heard about the bullying of a faculty member.

**EVC Report.** CSU Executive Vice Chancellor Loren Blanchard addressed the Senate and thanked the members of the ASCSU for their service. He discussed the budget process, as well as the 2015 initia-

tive to increase the four year graduation rate and the closing of the achievement gap. He indicated that the governor wants revised goals to be considered by the board of trustees in the fall. There will be renewed attention to tenure density. Blanchard referenced the quantitative reasoning task force and is looking forward to its final report. During his first year at CSU he has visited 13 of the 23 campuses.

**CSSA Report.** Meredith Turner, Interim Executive Director of the California State Student Association (CSSA), gave a report from CSSA and updated the ASCSU on staff additions and recent CSSA activities. She mentioned that CSSA would be participating in lobbying activities on June 1st and indicated that legislators will be given red glasses instead of the red socks that were given last year. She invited members of the ASCSU to come to the CSSA July meeting. On a personal note, she informed the ASCSU that she will be leaving CSSA to take a position with UC government relations.

**CSU-ERFA Report.** Harold Goldwhite gave a report on CSU-ERFA focusing on the spring 2016 state council meeting held in San Jose. He announced that he was selected as the new CSU-ERFA executive director and will continue serving as the liaison to the ASCSU. He also reported to the ASCSU on the election of the three new at-large members of the state council.

**Chancellor's Report.** Chancellor Timothy P. White met with the ASCSU to discuss two topics: shared governance and student achievement. One of the issues addressed was his notion of "shared leadership" versus "shared governance," the subject of a resolution during the March 2016 plenary meeting. Chancellor White indicated that he saw no significant difference in the outcomes of either approach, and that if the ASCSU was more comfortable using "shared governance," he would endeavor to use this term in the future.

**Resolutions.** The ASCSU took action on several resolutions. These were as follows:

**AS-3250-16/FGA Resolution Regarding Evaluation of Online Teaching:** This

resolution recommends that the ASCSU, in conjunction with the chancellor's office of academic technology, recommend to campuses that they: a) develop a campus-wide database of students and faculty involved in online courses for comparison with the general population of students, faculty and courses; b) include both demographic and non-demographic information (e.g. hours worked, commute time, faculty rank, course section enrollment at census and online format) in those data; and c) in conjunction with the chancellor's office of academic technology, aggregate such information across the 23 campuses to provide systemwide data to drive decisions concerning online teaching.

The resolution also recommends that campuses use the data to assess the desirability of establishing student qualifications for taking fully online courses and potentially limiting the number of fully online courses a student may take. The resolution also addresses the use of the data to assess the desirability of establishing protocols for offering face-to-face or hybrid equivalent classes for each fully online course offered, and placing size limits on fully online courses to match the size of the corresponding face-to-face class.

**AS 3253-16/APEP Call for a Center for Advancement of Instruction in Mathematics:** This resolution encourages the CSU to establish a center to support mathematics instruction analogous to the CSU Center for the Advancement for Reading (CAR). The Center's responsibilities would include: a) development of a fourth year high-school mathematics course analogous to the Expository Reading and Writing Course (ERWC); b) professional development for, and evaluation of, such a fourth-year mathematics course; c) professional development in mathematics/quantitative reasoning instruction; and d) policy alignment in matters affecting mathematics curriculum and instruction. Passed unanimously.

**AS-3254-16/AA Basic Subject Courses and the Grade of C-:** Executive Order

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# ASCSU Report

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(EO)1100 “General Education Breadth Requirements” sets the parameters for general education requirements in the CSU. In Section 2.2.2, the EO sets a minimum grade of “C” for satisfactory completion of the “Golden Four” basic subject GE courses: critical thinking, quantitative reasoning and written and oral communication. This was in concert with the 2011 resolution passed by the ASCSU, AS-3020-11/APEP/AA (Rev) “Grade Minima for CSU General Education Courses in the “Golden Four.”

In April 2016, the division of Academic and Student Affairs, after consultation with the CSU General Counsel, issued Coded Memorandum AS-2016-08 “Basic Subjects and the Grade of C-.” The memo asserts that the literal intention of Section 2.2.2 cannot be evenly enforced because of equity issues arising from the different grading modes (+/- vs. no +/-) used by CSU campuses and other colleges where stu-

dents may take courses they wish to transfer to the CSU. The resolution expresses grave concern that the memo was issued without consultation with, or formal notification to, the CSU. It also expresses grave concern that a CSU General Counsel’s legal interpretation obviated the need for faculty consultation in a policy area that has a direct bearing on curricular concerns. The resolution also calls for a summer 2016 working group to consider alternative viable solutions to that proposed in ASA-2016-08.

