

CSU-ERFA Reporter

A quarterly publication of the California State University Emeritus and Retired Faculty Association

State may borrow for pension payments

By Wilma Krebs

Legislative Committee chair

The state's contribution to CalPERS for retirement benefits is estimated at \$2.1 billion of which \$1.1 billion is from the General Fund. The governor's budget proposes either direct borrowing from CalPERS or a state issue of pension obligation bonds.

The CalPERS Board has taken preliminary steps to approve pension obligation bonds, as preferable to the more risky alternative of borrowing from CalPERS. This device has been used by several cities and counties in California and in one other state.

CalPERS would have to approve the pension obligation bonds by May, followed by a court review.

The legislative analyst has looked at ways to reduce state special fund contributions to our health plans. One idea advanced was for CalPERS to create a really low-cost health plan and then provide incentives for members to enroll.

This would have a negative effect on the state contribution for retirees, which is determined by the 100-90 formula. The way this works is that the state contribution to retirees is set at 100 percent of the average premium of the four plans with the largest enrollment of active employees.

A dependent spouse gets 90 percent. This year it amounts to \$288 a month for one person, and \$537 a month for two — very important to most retirees.

Legislation

It is generally believed that any legislation requiring significant new funding has little chance of passing this year. One group of bills attracting much attention is those proposing to create a Universal Health Care system.

As the private health care system encounters more and more problems (the "Perfect Storm"), these proposals gain ground.

SB2 (Speier) is a "pay or play" model. All employers would have to cover their employees or else pay a tax to finance a state health system.

SB 921 by Kuehl is a "single payer" plan. State money going to health care would be redirected to provide health care for all California residents, with provision for out-of-state retirees.

This would be supplemented by a payroll tax on employers and employees, and a tax on unearned income, including pensions, presumably at a low rate. (But estimates are not yet available.)

Please turn to page 7.

After what seems like an eternity the CSU-ERFA Foundation at last is a reality.

The dreams of Max Norton, Milt Dobkin and others were fulfilled Oct. 3, 2002, and will be completed when the busy work of opening a bank account and a file drawer in the CSU-ERFA office is done.

The CSU-ERFA Charitable Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. The primary objectives and purposes of this corporation are:

- to support scholarly research and creative activities relating to academic retirees and retirees in general;

Foundation finally becomes a reality

- research that contributes to the quality of life of retirees, including but not limited to retirement policies and practices throughout the country, benefits, rights and privileges of retirees;
- public policies related to the

maintenance and quality of life of retirees;

- publication endeavors of retirees as contributing members of their professional communities;
- conducting projects pertaining to the history of the institutions related to the college and university systems;
- and research and creative projects that directly benefit a given academic discipline.

The articles of incorporation were approved by the secretary of state Oct. 18, 2001, and

Please turn to page 7.

Executive Committee**2002-2003**

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From the president ...

Budget crises have effect on CSU emeriti

by **Robert Maurer**
CSU-ERFA president

As we went through the usual items of the agenda at the CSU-ERFA Executive Committee meeting Feb. 22 in Los Angeles, I could not help but feel a sense of foreboding when the effects of the national and state budget crises on the health and retirement benefits were described.



Maurer

It is hard not to believe that politicians of all persuasions and at all levels have sold out the people to special interest groups and corporations. In the meantime CSU-ERFA will continue to meet its responsibilities to the retired faculty of the CSU.

With the final approval of the CSU-ERFA Foundation by the Treasury Department, Internal Revenue Service (see article on page 1 in this issue) we are almost home free.

We need to open a bank account and establish an "office" in a spare filing cabinet at the CSU-ERFA office in Northridge. Both of these things will be done before you read this item.

At that time CSU-ERFA will transfer money from its account with the CSU Foundation. (It will all make sense if you don't read it too quickly!) to the CSU-ERFA Foundation.

Then the CSU-ERFA Foundation will be ready to accept contributions.

During its first several years the foundation will only accept contributions of money

for support of the approved activities of the foundation. Contributions must carry no restrictions and the foundation may refuse contributions that are designated for a specific use or person.

Spring meeting April 19

The spring meeting of the State Council will be held April 19 at the Crowne Plaza LAX. This is a departure from our usual north/south schedule, but one we have made on the basis of convenience to the majority of council members and of some financial savings.

We will discuss this matter at the meeting before deciding on future scheduling.

