CSU ERFA REPORTER

California State University
Emeritus & Retired Faculty Association

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

Inside this issue:

State Council Opposes CSU's Proposed Intellectual Property Policy

At its spring 2017 meeting, CSU-ERFA's state council approved a resolution on intellectual property policy expressing its opposition to the CSU administration's draft policy on this issue and supporting the resolution of the San Jose State Academic Senate raising many concerns about the administration's draft policy.

Another resolution approved supporting the resolution of the Academic Senate CSU opposing a tuition increase for 2017-18 and calling on the legislature to fund fully the Board of Trustees' budget request for 2017-18.

The spring meeting was held on the campus of CSU Dominguez Hills on April 15. In addition to the new business above, President Blischke gave an update about activities on four campuses in support of the Million Shoes Campaign and urged other campuses to be involved.

The intellectual property resolution supported the San Jose State senate resolution, which notes that the systemwide policy being proposed would replace 16 campus policies, debated through the senates and administrations, with a single policy promulgated by the administration. The policy states that ownership of intellectual property (IP) falls to the author, usually a faculty member, unless the CSU provides some kind of "extraordinary support." However, the policy's definition of extraordinary support is expansive, with no limits on the term. The UC definition is much

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CFA Report: Health Benefits Now Subject to Bargaining & Other Issues

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

The Spring CFA Assembly, held March 10-12 in San Diego, featured a packed agenda of caucus, committee, and general meetings. On Friday afternoon, the joint meeting of the retired faculty and health & retirement benefits committees discussed upcoming changes in the CFA bargaining landscape on pension and benefits.

Health Benefits Subject to Bargaining. *Effective January 2019, health benefits for both active and retired faculty will no longer be covered under statute and will be subject to bargaining*. This is a provision of the California Public Employees' Pension Reform Act, which took effect in January 2013 and was part of the public agency pension reforms that the Governor Brown and the legislature have enacted.

The joint committee passed a resolution asking that the bargaining committee that begins reopeners on salary and health benefits this August rigorously defend the present health care benefits provided to active faculty, retirees and their spouses and/or dependents.

Marin County Pension Decision Forthcoming. Also of interest to the joint committee, Jonathan Karp, northern

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From the President...

Dear Colleagues,

CSU-ERFA Officers. At the state council meeting on April 15, I was honored to be elected to serve another term as president. I look forward to doing so for one more stint and working with the other re-elected officers: Barry Pasternak, vice president (Fullerton), Rita Jones, secretary (Long Beach), and Harry Sharp, treasurer (San Luis Obispo). The nominating committee, chaired by Marshelle Thobaben (Humboldt), also recommended election of the following three at-large delegates to the state council: Merry Pawlowski (Bakersfield), Judith Hunt (Sonoma) and James Swartz (Pomona). They were unanimously approved. As you can see from this list, we have continued to select colleagues from different campuses spread throughout the state.

The March for Science. On Saturday, April 22, I was pleased to join CSU-ERFA Vice President Barry Pasternack, as well as other CSU colleagues, at the March for Science at Fullerton City Hall. A picture of me sporting the T-shirt I had been given at the CSUDH Earth Day Celebration the previous Thursday is depicted on this page. We chanted, "There is no Planet B," "Science not Silence," and other phrases. After joining my wife and friends in the March for Women a short time ago and participating in this one, I felt like I was back in Berkeley in the 1960s. Sadly, not much has changed, and some things seem to have worsened. Despite that nostalgia, I was very encouraged to be involved in this event and to share it with several other CSUF retired and current faculty members, as well as about 2,000 others. I am both amazed and dismayed that we had to have a March for Science: this is, after all, the 21st century! I have taken science for granted during my lifetime. Since this was an international affair with 500 demonstrations around the world, the problem is not just ours, although I don't think it has ever been worse here.

CSU Board of Trustees. I have been attending and representing our organization at BOT meetings for the last year or so. I have been going through the formal process via the trustees' secretariat at least 48 hours prior to the meeting in order to speak during the public session. After being granted the opportunity to address the board and, usually, being allowed a whole ninety seconds (given the large number of other public speakers) to update the trustees on what CSU-ERFA is trying to do to promote, defend, and support the system, I proposed that we be granted status equivalent to that of ASCSU, CSSA, and the CSU Alumni Council. My formal request to the BOT chair and the chancellor resulted in the following response from Chancellor White: "I would like to offer you – or a CSUERFA representative that you designate – a standing invitation to be the first available speaking position during the plenary session's public comment."

His letter went on to say that this would allow me to do so "without stepping into the fray or complicating my remarks with the sometimes contentious topics of the day." This compromise accommodation did not indicate whether our spokesperson would be granted three, two, or one and a half minutes to update the BOT (and all of the CSU presidents who attend the meetings) regarding our continuing positive

President Bill Blischke at the March for Science at Fullerton City Hall, April 22

efforts to strengthen the CSU. I think we should have the chance to join the fray and present our point of view on the contentious current issues. However, at this point, we won't have the formal recognition and visibility of the other

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Legislative Report / Editorial: Why Not Medicare For All?

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

I can still see the grinning Republican house members celebrating passage of their Obamacare repeal act, with a beer party in the White House rose garden – and this for a deeply flawed bill that none of them had read, now D.O.A. on its way to the Senate. There, it awaits the tender collective mercies of 13 senators on the select committee: all men, mostly rich, all white, mostly old, and mostly in line for a huge tax cut if they follow the House lead and make drastic cuts in Medicaid. Bad news for the poor, great news for the rich! And probably at least some of them believe "deep in their hearts," along with one honest Republican congressman that "if you can't afford to pay for health care, then you shouldn't have it!"

