CSU ERFSA Reporter

California State University Emeritus
and Retired Faculty & Staff Association

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Inside this issue:

State Council To Hear CalPERS Board President Henry Jones at Cal Poly Pomona April 18, 2020

By Harold Goldwhite, CSU-ERFSA Executive Director

Henry Jones, president of the CalPERS Board of Administration, will be the keynote speaker at the spring State Council meeting on Saturday, April 18, 2020, on the Cal Poly Pomona campus. The meeting will begin at 10 a.m. and conclude by 3 p.m.

Jones is the elected representative of retired CalPERS members and serves on the governance, finance and administration, investment, and pension and health benefits committees. He has served on the board since 2008; when he completes his current term, he will have served 16 years as a board member. He is currently in his second one-year term as president. Prior to being elected president, he served three years as vice president.

He retired in 1998 from the Los Angeles Unified School District (LAUSD), the second largest in the nation. As chief financial officer, he oversaw the district's $7 billion annual budget. He also headed the board overseeing the pension fund for 7,000 schoolteachers and administrators.

Jones currently serves as a personnel commissioner for the Los Angeles Community College District. He is a member of the governing board of the Robert Toigo Foundation, a nonprofit organization that encourages minorities and women to pursue careers in finance. He also serves on the board of the Pacific Pension & Investment Institute, an educational

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Charles Schwab to Offer *The Charles Schwab Guide to Finances After Fifty* to All CSU-ERFSA Members

In association with CSU-ERFSA, Charles Schwab will offer a complimentary copy of *The Charles Schwab Guide to Finances After Fifty* to all members of CSU-ERFSA.

To order a copy, visit www.schwab.com/bookoffer and complete the online order form. After the order is placed, Schwab will send follow-up communications regarding shipping and links to retirement related articles and tools. All email communications include an option to opt out of receiving further marketing communications from Schwab.

Written by Certified Financial Planner™ professional and celebrated columnist Carrie Schwab-Pomerantz, *The Charles Schwab Guide to Finances After Fifty* has been recognized by *The New York Times* as one of the top books on financial planning. Visit schwab.com/book to learn more about Carrie and the topics covered in this book.

Schwab is also offering an up to $500 Offer for members who become a new Schwab client and make a qualifying net deposit. To get details and enroll in the offer visit: https://tinyurl.com/s5w2s5a

Pocket Calendar

For 2020 and later, the pocket calendar will be sent ONLY to those who have opted in - please notify the office at the email, phone, or address on page 2 if you would like to continue receiving the calendar.
Thank you.

From the President...

Dear Colleague,

I hope this letter finds you well and that you are enjoying your retirement. As I have mentioned in my past few columns, our major goal for this year is to rebuild our membership to historic levels.

Unfortunately, as our members age, they do not stay as members forever, and we need to ensure that new retirees join the organization.

To that end, we have begun working on additional benefits for our members, and I am pleased to report that we have finalized the first of these with the Charles Schwab brokerage firm.

Schwab is headquartered in San Francisco and is one of the nation's oldest and largest discount brokerage firms. They have agreed to provide emeriti and retired CSU faculty and staff members who are members of CSU-ERFSA a free copy of *The Charles Schwab Guide to Finances After 50.* This best-selling book, which has been selling on Amazon for as much as $30, covers the important investment and financial decisions one is faced with during retirement as well as giving important information about these investments and how to properly navigate decisions faced after retirement.

The book will be sent to you without obligation or cost. Also, if you are a CSU-ERFSA member, you will be eligible to receive up to a $500 bonus if you open and fund an account with Schwab. This bonus is not tied to a specific investment category, and any of the myriad of investments available through Schwab should be eligible to receive this bonus. I find it especially remarkable that Schwab will pay the bonus on accounts for which they do not charge a commission. Details of this offer are contained on page 1.

We are continuing to work on other benefits for our members and hope to announce a discount travel program in the not too distant future, as well as other discounts through our insurance partner, AMBA.

While these programs should add value to your membership, I continue to believe that the greatest value to your membership is the work we do protecting your CalPERS benefits and helping members who may need assistance when dealing with CalPERS. For example, I recently had back surgery that necessitated time both in the hospital, as well as at a rehabilitation facility, and continuing physical therapy. To date, my out-of-pocket cost for this treatment has been $0!

Having been listening to the presidential primary debates, I know that not all are as fortunate as we are. I also know that while there are legal provisions which provide some protection to our pension benefits, this protection is not nearly as strong when it comes to items like copayments and deductibles. Protection comes from the strength of our organization.

I also want to thank a number of individuals who helped out while I was unable to attend the ASCSU Plenary meeting in January. Of particular note, I wish to thank Senator John Tarjan from CSU Bakersfield for his notes on the meeting (please see excerpts in ASCSU Report in this issue, page 9), and Senator Sue Holl (Sacramento), for presenting the CSU-ERFSA report to the Plenary meeting.

Best wishes for a good spring.

Barry

Erratum:

As Deborah Hammond and others made clear to us, we omitted part of the last sentence of Robert Girling's article on PG&E in the November *Reporter*. The last two paragraphs should have read as follows:

"Across the state, 750,000 customers have installed solar to reduce their electricity costs, taking advantage of power production that doesn't require extensive transmission hardware. A public-owned-utility would be able to pursue vital public benefit opportunities such as installing backup batteries with solar panels at key sites like hospitals and fire stations or more elaborate microgrids throughout the state.

We must find a safer way to provide electricity and gas for California's residents in the face of climate change. The old financial model is not working."

We apologize for the omission.

Phishing Emails from CSU-ERFSA?

We have had reports of phishing emails being sent from the president of CSU-ERFSA in the last year or so, first, from Past President Bill Blischke and second from our current president, Barry Pasternack.

These take the form of:

From: Barry Pasternack [11@bell.net]
Sent: Friday, February 14, 2020 8:46 AM
To: Shapiro, Mark
Subject: Mark

Hi Mark

Are you free for a moment?

Notice that the email address for President Barry Pasternack is incorrect.

The subject is the receiver's first name.

And the text is the innocuous comment, "Are you free for a moment?"