**AS-3256-16/ASCSU The Role of Faculty and Campus Academic Senates in Recommending Campus Strategic Plans:** This resolution is in response to concern about shared governance, in particular practices at CSU Stanislaus regarding the creation/revision of a campus strategic plan. It calls upon all CSU campus administrations to honor and reaffirm the authority of faculty in the creation, revision or affirmation of strategic plans in keeping with the principles

and practices of shared governance. It also urges CSU presidents and presidents’ offices to advocate for and follow the policies and procedures that promote and ensure shared governance.

The full text of ASCSU resolutions is available at: <http://goo.gl/5ZhqNY>

The meeting concluded with the election of the 2016-17 Senate executive committee: Chair – Christine Miller, CSU Sacramento; Vice Chair – Catherine Nelson, Sonoma State University; Secretary – Robert Keith Collins, San Francisco State University; Members-at-Large – Thomas Krabacher, CSU Sacramento and Kevin Baaske, CSU Los Angeles. Outgoing Chair Steven Filling also serves as a member of the 2016-17 executive committee.

We are pleased to acknowledge Prof. Catherine Nelson’s excellent summaries of the resolutions.

## CFA Report: A New Faculty Contract!

(Continued from page 1)

• Anyone who retires after July 1, 2016 can find their FERP salary with the additions that take effect for fall 2016 on the updated Q25 posted on the FAQ area of the tentative agreement on the CFA website. Also available on the website is an “estimator” for determining salary, FERP, and pension amounts.

### Other features of the settlement include:

• All faculty (tenure line, lecturers, counselors, librarians, and coaches) are eligible for the GSI if they are working during this academic year and the next. Those appointed after July 1, 2016 must be hired at a salary no lower than the new range/rank minima but will not receive the raises on top of that amount.

• Overall, faculty will see a 10.5% increase within a 366-day span beginning June 30, 2016 through the implementation of scheduled GSIs (5% on June 30, 2016; 2% on July 1, 2016; 3.5% on July 1, 2017).

• Faculty unit employees will receive a 2.65% SSI during FY 2017-18 on the eligible employee’s anniversary date. These are the first SSIs to be granted since 2007-08.

• The present contract with the changes as proposed by the settlement will be extended to June 30, 2018 with no expiration in 2017 for the weighted teaching units/compensation for probationary faculty. Bargaining will begin for a new agreement including salary in July 2017.

• Campus-based equity programs as articulated in Article 31.12 have been extended for one year, to the end of the contract.

• There are no contingencies built into the agreement beyond what are required by law. These, though, may include legislative action on a specific budget request by the chancellor, although, if so, the legislature can request that the CSU reduce something other than faculty compensation. Like all state employees, CSU faculty and staff contracts are subject to the state budget.

Further questions regarding the tentative

agreement can be submitted to [cfa@calfac.org](mailto:cfa@calfac.org).

Other news and activities statewide include the following:

• Participation in The National Day of Action for the Fight for 15 across the state on April 14.

• Support, along with other statewide unions, for the Extension of Proposition 30 Initiative, presently out for signatures to qualify for the November 2016 ballot, which would extend the upper earner income tax part of the original proposition.

• A demand to stop plans for yearly student fee increases after Governor Brown’s fee moratorium ends next year with a return to access for all to the CSU as envisioned in the California Master Plan for Higher Education.

For up-to-date information concerning CFA news and activities, access the CFA website at <http://www.calfac.org>

# Health Benefits: Changes ARE Coming

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available on-line through [my | CalPERS](#). **If you wish to continue to receive information by mail you must notify CalPERS.**

CalPERS alerted members by letter in March 2016 of this change in procedures. Attached to the notice was a postcard to return to CalPERS by July 1, 2016 if you wish to continue to receive material by mail. A show of hands – how many of you read the letter? If you still have the notice, decide whether you will mail in the postcard. If the letter is buried deep in your files or a local landfill, you do not need to dig it out.