If a member or affiliate has an item to be considered at the council meeting it should be submitted to the office so that it can be included in the agenda.

If delegates of affiliates will be bringing matters for the council to consider, they should send a copy to the CSU-ERFA office so that we can include them in our meeting packet.

Nominating Committee

Meanwhile, Emmett Long, past CSU-ERFA president, was appointed chair of the Nominating Committee. Dom Perello is a committee member.

If any affiliate or member of CSU-ERFA would like to make a suggestion for president, vice president, treasurer or at-large member of the State Council, they can send the name(s) to Emmett at Emmett.Long@verizon.net or c/o The CSU-ERFA Office in Northridge.

Elections will be held at the April 19 Council meeting. ✓

Germans honor Sonoma emeritus for Holocaust studies

A Sonoma State University sociology professor emeritus was honored last March by the German government for his studies of the Holocaust.

John M. Steiner, 76, received the German Order of Merit in ceremonies in San Francisco. The award from the German president, Johannes Rau, was made by the German consul general, Bernd Westphal,

He was born and raised in Prague; when he was 17 he was taken to a concentration camp. While he was reared a Christian, he was considered impure because his great-grandfather had converted to Judaism.

He was liberated in April 1945 by Americans. He came to America in 1953.

Steiner joined the Sonoma faculty in 1968 and is the co-founder of the Holocaust Study Center there.

He is best known for his research on Nazi motives. After the war he returned to Germany and interviewed former concentration camp guards. He wanted to "understand it better in order to prevent it," he said in a Santa Rosa Press Democrat interview.

His sources found his interviews therapeutic. And it was for him as well.

"The more I understand the less I will have a need to hate," he said.

Roszak publishes

Theodore Roszak, Hayward history professor emeritus, has published a novel, "The Devil and Daniel Silverman."

It's the story of a gay Jewish novelist from San Francisco who finds himself trapped on the campus of an evangelical Bible

college that thinks of San Francisco as Sin City and sees all gays as the spawn of the devil.

"I wrote it as a plea for pluralistic values and tolerance at a time when such virtues seem to be in short supply," Roszak said.

Publisher is Leapfrog Press.

Senate deadline set

The deadline for nominations of a faculty retiree member of

From here ...

Briefs

... and there

the CSU Academic Senate is March 14.

3 grants awarded

Grants to three emeritus faculty members were approved Feb. 22 by the CSU-ERFA Executive Committee. Recipients are:

- Sarah Moskovitz, human development and counseling, Northridge. She was given \$1,500 for a poetry project in the Jewish Historical Institute in Warsaw.

- Dora Beal Polk, English, Long Beach. She was given \$500 for work on a collection of poetry to be published by the Welsh Women's Press. Polk was one of the first to contribute to this CSU-ERFA Foundation fund.

- Peter Brier, English, Los Angeles. He was given \$500 for completion of a biography of Emanuel Oscar Deutsch.

Maxwell C. Norton, Stanislaus, is chair of the grant awards committee. Other committee members are Ralph Beckett (Fullerton) and Eleanor Price (Dominguez Hills).✓

New members for CSU-ERFA

CSI-ERFA welcomes the following new members:

BAKERSFIELD: Donald Bridgman

CHICO: Charles Gesheker, Ronald Hodgson, Buck Ware, George Wright

DOMINGUEZ HILLS: William Blischke

FULLERTON: Linda Andersen, Roger Dittman, Lani Martin

HAYWARD: Peter J. Claus, Harry M. Overline, Jodi Servatius

HUMBOLDT: Nancy J. Frost, Simon R. Green

LONG BEACH: Jeanne Bader, Jean Granger, Carl Maltz

LOS ANGELES: William Cohen, Joy Ann H. Morin, Donald Paulson, Joe Soldate, Diane Vernon, David Wilkinson

MONTEREY BAY: Manuel Carlos

NORTHRIDGE: James Wilkinson

SACRAMENTO: Allan Hinderstein, Phyllis Lower, Joseph Morrow

SAN BERNARDINO: Lee Porter, James G. Rogers, Alvin Wolf

SAN FRANCISCO: Steven J. Evans, Dora L. Ng, Nancy McDermid, Alfred Wong, Cecile Zinberg

SAN JOSE: Nancy Markham

SONOMA: Dennis Harris, Robert T. Rosin✓

CalPERS struggles as health benefits remain under siege; Some possible changes for 2004 include 3-year contracts

PERS staff, member representatives and the board are struggling to deal with the relentless rise in cost and high demands of the providers.

