



Publication of the California
State University
Emeritus and
Retired Faculty
Association

<http://www.csuerfa.org>

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State Council Meets

CSU-ERFA's state council met October 17, 2009 at San Jose State University's library, with 17 campuses represented through 37 delegates. Pictured below are President Dieter Renning and Executive Director Don Cameron.

Delegates urged the CSU to consider a "golden handshake" option for faculty and

staff in order to reduce the CSU's personnel costs. A proposed process at CSU Dominguez Hills that would lead to the elimination of academic programs was the subject of discussion, resulting in a
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CalPERS Board Runoff

In the CalPERS election for Board position A, Joseph (J.J.) Jelincic received 71,197 votes, 36.8% of those cast. Cathy Hackett received 54,934 votes, or 28.4% of those cast. Both will be candidates in the runoff election, with ballots scheduled to be mailed November 9 and due back by December 4. The reverse side of the envelope must be signed for the ballot to be valid.

CSU-ERFA endorsed J.J. Jelincic in this election. Only 198,776 votes were cast, representing 15.7% of the 1,264,648 members eligible to vote in the election. For position B, Kurato Shimada, the incumbent, received 155,170 votes, representing 83% of the total votes cast for the position.

CalPERS Long-Term Care Program Faces Challenges By David F. Humphers

Over the past year the CalPERS board has held a series of meetings dealing with the Long Term Care Program, all in "closed sessions." The September CalPERS health benefits committee meeting began with a "closed session" on health plan contract negotiations and Long Term Care Program competitive strategy and rates. Gregory Franklin, assistant executive officer for health benefits at CalPERS, announced that staff will present a long

term care evaluation at the November health benefits committee meeting. The CalPERS board is expected to announce long term care program changes at the December meeting.

Members enrolled in the program received a letter in late October stating that there will likely be a 15% to 25% premium increase beginning in July 2010, with alternative plan options offered to "help mitigate the financial impact if the proposed premium increase is enacted."

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**CSU-Emeritus and Retired
Faculty Association**
www.csuerfa.org

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2008-2009**

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Milton Dobkin (HU)	At large
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David Humphers (SAC)	At large
Ted Anagnoson (LA)	Reporter Editor
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From the President..

As this issue goes to press, the House of Representatives has just passed its version of healthcare legislation. By the time our next issue comes out, there will be more substantial action for our review.

Meanwhile we rely on Dave Humphers and his committee to inform us about developments in this arena, as well as about related issues at the state level, and I want to commend them for their watchfulness and careful analysis. I know that some of our members considered the committee's report in the previous *Reporter* less than satisfactory or even "one-sided." You will find some of those dissenting views in the current issue.

Whatever their position on these matters, I want to applaud all members who have taken the time and made the effort to speak up!

State Council. Next, let me comment briefly on the Fall 2009 CSU-ERFA state council meeting, which was held at the Martin Luther King Library on the San Jose State campus, starting with one more sincere "thank you" to library dean Ruth Kifer for letting us use this nice facility and for reviewing its history for us!

Life membership in CSU-ERFA. One important proposal before the council was the establishment of a lifetime membership category for CSU-ERFA members. The discussion resulted in a vote by the Council to create a \$1,000 lifetime donor membership option for new members, which will also be available to current members if they choose to convert to the lifetime status.

State council on healthcare. With regard to healthcare, the council addressed a "close-to-home" issue by passing a resolution urging CalPERS to establish annual and lifetime caps on out-of-pocket expenses incurred by members of its insurance programs.

Golden handshake? Naturally, there was much discussion of the financial problems of the CSU (and the state). In this context the council adopted a motion asking the CSU Board of Trustees to establish a "golden handshake" incentive for faculty and staff in order to reduce the impact of further budget cuts in the next fiscal year.

Dominguez Hills motion. In addition, a motion prompted by some worrisome developments on the Dominguez Hills campus was passed, urging all campuses in the system to honor established procedures for faculty consultation before any academic program is eliminated.

Board of Trustees and the Emeriti policy. And there was one more important action taken by the council: approving a motion to urge the Board of Trustees to review the policy governing the rights and privileges of emeriti faculty and amend it to allow them to serve on graduate committees and also as co-principal investigators on grant proposals.

As the new chair of the state council meeting, I want to express my thanks to all participants for their thoughtful consideration of the issues before them and for their contributions to the debate!