In addition to mailing the postcard, there are two other options to alert CalPERS that you want to continue to receive open enrollment material by mail. You may log in to <http://ow.ly/10hTYt> or call CalPERS at 888-225-7377.

If I were still teaching, I would emphatically note that “this is important and will be on the final exam.” Remember, you must take action by July 1, 2016 to continue to receive material by mail. Any request after that date will not take effect until the following year.

**New Pharmacy Benefit Manager Contract.** CalPERS staff has completed the process of reviewing solicited proposals for firms to receive a five year contract for

pharmacy benefit manager. The new contract begins January 1, 2017 and ends on December 31, 2021. CVS Caremark holds the current contract.

Nine firms responded to the initial solicitation. After staff review, three firms were selected as finalists and forwarded to the CalPERS pension and health benefits committee (PHBC) for its recommendation to the CalPERS board of administration. The three finalists were CVS Caremark, Express Scripts, and OptumRx. Factors weighed in the evaluation in order of importance were member engagement strategies, innovation strategies, network drivers, plan design, prescribing edits, and strategic vision. Additional comparison information is available online on the CalPERS meeting website. Look for Item 10 on the PHBC meeting’s agenda for May 17, 2016.

On Wednesday May 18, the board selected OptumRx as the new pharmacy benefit manager, awarding a five year contract worth almost \$5 billion. CalPERS notes: “(t)he company will administer prescription drug benefits for nearly 486,000 members and their dependents enrolled in all of CalPERS’ health plans with the exception of the Kaiser and Blue Shield of California Health Maintenance Organization (HMO) plans.”

All those who went through the transition three years ago to CVS Caremark understand that one of the largest challenges will be a smooth transition from CVS Caremark to OptumRx. CalPERS understands this and has pledged that their staff will “work with OptumRx and CVS Caremark to ensure that the transition for our members and physicians will be as smooth as possible.” For more information, visit [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Blue Shield NetValue.** For 2017 Blue Shield will no longer offer NetValue to CalPERS members. This impacts over 58,000 state members. Most of those impacted by this decision live north of the Grapevine in Sacramento, San Luis Obispo, Fresno, El Dorado, Placer, Yolo, San Joaquin, and Kern counties.

There are other plans available in all areas where NetValue is currently offered. CalPERS staff note that “current NetValue members will be automatically enrolled in Access+ during this year’s Open Enrollment, since most providers who currently participate in NetValue also participate in Access+.” If they choose, NetValue members may enroll in any other available health plan during the CalPERS 2016 open enrollment period.

If you wish to continue receiving open enrollment information by mail, you must notify CalPERS

# Most Americans Don’t Have a Will

According to the Gallup Poll in May 2016, only 44% of Americans have a will that describes how their estates would be handled after their deaths, although 68% of those 65 and older have one.

The 44% figure is lower than previous Gallup Polls that asked the same question in 1990 and 2006.

The likelihood of having a will, according to Gallup, “depends largely on ... age and socioeconomic status.” Sixty-eight percent of those over 65 have a will, compared with just 14% of those younger than 30.

Fifty-five percent of those whose annual household income is \$75,000 and higher have one, compared with just 31% of those with incomes under \$30,000. Sixty-one percent of those with post-graduate education have a will, compared with only 32% of those with a high school education or less. Non-white adults are

half as likely as whites to have a will, 28% to 51%.

Even a substantial minority of older and upper-income Americans -- roughly three in 10 of those aged 65 years and older, and nearly four in 10 of those with household incomes of \$100,000 or more -- say they do not have a will.

Reasons why Americans should have wills include control over how your estate is distributed; control over the parts of your estate that are not included in a trust; speeding up any probate process that is necessary; minimizing estate taxes, if there are any; control over who is named executor; making gifts and donations; avoiding legal challenges; disinheriting those who might otherwise stand to inherit; the ability to change one’s mind as circumstances change, etc. No doubt you know people who don’t have a will. You could do their families a favor by urging that they complete one.