Meanwhile, leadership in the California legislature is taking a different approach in introducing SB 562, the "single-payer" plan that Bernie Sanders urges our legislators to embrace, and that popular wisdom says is also D.O.A. It is said that a single state can't afford it, that we have too many other unpaid bills ahead of us, and that the governor would veto it even if it passed both houses. The last at least is true. Even if all the reasons against it are true – the "real truth" is that in the end there is no other way that makes any sense at all.

The Affordable Care Act (ACA, or "Obamacare") will hopefully remain in effect until Senate Republicans struggle for months to find a more reasonable way to replace it. The ACA is as much a subsidy for insurers as it is a health care program. Eliminate the middle men, who add no value to the care we receive, and stop subsidizing the industry's hundreds of high-salaried lobbyists in Washington and every state legislature and save a huge chunk of cash. Control costs with a truly national market.

A few of us may remember Wagner-Murray-Dingell, the health-for-all single-payer bill named for the legislators who introduced it in 1945. The phrase "Wagner-Murray-Dingellism" was used to demean it, calling it, among other things, "socialized medicine."

Another historic note: Lyndon B. Johnson, as part of the spate of legislation that composed the Great Society of the 1960s, signed Medicare into law in the 1965. It could be extended to everyone, for a price. At this moment in our political history, we have a Hobson's choice of paying for Medicaid (Medi-Cal in California) that provides access to health care, however imperfect, for millions who otherwise wouldn't have that access, or turning the lion's share of the saving from its elimination into a tax cut for those at the top of the economic pyramid.

So, let's get behind SB 562. No, it probably won't get out of committee. And yes, if it passes, the governor will veto it. And yes, one state can probably not undertake such a reform alone. And, I hesitate to say it, but those of us retired under CalPERS have wonderful health care, and it might not be quite as good if we have to share a portion of what we have with the currently uninsured.

At least let's get the debate out in the open. That may help convince more and more citizens of what many already know, that there really is no other viable way.

Letters to the Editor

To the Editor:

My copy of ERFA's *Reporter* arrived today and I saw your article on "Stopping Unwanted Calls." There is another way to prevent calls that involves only one simple step to install--and it's free! Best of all, you can install it on your i-Phone as well. Here's the website:
https://www.nomorobo.com

I first heard about Nomorobo from *Consumer Reports* magazine which featured an article on the subject a year or so ago, listing various ways of dealing with these exacerbating calls. One of them was to sign up for Nomorobo. I did so immediately, and it works like a charm. Your phone will ring once, Nomorobo detects that it's a scam, and triggers a voicemail message (which you can't hear) that responds to the scammer. So when I hear my phone ring, if there's only one ring, then I know that Nomorobo is at work protecting my ears, time, and peace of mind. I used to receive between a half dozen and a dozen of these scam calls a day. They were driving me nuts. Since installing Nomorobo, I've noticed that the number of scam calls has dropped dramatically. My phone rings once maybe 2 or 3 times a week now.

Dorena Knepper
Emeritus Director of Governmental Affairs
California State University, Northridge

Similar comments were received from Robert Belloli of CSU Fullerton and Peter Mellini of Sonoma State University.

Editor's note: FYI: Nomorobo requires either that your landline use Voice Over Internet Protocol (VOIP), rather than a traditional land line, or that you use an Iphone.

Your carrier must be part of the group that allows "simultaneous ringing."

Testimony on OptumRx Problems

Testimony by member Jim Prigoff to the CalPERS Pension and Health Benefits Committee, March 2016:

"My wife, Dr. Arline Prigoff, professor emeritus, taught at CSUS from age 58 to 78. She developed dementia shortly after retirement and has spent five years with home care and the last three years in a memory care unit.

I spent my life in the corporate world, retiring at age 57. I had been recruited to be senior vice president of the Sara Lee corporation to assist in a major restructuring (my credential for these observations).

First issue. We were advised as of January 1, 2017 that OptumRx was replacing CVS. I went to Google and found there were 1,102 negative responses, of which 680

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CalPERS Lowers Discount Rate to 7.0%

By John G. Kilgour, CSU East Bay

On December 21, 2016, CalPERS' board of administration voted to lower its discount rate from 7.5% to 7.0% over the next three years. The rate will drop to 7.375% in FY 2017, to 7.25% in 2018 and to 7.00% in 2019.

For the state the new rates will be implemented beginning July 1, 2017. For school districts (nonteaching employees) and public agencies (contracting local governments) it will be July 1, 2018.

The way pension funding works is that actuaries calculate the plan's "projected benefit obligations" (PBO) based on a number of economic and demographic assumptions. This produces a large number that is then converted to present value (today's dollars) by using a discount rate.

Traditionally, the discount rate has been based on the plan's average return on assets (ROA) over the previous 20 years. The higher the assumed discount rate, the lower the present value and vice versa. A $1,000 PBO discounted over 20 years at 7.5% produces a present value of $235. Discounted at 7.0%, it is $258. That's $23 or 8.9% more.

Many think that a discount rate of 7.0% is still too high. A respected pension investment consulting firm (Wilshire Consultants) forecasts average return on assets by CalPERS at 6.2% over the next 10 years.

Many financial economists argue that since public pension plan benefits are 100% guaranteed, they should be backed by "riskless" investments such as U.S. Treasury 30-year bonds (now paying about 3.0%) rather than a rate based on the assumed return on invested assets favored by public pension actuaries.

The Governmental Accounting Standards Board (GASB) did not agree with those economists and in 2012 adopted an accounting and reporting standard based on a split rate: GASB 67 (plans) and GASB 68 (sponsors) effective in 2013 and 2014 respectively. They allow plans and sponsors to use the expected ROA to discount those liabilities covered by actual assets. Unfunded liabilities (not covered by assets) must use a lower rate based on an index of high-quality tax-exempt municipal bonds, say 4.0%.