If you receive one of these emails, you can be sure that

1. CSU-ERFSA didn't send it, and

2. The sender is interested in obtaining some of your money.

These emails should just be deleted like the spam that they are. Sigh.

Letter to the Editor

To the editor:

I want to compliment you on the format and regularity of the Newsletter. It is easy to read and about as up-to-date as it can be.

Thank you for your efforts and the Association for supporting the Newsletter.

David H. Ost
Emeritus Professor of Biology
CSUBakersfield

Pre-/Post-Retirement Concerns: Why Did This Happen?

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

Q: What happened afterwards in the last issue's account of CalPERS' defunding move?

A: In the last CSU-ERFSA *Reporter*, we highlighted my experience with CalPERS, in which the pension system asked for a re-certification that my wife and I were married on September 1, 1968 and have been married ever since. The pension system asked for our marriage certificate to show that the funding for her health care costs at Kaiser was legitimate.

We sent a copy of our marriage certificate from a church in rural northeastern Ohio. CalPERS claimed that the certification was "insufficient" and instantly terminated her coverage because our certificate was not embossed with the state seal of Ohio. Today I present the follow-up of what occurred in the months since.

CalPERS claimed that the certification was "insufficient" and instantly terminated her coverage because our certificate was not embossed with a state seal

In a very short period of time, we paid a web-advertised service to work through the marriage license office in Columbus Ohio to find the right document. That service completed its work in a week. We sent their verification to CalPERS, and we were reinstated. After three months, our support stipend for Medicare was restored, and all was just as it had been before, although we were left shaken and wondering after the event.

There were many expressions of sympathy and support from readers of *The Reporter*, and we were heartened by those emails. Most of those writing were surprised by the suddenness and sharpness of CalPERS action, and they wondered why they hadn't received such a notice, particularly after more time than the three year interval had passed in their cases (Ed. note: CalPERS has a schedule to review every dependent's justification over a several year period; see https://bit.ly/2P3yMJ7 for more information).

One person offered the interesting piece of information that the embossed seal criterion had been on its way out: a notice from the Centers for Disease Control and Prevention [CDC.gov] revealed that since November 1, 2013, at the California Department of Public Health, "Vital Records no longer embosses certified copies of records."

Persons responding also wondered what I would advise when they would receive the notice in the mail from CalPERS. The advice: call them, find out their specific objection, and move to fix the matter within the hour of your notice. Others were dismayed that CalPERS would make such a move on a person whose status from the outset was not suspicious, and why the action was so draconian.

We should try to get a wider perspective on this matter. For the sake of argument, let's try to stretch our empathic capacity and take the CalPERS point of view. You as the reader might assume you are in charge of a program of inquiry among the members belonging to CalPERS. The present total of sums invested by the pension system is $350 billion, and as an executive officer your charge is to hold a tight rein on fiduciary obligations.

In the single case at hand, the system funds the medical costs of a spouse at a premium of $339.43 a month for the support of the Kaiser Senior Advantage 80 / 80 plan. If you could go large, and arrange to de-fund that sum by undermining the claims of 25,000 additional couples, for example, with a (presumed) likelihood that one twenty-fifth of 1% of the married couples were misrepresenting themselves to CalPERS, you could save the system $40,731.60 a year.

So, is this justified, do you think?

Send questions for this column to Tom Donahue at donahue_thomas@ymail.com

What You Need to Know About CalPERS

By Robert Girling, CSU-ERFSA Legislative Director, Sonoma State University

Beginning in November 2019, I have attended the Investment Committee of the CalPERS board meeting representing CSU-ERFSA. The meetings were held at the CalPERS office in Sacramento, and all board members were present. My objective was to listen and learn while identifying issues that might be of concern to CSU-ERFSA members and CSU faculty and represent any concerns in the time reserved for public comment.

Some background: CSU faculty and staff are members of CalPERS, which, in addition to administering our health insurance, manages and administers our retirement funds. CalPERS originated in 1932 when the nation was in the grips of the Great Depression; Franklin Roosevelt was elected to the first of his four terms as President of the United States. The State of California established a retirement system for state employees in California. The retirement system grew into what is now the California Public Employees' Retirement System, or CalPERS. The central office is located in downtown Sacramento at Lincoln Plaza.

As the nation's largest public pension fund, CalPERS serves more than 1.9 million members in the retirement system. With a staff of just under 3000 employees CalPERS manages investments of $378 billion. CalPERS is also the second largest employer purchaser of health benefits in the nation after the federal government, covering the health insurance needs of 1.5 million employees and their dependents.

At an average gain of 8.3% over the last decade, CalPERS' investments have been adequate to meet the annual payout of retirement benefits. The return for the year ended December 31, 2019 was 17.3%. The funds are currently invested approximately as follows: 50% in public equities [stock market], 7% private equity, 30% fixed income bonds and government securities and 11% in real estate assets. CalPERS is 70% funded, meaning that the value of the fund comprises 70% of what is needed to meet current and future obligations earned to date. Consequently, CalPERS is considered underfunded because its assets are less than what the pension plan owes to its members.

CalPERS relies on the advice of investment consultants. Several of these investment advisors to CalPERS appeared before the members of the investment committee. The committee asked questions regarding real estate investments and private equity investments. State Controller Betty Yee asked the hired advisors to explain why fees increased while the assets under management declined. A question was also raised regarding CalPERS influence on the responsible business practices or ESG (environmental, social and governance) of companies in which the fund has a stake.

Concerns were raised regarding the rather low return on private equity investments and how the advisors might characterize 'good vs. bad' private equity investments. Another concern expressed was whether the CalPERS staff exercises adequate oversight of the investment managers. In each case, it is your representative's view that the responses provided by external advisors were vague and insufficient. In December, CalPERS terminated most of its external equity managers, slashing their allocation from $33.6 billion to $5.5 billion.

CalPERS investments in California total $33.5 billion, 9.5% of the total investments, and are estimated to have generated 246,000 jobs in California. Private equity investments in California total $1 billion or just 3.7% of all private equity investments, while 25.8% of investments in real assets or $9.3 billion are in California. One might wonder why less than one-tenth of the fund is invested in our own state. CalPERS notes, "As with all our investments, the decision by us and our third-party investment managers to support a California-based company, property, or project is made solely based on the financial merits of the particular investment opportunity."