# Legislative Report: Budget, Out-Of-Network Providers

By Alan Wade, CSU Sacramento, CSU-ERFA Legislative Director

This month I have a series of miscellaneous items from Sacramento:

**CalPERS Card Caper.** Other SCORE member organizations seem more concerned about this than CSU-ERFA's state council, although the matter was discussed at the April 21 meeting. The issue is the blue and white mailer sent in March to all CalPERS members. The mailer asked us to return an attached post card if we wished to receive a mailed, paper copy of the open enrollment notice for changes in our health care provider. The mailer stated that, henceforth, the information would be accessible only online, beginning with the forthcoming open period – unless the post card was mailed back. Many complained of not receiving or not noticing the mailed item, and of the action required to continue receiving paper. RPEA and other retiree groups appeared before the CalPERS board itself to ask for another mailing. The Board seemed to sympathize, but CalPERS staff said they could not comply, citing “work load constraints.” Outcome: staff will send a note in each and every pay warrant urging that CalPERS be contacted directly by those still wanting the paper/mail notification. Issue resolved? Maybe.

**CalPERS Staff.** Speaking of CalPERS

staff, Rita Gallardo, division chief of the office of stakeholder relations, is retiring and moving to CalSTRS. Rita has for several years been a bright spot in SCORE's relationship (and CSU-ERFA's) with CalPERS. SCORE formally commended her at its May meeting for being instrumental in dealing effectively with stakeholder concerns on many fronts.

**“Savings Plus.”** I had never heard of it, but apparently more recent retirees subscribe to the program. One SCORE member noted receiving a postcard indicating a change in provider to “Nationwide.” She complained that her personal information was altered in the process. If you are a subscriber, you might want to check your account. Call 1-855-616-4776 to resolve issues.

**CSU's Budget.** Pat Moran of Read Associates (“our” lobbyist) updated us on Capitol Dome events. Biggest news is the annual budgetary ritual called the “May Revise.” Allegedly California will have to get along with \$1.9 billion less than expected next year due to lower than expected income tax returns. The budget includes salary increases bargained thus far, including the raises for the CSU. However, seventeen bargaining units are yet to conclude negotiations, requiring an

estimated \$500 million estimate for coverage. Legislative committees will be working on budget revisions over the next few weeks. The budget will be adopted by the deadline of June 15, or legislators will not be paid. Smart money says the deadline will be met.

**Billing From Out-Of-Network Providers.** AB 533 (Bonta) is apparently dead at present due to lack of concurrence between Senate and Assembly on recent amendments. This bill is important because it concerns insurance coverage of out-of-network health care providers. Note of caution: if you are not covered by Medicare, try to make sure that all providers in a given procedure are “in network.” The bill was opposed primarily by organizations of health care providers, and failed by three votes. It may reappear in this session or the next.

**Retiree Health Coverage.** Untouched in the May Revise of the 2016-17 budget: retirees' current health care formula. We are safe so far. However, along with “pension reform,” retiree health care reform lurks in the wings.

**The Fall Ballot.** Ballot initiatives in the fall: upwards of eighteen may await the voter. Stay tuned.

## Nonpartisan Voters Face Hurdles In June Primary

Over 20% of California's registered voters, some 4.1 million people, declined to state a party preference and are independents or nonpartisan voters. This has been the fastest growing group in the California electorate during the last two decades.

For the June primary, decline-to-state voters have been sent a sample ballot with no presidential candidates listed, in spite of the fact that the Democratic party is allowing decline-to-state voters to vote in its presidential primary. The Republican primary is open only to those registered as Republicans.

Decline-to-state voters who wish to vote in the Democratic presidential primary have to specifically request a Democratic primary ballot or vote in person. **Important:**

**if you mail back your completed ballot without the Democratic presidential primary, you cannot vote in the presidential primary.**

The 60-Day Report of Registration issued by the Secretary of State's office shows that the 2016 electorate, compared with 2008, has about the same percentage of Democratic party registrants (43.7% in 2016, 43.5% in 2008), a smaller percentage of Republicans (27.5% in 2016 compared with 32.8% in 2008), and a larger percentage of no party preference voters (23.9% in 2016, 19.3% in 2008).

The electorate has increased by about 2.3 million voters from 2008 to 2016, although almost all of that happened between 2008 and 2012. Since 2012 only 231,000 voters

have been added to the rolls. California has 70.1% of the eligible adults registered to vote, the highest figure in the last 16 years.

In other election news, canvassers for initiatives in April were receiving as much as \$5.50 per signature, since so many initiatives were trying to assemble signatures before the filing deadlines before the November election.

And Secretary of State Alex Padilla released figures at the beginning of April showing that of the 562,238 Californians who registered online from January through March, over a third were between 17 and 25 years of age. Young adults, those from 18 to 24, represent only 8% of the registered electorate.