When the value of the plan's assets is divided by its current liabilities, it gives the plan's "funded status" or "funded ratio" (percent funded). That is what drives the employer's minimum required contribution.

The reduction in the discount rate is only the most recent shock to the system. Unfunded pension liabilities are amortized over a number of years. In 1993, the GASB established (for the first time) 40 years as the maximum amortization period for pension accounting and reporting purposes. That was reduced to 30 years in 2006. GASB 67/68 reduced the amortization period to the average remaining service lives of the plan's participants, typically 12 – 15 years. As the amortization period decreases, the liability increases.

CalPERS' underfunding is not due to the parties short-changing the system. Rather it is due to the ill-advised retroactive benefit increases of S.B. 400 that are permanent benefit increases for those hired before 2013, to overly optimistic ROA and other assumptions, to increased longevity of retirees, and to disappointing investment decisions.

The employer's minimum contribution is the sum of its "normal cost" (benefit accruals and administrative expenses for that plan year) plus a portion of the unfunded liability. CalPERS requires that the state and contracting school and local agency employers pay their full required contribution each year.

Thus, CalPERS' underfunding is not due to the parties short-changing the system. Rather it is due to the ill-advised retroactive benefit increases of S.B. 400 that are permanent benefit increases for those hired before 2013, to overly optimistic ROA and other assumptions, to increased longevity of retirees, and to disappointing investment decisions. Employee contributions are a different matter.

The California legislature has gone a long way toward improving the situation by reducing benefits and increasing contributions for those employees hired after January 1, 2013. The employee contribution rate was increased from 5.0% of pay to 8.0%. Moreover, employee contributions must now pay for 50% of the plan's normal cost.

The lowered discount rate, on top of the curtailed amortization period and other reforms, was necessary for the wellbeing of CalPERS. However, they will significantly increase the required contribution of the state and the over 3,000 contracting school and local public agency employers, many of which are already in difficult financial straits. Indeed, many public employers are still recovering from the great recession and the 2012 reduction of the discount rate from 7.75% to 7.5%.

The crunch will come when (not if) the next recession hits. In recent years, there have been recessions in 1983, 1991, 2001 and, of course, the Great Recession that began in 2008. There will be others.

When the next recession does occur, state and local governments will have to contend with the combined effect of the lower discount rate, curtailed amortization period, and other changes. During a recession, public sector revenues decline. As CalPERS minimum required contributions increase, the state and school and local government employers will have to further reduce benefits and/or increase contributions. This will require cutting other programs and/or raising taxes. In addition, public employees hired in or after 2013 may see their required pension contribution increased above the current 8.0%.

But don't worry. No one is suggesting cutting our retirement benefits. Public sector pension benefits already earned and vested are sacrosanct. Retiree health benefits are a different matter.

Health Benefits Report: OptumRx Transition Problems, Do You Want to be Paperless?

By David Wagner, CSU-ERFA Health Benefits Director

OptumRx Transition. In the March 2017 column on health benefits we requested that members share their experiences with the Pharmacy Benefit Manager (PBM) transition to OptumRx. I received several emails and one letter in response. Two members had ongoing unresolved issues. These were forwarded to CalPERS' office of stakeholder relations. Our members were promptly contacted and received assistance in resolving their problems.

Our members' issues were similar to what CalPERS has heard from a number of other retiree organizations over the past four months. During an April 25, 2017 briefing for representatives of retiree associations, CalPERS staff provided an update on the status of implementation of the new PBM. While it appears this transition was smoother than the prior one, there are concerns with some aspects of OptumRx's performance. First, OptumRx underestimated the volume of calls to their call center. Wait time to answer questions was longer than expected and hiring and training of new operators took time.

Second, OptumRx's formulary for drugs and the tiers where drugs were placed were similar but not identical to that offered by the prior PBM, CVS/Caremark. This created problems with availability and pricing of drugs. It was difficult for some to have their prescriptions filled with the same medicine received in the past. The tier issue also had ramifications for the amount of co-payments. There were specific problems with securing some specialty drugs. Finally, CalPERS and OptumRx had different interpretations of Medicare regulations on prior authorization of prescriptions, which caused delays in completely filling some prescriptions.

The third major issue was the lack of a Walgreens within a reasonable distance. Retirees on Medicare receive a co-pay incentive in filling a 90-day supply at Walgreens. Discussions between CalPERS and OptumRx have resulted in the addition of other pharmacies, particularly in rural areas, which were added as part of the approved network to offer the co-pay savings. There is ongoing dialogue on this which should result in other pharmacies being added to the approved list in the future.

CalPERS has formally notified OptumRx of these issues and has requested that a plan to address members' and CalPERS' concerns be developed and implemented in a timely manner. If you have issues with OptumRx, my best advice is to alert CalPERS at 888-225-7377.

Paperless Direct Deposit Statements. By now you should have received a mail notice that CalPERS will move to paperless direct deposit statements for all benefit recipients beginning with the July 1, 2017 statements. Statements will be available online through your myCalPERS account. If you do not have an account, go to my.calpers.ca.gov for instructions on setting up an account.

I took an informal poll of retirees at our annual spring brunch and a number of those attending did not recall receiving or reading the mail announcement. If you can no longer find the mail notice there is no need to hunt through your recyclables. There are several ways to notify CalPERS of your intent to continue paper statements:

You can continue to receive paper statements only if you notify CalPERS. Notification must occur by June 1, 2017 to affect the July 1 statement. Notification may be accomplished in one of 3 ways. First, mail back to CalPERS the postcard attached to the material you received from CalPERS. All members should have received this mailer by the end of April. It is not necessary to sign the postcard because it has a barcode identifying you. The postcard must be postmarked by June 1.