A detailed presentation of CalPERS strategy with respect to fund sustainability was presented by Ms. Anne Simpson, CalPERS Director for Board Governance. She explained the current focus on six priorities: climate change; diversity and inclusion; data and corporate reporting; alignment of interest in private equity; manager expectations; and research. She referred to CALPERS' prior leadership in the field of sustainability through engaging companies to set emission-reduction targets and appoint women to the boards of directors. During public comment 10 speakers rose to critique CalPERS' investment strategy with respect to its investments in fossil fuels because of the losses and future risks associated with continuing these investments and question to whether the approach of "engagement" was effective.

Comments. Over the past few years several studies have questioned the fiduciary responsibility of CalPERS' continued investments in fossil fuels. And there have been repeated calls for CalPERS to divest. A state law passed in 2015 directed state pension plans to divest from coal. CalPERS divested shares from 14 coal companies that were worth $14.7 million when the pension fund sold them. However, CalPERS continues to hold sizable investments in oil and gas.

A just released study Analyzing the Financial Risk of Holding Fossil Fuel Assets in CALPERS' Portfolio [http://bit.ly/CalPERSRisk] prepared by Professor Clair Brown's lab at the Institute for Research in Labor and Economics at the University of California reports that CALPERS investments in fossil fuels (coal, oil, and gas) puts members retirement dollars at serious risk.

The study documents that market returns on the traditional energy sector between October 2007 and December 2018 was negative (-) 4.8 %. Energy is now the lowest performing sector in the S&P 500. This contrasts with returns to other sectors ranging from 3.3% for financials to 623% for consumer discretionaries and the S & P 500 benchmark return of 355%.

Gov. Gavin Newsom recently signed an executive order asking state pension funds to consider steering investments away from greenhouse gas emissions. In 2018 the California legislature passed, and Governor Jerry Brown signed, SB 964, the first bill in the nation to define "climate-related financial risk" in law and require institutional investors to assess

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Health Benefits: State Supported Drugs in Our Future?

By David Wagner, CSU-ERFSA Health Benefits Director

The beginning of a new calendar year starts a cycle of health benefits activity at CalPERS. This includes gubernatorial proposals, the introduction of new bills in the legislature and the usual life cycle of activity at CalPERS.

Governor's Generic Drug Proposal. In January, Governor Newsom outlined a very active role for California in lowering the price of prescription drugs. Most attention has focused on his proposal for California to enter the generic drug marketplace actively by creating a California brand of generics by contract with drug manufacturers. His proposal also includes changes to how Medi-Cal will benchmark rebates from manufacturers and the creation of a single state government market for drug pricing.

While generic drugs account for 90% of all prescriptions they are usually less costly for consumers. There is already competition among generic drug manufacturers for most commonly prescribed medicine. Thus, the cost savings to the state and consumers will likely not be great.

Most of these changes will require legislative action. Pharmaceutical companies have a very active lobbying presence in the halls of state government. Stay tuned for updates on what could be a bumpy legislative journey for these proposals. Updates on progress on this and other proposed legislation are provided in the CSU-ERFSA's Legislative Report.

Special Stakeholder Forum. The all-day first-ever CalPERS stakeholder forum in January extended invitations to three groups of stakeholders: retirees, working members, and employers. Three topics were discussed with each stakeholder group - health care, risks to the pension system, and pension / health care issues in 2020 and beyond. Members of the board were present at each discussion. The discussion on health care benefits focused on affordability, quality, and accessibility, which are the three legs of the benefits stool. Topics were addressed at broad policy levels.

The following reflect my takeaways from the meeting. First, the cost of care, not care utilization rates, is the primary driver for premium increases. Utilization rates for CalPERS members are steady while the cost of drugs and services keeps increasing. Costs also reflect where we live. There is a 40-50% price variation across counties in California, which primarily reflects the competition or lack of competition in the number of health care providers. Second, CalPERS will explore with providers increased coverage for in-home care services, which will reduce costs and are less disruptive to patients. Third, mental and behavioral health programs need expansion. Fourth, programs to reduce or prevent chronic diseases should be expanded and incentives developed for participation.

Rate Setting Schedule. A new year begins the ritual dance of the rate setting process for health premiums. CalPERS has modified the process and hopes to receive more realistic preliminary rates from providers in March. After the preliminary rate submission, several months of confidential negotiations ensue, with an announcement of the preliminary rates for 2021 in late April or early May. Rates are approved by the board in June.

Reimbursement for Medicare Part B Premiums. As noted in the last *Reporter*, if you pay an increased Part B premium due to increased income, you may be eligible to receive an increased reimbursement for Medicare Part B premiums from CalPERS. It is not too late to apply for 2020 or for past years. You must send a copy of the letter you receive in November from Social Security alerting you that you will pay increased premiums due to increased income.

CalPERS has sent letters to retirees who received the increased reimbursement for last year. Questions may be addressed to the Medicare Administrator in the CalPERS Health Account Management Division. You can also call CalPERS at 888-225-7377 or visit the CalPERS website at www.calpers.ca.gov for more information.

CSU-ERFSA New Members

Bakersfield – Jess F. Deegan II

Dominguez Hills – Sylvia Morafka (Associate Member)

Fullerton – Ervie Pena
Hallie Y. Slowik
Ruth H. Yopp-Edwards

Long Beach – Douglas Domingo-Foraste
Gerard L. Hanley

Los Angeles – Marjorie Bray

San Bernardino – Carolyn Eggleston

San Francisco – Judith Kysh*

San Jose – Timothy G. Hegstrom

San Marcos – Beverlee Anderson

Sonoma – Janet Henker
Jon M. Fukuto

Stanislaus – John K. Amrhein
Fred Hilpert
Jere D. Wade

* Denotes lifetime member.

CalPERS Releases Draft Climate-Change Report

By Mark Shapiro, CSU Fullerton

The Los Angeles Times reports that CalPERS released a draft version of its first report on how climate change will impact CalPERS investments.