# Pre- & Post Retirement: Do Watch Out For This

By Tom Donahue, Chair, Pre- and Post-Retirement Concerns Committee

*Question: What is going on with the recent bill that caps costs for medicines from insurers in this state?*

**Answer:** You refer to last year's Assembly Bill 339, which is designed to control drug costs for the insurers participating in Covered California, the state's agency in charge of California's participation in the Affordable Care Act. Information about how the bill is working is still accumulating. But the fuller story of what is happening with AB 339 shows us this: eternal vigilance on the part of the citizenry is a must.

That story plays out like this: the Affordable Care Act establishes a yearly limit of \$6,600 on a patient's costs for medicine purchases. But in the case of such conditions as multiple sclerosis, hepatitis, HIV/AIDS or cancer, drug costs could reach that limit within thirty days. State Assemblyman Rich Gordon of Menlo Park attempted to develop relief for Californians and the California budget in AB 339 by managing those costs as the ACA is implemented in this state through Covered California.

The structured relief in the legislation is ingenious. The copayment for an individual prescription for thirty days may not exceed \$250. For those enrolled in a Covered California bronze level insurance plan, the cost sharing for thirty days may

not exceed \$500. Special provisions are made for people in "non-grandfathered individual or small group health care plans," in which the above limits are doubled.

In addition Assemblyman Gordon devised a restriction on the present formulary of four tiers of drug types to be supported in Covered California. That formulary, as described in the legislation itself, looks like this:

- (A) Tier one consists of most generic drugs and low-cost preferred brand name drugs.
- (B) Tier two consists of non-preferred generic drugs [and] preferred name drugs.
- (C) Tier three consists of non-preferred brand name drugs or drugs that are recommended by the health care service plan's pharmacy and therapeutics committee based on safety, efficacy, and cost.
- (D) Tier four consists of drugs that are biologics, drugs that the FDA or the manufacturer requires to be distributed through a specialty pharmacy, drugs that require the enrollee to have special training or clinical monitoring for self-administration, or drugs that cost the health plan more than \$600 net of rebates for a one-month supply.

Assemblyman Gordon's restriction is that from the outset, this legislation expressly prohibits suppliers from shifting medicines to a higher tier.

This legislation in ordinary circumstances should provide for much tighter control of costs. But what is the reaction among drug suppliers, particularly to the restrictions about tiers and moving up in those tiers?

The answer, admitted Nicole Kasabian Evans of the California Association of Health Plans, is that "bills like this give a false sense that drug costs are going to be reduced, when in reality costs are just shifted from your out-of-pocket costs to premiums." Thus suppliers will recover their costs through higher monthly fees, the premiums paid to enroll in the plan.

We have known all along of course that the suppliers will not be denied their profits. But still: eternal vigilance is indeed a must.

Please send questions for this column to: donahue\_thomas@gmail.com

## Sobering Thoughts About Taxes and Senior Citizens

Most senior citizens don't pay income tax.

It's amazing, but it is true. The standard deduction for people over 65 is higher than for younger tax filers. The majority of retirees are exempt from paying federal income tax on their Social Security income. And the progressive income tax benefits low-income retirees and seniors living in poverty.

The most important reason is income – unlike those with public sector pensions, most American retirees live on significantly less income than they had when they were working.

Almost 25% of married couples and half of

single senior citizens rely on Social Security for more than 90% of their income, meaning that their savings and pension income is almost nil.

About 70-75% of all individuals pay federal income taxes from age 30 until age 60.

By age 70 the percentage is down to 35-40%, and by 80 it is down to 25%.

But almost all of those people have very little income.

Sobering thoughts, indeed.