H. Dieter Renning
President, CSU-ERFA

Research Grants Available to CSU-ERFA Members

CSU-ERFA is offering grants of up to \$2,000 to CSU-ERFA retirees for the year 2010. The purpose is to provide financial assistance and to encourage CSU retirees in their scholarship, research, and writing endeavors important to their academic fields or community.

Special consideration will be given to scholarship work or projects that (1) contribute to a given academic discipline, (2) pertain to retirement concerns of faculty within CSU system, or (3) focus on improving the quality of life of retirees within the CSU system. Applications and proposals must be submitted by January 2, 2010. Announcements of awards will be made in late February of 2010.

Applications and proposal guidelines are available through the CSU-ERFA office, 18111 Nordhoff Street, Northridge, CA 91330-8339. Phone: (818) 718-7996. Fax (818) 718-7680.

The California Dream

by Jeffrey L. Bleich, Chair of the CSU Board of Trustees

Excerpted from his September 23, 2009 Report to the Board of Trustees of the California State University

Bleich will serve as the next U.S. ambassador to Australia upon confirmation by the U.S. Senate. He has been a member of the CSU Board of Trustees since 2004 and chair since 2008.

I came to California because of the education system here. I did not grow up in California. I went to public schools in Connecticut, and attended college back East on partial scholarships and financial aid. Like many of the students at CSU – my family did not have a lot of money – and so I had to work part-time and borrow money to pay for school. By my first year of grad school, I'd maxed out my financial aid and was relying on large PLUS loans in the 1980s that charged 14% interest to pay for school. I couldn't get more financial aid and I was fully maxed out on loans. And so my wife Becky and I could not afford for me to go to law school, which had always been my dream.

I applied and went to UC Berkeley Law School because it was the only top law school in the United States that we could afford. It turned out to be the greatest education I have ever received.

And I got it because the people of the State of California -- its leaders and its taxpayers -- were willing to invest in me. For the past 20 years, ever since I graduated, I have felt a duty to this State, and to pay back the people of this State.

So when I had to figure out where to build a practice, buy a home, raise my family, volunteer my time and energy, and where to make my own investments, I didn't go to New York, or Boston, or Washington, D.C. I chose California -- the State that literally gave me my law degree.

I joined a California firm – Munger, Tolles & Olson – and have worked there for two decades. This year, our small California firm was named the number one firm in the nation by *American Lawyer*. That success is California's success. It has meant millions of dollars in taxes paid to California, hundreds of thousands of hours of volunteer time donated to California, houses and families and investments made in California, and hundreds more talented people attracted to work and grow and help California.

I've told my story because it is not unique. It is the story of nearly every single person in this room. Those from California stayed here and succeeded here because of their California education. Others...came here for the education and then stayed to use that education to advance California. We benefitted from a generation that understood that it had a duty to pay it forward. I look at my colleagues on this Board, on the leaders of the faculty, our alumni, our administration and staff and I see in their success and their commitment to education the very genius of the California Master Plan.

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The Precarious Balance of California's Finances

By David Hood, Member of the Academic Senate of the CSU

Excerpted from *Academic Senator*, the newsletter of the Academic Senate of the CSU, October 2009

David Hood is Professor of History, CSU Long Beach, teaching courses on ancient Greek and Roman history.

The state balanced the 2009-2010 budget by using one-time solutions that cannot be used again. For instance, the state drew down the three years of federal stimulus money in one year. There will probably be no more stimulus money for the CSU. The state has not only raised income taxes by 0.25 percentage points but it is borrowing \$1.7 billion from taxpayers through a 10% increase in withholding to be repaid in April 2011. This "solution" merely postpones the day of reckoning. The state did not pay \$10 billion of the proposition 98 funding, and this will have to be repaid over the next several years. The state is liable for prison reforms, due in the next year or two. And, finally, the state recently sold \$8.8 billion in revenue anticipation notes which must be repaid by the end of this fiscal year, June 30, 2010. Originally, the state intended to borrow \$10.8 billion. However, they were able to reduce the amount borrowed by assuming they would delay spring payments owed to UC, CSU and the CCC and other governmental agencies of \$1.7 billion. This plan repeats the state's resolution to last year's cash-flow problem which resulted in the CSU having to pay its own salaries in July and now again as early as February or March. Thus, the current year's budget is precariously balanced.

Since the state's income is so volatile, major unanticipated expenses, such as fighting fires, could cause the state to issue another "revision" with a mid-year budget correction. For universities that commit funds semester-by-semester or quarter-by-quarter, a mid-year reduction is a serious matter. The only factor preventing the state from reducing our budget further is the federal maintenance of effort requirement, which mandates that states receiving stimulus funds will, in each of fiscal years 2009, 2010, and 2011, maintain state support for elementary, secondary, and public postsecondary education at least at the levels in fiscal year 2006. However, there is also a provision for states to request a waiver of this requirement, and so the maintenance of effort requirement is not an iron-clad guarantee that our budget will not be reduced further.