According to the article the draft report found that "one-fifth of the fund's public market investments were in sectors that have high exposure to climate change. Those include energy, materials and buildings, transportation, and agriculture, food and forestry." The article notes that "[t]he

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Required Minimum Distributions and the SECURE Act

By John G. Kilgour, CSU East Bay ERFSA

Many of us have 403(b), 401(k) or 457(b) defined-contribution (DC) plans. The CSU makes all three available. And many of us also have IRAs. Such retirement-savings plans are tax deferred. They are funded by pre-tax employee (andsometimes employer) contributions that accumulate and grow until they are withdrawn and taxed as ordinary income.

The Employee Retirement Income Security Act of 1974 requires that we take "required minimum distributions" (RMD) from such plans. Until recently, withdrawals had to begin by age 70½.

The "Setting Every Community Up for Retirement Enhancement Act" (SECURE Act) is the most important pension reform legislation since the Pension Reform Act of 2006.

The SECURE Act bill passed overwhelmingly in the House of Representatives by a vote of 417 to 3. If the Senate had voted unanimously to pass the bill, it would have been enacted on a fast-track basis. However, it was held up in the Senate by Ted Cruz (R-Texas) over allowing Section 529 plans to pay for home-schooling expenses. Two other Senators, Mike Lee (R-UT) and Pat Toomey (R-PA), also declined to approve over technical issues.

In late December the SECURE Act bill became Division O of the "must-pass" Further Consolidated Appropriations Act, 2020 (H.R. 1865). It was enacted and signed into law by President Trump on December 21, 2019 as Public Law 116-69. The effective dates of Division O were not changed. Many of its provisions were effective almost immediately on January 1.

Among those provisions are the push back of the age for taking RMDs from 70½ to 72, repeal of the maximum age for making contributions to IRAs, and the elimination of the so-called "stretch IRA" for non-spousal inherited IRAs (which also applies to 403(b) plans). Non-spousal inherited IRAs will now have to be fully withdrawn within 10 years of inheritance, rather than over the life expectancy of the new owner. The last is effective January 1, 2020; however, government plans have until January 1, 2022 and collectively bargained plans until the earlier of the expiration of the labor agreement or January 1, 2022.

For those of us who are already taking RMDs, the push back of the age requirement will have no effect. However, for those not yet age 70½ it means that they can postpone taking RMDs for another year and a half. That should make IRA and DC plan assets last longer.

Repealing the maximum age for contributing to IRAs will not affect many of us. Contributions can only be made with earned income, which few of us have in our 70s. However, if one does have earned income, it will enhance their IRAs.

Eliminating the so-called "stretch IRA" and requiring that the assets of non-spousal inherited IRAs be entirely withdrawn by 10 years (instead of over the beneficiary's life expectancy) will in most cases be of more importance to our heirs than to us.

Foundation 12th Challenge Grant

By Mark Shapiro, CSU Fullerton, Treasurer

The CSU-ERFA Charitable Foundation recently received its twelfth $500 challenge grant from a CSU-ERFSA member. The donor will match all individual donations received by the foundation through June 30, 2020, up to a total of $500.

The CSU-ERFA Charitable Foundation is a 501(c)(3) organization that provides competitive grants to CSU-ERFSA members to support their research and scholarly activities. Donations in any amount from both CSU-ERFSA members and the general public are welcomed. Donations to the foundation generally are deductible from state and federal income taxes. The foundation's web site is https://tinyurl.com/erfa-foundation

You may donate by sending a check made out to the CSU-ERFA Charitable Foundation at CSU-ERFSA, Mail Stop 8339, 18111 Nordhoff Street, Northridge, CA 91330-8339. Or you may donate by credit card, debit card, or PayPal by going to our PayPal page at https://tinyurl.com/erfsa-donate.

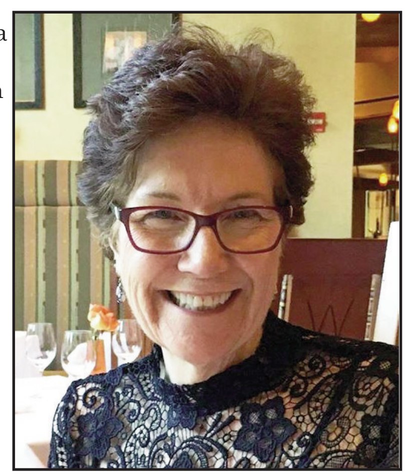
CSU-ERFSA members also have the option of setting up a regular monthly donation to the foundation from their CalPERS pension warrant. Please contact the CSU-ERFSA office to set up a monthly donation.

Second Half

We begin a new feature focusing on some of the more interesting activities that CSU ERFSA members have been engaged in. We call this feature *Second Half*.

The purpose of this feature is to honor our colleagues for their achievements and to present ideas to our members for the types of activities you can be involved in.

Our inaugural recipient is Diana Guerin (Fullerton) who recently took up photography and, through the Anaheim Camera Enthusiasts Club, won three awards for her pictures taken in St. Mark's Square in Venice.



Congratulations Diana!

If you have ideas for other members' activities, please send these to: Editor, *CSU-ERFSA Reporter,* at tanagno@calstatela.edu.

Legislative Report: Key Economic Risks

By Robert Girling, CSU-ERFSA Legislative Director, Sonoma State University

CalPERS Outlines Key Economic Risks for Next Decade. Speakers at CalPERS stakeholder forum held January 21-22 warned of the challenges faced by the fund. Sitting at just 71% funded, CalPERS is trying to return to the glory days of pre-recession funded ratios. It had a 128% funded ratio in 1999, which then dropped sharply from 101% in 2007 to 61% in 2009. The pension plan projects the funded ratio to hit 92% by 2028 if its investment returns hit 8%, 86% if investment returns reach 7%, and 80% if they hit 6%.

However, it faces challenges in terms of declining interest rates and very high valuations in the stock market as well as slowing global economic growth.

Additionally, climate risk poses a risk to approximately one-fifth of CalPERS' equity portfolio. Energy stocks, construction, transportation, agriculture, food and forestry holdings are sources of the most significant risks.

If returns to CalPERS remain below 7%, it is likely that employer and employee contributions will have to increase.