Likely changes for 2004:

- Three-year contracts with the HMOs — Blue Shield, Kaiser and Western Health Advantage.
- Open enrollment every three years, with interim adjustments for cause.
- More and better disease management programs, such as cholesterol, heart, asthma. Incentives for member participation.
- Pharmacy carveout for the HMOs. (Not sure how this would apply to Kaiser.)
- Use of centers of excellence (with reasonable cost) for high-cost procedures.

Possible changes:

- Tiered provider networks, like hospitals. Higher co-pays for those with higher cost levels. Blue Shield does this in its private sector plans.
- Pay for performance physician incentives. How would doctors respond?
- Regional rating, with lower premiums in low-cost areas, like Southern California. PERS wants to retain public agency members, who tend to be younger and healthier than average. Public agencies may get better private rates in some areas, and they have asked for lower-cost plans.

If PERS complies, will it endanger our 100-90 formula which protects state retirees?

The PERS Board will address

these and other decisions in its March and April meetings. The Health Benefits Committee

meets March 18 and April 15 at the PERS auditorium, 3rd and P streets, at 9 a.m.✓

Details on your death benefits

(The following is taken from a CalPERS pamphlet "Retired Member Death Benefits" 2001.)

Upon the death of a PERS member, the spouse assumes that that there will be a retirement benefit and a continuation of PERS health plan benefits. Unfortunately, the surviving spouse may encounter problems. When PERS and the health plan are notified of the death, the health plan will send a letter saying that coverage is stopped both for the deceased and the covered spouse. This is pretty upsetting. What action should be taken?

CalPERS needs the name and Social Security number of the deceased, date of death, name, address and phone number of the surviving spouse (or family member, if the spouse did not survive). PERS will send a claims information booklet, which should be completed and returned as quickly as possible to CalPERS Benefit Services Division, P.O. Box 942716, Sacramento, CA 94229-2716

Items required are:

- copy of the death certificate
- completed claim form (which PERS has mailed to you)
- marriage certificate, if survivor continuance is to be paid to surviving spouse (date of marriage is needed)
- birth certificate of beneficiary, if designated for an allowance
- letters of Administration or Letters Testamentary for the probated estate, if estate is to be paid
- return of checks issued after payee's death or a personal check for the amount due to be returned
- newspaper clipping reporting the death (if available)

For continuation of health insurance, the following conditions must be met:

- a monthly allowance must be payable
- the recipient must have been enrolled in the health plan
- the health plan must be under the Public Employees' Medical and Hospital Act.
- Certain non-enrolled surviving family members may be eligible to enroll within 60 days (contact Health Benefit Services Division at PERS).
- If coverage will not be continued, survivors may be eligible for COBRA coverage. (Call CalPERS Benefit Services at 800-352-2238.)
- If the member was covered by the CalPERS Long-Term Care Program, the death should also be reported to the program administrator at 800-982-1775. If the survivor was covered, and premiums were deducted from the monthly allowance, arrange for a payment method for future premiums.
- Keep this information current and file it where it can be readily accessed.✓

Clip and send to CSU-ERFA

Membership Application

First name _____ MI _____ Last name _____

Address _____

City, state and ZIP _____

Area Code\Telephone No. _____ - _____

E-mail address _____ Department _____

Social Security number _____ - _____ - _____

Date retired _____ from the _____ campus

Please enroll me as a retired member of CSU-ERFA. I hereby authorize deductions by the Public Employees Retirement System for the payment of dues to the CSU-Emeritus and Retired Faculty Association. I further agree that CSU-ERFA act as my agent in payroll deduction agreements and transactions between myself, CSU-ERFA and the Public Employees Retirement System. This authorization will continue in effect until I submit a timely written notice of cancellation to the CSU-ERFA office. (Call the office at 818/718-7996 for instructions should you prefer to make direct payment of dues.)