Second, at any time, you can log in to your myCalPERS account and change your preference to receive paper statements. Third, contact CalPERS at 888-225-7377 now or at anytime in the future and request to receive statements by mail. You will be asked to identify yourself by your CalPERS member number or your Social Security number.

Again, to continue to receive paper benefits statements you must request this from CalPERS by June 1 to impact receipt of your July statement.

Testimony on OptumRx Problems

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had been verified and 280 posted in dealing with mail order. The company was rated 1 out of 5, and one person complained there was no place to rate them minus 5. The words used were horrible, terrible company, reprehensible, never use, outrageous, blatantly lied, they are ruining my life, by far the worst, 20 phone calls, on the phone forever, rudest, unethical just for starters.

No way I was going to contact them. I went to their one preferred provider – Walgreens. I asked what the copay would be on two small prescriptions. The pharmacist could not locate the information and called another person. That took about 12 minutes, and then I was told on 3/3 that one prescription would be filled on 3/7 and the other on 3/12, and they would tell me the copay at that time, not before. I left and went back to CVS. They filled the two prescriptions in ten minutes and the copay was $5 each.

Previously I paid CVS $40 for a three months supply of Pradaxa. Since they are not a preferred provider, it cost me $50 for a one month supply or just under a three hundred percent increase over when they were the provider. I called OptumRx and found out that a three months supply from them would be $100, a one hundred and fifty percent increase.

Suggested solution – if CalPERS doesn't want to drop OptumRx, then at least insist that they add CVS and others so that we can get a 90 day supply at a more reasonable price. I recognize there are also

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CFA Report: Health Benefits Subject to Bargaining

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California lecturer representative and member of the bargaining committee, stated that if the Marin County Superior Court decision is upheld by the California Supreme Court, retiree medical benefits will not be a vested benefit if there is no employee contribution to the retiree medical plan. The current status of the case is that an appeal has been filed, but no hearings are as yet scheduled. While the decision is in appeal, several public sector unions have agreed in bargaining to pre-fund retiree medical benefits. It is not clear how the forthcoming decision will affect those fully retired or future medical benefits bargaining.

CalPERS LTC Lawsuit. The class action lawsuit concerning the 85% increase in CalPERS Long Term Care (LTC) rates has been scheduled for action on October 17 in the Los Angeles Superior Court. All those who were a part of the group involved in the increase who did not change their plan during the rate increase schedule are enrolled in the class action. Presently CalPERS projects no LTC program fee changes through 2019.

If You Don't FERP. There was a clarification of the annuitant rehire policy for those who do not FERP and those who do having to do with age (no longer able to FERP at 55 if hired after 2013) based on an IRS ruling. See the CSU website or the local campus HR department for specific information.

CFA's PAC. Presently, the retired faculty committee chair is working with CFA and the state to allow for a monthly PAC deduction buy-in for retired CFA dues paying members. It was decided that the form, if approved, would state a $5, 15 or other dollar deduction.

CFA Officers Elected. At the general session on Saturday morning officers, committee chairs, and council representatives were elected to serve a two-year term, from June 1, 2017 through May 31, 2019. Officers include: President Jennifer Eagan (East Bay), Vice President Charles Toombs (San Diego), Secretary Kevin Wehr (Sacramento), Treasurer Susan Green (Chico), Associate Vice President North, Rafael Gomez (Monterey Bay), and Associate Vice President: South, Molly Talcott (Los Angeles). Other officers and chairs elected can be found on the CFA website. Elected by earlier mail ballot of CFA retired members are George Diehr, chair of the retirement committee, and Cathy Jeppson, retiree representative to CFA Assembly.

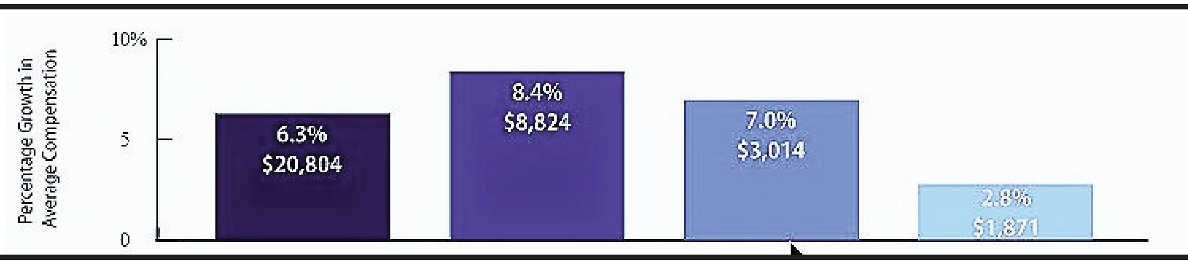
In other action, delegates passed three resolutions: support for free public higher education in the CSU, support for April 4th "Educators United With Our Communities" day, and support of AFL-CIO constituent groups.

Legislation. There are, to date, four CFA sponsored bills moving through the legislature: AB21, protections for students and faculty from immigration status problems; AB393, freezing tuition and fees through 2019-20; AB1464, an eight-year strategy to increase the number of tenure track faculty; and AB1038, forming a "Blue Ribbon Commission" that would develop a comprehensive plan to sustain and augment California's system of public higher education.

Membership Dues Increase. Of note, delegates from the local chapters voted during the week of March 27-31 to increase membership dues from 1.05% to 1.35%.

No comment:

Figure 7
Growth in Average Compensation for California State University's Management Personnel Positions Outpaced That of Other Employee Groups
Fiscal Years 2007-08 Through 2015-16



Executives **Management Personnel** **Nonfaculty Support Staff** **Faculty**

Source: California State Auditor's Analysis of California State University Payroll Data as Maintained in the State Controller's Office Uniform State Payroll System.