Now, if you think this year is bad, next year will be worse. First, the department of finance conservatively predicts that the state will start the 2010-2011 fiscal year with a \$7 billion shortfall, but many analysts think it will be greater than that. Again, there will be no more stimulus money, and a lot of those one-time solutions cannot be used again. Since the key liability propositions in the May 2009 election failed passage, the temporarily increased tax rates will expire in 2010. Proposition 98 funding for K-12 will again be required. The state will have some liability for prison health care reform, although the amount is currently unknown. And finally, in April 2011 the withholding "borrowing" is scheduled

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Letters to the editor

To the editor:

I appreciate the insights offered by David Humphers concerning the current health care (health insurance) debate. Do you have any plans to run an article that offers an alternate viewpoint? I hope that the article as it stands does not represent the official position of CSU-ERFA. Since the debate is ongoing, it would be beneficial to hear both sides. Incidentally, as you may know, the September issue of *The Atlantic* carries a very interesting piece, filled with details, analysis, and personal observation from the viewpoint of an individual who lost a parent in the existing U.S. health care system.

Alexander V. Muller
Professor Emeritus
CSUN

To the editor:

As a retired professor from Cal Poly San Luis Obispo and someone who has spent most of his life in education and has encouraged his students to express their views without fear of reprisal and encouraged opposing sides to defend their position, I must say that I was appalled to read what David Humphers describes as his "lecture" on "The Status of Health Reform." His whole dissertation seemed to have come verbatim, lock, stock, and barrel from the office of Linda Douglas, White House Office of Health Reform. The health reform issue should not be a Democratic issue or a Republican issue but an issue of what is best for the American citizen. I wonder if Mr. Humphers would sign a contract that should the one-payer health package be passed by Congress, he would drop his present insurance with CSU and become a subscriber of national health insurance. Is it not strange that when Rep. Ryan of Wisconsin proposed that every member of Congress should be on the newly proposed health insurance package, the bill was soundly rejected? If a national health care program is passed it should apply to everyone, no exceptions, no matter who you are, and no matter what union you belong to. That way you can be assured that it will be a fair insurance program.

Common sense seems to be a rare commodity these days overcome by ideology, prejudice, and downright stupidity. Let me ask you a simple question. Suppose you

have a dog and the dog has fleas. You have to get rid of the fleas because it could be a serious health hazard to you and to the dog. Do you kill the dog in order to kill the fleas? Now that would be real stupid. No common sense there. It would also be criminal. If the condition was real bad you would probably give the dog an anti-flea bath followed by a application of a flea collar or one of those applications on the back of the neck. Yes, the present insurance has short-comings and they must be rectified, which would include tort reform, availability of health insurance across state lines, elimination of medication price fixing by drug companies (the drug companies are using \$150 million in a campaign to convince Congress otherwise), an insurance pool set aside to provide a safety net for those who are momentarily without insurance, and it goes on and on. Mr.

Humphers does not once mention this approach and other measures that can improve the system. He is intent on trashing the whole system for this national system. Is it possible that Mr. Humphers as Director of Health Benefits for CSU-ERFA has another motive? An economic motive that would benefit CSU as a cost cutting vehicle that a lot of industry is also looking at? Where is that Yankee ingenuity that built this country into the great nation that it became? Have we become so weak that we need big brother to solve all of our problems? Unfortunately we have become too dependent on big government to solve all of our problems slowly giving up our individual freedom so that one day we will wake up with no freedom and stupidly we will ask where did it all go.

By the way, when was the last time Mr. Humphers went to Cuba, or to Canada, or to Great Britain, or to France for health care or medical expertise that he could not get here in a timely manner? When was the last time a Canadian or an English person came here because they could not get the medical expertise and timely treatment in their home country? How about 60 seconds ago?

You do a great disservice to your members by presenting such a one sided presentation of an issue. It is also an insult to the intelligence of your distinguished membership that an informed opposing opinion is not presented. Based on what Mr. Humphers presented unchallenged, I cannot but come to the conclusion that you do have a political agenda, which is entirely

out of place in the context of the purpose of the *CSU-ERFA Reporter*. If in effect it is to inform, then two sides of the issue should be presented and members should be allowed to make up their own minds. If you keep on the present path, I guarantee that you will lose membership, as well you should. My question to you sir, do you have the courage to print my letter? If you do, then you are on the right path. If you do not, then it is abundantly clear you have a political agenda that you are not willing to hold up to the scrutiny of opposing views.