Monthly retirement**Dues****Check one**

\$1,000-\$1,599

\$3 per month

☐

\$1,600-\$2,299

\$4 per month

☐

\$2,300-\$2,999

\$5 per month

☐

\$3,000-\$3,599

\$6 per month

☐

Above \$3,600

\$7 per month

☐

Donor member

\$8 or more per month

☐_____
Signature_____
Date**Please mail the completed form to:**

CSU Emeritus and Retired Faculty Association
The Retiree Center
18111 Nordhoff St.
Northridge, Calif. 91330-8339

Stormy weather ahead for CFA? Contract talks loom

Membership now at almost 50% of total CSU faculty

By H. Dieter Renning
CSU-ERFA liaison to CFA

Since the drama of stalled bargaining, implementation of impasse procedures and an 11th-hour contract settlement with the CSU last March, the CFA has been sailing relatively tranquil waters.

But with re-opener negotiations just around the corner, it remains to be seen whether the two sides are heading into turbulent weather again.

The CFA Delegate Assembly last October was an occasion for multiple celebrations. Aside from the new contract, there were several other developments to cheer about. For example, by last September CFA's recruitment efforts (probably assisted by the negotiating stance of the administration) had raised membership to almost 50 percent of the total CSU faculty.

At the end of that same month the governor had signed a CFA-sponsored bill, AB 2549, into law. It enables CFA to bargain CalPERS retirement benefits for a large number of lecturers who teach six weighted units for two consecutive semesters or quarters.

Another bill, SB 1646 (Alpert), on which CFA had adopted an "oppose" position, was withdrawn by its author. It would have required the CSU to develop a four-year elementary baccalaureate degree program. In the view of many faculty in that field, it would have dismantled existing teacher education programs.

One of the major topics addressed by the CFA was

the Governor's "Golden Handshake" offer to state employees, which applies also to CSU faculty (except for those who FERP). The CFA Assembly passed a resolution which called on the CSU to accept the offer, but under the condition (among others) that all discussions relating to it occur in the context of the "meet and confer" provisions of the current Collective Bargaining Agreement.

In other resolutions the Assembly:

- deplored the human rights abuses and the harassment of faculty, teachers and union members in Columbia;
- called on the U.S. government to refrain from war with Iraq, pointing out that "the use of force in international affairs potentially puts CSU students at risk to their health, safety and welfare" and that "armed conflict has a negative effect on the exercise of First Amendment rights and academic freedom on university campuses."

In conjunction with the Fall Assembly, more than 150 CFA members founded a "CFA Latina and Latino Caucus," and CFA launched what is to be an annual event, a "Friends of Education and Labor Awards Dinner," which serves both as a fundraiser for CFA's political action committee and as an opportunity to honor advocates for higher education within the labor movement.

The keynote speaker was Antonio Villaraigosa, former speaker of the State Assembly, who was honored, along with

Ricardo Icaza and Miguel Contreras from the Los Angeles County Federation of Labor.

In other actions, CFA, the statewide Academic Senate and the CSU administration last September jointly presented to the trustees a plan for achieving a 75/25 ratio of tenure-track to temporary faculty, as mandated by CFA-sponsored ACR 73 (which the Legislature had passed in 2001).

Also last fall the CFA, unhappy with the administration's approach to obtaining adequate funding for the new fiscal year, had developed an alternative budget proposal, but it may have become moot, given the budgetary upheavals in the state and, consequently, in the CSU.

Related to the budget woes is, of course, the plan to increase student fees within the CSU. On this subject the CFA Board, just a few weeks ago, adopted a resolution opposing the fee increases, urging the trustees to postpone any action "until after the release of the governor's May budget revision and its analysis by the Legislature." It demanded "that the CSU demonstrate its financial need, if any, through an open and comprehensible analysis of the CSU budget prior to considering student fee increases."

It is, of course, an open question to what extent the CFA-CSU re-opener negotiations will be affected by the — as of now unsettled — budget situation. Anyway, on Feb. 10 CFA issued its "public notice proposals" for this bargaining round.

Please turn to next page.

More about CFA

Continued from previous page.

Among the most significant ones:

- The requirement "that 1,700 tenure-track searches are conducted in fiscal year 2003- 2004 in the context of ACR 73 goals, including protection of currently employed lecturers";
- a "General Salary Increase [GSI] based on the Consumer Price Index sufficient to maintain real faculty income at its June 30, 2003, level";
- and provision of "additional health care assistance for employees at SLO, MB, HSU and Chico as well as other employees who may, in the future, experience restricted health care availability."

(Go to www.calfac.org to see the complete text of these proposals.)