### In Memoriam

**East Bay** – Maurice Dance  
Delmo Della-Dora  
John Sims  
Douglas Sprague

**Fresno** – Mir K. Ali  
Mary L. Maughelli  
Robert A. Minick

**Fullerton** - Eula Mae Stovall  
Charles F. Williams  
Ernest Works

**Los Angeles** – Anita Fisher  
Robert Fowells  
Arnold Pincus  
Kenneth N. Sweetnam

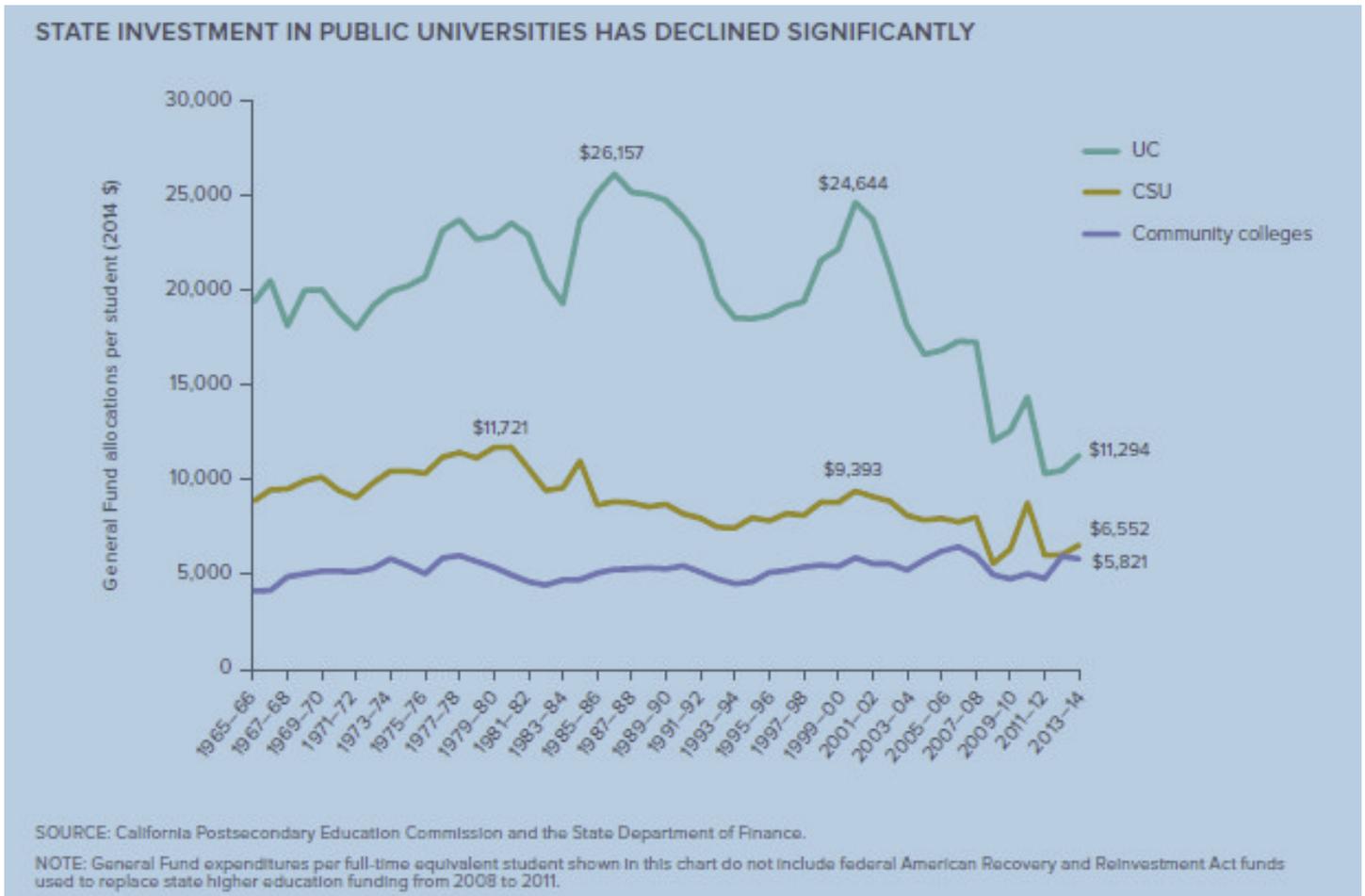
**Northridge** – George R. Cannon  
Margaret Dezarn  
Margaret Thompson  
Eleanor A. Walsh

**San Diego** – Donavon McClard

**San Francisco** – Paul Armstrong  
Herbert W. Bielawa  
Alma Maxwell

**SLO** – Richard F. Johnson

# Has California Given Up Funding Higher Education?



A 2016 Public Policy Institute of California analysis of the state's support for higher education shows that higher education spending has declined substantially as a proportion of the general fund. Forty years ago, higher education, including spending on all three higher education systems, constituted a quarter of the general fund. Today, that same spending is only 10% of the general fund.