Norman Lerner
Prof. Emeritus, Cal Poly, San Luis Obispo

A response to this letter is printed immediately below.

Response from David Humphers

The need for national health care reform is widely recognized. The concept of Yankee ingenuity may provide good traction for a political campaign. Yankee ingenuity does not, however, reflect the language and intent of the founding fathers when they assigned to Congress the responsibility "...to lay and collect taxes...to pay the debts and provide for the common defense and general welfare of the United States" (U.S. Constitution, Article I, Section 8).

The United States Supreme Court, in two 1937 decisions (*Steward Machine Co. v. Davis*, 301 U.S. 548 and *Helvering v. Davis*, 301 U.S. 619), upheld the legality of the 1935 Social Security Act, based on the "tax and welfare" clauses in the Constitution (Article I, Sec. 8); the need for unemployment insurance and old age insurance benefits were recognized by Congress as national problems requiring national solutions.

Currently the lack of access to health care for 47 million people, out-of-control health care cost inflation, and unscrupulous practices in the for-profit health insurance industry are national problems that require national health care reform.

David F. Humphers

Health Benefits Report

By David F. Humphers, CSU-ERFA Health Benefits Committee Chair

The year began with scary rumors that CalPERS health benefits program might be terminated or transferred from CalPERS to the state department of personnel administration. The rumors vaporized after a few months as we observed that the CalPERS Board of Administration and staff did not appear to be in a panic.

The California Regional Health Information Organization, the non-profit effort to organize a statewide Health Information Exchange system, remains in the planning stage. It appears that all the health plans are willing participate, but some are not willing to share in the cost.

The California Hospital Assessment and Reporting Taskforce (CHART) is a collaborative effort led by the University of California, San Francisco, and the California HealthCare Foundation to report hospital clinic quality and patient experience measures publicly. A quarterly report was presented in August.

The number of participating California hospitals is 240, and as of May only 40 hospitals were eligible for the certificate of distinction for outstanding performance. Certification requires that a hospital must have at least one superior or above average rating in at least five of eight measure categories with no below average or poor scores in any performance measure. About 14% of California hospitals are not participating.

CalPERS cost trends. CalPERS staff presented at the September health benefits committee meeting a report on cost trends 2005 to 2008, identifying muscle/bone disorders as the top ten cost categories. Muscle/bone disorders accounted for 14% of total basic plan costs in 2008. The top four cost conditions, osteoarthritis, low back disorders, joint disorders and fractures/dislocations of the upper extremities, accounted for 62% of the total muscle/bone disorder costs.

Alternative health plan benefit design. The CalPERS October constituent work group meeting focused on low-premium high co-pay health plan options that have grown significantly over the past decade. A Mercer consultant defined the focus on alternative health plan options: expand choice to meet the

economic needs of members; increase flexibility for CalPERS participating employers; and allow members to reduce premiums in exchange for greater out-of-pocket costs when medical services are needed. Possible unintended consequences include increased premiums for higher cost plans; increased participant share of costs over time; and the possibility that high levels of member cost-sharing may deter participants from seeking needed care.

Consumer responses. Professor Kyna Fong of Stanford University reviewed research on consumer responses to alternative health plan options. She pointed out that members value health plan benefits highly relative to take-home pay. Employees are much more willing to give up \$1 of additional take-home pay than to have \$1 worth of health benefits removed. She explained that increasing cost-sharing may alter behavior. Consumers in high-deductible health plans are more likely to forego medical care due to cost, making these health plans risky. Consumers are more likely to decide not to go to the doctor when they should, delay or decide against having a medical treatment or surgery, decide against having a lab test, take a lower dose of a prescribed drug than recommended, or avoid filling an expensive prescription. She recommended a "value-based" benefit design, waiving cost-sharing when appropriate for patients with chronic illness. Members who spoke in response to the low premium/high co-pay health plans recommended either prohibition of these high risk health plans or significant regulations to reduce risk.

The CSU-ERFA state council in October voted unanimously to recommend that CalPERS require an annual cap on out-of-pocket costs and a lifetime cap on out-of-pocket costs for all low premium/high co-pay health plans.