Upcoming events worth noting:

- The "CFA Equity Conference" was held March 7-8 in Los Angeles. More than 125 people were expected to participate.
- On the weekend of March 14-16 CFA representatives attended the California Democratic Party convention in Sacramento and presented a resolution urging the party to reaffirm its long-standing commitment to public higher education and to the students, faculty and staff of the CSU.
- And the next CFA Delegate Assembly will take place April 5-6, this time in Sacramento.✓

In memoriam

(Recorded from 11/1/02 thru 2/28/03)

The following CSU-ERFA members have died since the last issue of the Reporter:

CHICO: Joseph Smith

DOMINGUEZ HILLS: Ingeburg Assmann

FRESNO: Ernest Wild

HUMBOLDT: Raymond Barratt

LONG BEACH: Olga S. Gazdik, Douglas C. Moryl, James G. Powell

LOS ANGELES: George William Willott

NORTHRIDGE: Robert apRoberts, Helen Helms Marcus, Edwin Sievers

SACRAMENTO: Robert Good, Siegfried Nus-senbaum

SAN FRANCISCO: Albert D. Peck

SAN JOSE: Stuart Baillie, John MacRae, George Stauss

SAN LUIS OBISPO: Ora C. Butzbach✓

More about foundation

Continued from page 1

its organization number is 2363186. The California Franchise Tax Board declared it exempt from state franchise or income tax under the Revenue and Taxation Code on Feb. 8, 2002.

In a document dated Oct. 3, 2002, the Internal Revenue Service wrote that the foundation was exempt from federal income tax. Because we are a newly created organization, they did not make a final determination of our foundation status under the Code. Consequently we are operating under an advance ruling period.

However, they have determined that we can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi). Accordingly, during an advance ruling period we will be treated as a publicly supported organization and not as a private foundation.

This advance ruling period began Oct. 18, 2001, and will end on June 30, 2006. Contributions for the use of the foundation and made without conditions will be tax deductible.

The corporation has seven directors and collectively they are known as the Board of Directors . The number may be changed by amendment of the bylaws. Four of the seven directors are ex-officio directors who are the officers of the Emeritus and Retired Faculty Association of California State University, namely the president, vice president, immediate past president and treasurer.

The remaining three of the seven directors are elected by the four ex-officio directors, who shall attempt to find such directors from the membership of CSU-ERFA. The term of office of each elected director shall be three years.✓

— by Bob Maurer
CSU-ERFA president

More about budget

Continued from page 1

Other legislation includes SB 126 (Chesbro) which would extend the Rural Health Equity Program to Jan. 1, 2008, and increase the maximum monthly reimbursement to \$85.

SB64 (Speier) provides protection from homeowner insurance companies that refuse to renew your policy because you filed a claim.✓

Rural subsidy extended until June 30; after that, chances slim

On Dec. 19, 2002, CSU-ERFA, by a letter from Bob Kully, alerted many members living in rural zip codes no longer served by HMOs that Gov. Davis planned to end the modest rural subsidy payments effective January 2003.

Letters objecting to "solving" the state's budget crisis by adding this burden to selected retirees were recommended to be sent to the governor and selected legislators.

Fortunately for our affected members the Legislative Counsel later ruled that the payments had to be continued

until June 30, 2003. So, despite the governor's plan the payments continued without interruption.

Even though Sen. Wesley Chesbro, D-Arcata, has introduced SB 126 which would increase monthly payments to a maximum of \$85 (now \$75), the chances of both continuing and augmenting the Rural Health Equity Program in the 2003-4 fiscal year seem slim.

Members who are concerned about the program's continuation and this bill should contact their legislators to urge support for such action.

Meantime, on another front, we continue to bring the attention of the CalPERS health care staff to the need for their cooperation with community-based HMO-type health systems such as those developed in Siskiyou County and being constructed in Humboldt and Del Norte counties.

If staff efforts continue to lag, we will be seeking help from the newly elected CalPERS Board representative, George Diehr, whose election was the result of an effective CFA campaign. ✓

— by **Milt Dobkin**
Member at large

California State University- Emeritus and Retired Faculty Association

The Retiree Center
18111 Nordhoff St.
Northridge, Calif. 91330-8339

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

Address service requested

Non-Profit Org.
U.S. Postage

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Northridge, CA
Permit No. 13