According to the chart above, total state spending on the three systems of higher education has declined substantially. The chart uses constant 2014 dollars, adjusted for inflation. In the late 1980s, the University of California received over \$26,000 in general fund allocation per student. Since then, almost a three decade period, that amount has declined to less than half, approximately \$11,300. CSU's corresponding peak was in the early 1980s, when the system received the equivalent of almost \$12,000 per student in state aid and tuition/fees were less than \$1,000 per student per year. Now, the CSU is down to \$6,552.

In contrast, the community college system receives almost as much as the CSU at present, some \$5,821 per student in state aid, and has been on a long, gentle upward trend since the 1970s. This trend seems to be the result of Proposition 98, which requires that 40% of the general fund be spent on K-12 schools and the California Community Colleges. UC and CSU are not

included under Proposition 98. In 1988, when Proposition 98 was approved, spending on higher education was roughly equal among the three systems. Today, the community college system receives 60% of the total funds, with the rest being roughly equally divided between UC and the CSU.

Over the long run, the PPIC states that "state appropriations to UC and CSU have not kept up with enrollment increases. Between 2007-08 and 2012-13, state appropriations to UC and CSU fell from 6.3 billion to \$4.3 billion (in constant dollars), or more than 40 percent, even as enrollment increased." On a FTE basis, state appropriations to CSU and UC are at near record lows. "In contrast, per student funding at the community colleges is at historically high levels. Recent state funding increases at UC and CSU have been relatively small in comparison with previous cuts; community college increases have been sizable due to Proposition 98."

To make up the difference, UC and CSU have mainly relied on increasing tuition and fees. The in-state tuition has tripled in the last 20 years. Since 2006, spending on faculty and administrative support has been flat or declined.

The report is entitled "Investing in Public Higher Education" and is available on the PPIC web site: <http://www.ppic.org>

# Moody's - California Not Ready for Next Major Recession

In an April 2016 fiscal stress-testing exercise evaluating the ability of the four most populous US states to weather a potential recession in the next two years, Moody's Investors Service found Texas (Aaa stable) was better prepared than Florida (Aa1 stable), New York (Aa1 stable) and California (Aa3 stable) based on revenue volatility, the ability of reserves to cover a potential first-year revenue shortfall, and greater revenue and spending flexibility.

California trailed the three due to its revenue volatility, weak financial flexibility, and lower reserve levels. "The measures we assessed—revenue volatility, deficit coverage by financial reserves, revenue and spending flexibility, and fixed costs as a percentage of revenues—provide an indication of recession readiness of the most populous states during the next two years," Emily Raimés, a Moody's vice president, says.

While the research goes into depth with the four most populous states, Moody's includes an appendix analyzing the same four criteria with the 20 most populous states. It finds the states of Texas, Missouri (Aaa stable) and Washington (Aa1 stable) most prepared for a recession while California and Illinois (Baa1 negative) are least prepared, with the other 15 moderately prepared.

Texas' reserve levels, known as a rainy day funds or budget stabilization funds, provide substantially higher deficit coverage in a potential economic downturn as reserves provide ample coverage for a major single year revenue decline.

Florida also has adequate reserves to cover a deficit, while

California and New York fall short.

The report "State Government -- US: Fiscal Stress Test: Ability to Withstand Next Recession Depends on Reserves, Flexibility" found greater revenue volatility in California and Florida than in New York and Texas. "Historically, California has shown vulnerability as the center of the highly volatile tech industry and is reliant on personal income taxes, while Florida was the epicenter of the most recent housing slump," Raimés says.

Texas and New York have seen lesser declines amid lower oil prices and Wall Street downturns.

## California Fiscal Idiosyncracies

Your editor collects state fiscal idiosyncrasies, including areas where the state tax system, developed decades ago and rarely updated, is out of line with other states. My favorite is California's not taxing Social Security. Most of you probably know that the federal government taxes your Social Security payments, or up to 85% of them if your joint tax return has a combined income of \$44,000 or more (there's a corresponding amount for those who file single tax returns). The combined income is your adjusted gross income, nontaxable interest, and ½ of your Social Security income. The \$44,000 amount was established in the last major Social Security reform bill, in 1983, and deliberately not adjusted for inflation, with more and more

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## From the President

(Continued from page 2)

CSU, including the tentative agreement with CFA that avoided the threatened strike, the current budget situation, and several other important systemwide concerns. After his brief overview, Ashley fielded a number of questions from state council attendees.