2009-2010 H1N1 vaccine coverage. The federal government has paid for development of the vaccine. It will be available at no cost, but there may be a charge for administration. All CalPERS health care plans provide for both vaccination and treatment of H1N1 influenza. All of the CalPERS Medicare health plans cover the H1N1 vaccine with no co-pay.

2009 health plan utilization. CalPERS

staff reported increasing medical and pharmacy utilization by state employees this year. Possible explanations include swine flue or increased use of health care on furlough days.

Administrative appeals process. The CalPERS legal office submitted an "information only" description of the application and administrative appeals process to the CalPERS board. This document contains useful information for our members and will be available from the CSU-ERFA office. Most cases that are appealed involve disability retirement, service credit purchases, service retirement allowances, and membership eligibility.

Setting the record straight. Patricia Macht, CalPERS Director of External Affairs, announced at the September health benefits committee meeting a new initiative aimed at correcting erroneous media reports. Log on to www.calpers.ca.gov and find "Setting the Record Straight" on the left side.

Ellen Badley was appointed interim assistant executive officer for health benefits, replacing Gregory Franklin. Franklin has become the deputy director for strategic planning at the California Department of Health Services.

What does the future hold? Our pensions and health benefits are safe, for the time-being. In September, CalPERS board member Tony Olivera warned that we face strong efforts to convert our defined benefit pensions into TIAA-CREF-style plans, that is, defined contribution plans where each individual is responsible for the success of his or her own investments.

Pension-spiking. Olivera opined that flagrant pension-spiking in California will be used against us. Most of the pension-spiking in California is by executives at the local (city, county and regional) government level. Currently legislation prohibiting pension-spiking applies only to state employees. Olivera urged, "Tell your colleagues to read Frances Hawthorne's *Pension Dumping* and be prepared to speak up in defense of public employee benefits..."

Legislative Report

By Alan Wade, CSU Sacramento & Chair, Legislative Committee

President Renning asked me to chair ERFA's legislative committee upon the sad and untimely death of Bob Bess. I approach this assignment with equal parts of frustration and despair, tempered by high hopes for the prospects ahead.

Support for the legislature and governor. The California legislature is at an all-time low in public support, and the governor does not rate much higher. Cynicism abounds even among "attenders" to the political scene, especially as money trumps votes in the polity. What is the role of CSU-ERFA?

Priorities. Clearly, our first priority needs to be protection and enhancement of our pensions and health benefits. In these highest priority matters, we have able and strong allies among other retiree organizations, with whom David Humphers and I, and now Cristy Jensen, meet regularly in Sacramento. Among these organizations are SCORE (Statewide Coalition of Retired Employees), RPEA (Retired Public Employees Association) and SRTA (State Retired Teachers' Association).

Restricting public employee benefits. In the 2010 legislative session, we can expect an increase in bills aimed at

restricting public employee benefits. These may not get a lot of legislative traction but could well pick up significant public support through the initiative process.

Possible initiatives? One possible move in this direction could be an initiative to establish a two-tier system for state retirees. If proponents can raise \$1 million to get it on the ballot, it is estimated that the costs to defeat it could amount to as much as \$20 million. With our members' help, we will be watching. While we might not be affected personally by these efforts, our actively employed colleagues could be facing drastic cuts.

A lively discussion took place at the October 17 ERFA state council meeting regarding our reaching out to join with broader efforts at state government reform, as well as joining with others to save California higher education.

Citizens Redistricting Commission. An intriguing possibility for truly effective action is presented by the Voters First Act, passed in November 2008 and creating California's first Citizens Redistricting Commission. The decennial redistricting will for the first time be conducted under the supervision of Elaine Howle, the non-

partisan, non-elected State Auditor.

You can serve on the commission. You can get more information in the box below. Serving on the commission offers one among many opportunities for us to stay active in restoring governability to California.

Apply to Become a Member of the Citizens Redistricting Commission!

For information about the Commission and how to apply: call the Auditor's office 866-356-5217, email voters-firstact@auditor.ca.gov, or visit the website

www.wedrawthelines.ca.gov
Click on "Citizens Redistricting Commission" then "Partners"

Benefits Q & A by the Pre/Post Retirement Concerns Committee

Members of the Pre /Post-Retirement Concerns Committee are pleased to begin a Question and Answer column in *The Reporter*. Questions for this column should be sent to Tom Donahue at: dunnie10@sbcglobal.net.