Executives: 6.3%, $20,804.
Management Personnel: 8.4%, $8,824..
Nonfaculty Support Staff: 7.0%, $3,014.
Faculty: 2.8%, $1,871.

State Council Meeting of April 2017

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narrower and should be considered.

The policy makes the claim that any instructional materials developed by faculty can be used by the institution. In the context of the CSU where we have already had cases where courses developed by full-time faculty have been used by the administration with part-timers teaching them, this claim is too broad. There are other features of the SJSU resolution's supporting documentation; further information can be found at https://goo.gl/IWEWkd.

Attendance at the meeting was smaller than usual, no doubt because of the meeting date being sandwiched between Good Friday and Easter Sunday. The executive committee pledged to find less conflicted dates for future council meetings. Thirteen campuses were represented by delegates at the meeting.

President Blischke announced that due to our association's efforts, the president of CSU-ERFA or designee will be placed first on the list of public speakers at future meetings of the CSU Board of Trustees. While falling short of hopes that our association would be given a regular spot on the board's main agenda, this is still progress in the recognition of CSU-ERFA by the board.

President Blischke also recommended two new books on higher education: *Paying the Price*, by Sara Goldbrick; and *Lower Ed*. By Tressie McMillan Cottom (see From the President, p. 2). He will be putting reviews of these books on the CSU ERFA website. He also urged our members to get involved in the discussions on the cost of higher education, freedom of speech, sanctuary campuses, and intellectual property.

Treasurer Sharp reported that CSU-ERFA's income from dues is slightly down from last year. The association needs to increase membership, and he called on the delegates to recruit actively on their campuses. The new recruitment brochure may help in this effort. The delegates approved the proposed 2017-2018 budget.

Webmaster Shapiro gave a detailed report on access to our website that remains high, especially to the on-line version of *The Reporter*.

Reporting for the legislative committee, Leni Cook called the delegates' attention to four bills that may impact our members or their campus communities: AB 21, on immigration status that may apply to both students and faculty; AB 393, freezing tuition until 2020; AB 315, oversight of pharmacy management; and AB 317, advance notice of price changes for prescriptions.

The health benefits report gave advice on contacting OptumRx regarding problems and outlined CalPERS' movement towards electronic communications with members on most issues.

Before lunch Executive Vice Chancellor, General Counsel and Secretary to the Board Framroze Virjee spoke on "Free Speech and Freedom of Expression" with particular reference to universities. The talk was followed by a lively question and answer session.

Further reports after lunch began with the recommendations of the grants committee, chaired by Marshelle Thobaben. Four grants were awarded for a total of $6,000. Since 1997 CSU-ERFA has awarded over $55,000 in grants. The award program has been streamlined and placed on line. The deadline for the next award cycle is October 31, 2017. A member has offered a new challenge grant of $500 to be matched by December 31, 2017. You are urged to help get the full amount of the match.

The liaison to CFA, Leni Cook, reported on the CFA Spring Assembly meeting. Effective 2019, retired faculty health benefits and contributions will be subject to bargaining. There is much concern over the California Supreme Court's pending decision on the Marin County Superior Court decision that vesting may be based on pre-retirement employee contribution to retirement health benefits. A class action suit is ongoing concerning the large increase in CalPERS long-term care rates.

Elections and Appointments. President Blischke appointed Jay Swartz (Pomona) to the new position of CSU-ERFA local advocacy liaison. He will be working with local affiliates to arrange meetings with legislators in their local offices.

The nominating committee submitted the following slate for association officers for 2017-2019 terms: President, Bill Blischke, Dominguez Hills; Vice President, Barry Pasternack, Fullerton; Secretary, Rita Jones, Long Beach; Treasurer, Harry Sharp, San Luis Obispo. The delegates voted unanimously to approve these nominations. The committee also submitted the following members for delegates–at–large for the state council for 2017–20 terms: James Swartz, Pomona; Merry Pawlowski, Bakersfield; Judith Hunt, Sonoma. The delegates voted unanimously to approve these nominations.

The selection committee for the retiree member of the CSU academic senate submitted the name of Barry Pasternack for a 2017-2020 term. His nomination was approved unanimously.

After the council adjourned, delegates visited the CSU archives in the CSU Dominguez Hills library, featuring an exhibition on the Japanese-American experience in World War II.

Situation at CSU San Bernardino

By Barry Pasternack

The faculty at CSUSB have had issues with their President, Dr. Tomás Morales, in recent years. On Tuesday, May 9, 2017, the campus Senate passed a no-confidence resolution on President Morales (https://goo.gl/lxvTWM). In anticipation of this vote, an op-ed piece, "Academic Senates Need More Transparency," written by Paul Granillo and Lou Monville, was published in the San Bernardino County Sun on May 8 (https://goo.gl/yfDMSd). Both op-ed contributors served on the CSUSB presidential search committee that recommended the hiring of President Morales, and Monville served as a past chair of the CSU Board of Trustees.

The editorial makes a number of damning, false, and misleading statements about campus senates, including, "For too long some academic senates and their executive committees, who are vested with great authority, have been able to hide in the shadows — using authority and

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CSU-ERFA Foundation 2017 Small Grants Award Program Announced

CSU-ERFA grants are available to CSU-ERFA members to support 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 University system;

• Research pertaining to the retirement concerns of faculty within the California State University System; and

• Research and creative projects that contribute to a given academic discipline.

The CSU-ERFA Foundation encourages CSU-ERFA members involved in research and creative projects to apply for a grant.

The small grant program is competitive, with past awards ranging from $100 to$2,000, depending upon the number of proposals and the amount of money available for grants from the CSU-ERFA Foundation. Preference is given to first time grant applicants when grant proposals are of equal merit.