**President's Report.** In my president's report, I noted the fruitful meeting the previous day with the northern CSU campus representatives and the letter I had sent to Governor Brown on our behalf regarding the woefully inadequate CSU funding. Despite my ancient personal connection with him and my promise to bring him some delicious home-baked cookies, I have not had any response. In the Governor's May revised budget, CSU's dire funding situation was virtually unchanged. During our visit to the Bakersfield campus, we met with an enthusiastic group that is determined to

reinstate their affiliate. One of our goals is to provide assistance to the other five campuses lacking a local group so that they can come aboard as well.

**Soles4Souls.** I also provided the following update on the proposed Soles4Souls (S4S) project: the executive committee met with the CEO of S4S at our January session, and he answered a myriad of questions. Thanks to the leadership of Sam Wiley, my home campus of Dominguez Hills is piloting the shoe collection drive this semester, and we will learn valuable lessons from this test case. At the August meeting of the executive committee, we will discuss whether or not to expand S4S to the other 22 campuses or as many as choose to participate. From my point of view, the goals of the CSU Million Shoe Campaign, though it is unlike anything CSU-ERFA has ever considered before, are: foremost, to provide footwear to the billion folks on earth that lack any or adequate shoes; to create a campus-wide project integrating faculty, students, staff,

administrators and alumni; to expand the ties between the campus and organizations in their surrounding communities; and to create a unique and very positive public relations opportunity for the CSU.

One of my favorite mottos in the eighth decade of my life is "think globally but act locally." S4S is one of the ways of doing that. I want to create an ad hoc committee to assess the Dominguez Hills experience, discuss the feasibility of expanding to other campuses next fall, and advise the executive committee at the August meeting. All communications can be done electronically. Therefore, it will take little of your time and entail no expensive and time-consuming travel. PLEASE LET ME KNOW ASAP IF YOU ARE INTERESTED IN PARTICIPATING at [wblischke@csudh.edu](mailto:wblischke@csudh.edu)

Enjoy your spring and summer and stay informed and involved in CSU-ERFA and your campus affiliate.

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

**The Retirement Center  
18111 Nordhoff Street  
Northridge, CA 91330-8339  
<http://www.csuerfa.org>**

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

**Address Service Requested**



**California State University  
Emeritus & Retired Faculty Association**

**State Idiosyncracies**

(Continued from page 11)

people paying tax on their Social Security each year.

Another is the state's sales tax, which taxes a smaller and smaller proportion of the state's output each year because the tax was developed decades ago when the state economy was more dependent on manufacturing than it is today. Today we have a service based economy, and many states have updated their sales taxes to tax some services. If we did so, we could lower the sales tax rate, something that often rankles both Californians and visitors from other states. But we don't.

To these we can add another. California, the state where more Powerball tickets are sold than any other state, is one of the three states that exempt lottery winnings from state income tax. If a Californian had won last January's Powerball jackpot of \$1.5 billion and taken the winnings in a single payment of \$930 million, the state would have given up some \$100 million in taxes because of this policy. The other two states that exempt Powerball winnings

from state income tax are Pennsylvania and Delaware.

The exemption was part of the California State Lottery Act of 1984. Some 40% of the state's sales of Powerball tickets go to fund education, with the total lottery sales adding some \$1.39 billion to California school spending last year.

However, those of you who have sat on campus lottery committees know that the governor reduces the state's contribution to education each year by the amount of lottery income, so the net contribution of the lottery to education is zero.

**CSU-ERFA  
Calendar of Events**

**August 13, 2016 - CSU-ERFA Executive Committee meets in Torrance.**

**October 22, 2016 - State Council meets at Cal Poly Pomona.**

**April 22, 2017 - State Council meets at CSU Dominguez Hills.**

**If You Move...**

CSU-ERFA members who move after retirement to a location that is closer to another CSU campus should contact the CSU-ERFA office. Information will be provided about the CSU-ERFA campus affiliate at the nearby campus.

**CSU-ERFA Pocket  
Calendar Error**

Those who use the CSU-ERFA pocket calendar should be aware that it omits the week of October 16-22. CSU-ERFA apologizes for the error.