Question: *Our local newspaper has shrill editorials about the necessity for a two-tier system in CalPERS. Is this ever likely to happen?*

Answer: The two-tier system is here right now. First-time state miscellaneous and industrial employees hired since August 11, 2004 are placed in the Alternative Retirement Program (ARP) for the first two years. During that time, the state deducts an amount equivalent to your CalPERS contribution and deposits it into a defined contribution plan. After the first two years the employee is enrolled as a CalPERS member, and the state begins to fund the retirement account of that employee. At that point the employee may choose a Second Tier 401(k) account controlled by the DPA that will ultimately yield "less than half the amount" of other pensions available to state employees. In other words, the employee at this juncture joins a

defined contribution system rather than a defined benefit system. This choice allows the employee to withhold during a career's duration the contributions others are making to CalPERS through their monthly paychecks. Alternatively, the employee may choose the same vesting that is presently provided in the CalPERS system.

At present, any person employed by a public school or by the California State University may be exempt from the ARP membership. Others in this exempt category include those in the judicial, legislative and UC retirement plans and some safety members. In all likelihood the editorial writers in your newspaper believe that the exempt category has too many agencies, and that it covers too many people. Individuals fulminating against our retirement system believe that CalPERS is too large, too inclusive, too successful, and too influential as an example to other retirement systems. Here's some advice: watch to see if as time passes additional agencies are removed from the exempt group, and placed into the second-tier system under ARP membership. This will represent a yielding to the libertarian views now heard here and there throughout the state, and it will result in a downsizing of CalPERS.

CFA Report: 71st Assembly

By Dave Du Fault, CSU-ERFA CFA Liaison

President Lillian Taiz opened the CFA's Fall 2009 71st Assembly on October 10-11 with a comprehensive review of past events and forthcoming problems facing the California State University and the California Faculty Association. The assembly then took up the themes Taiz established for the meeting. These included the contract, political action, and "restructuring" proposed by CSU Dominguez Hills.

The contract issue consisted of two parts. First, CFA must enforce the present memorandum of understanding (MOU). Normally a difficult task, this job is now made additionally complex by the furloughs and pay cuts. Although CFA and CSU agreed on a side letter for implementation of furloughs, differences of interpretation quickly appeared. On its web site CFA maintains an updated question and answer page to clarify the furlough situation. The union also implemented grievances about the implementation of furloughs.

The second part of the contract issue involves the successor contract. The present MOU expires on June 30, 2010. On July 1, all articles can be reopened. In the next months CFA must determine whether or not it wants to bargain a new contract or a contract extension. John Travis, bargaining team chairperson, pointed out that this coming year will be a difficult time for bargaining with the weak economic recovery and the continuing structural problems in the legislature. In addition, the union is still in bargaining about the 2009-2010 pay raises. Travis urged that the union conduct an ongoing discussion of bargaining options. That discussion began at the assembly with members presenting various arguments.

A second major theme of the meeting was that of political actions of various kinds to further the public's understanding of the plight of the CSU. In addition, the political action committee described the CFA-sponsored and priority legislation then on the governor's desk or before the legislature.

AB 656 (Torrico-D), Oil and Natural Gas Severance Tax for Public Higher Education would enact a 9.9 percent

extraction tax on oil and natural gas that would be used for California higher education. This bill is now before the Assembly revenue and taxation committee. In addition, Assemblyman Torrico will visit several CSU campuses to discuss the bill.

SB 218 (Yee-D), CA Public Records Act: Public Colleges and Universities would place campuses and system wide auxiliaries and foundations in higher education under the California Public Records Act. The governor vetoed this bill.

SB 86 (Yee-D), Executive Compensation. Increases would prohibit financial compensation increases for certain CSU and UC executives during years when the general funds are equal or fall below previous funding levels. The governor vetoed this bill.

AB 399 (Brownley-D), CalPERS Service Credit. This bill ensures state employees on furlough receive full service credit for their CalPERS retirement based on the salary they earned if they had not been furloughed. The governor signed this bill.

Restructuring of CSUDH. A third major issue considered by the Assembly was that of "restructuring" at CSU Dominguez Hills. The CSUDH administration's suggested restructuring would bring, according to CFA, "dramatic changes to the University" by emphasizing "career education" that is the primary focus of education on "technical and professional programs."

The administration claimed that a state of "budgetary emergency" existed. Although the CSUDH president will not unveil the programs to be eliminated until November 24, some CFA members said the list included philosophy, history, music and other yet unknown programs.

The CFA Assembly recognized the "restructuring issue" as a major challenge not only to CSUDH but to the CSU. The Assembly then passed a resolution that read in part: "Program elimination should not be considered at CSUDH as a result of the Academic Affairs Fall 2009 Program Planning Process."