Grant applications and guidelines will be available July 1; applications are due no later than October 31. The applications can be obtained by downloading them from www.csuerfa.org, calling the CSU-ERFA office at (818) 677-6522, or emailing your request to csuerfa@csun.edu

Awards will be announced in February 2018.

Grant recipients are required to submit a final report on their grant one year after receiving the award. Failure to submit a report will exclude an applicant from future grant awards.

The CSU-ERFA Foundation welcomes tax-deductible contributions.

See csuerfa.org for more information.

The CSU-ERFA Foundation is a 501(c)(3) charitable organization.

New Edition of CSU-ERFA Survivor's Guide

A new edition of the CSU-ERFA Survivor's Guide will be available ($4.95) by the time you read this notice - contact the office (p. 2) for more information.

California State University Emeritus and Retired Faculty Association

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Last Name **First Name** **Middle Initial** **Social Security Number**

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Home Address – Number and Street **City** **State** **Zip** **Email address**

____(___)____________

Date Retired **CSU Campus** **Department** **Home Phone – Including Area Code**

Please enroll me as a CSU-ERFA member. I hereby authorize deductions to be made from my retirement warrants by 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. If you prefer to make direct annual payment of dues, multiply your monthly payment x 12 and send a check for the total amount to the CSU-ERFA office. Your Social Security number is not required if you choose annual payment.

Gross Monthly Retirement Benefit	Dues	Check One
Less than $3,000	$5/month	___
$3,001-$3,600	$6/month	___
$3,601-$4,300	$7/month	___
$4,301-$5,300	$8/month	___
$5,301-$6,300	$9/month	___
$6,301 and above	$10/month	___

Lifetime Member (one-time dues amount of $1,000) ___

____

Signature **Date**

Please mail the completed form to:
CSU Emeritus and Retired Faculty Association
The Retiree Center
18111 Nordhoff Street
Northridge, CA 91330-8339

ASCSU Report: March Meeting Notes

By Barry Pasternack, CSU Fullerton, Emeritus Senator

The ASCSU met on March 16-17, 2017. We heard reports from Loren Blanchard, CSU executive vice chancellor for academic and student affairs; Jennifer Eagan, CFA president; William Blischke, CSU-ERFA president; Patrick Perry, CSU chief information officer; Hank Reichman, AAUP vice president and chair of committee A on academic freedom and tenure; and Brandon Tsubaki, California State Student Association (CSSA) liaison to the ASCSU.

EVC Blanchard gave the ASCSU a preview of the presentation for the following week's board of trustees meeting. The presentation focused on academic preparation and equitable treatment of all students in keeping with the CSU Graduation Initiative 2025. As part of his presentation Assistant Vice Chancellor Jeff Gold discussed five initiatives underway to improve student success. These included promoting four years of high school math/quantitative reasoning, improvements in enrollment management, alignment of financial aid and timely graduation, alignment of CSU data capacity and infrastructure, and elimination of administrative barriers to timely graduation. A YouTube video of EVC Blanchard's presentation on academic preparation to the Board of Trustees can be found at https://goo.gl/OLUQJx.

Jan Eagan gave highlights of faculty honors at the recent CFA statewide meeting and the ways CFA is working to keep student fees low. She mentioned CFA-sponsored legislation and the upcoming April CFA lobbying days. Due to concerns about the future of "fair share" (the requirement that non-CFA members must contribute to the cost of bargaining) being in jeopardy, she stated that CFA had approved a membership dues increase to 1.35% of salary.

Bill Blischke discussed activities of CSU-ERFA and gave highlights of the upcoming CSU-ERFA state council meeting on April 15. Members of the ASCSU who live close to the CSU Dominguez Hills campus were invited to attend.

Patrick Perry spoke about technology initiatives the CO is involved in to help improve student learning. Hank Reichman spoke about AAUP's positions on issues such as the assault on tenure, attempts to intimidate faculty members, especially online, the creation of a professional watch list and the Trump travel ban attempts, and the growing assault on the sciences by some in the Trump administration. He gave examples where academic freedom was in jeopardy.

Brandon Tsubaki gave a presentation on initiatives CSSA is currently working on and mentioned that newly redesigned CSSA Facebook page.

The ASCSU voted on the names of candidates for faculty trustee to send forward to Governor Brown. Existing law states that the ASCSU must submit a minimum of two names, but the ASCSU could, if desired, send more than two names. Three individuals applied for this position and answered questions posed by the ASCSU subcommittee charged with organizing this process. Following the questioning, the ASCSU chose Steven Filling (CSU Stanislaus) and Romey Sabalius (CSU San Jose) as the candidates who would be sent forward to the governor.

In total, the ASCSU acted on eight resolutions. An executive summary of these resolutions can be found at https://goo.gl/0ynybv.

Perhaps the most time consuming of the resolutions was AS-3288-17/FGA – 2017 Legislative Advocacy Positions of the Academic Senate of the California State University (ASCSU). This resolution focused on bills that are currently before the Assembly and Senate and is intended to give the position of the ASCSU on this legislation when lobbying for or against such bills. The bill positions approved by the ASCSU are given at: https://goo.gl/Bu6RMk.

Testimony on OptumRx Problems

(Continued from page 5)

hundreds of complaints about CVS, but they mostly have to do with individual stores, not the 90 supply mail order.

Second issue. We purchased CalPERS' long term care insurance in 1995. When I went to activate Arline's policy, I had no idea that the management of that was farmed out to a company in Minneapolis named Univita health. They are a very poorly run company. My emails, phone calls and letters over the years have been voluminous. I wrote a letter to the two senior executives a few years ago which never received a reply. I submit it to the board.