CalPERS Health Care Information for Retirees. CalPERS is concerned about the skyrocketing cost of healthcare in the US and California. This concern is driven by concentration and monopoly pricing for hospital services and pharmaceuticals. At a two-day stakeholder forum, we learned that big pharma and hospitals are making huge profits, with health care administration eating up about 35% of every health care dollar vs. 5% in Canada which has single payer healthcare.

To combat this, CalPERS is a plaintiff in a successful antitrust lawsuit against Sutter for massive overcharging. CalPERS is supporting small and midsize health practices in order to provide more choice for members and provide lower cost diagnostic services as well as telemedicine and outpatient care. In order to reduce pharmaceutical costs, CalPERS is supporting the Governor's pharmaceutical strategy for bulk purchasing of pharmaceuticals and a proposal for California to contract with manufacturers to produce generic drugs. It is hoped that this will introduce more competition and lower cost drugs. CalPERS is also seeking out partnerships with other large healthcare purchasing state agencies - like Covered California - to develop a consistent set of measurements and metrics for all health plans, providers, and pharmacies in California to adhere to.

In order to improve the quality of member care, CalPERS clinical priorities include prevention and treatment of chronic disease, access and treatment of mental and behavioral health, strategies to manage the very few high-cost high-need patients who account for 50% of health expenditures, and prevention and treatment of chronic disease such as diabetes that affects 15% of members.

Preliminary premiums for next year will be available at the April stakeholder meeting, with final rates in June. Some of these will include reference pricing.

Legislation. Several pieces of legislation of interest to CSU-ERFSA members are being considered this term:

AB 33 (Bonta D) State public retirement systems: divestiture from private prison companies. Would prohibit the boards of the CalPERS and CalSTRS from making investments in a private prison company. The bill would require the boards to liquidate investments in private prison companies on or before July 1, 2020 and require the boards to engage with private prison companies to establish whether the companies are transitioning their business models to another industry. The CalPERS board opposes this bill.

AB 287 (Voepel R) Public employees' retirement: annual audits. Current law requires each state and local public pension or retirement system, on and after the 90th day following the completion of its annual audit, to provide a concise annual report on investments and earnings to any member who requests it and pays for the costs incurred. This bill would require each state and local pension or retirement system to post a concise annual audit of the information on that system's website no later than the 90th day following the audit's completion.

SB 228 (Jackson D) Master Plan on Aging. Would require the governor to appoint an "Aging Czar" and a 15-member Aging Task Force to work with representatives from departments and stakeholders to identify the policies and priorities that need to be implemented in California to prepare for the aging of its population and to develop a master plan for aging. The bill would require the master plan to address how the state should accomplish specified goals, including expanding access to integrated systems of care. The bill would also require the Aging Task Force to solicit input from stakeholders and gather information on the impact of California's aging population.

The California Schools and Local Communities Funding Act of 2020. This initiative, also known as the "split-roll" measure, is still gathering signatures to qualify for the November ballot. If approved, it would increase taxes on factories, stores, and other commercial and industrial real estate by requiring that they pay property tax based on current market value rather than the value of the property when it was purchased, raising an estimated $7.5 billion to $12 billion annually.

CFA also took support positions on a number of bills, which are highlighted in the partial list below:

- AB 5 (Gonzalez) Misclassification of Workers (Dynamex): Signed.
- AB 32 (Bonta) Ending Private For-Profit Detention Facilities: Signed.
- AB 314 (Bonta) Union Release Time: Vetoed.
- AB 331 (Medina) K-12 Ethnic Studies Requirement: Two-year bill.
- AB 369 (Weber) CSUEU Steps: Two-year bill.
- AB 1505 (O'Donnell) Charter School Reform: Signed.
- SB 24 (Leyva) Campus Abortion by Medication Services: Signed.
- SB 206 (Skinner) Fair Pay to Play Act: Signed.

CSU-ERFA Foundation Funds Ten Research Grants

By Marshelle Thobaben, CSU-ERFSA Grants Committee Chair

The CSU-ERFSA grants committee, composed of Professors Beatrice Pressley (EB), Marshelle Thobaben (HU) and Don Wort (EB), recommended that ten grants be awarded, and the CSU-ERFSA executive committee concurred with their recommendation, as per the bylaws.

The following faculty were awarded a total of $7,000, the amount available this year from the CSU-ERFA Charitable Foundation:

Gregory A. Antipa, San Francisco State University, "Phylogeny, Taxonomic Relationships, and Worldwide Distribution of Conchophthirus." Antipa began his research in 1966 investigating aspects of the biology of the ciliated protozoan Conchophthirus as a thesis project; it has continued for over 50 years. His grant will allow him to obtain fresh collections of Conchophthirus in Illinois that lend themselves to DNA analysis, which was not possible until recently. His expected outcome is a publication in the journal *Acta Protozoologica*.

Linda Bunney-Sarhad, CSU Stanislaus, "Dissemination of 'Aesop's Fables: An Operatic Mashup'." She and her colleague Professor Kavasch created an opera under commission by Opera Modesto's Summer Opera Institute, an annual training program for young singers. Her grant will allow her to attend the Opera America conference in Seattle and meet with conference attendees to encourage them to consider using the opera in their own programs.

Terry Christensen, San Jose State University, "Making the Oral History of San Jose and Santa Clara County Accessible." The grant will enable him to reconfigure oral history interviews from 1960s to the 2000s from his monthly show Valley Politics to make them accessible as stand-alone programs on YouTube (see "CreaTV Valley Politics History Interviews" on YouTube).

Gamini Gunawardane, CSU Fullerton, "Effect of Student-Teacher Co-Creation Process on Student Satisfaction in Undergraduate Business Programs." The grant will facilitate hiring a research assistant to help explore the application of co-creation to course design and implementation in undergraduate business programs where the students are allowed some participation to co-construct the course.

Anna Hamre, CSU Fresno, "Fresno Master and Orchestra Concert Highlighting Homelessness in Fresno County to be held on March 29, 2020." Professor Hamre is the Artistic Director of the Fresno Community Chorus, Inc., a nonprofit organization. The grant will help to defray costs of presenting Henry Mollicone's Beatitude Mass (for the Homeless). The concert is expected to increase attention to the homelessness problem in the Central Valley.