CSU-ERFA New Members

New members joining CSU-ERFA since the August issue of *The Reporter*:

Chico - Abraham W. Baily
Stuart H. Bartholomew
James E. Gregg
Yolanda P. Holt
Madeline M. Keaveney
Helen L. Layton
Don Lillibridge
Sandra M. McLean
Charles F. Urbanowicz

Dominguez Hills - Oliver W. Wilson

Los Angeles - Naomi J. Caiden
Vicente Zapata

Northridge - Brenda Timmerman

Sacramento - Stanley W. Barrick

San Jose - Bobbye J. Gorenberg

San Luis Obispo - Emmit B. Evans

Stanislaus - Janice L. Munk

State Council, from p. 1

resolution that urged all CSU campuses to follow established procedures that require faculty consultation prior to the elimination of academic programs. Another topic of discussion was the problem at one or more CSU campuses where retired faculty cannot sit on grant application and review committees or serve as principal investigators on grant proposals. Delegates responded with a motion urging the CSU trustees to amend the policy on rights and privileges of emeriti faculty to include serving on grant application committees and as principal investigators on grant proposals.

Delegates also approved a new "life" membership option, where any current or potential member can obtain lifetime membership without payment of further dues with a one-time payment of \$1,000. Other actions included recognition of the Cal Poly San Luis Obispo Retired Faculty and Staff Organization as the newest affiliated retiree organization. For more information, see the CSU-ERFA website at www.csuerfa.org.

Academic Senate of the CSU (ASCSU) Report

By William Blischke, CSU-ERFA ASCSU Liaison

The ASCSU held its first meeting of the current academic year on September 10-11 at the chancellor's office in Long Beach. Not unexpectedly, the primary focus was on the current **budget crisis**, and doom and gloom permeated the meeting room. In my forty years in the CSU, twenty-two of them in administration, I struggled through a series of budget cuts. None compares to the current one, and we are in the first round of what will probably be multiple years of slicing and dicing everything in sight.

ASCSU budget. The systemwide senate is, of course, not immune. It has lost staff support, operating funds and travel funds. To cope with the latter, ASCSU has begun to utilize video-conferencing and other media resources. In the best of times, those are valuable tools for a system as geographically challenged as the CSU. Things sure have changed since I was on the Senate in the 1970s.

Chancellor's office budgets. The new Executive Vice Chancellor and Chief Academic Officer, Jeri Echeverria, reported that the Chancellor's Office is sharing in the pain as well. Each of the vice chancellors is taking a 10-15% cut. In academic affairs there are currently twelve vacant positions; six are being eliminated (at least temporarily), and some of the others are not being filled immediately.

However, the hiring process to fill the position of CSU Dean of Extended Education is moving forward as a result of the controversies on many campuses related to the shift of state-support courses, if not entire programs, to self-support. (A presumably rhetorical question asked whether the faculty will be expected to decrease their productivity by 10% for RTP purposes given the salary cuts and furlough days. The question was met with nervous laughter from everyone and no direct response.)

Next year's budget. The report by Ben Quillan, Executive Vice Chancellor and Chief Financial Officer, darkened the clouds over Golden Shore further. Without going into details that change frequently, the salient statement from the CFO is that next year will be worse than this year and will probably require the state to make an additional multi-billion dollar budget adjustment.

Resolutions. The initial meeting of the year always generates a number of first-reading items that will be revised, sometimes beyond recognition, and may be acted on at the next meeting. However, the first-reading rules were waived for two important items.

Faculty representative on the BOT? One major concern of the Senate is the long delay in the appointment of the faculty representative to the CSU board of trustees by the Governor. The ASCSU has sent nominees to the Governor, however, no appointment has been made. During

these very critical times, the faculty lack an official, governor-appointed representative on the CSU Board of Trustees. (Hopefully, by the time you receive this newsletter, this issue will have been resolved.)

Budget resolution. Not surprisingly, the most important resolution passed by the Senate (AS-2906-09) zeroed in on the budget. It included the following major resolves:

That the 2010-11 CSU budget request include replacement of any lost compact funds from 2009-10 as well as any federal stimulus funds that

were received in 2009-10,

That next year's budget request include restoration of funding for collective bargaining agreements from 2008-09 forward,

That neither furloughs nor salary reductions be included in next year's budget,

That the CSU limit enrollment to the number of students for which it is fully funded. (This has been an ongoing issue and one to which we have acquiesced over the years.)

This resolution, again not surprisingly, was passed unanimously.