Turnover is high, employees agree they are understaffed, reaching care managers is extremely difficult, people leave the company without any notification and errors are endless. After seven months, having moved from Oakmont memory care to Aegis memory care, our last reimbursement was sent to Oakmont, not directly deposited to our account as had been established for the past many months. Those funds were needed to pay the March 1st bill, but I was told it would take 30 days to reroute the funds to my account.

This company would benefit greatly by hiring a management consultant and CalPERS insured would be saved endless wasted hours.

CalPERS & OptumRx Respond

In response to Mr. Prigoff's and other complaints, CalPERS issued a statement in mid-May announcing that:
--OptumRx is adding approximately 100 additional retail pharmacies to make 90 day supplies of drugs more available.
--Call center staff woujld be expanded.
--CalPERS' health team has provided additional training to the OptumRx customer service representatives.
--OptumRx has appointed a customer service manager to work directly with CalPERS staff.
--OptumRx has enhanced its prior authorization review process to expedite service to drugs members had preious access to.
--CalPERS has placed some specialty drugs in a lower tier.

From the President

(Continued from page 2)

aforementioned groups. To be blunt, this sticks in my craw! The Alumni Council, representing students who spent a few years at one of our campuses, deserves greater status than those of us in the largest emeritus and retired faculty group in the country, if not the world (or as Barry Pasternack quips, in the galaxy), who spent decades (in my case almost half a century) in the system. Apparently, CSU-ERFA has not earned comparable status. At any rate, I will continue to represent you, or another designee will do so, at BOT meetings.

Retirement and Health Care Benefits. According to our constitution, our primary purpose is "to serve as an advocate of the interests of CSU emeriti and retired faculty in all matters relating to the general welfare of these faculty." The term "general welfare" refers primarily to retirement and health care benefits. We have three important committees (health benefits, pre- and post-retirement concerns, and legislative affairs) as well as a liaison to CFA to keep a close eye on recent attacks on these crucial benefits. Many retirement and healthcare benefits, to which employees contribute much more than the public realizes, have been devastated or eliminated in the private sector. The attacks on these benefits in the public sector continue to be relentless. Please read the relevant articles elsewhere in this issue and contact our committees if you have questions or suggestions.

CSU-ERFA Local Advocacy Liaison. The executive committee created another important cog in our efforts to protect our interests and confront some of the problems facing the CSU. The most effective way to have an impact is to lobby our local legislators in their home offices rather than join large groups in Sacramento. At the state council meeting, I recommended the appointment of Jay Swartz to this new post. Jay, who is also a new state council delegate, has remarkable qualifications to play this role. You should all get involved with your local legislator and consult Jay for the most effective way to do so. Please email him for advice and information and participate!

Crucial Issues. It is imperative that we keep informed about the myriad of crucial issues facing the CSU. Enrollment at our campuses or other institutions is more important than ever. A recent Economic Policy Institute study concluded that the income gap between college grads and others is wider than ever, and yet the CSU denied admission to about 30,000 qualified applicants last year due to insufficient funding. We must continue to lobby for additional funds!

A recent study, "The $48 Fix: Reclaiming California's Master Plan for Higher Education," concluded that an annual income tax increase of $48 for medium income California families would fully fund all three systems of public higher education and avoid further tuition increases. The details in this report are well worth careful study. The other crucial issues that we are monitoring are: sanctuary campuses, freedom of speech, efforts to increase the proportion of full-time tenure track faculty, and intellectual property. The state council unanimously voted to express its opposition to the CSU draft policy on intellectual property and to support the San Jose State Academic Senate resolution that raised concerns about it. I strongly encourage each of you to consider getting involved with your campus senate and policy makers as they struggle with these complex and difficult issues.

Soles 4 Souls Campaign. At DH we continued the pilot program that we started last year under the leadership of Sam Wiley. We have collected more than 6,000 pairs, and they keep coming in from the campus, local schools, city governments, and a variety of organizations. Although I don't have a current count, Cal State LA has had a very successful shoe drive as well and has extended their collection for an extra month or so. Cal Poly Pomona and San Diego State have also implemented the S4S campaign. I encourage other campuses to consider jumping on board during fall semester. I can meet with anyone interested to answer questions regarding the most effective way to help fight poverty by providing footwear. My co-chair, Barbara Sinclair, can join us as well. Given the vexing and contentious issues facing us in the CSU, this is one positive way of bringing the campus together and tying the surrounding community into it.

A Non-reading Assignment. Early in my graduate study, the sociology of education became my major area of interest. I continue to keep up with some of the literature in this field of study, even after my retirement. As president of CSU-ERFA, I have focused primarily on higher education. As a result, I read and reviewed Sara Goldrick-Rab's recent book *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*. This is a very important treatise on the higher education cost crisis and its demographic and equality-of-opportunity implications, as well as the general trend toward the privatization of many areas of our society. The review is available at our website if you visit *News/Views*.

I am also in the process of crafting an assessment of Tressie McMillan Cottom's *Lower Ed: the Troubling Rise of For-Profit Colleges in the New Economy*. Trump University is only the tip of this larger-than-I-imagined iceberg that is detracting from our commitment to low-cost, widely-available, public universities like the CSU. If you don't have the time or inclination to read these books, you can consult my summaries and critiques of them on our website. I welcome any comments you might have on the important issues raised by these two volumes and what we might do to combat these damaging trends.

Bill Blischke, President
CSU-ERFA

Social Security More Than 90% of Income

Groups reporting that Social Security is more than 90% of their income include:

Age: 18.3% of those 65-69; 23.3% of 70-74; 26.8% of 75-79; 32.7% of 80 and older.

Income by quintile: highest, 0%; 4th, 1%; 3rd, 13.8%; 2nd, 47.8%; lowest, 64.1%.

Education: BA+, 14.1%; some college, 21%; HS graduate, 27.6%; <HS graduate, 41.4%.