Susana Hernández Araico, CSU Pomona, "Relaciones entre padres e hijos en el díptico trágico de Calderón, La hija del aire: la reina asiria y sus antecesores en La vida es sueño y Yerros de naturaleza" ("Parent-child relationships in Calderón's two-part tragedy The Daughter of the Air: The Assyrian Queen Semiramis and her predecessors in Life is a Dream and Nature's Errors"). Her research hypothesis in analyzing these three closely connected plays points to the abuse of royal power rooted in parental repression. Her purpose is to show that, with dramatically powerful scenes, these Hispanic seventeenth-century plays remain relevant today as they spur reflection on the link between the abuse of political power and parental domination. She will present her results at the XIX Coloquio Anglogermano on Calderón in Vienna on July 2020 and will subsequently publish her research paper.

Daniel Kessner, CSU Northridge, "International Low Flutes Festival (performance) in Urayasu, Japan." Kessner has been invited to perform recitals, including conducting his own compositions, at the International Low Flutes Festival in Japan. He was selected to perform at the festival as a result of a competitive proposal and audition process.

Joan Melton, CSU Fullerton, "Speak Like You Sing: Integrating Classical Techniques from Theatre and Music in Spoken Dialogue for Opera." This research is designed to compare the acoustic characteristics of sung and spoken sounds produced by the same performer(s) in the context of an opera. The results of her research can make a significant contribution to the training curricula and practical skill set of classical singers.

David R. Sprung, CSU East Bay, "String Quartet No. 2." He is a patron of the Delgani String Quartet, one of Oregon's most distinguished chamber music groups. He has been composing, and Delgani anticipates performing, his String Quartet No. 2. Delgani's performance of the Scherzo and Interlude of his 1st String Quartet was enthusiastically received in Eugene and Salem.

Professor Turrill-Lupi, CSU Sacramento, "The Florentine Renaissance painter Plautilla Nelli and art production at her convent." Her grant will pay for photo reproduction rights for her essay, "Pursuing a Savonarolan Thread: Patrons, Painters, and Piagnoni at S. Caterina in Cafaggio", in Convent Networks in Early Modern Italy, and for travel expenses to complete research for her book on Nelli, which will be published by Lund Humphries.

The 2020 Program. CSU-ERFSA 2020 Small Grants Award Program applications are due electronically in the CSU-ERFSA Office no later than 2:00 p.m. PDT October 31, 2020. Grant applications and guidelines can be downloaded from the CSU-ERFSA web site, by calling the CSU-ERFSA office at (818) 677-6522, or by emailing your request to csuerfsa@csun.edu.

CSU-ERFSA Notices

New Email Address. The email Address csuerfsa@csun.edu is now the primary email address for CSU-ERFSA. Any email sent to the old address, csuerfa@csun.edu, will be forwarded.

Change of Address If you move, please notify the CSU-ERFSA office at the address on the masthead, on p. 2

ASCSU: Academic Issues Persist

By John Tarjan, CSU Bakersfield

The faculty trustee's report indicated that the $2 billion in deferred maintenance funds in Proposition 13 on the March 3rd ballot will fund only half of the system's $4 billion in deferred maintenance.

The governor seems to have ruled out a tuition increase, meaning that the increase in funds that the governor proposes will make next year's budget very tight indeed.

The ASCSU passed the following second reading items. Copies of resolutions can be found at https://tinyurl.com/vhjqtvl/.

Readers can get a sense of the academic issues currently before the system from the topics and discussion below:

• **Notification of Tenure-Track Openings to Incumbent Contingent Faculty, Librarians, Coaches & Counselors.** This resolution urges the establishment and publicity of a database of contingent faculty across the system who are interested in pursuing tenure-track positions within the CSU and to also publicize existing career resources to help these individuals pursue employment opportunities.

• **Creation of an Ad Hoc Committee to Advance Equity, Diversity and Inclusion Within the Academic Senate CSU.** This urges the creation of such a committee to examine many of our practices for potential adverse impacts on equity, diversity and inclusion with the expectation that there will be an annual report of their findings.

• **Recommended Implementation of an Ethnic Studies System Requirement.** This recommends the adoption of a systemwide learning outcomes and curricular guidelines. It recommends adopting a 3-unit course or course overlay requirement in ethnic studies for all students in the lower division and an upper division reflection requirement that may be met with some flexibly by the campuses.

The following resolutions were introduced for consideration at the March plenary:

• **Affirming the Role of the CSU Board of Trustees in Adopting Rules, Regulations and Policies Governing the University.** This is a response to ongoing governmental attempts to circumvent the board in mandating policy for the CSU. It reminds readers that 21 of 25 members are either directly elected or nominated by the governor and confirmed by the state Senate. The governor appoints three other members. The resolution goes on to affirm support for the board's policy-making role.

• **Opposition to AB 1930.** CSU/UC Admission Policy asserts that the restrictions contained in this bill would hamper the board of trustees' ability to set policy to meet the needs of our students.

• **Addition of Dedicated Contingent Faculty Senate Members.** This resolution anticipates an amendment of the ASCSU constitution to add 3 full-time lecturer faculty to the body on a rotating basis from the campuses.

• **Advising High School Juniors Intending to Enroll in the California State University (CSU) to Enroll in a Mathematics-Reinforcing Course in Their Senior Year.** This complements the current proposed additional quantitative reasoning admissions requirement currently before the Board of Trustees. It calls for the development of learning outcomes appropriate for such a course and advises students, parents, and counselors that such a course should be taken.

• **CSU Transfer Model Curricula (TMC) and UC Transfer Pathway (UCTP) Alignment.** This encourages exploration of potential alignment of major transfer patterns by the discipline faculty groups constituted within the C-ID project.

• **Resources to Support CSU Faculty Participation in the Course-Identification Numbering System (C-ID) Process.** This urges adequate support for staff and faculty to accomplish the implementation and maintenance of transfer model curricula.

• **Endorsement of Criteria for Chemistry and Physics Model Curricula (MC) for Transfer to Receive the Same Admission Advantage as for Transfer Model Curricula (TMC).** It is more advisable for students in these majors to take these other sets of courses prior to transfer than to complete an Associate Degree for Transfer (ADT). The resolution endorses that principle. Students who take a more appropriate pathway should be encouraged to do so by receiving the same admissions advantage that students completing an ADT receive.

State Council

(Continued from page 1)

organization that assists pension funds and other organizations worldwide with their fiduciary responsibilities, particularly in Asia and the Pacific region.

Previously, he represented CalPERS on the Advisory Council of California All, a nonprofit organization focused on closing the achievement gap from preschool to professional careers in law, financial services, and technology. He has served on the board of directors for Community Partners, a nonprofit organization that works with social entrepreneurs, grant makers, and civic leaders to design solutions, foster, launch, and sustain initiatives for change.

In addition, he was the state finance chair for the Association of California Schools Administrators; treasurer for the National Council of Institutional Investors; chairman of the Los Angeles Schools Federal Credit Union; business development executive for IBM Business Consulting Services; and principal consultant for PricewaterhouseCoopers.

He has a bachelor's degree in business administration and finance from California State University, Los Angeles.

Eye Opening Report on Coastal Sea Rise in CA

The Legislative Analyst's Office issued a striking report on climate change in December 2019 - *Preparing for Rising Seas: How the State Can Help Support Local Coastal Adaptaton Efforts*. The map of the Bay Area on page 5 is particularly striking. You can find it at: https://lao.ca.gov/Publications/Detail/4121.

Volunteer Opportunities in 2020

By Bill Blischke, Volunteer Committee Co-chair

CSU-ERFSA Past President Bill Blischke, currently heading a temporary committee on volunteer activities, suggests the following volunteer opportunities:

The first is participating in the 2020 election as a voting site worker. However since *The Reporter* will not be received until after the election, we will mention at this point only that most counties need precinct workers for the November election, and the positions are paid. Some campuses are also voting centers. Contact your local county elections office for more information.

The second volunteer opportunity is the 2020 Census. California may have lost seats in the House of Representatives and Electoral College, as well as population-related funds, as a result of an estimated one-half million non-respondents to the 2010 Census. The Census hires workers directly, and some campuses, like Dominguez Hills, may have programs where retirees could volunteer. If you are interested in doing so, contact the Census through its web site or the relevant administrators at your institution.

Please let me know (wblischke@csudh.edu) if you decide to participate in either of these volunteer activities.

In Memoriam

Chico – Evelyn Mar

Dominguez Hills - George P. Morris

East Bay – Luís S. Ponce de Leon
Lynn M. Louden
William Vandenburgh

Fresno – Salvatore S. Casa
Stephen Rodemeyer

Fullerton – Roger R. Dittmann
Harvey P. Grody

Humboldt – Donald Mahler

Long Beach – Daniel A. Campbell
Robert H. Deans

Los Angeles – Donald W. Bray
Raymond E. Fausel
George Jensen

Northridge – George H. Baechtold
Verne L. Bryant
Gong-Yuh Lin
Ernest J. Velardi

Sacramento – Gordon A. Leidahl
Robert E. Long
Charles J. Vento

San Bernardino – Helena V. Stanton

San Diego – M.Constance Dillon
Jerry W. Koppman
Norma J. Summersgill
Harold Walba

San Francisco – Dolores I. Cayou
Naomi Katz
John H. Sloane

San Luis Obispo – Philip K. Ruggles

Sonoma – David S. Averbuck
Trudenka Brayton
Betty Halpern
Philip Temko
Sue A. Thomas

What You Need to Know About CalPERS

(Continued from page 4)

that risk in their portfolios. SB 964's requirements are specific to the California Public Employees' Retirement System (CalPERS) and the California State Teachers' Retirement System (CalSTRS). If the board members of pension funds fail to adequately consider the financial risks posed by climate change and do not report these to the public, that could be considered a breach of their legal duties.

At the December 18, 2019 meeting of the CalPERS investment committee staff presented a draft report in response to SB 964. The board thanked the staff for the report but pointed out that it failed to adequately assess the climate-related financial risk. The SB 964 Report failed to consider the Scope 3 emissions, that is the impact of downstream activities through the use of gasoline and petroleum products by consumers, which is the major source of climate risk, noting that leaving these out seriously and significantly underestimates the investment risks inherent in the portfolio.

The policy of "engaging with the 80 companies found to be responsible for 50% of the portfolio's GHG emissions" found that "only 9 percent of the companies have targets that are in line with the goals of the Paris Agreement"!

CalPERS Climate Change

(Continued from page 5)

financial toll of climate change stems partly from its physical impacts, such as rising sea levels, fiercer storms and heat waves. However, companies' bottom lines can also be affected by new regulations intended to curb warming, by lawsuits that seek to hold polluters accountable for climate damages, and by market trends, like the fast-dropping price of renewable energy."

The draft report was rather vague about the details of the climate-change impacts on the value of portfolio investments, mainly because only about half of the more than 10,000 companies in the CalPERS investment portfolio release data about their carbon emissions. In addition, the report did not consider so-called "Scope 3" emissions by companies in the CalPERS portfolio. Scope 3 emissions include indirect carbon emissions in a company's supply chain or in the end use of their products.

The omission of Scope 3 emissions in the report is significant because leaving them out underestimates the vulnerability of fossil-fuel companies in the portfolio to new regulations such as the imposition of a carbon tax. In response to the release of the draft report, some CalPERS board members as well as members of the public pushed for inclusion of Scope 3 emissions in the final report. However, CalPERS staff indicated a reluctance to include them because of difficulties in obtaining accurate data and double counting of certain emissions.

The release of the draft report was met with both criticism and praise.

Preparing for Sickness or Injury on Cruise Ships

By Bruce Horovitz, Kaiser Health News

Ed. note: Kaiser Health News published this article in September 2019. It seems more relevant than ever with the recent Coronavirus problems aboard at least two cruise ships. FYI.

Royal Caribbean's gargantuan Oasis of the Seas boasts four outdoor pools and an 82-foot zip line and made quite a splash shortly after its 2014 refurbishment when it added the first Tiffany & Co boutique at sea.

But in January 2019, the cruise ship, which bills itself one of the world's largest, produced less cheerful news: Hundreds of passengers fell ill from the highly contagious norovirus stomach flu.