Race: white, 24.1%; black, 32.5%, Hispanic (any race), 31.2%.

Source: *Social Security Bulletin*, 77, 2 (2017), p. 9. Data: March 2015 Current Population Survey, reporting 2014 income.

Pre- and Post-Retirement Concerns: Implications of Repealing the ACA

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

Q.: What is likely to be the near-future result of the political moves to repeal and replace the Affordable Care Act?

A.: The short answer for Californians and some other states is a big hole in the state budgets, as governors and legislatures seek to restore the under-funding of MediCal (Medicaid in other states). The President is at present threatening to underfund present payments for these supplemental programs to states in order to get the Democrats in Congress to bargain over future healthcare policies. If he has his way, sponsored healthcare for the poor will quickly disappear.

But there is an interesting aspect of this process that may be brought out before long. Recall that when candidate Trump spoke of repeal and replace, he said that there would be "something very nice" offered instead, with the implication that the program would be adjusted and expanded.

But we now know that shortly before the scheduled vote in the House of Representatives was withdrawn, the President made a last-minute offer on the "ten essential benefits" positioned in Obamacare. Minimum requirements on these benefits, outpatient care, trips to the emergency room, hospital inpatient care, care for mothers and newborns, mental health treatment, prescription drugs, treatment for disabilities and chronic conditions, lab tests, screenings and vaccines, and pediatric services including children's dental and vision care, would be scrapped. This, together with a diminishing funding for Medicaid, would result in a massive loss of service and an ultimate ransacking of government-sponsored healthcare.

Any onlooker would wonder after this about the protected nature of political speech. In this instance we have a direct contradiction of a campaign promise with a substitute policy after the election which would produce a drastically injurious result. In the commercial world this is fraud, actually and precisely *in factum* fraud. One presumes that the president as a businessman knows this.

There are those who would insist in his defense that information from the Congressional Budget Office showing that eventually 24 million people would lose coverage was not available, and that thus the offer to Congress was not fraudulent. But the estimate from the CBO focused on the diminution of support for Medicare, not on the subsequent offer to delete the minimum requirements on the ten essential benefits; that offer changed the deal substantially.

Most of us speak to people every day who insist that everything the president does, he does out of ignorance, and they counsel that he will learn what is at stake over time. But that of course does not relieve him of the taint of fraud.

If you have questions for this column, send them to donahue_thomas@ymail.com.

Situation at CSU San Bernardino

(Continued from page 7)

intimidation to impose their will, creating a campus climate where innovation and best practices are actively pushed aside in favor of the status quo, protecting power and influence for the few." Monville and Granillo then reveal individual votes on the presidential search committee and the name of one of the alternate candidates, thus violating the secrecy and confidentiality pledge that all search committee members are bound to support.

Since the CSU strongly emphasizes how confidential search committees are, it is surprising that a former BOT chair would reveal confidential information about a search in the local newspaper. As of press time, statements of support for the local Senate have come from the chair of the statewide senate, Chris Miller, the CSU Stanislaus senate, and CSU-ERFA's executive committee. Stay tuned for more.

In Memoriam

Bakersfield - John N. Sage

Chico – Mitchel T. Abbott, Ronald L. Gibson, Frank H. Gladen, Margot D. Ormes, Henry A. Peterson

Dominguez Hills – Porfirio Sanchez

East Bay – John Cambus, Gloria Enguidanos - Clark

Fresno – Vincent E. Petrucci, Gary L. Ritenour

Fullerton – Iris O. Moremen, Robert Spenger, Frank W. Taylor

Humboldt – Carol A. Whitehurst

Long Beach – Alice Gabrielson, Owen O. Jenson

Los Angeles – Richard T. Keys, Lilly Shen

Northridge – George Biriuk, Stanley Summers, Donald N. Wood

Pomona – Russell H. Atkinson, Richard H. Schippers, Katherine B. Seibert,

San Bernardino – Dalton Harrington, William L. Slout

San Diego – Merle E. Hogg, Joan T. Werner

San Francisco – Serena J. DeBellis, Frank Hovell, Gail M. Humphrey, William Evraiff

San Jose – Richard S. Dale

San Luis Obispo – Thomas G. Schumann

Sonoma – Raymond Lemieux

Stanislaus – Robert L. Santos

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

CSU-ERFA New Members

Chico – Victoria Bernahrdt

Dominguez Hills – Farah Fisher (Lifetime member)

Fresno – Lester P. Pincu

Northridge – Rita C. Summers (Associate Member, widow of Stanley Summers)

San Diego –Ellen M. Quandahl

San Jose – Ji-Mei Chang, David M. Kahn (Lifetime member), Deborah McCabe

San Marcos – Marie D. Thomas

Sonoma – Gwen M. Neary, Frederick Utter

CSU-ERFA Calendar of Events

September 1, 2017 - Ballots mailed for the CalPERS board of administration election for two positions. The names of the candidates are not known as of press time. The terms of the incumbents, Joseph (JJ) Jelincic (Position A) and Michael Bilbrey (Position B), will expire on January 15, 2018. The new term of office is January 16, 2018 through January 15, 2022.

September 9, 2017 - CSU-ERFA Executive Committee meets in Torrance, CA.

October 2, 2017 - CalPERS board election ballots due.

October 21, 2017 - Fall State Council meeting, CSU Long Beach.

October 31, 2017 - CSU-ERFA Foundation Small Grant Program Applications are due (see page 8).

November 10 - December 11, 2017 - If a runoff is needed for the CalPERS election, ballots mailed and due back on the above dates.

State Retirement Plan Blocked?

As of press time, the U.S. Senate has passed a bill attempting to block California's plan to sponsor a retirement savings plan for workers lacking one. The House has already passed an identical bill. The bill is on the President's desk.