The federal Centers for Disease Control and Prevention reported 561 passengers and 31 crew members were treated for the ultra-contagious gastrointestinal illness on a cruise out of Port Canaveral, Fla. That's more than the total number of passengers who fell ill from the norovirus on every cruise that set sail in 2018, the CDC said.

It could have been worse. As miserable as norovirus is, passengers sometimes face more serious crises at sea. In fact, most cruise ships have morgues on board as well as medical centers. Last year, 189 deaths were reported on cruises, according to CDC data provided to Kaiser Health News.

With a record 30 million people taking cruises this year, it is vital to understand the care available. Before paying a deposit for any cruise, take time to read beyond the company's marketing material to study the quality of medical accommodations, said Ken Carver, chairman of International Cruise Victims, a nonprofit organization that supports passengers who suffer injuries or illnesses at sea. Most cruise lines are not sufficiently prepared to tend to serious illnesses or accidents, he said. "Your health is at risk if you get ill on a cruise ship," Carver said.

Cruise line industry officials strongly disagree. "The safety and comfort of our guests and our crew is of the utmost importance to the cruise industry — that includes medical facilities and personnel," said Megan King, a spokeswoman for the Cruise Lines International Association.

There are clear rules and regulations for medical care on cruises. At least one qualified medical professional must be available at all hours on every cruise. What's more, all ships that carry at least 250 passengers, have overnight accommodations, and embark or disembark in the United States must have an examination room, an intensive care room and equipment for processing lab work, monitoring vital signs, and administering medications.

But medical care for passengers who suffer severe injuries or illnesses can be compromised by the limitations of being at sea without the benefit of costly medical equipment and specialized doctors, Carver said. The problems can be further magnified because:

• **Doctors on cruise ships aren't usually specialists.** Cruise ships typically hire doctors to care for health problems like norovirus. "Many doctors on cruise ships are not even emergency room qualified," said Philip Gerson, a lawyer who for 49 years has been suing cruise ship lines for everything from personal injury to wrongful death. Most of the cases are slip-and-fall incidents that result in orthopedic injuries, he said.

• **Medical center hours are limited.** For example, when Carnival cruise ships are at sea, clinic service hours are 9 a.m. to 12 p.m. and 3 to 6 p.m. On port days, the hours are 8 a.m. to 10 a.m. and 4-6 p.m., according to the cruise line's website.

• **Some onboard doctors are not fluent in English.** Foreign doctors can be excellent and cruise lines require them to be certified under American standards. But few passengers realize that some onboard doctors may not speak English well, which can be important in critical situations, Gerson said.

• **Few passengers know how their health insurance works at sea.** Before buying a cruise line ticket, it's critical to check with your health insurer to see whether and how you're covered for offshore medical issues, said Brett Rivkind, a Miami-based maritime lawyer who has handled thousands of cruise ship lawsuits over 35 years. The question to ask: If I get sick or injured on the cruise, how am I covered?

• **Most passengers don't buy travel insurance.** Travel insurance might sound like a waste of money, which may explain why most passengers don't buy it, but insurance can save very sick passengers hundreds of thousands of dollars, Rivkind said. He had one client stuck with a $500,000 air ambulance bill. Rivkind said it's typically a better deal to buy insurance from an independent company than directly from a cruise company.

• **Injured passengers must act as their own investigators.** If you slip, fall and break an arm or leg on a cruise ship, it's critical to quickly act in your own best interests, Gerson said. Take pictures of where you fell (or have someone else do so if you can't). Get video of the scene, if possible. And, if you get medical care onboard, make certain to request a copy of your medical records. All of this should be emailed to your lawyer, he said.

• **Some cruise lines try to gather information from passengers for legal reasons.** If a cruise line has a passenger injury form that specifically asks what the passenger could have done to prevent the accident, "leave that part of the form blank," Gerson said. This is the cruise line's way of trying to shift the blame for the accident or injury.

• **Being sent off the ship for medical care isn't always a good thing.** When a passenger has a serious medical problem, the ship often will drop the patient off at the next port for aid, Gerson said. If the next port is New Jersey, that might be fine, but if the next port is someplace foreign, maybe not, he said. You might consider refusing to get off the ship if you are wary of the medical care at a port, he said.

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California State University
Emeritus & Retired Faculty and Staff Association

% of Lecturers at CSU Campuses, Fall 2019

Each row has campus, total full-time equivalent faculty, and percent lecturers.

Dominguez Hills	645	55.9%
Channel Islands	344	55.8%
Los Angeles	1,130	52.6%
San Marcos	573	49.8%
Bakersfield	450	48.8%
Long Beach	1,564	48.3%
Pomona	1,043	48.0%
Monterey Bay	343	47.8%
San José	1,346	47.8%
Fullerton	1,478	45.1%
San Bernardino	739	45.0%
Northridge	1,413	44.7%
Systemwide Total	19,623	44.7%
Fresno	1,054	42.8%
East Bay	591	41.8%
Stanislaus	480	41.8%
Sacramento	1,199	41.6%
San Francisco	1,236	40.5%
Chico	743	40.4%
San Diego	1,286	39.8%
Humboldt	396	38.6%
Sonoma	402	36.6%
San Luis Obispo	1,086	35.8%
Maritime Academy	81	29.8%

CSU-ERFSA Calendar of Events

April 18, 2020 - CSU-ERFSA State Council meets in the Kellogg West Conference Center at Cal Poly Pomona.

August 13, 2020 - CSU-ERFSA Executive Committee meets via ZOOM (online video conferencing).

October 24, 2020 - CSU-ERFSA Fall State Council meeting at CSU Dominguez Hills.

Personal and Professional

Siegrun Fox Freyss (Public Administration, Cal State LA) has authored *Changing Urban Trends: Cultures of Decency and Well-being from the Premodern to the Postmodern* (Routledge, 2020).

Dr. Freyss writes that the contents of the book evolved over many years while she was teaching in MPA programs.

If you are reading *The CSU-ERFSA Reporter* online and are **not** a member, welcome!

We are glad you are here.

However, we very much need more members. Please consider joining our organization. See "Membership Information" at https://www.csuerfsa.org