First reading items. There were two first-reading items related to the budget crisis that will be debated at the Nov. 5-6 meeting. Though the details will change in committee, the titles highlight critical issues, namely, "Furlough Implementation and Faculty Rights" and "Teaching and Service Responsibilities in Times of Budget Constraints." The Senate is also struggling with issues surrounding lower division transfer and the Chancellor's Office effort to centralize and regulate administrative functions within the CSU.

The next meeting of ASCSU promises to be interesting and contentious. I will do my best to keep you informed.

"The Senate is struggling with issues surrounding lower division transfer and the Chancellor's Office effort to centralize and regulate administrative functions in the CSU."

In Memoriam

Dominguez Hills - Robert Dowling

Fullerton - John B. Sweeney

Humboldt - Janet M. Spinascunningham
Louise Watson

Long Beach - Louis L. Beck

Northridge - Arthur Charlap-Hyman
Charles Kaplan

Pomona - George Derfer
Ruth T. Petit
Robert R. Schneider

San Diego - Daniel L. Rader

San Francisco - Jerome E. Podell
Elizabeth Titworth

San Jose - Rex J. Burbank
Angelo C. Centanni
James S. Healey

San Luis Obispo - George Clucas
Willard L. McGonagill

The California Dream, From Page 3

That was the bargain that California made with us when it established the California Master Plan in 1960. If we make California the State where every qualified and committed person can receive a low-cost and high-quality education, all of us benefit. California will attract and retain the leaders of the future, and as a state we will grow bigger and stronger. When we talk about every dollar we spend on a CSU student returning \$4.20 to the State, this experience is what we are talking about.

So as someone who has lived the California dream, there is nothing more painful to me than to see this dream, this vision, dying right in front of our eyes. It is being starved to death by a public that thinks any government service -- even public education -- is not worth paying for. And by political leaders who do not lead, but instead give in to our worst, short-sighted selfish instincts

The current financial crisis is the product of a lot of factors that occurred outside of California as well as within. But the response to the crisis reflects problems that have been hurting California for decades now. There is no one culprit or one bad decision, there are many bad decisions by many people because they've stopped thinking about the big picture. The big picture is that California succeeds when we have a smart, trained, and engaged work force. But decision after decision in Sacramento ignores that.

As the UC President Mark Yudof put it bluntly the other day, the State is unreliable. In response, voters came up with one cure after another that was worse than the disease -- whether it has been over reliance on initiatives driven by special interests, or term limits, or any of the other ways we've come up with to avoid representative democracy.

To win votes political leaders mandated long prison sentences that forced us to stop building schools and start building prisons. It has made us dumber and we are not any safer. To win votes, leaders promised tax cuts no matter what, and did not worry about how to provide basic services without that money. Those tax cuts did not make us richer, they've made us poorer. To keep [themselves] in office they carved the state up into districts that ensured we'd have few competitive races and no ability to compromise. Rather than strengthening the parties, it pushed both parties out to the fringes and weakened them. When the economy was good they failed to make hard choices and then faced disasters like the energy crisis. And when the economy was bad..., they made no choices until the economy was worse. We didn't even have this year's budget until the budget year had begun, and it was a half-baked budget that has been revised three times since.

I agree with our chancellor and President Yudof. **It is not the actual people in state government now who are the problem. Privately, candidly, they share our views and admit that the system is failing. The problem is we are stuck in a dysfunctional system.** The combination of uncompetitive electoral districts, initiatives that allow the minority to dictate the terms of the budget, and structural rules that ensure we have a relatively inexperienced legislature up against strong special interests is just a recipe for disaster. And as a result, we just can't depend on our leadership.

For the past two decades we have been starving higher education. California's public higher education has half as much to spend today as it did in 1990 in real dollars. In the 1980s, 17 percent of the State budget went to higher education and 3 percent went to prisons. Today, only 7 percent is going to universities and 9-10 percent is going to prisons.

The promise of education which brought so many here, and kept so many here, this bedrock of California's success, has been abandoned. Our K-12 system has fallen from first in the nation to the bottom five. And higher education is now taking on water and going down too. CSU has done better than other institutions because of outstanding management. But the fact that we can bail water faster and quicker does not change the fact that we're still sinking.

Every meeting for six years, I have seen the signs of decline. I have listened to the painful stories of faculty who could not afford to raise a family on the salaries we pay. Of students living on the financial edge because they are working two jobs and taking care of a child and barely making it with our current tuitions. I've seen the buildings that are out of date, and the many people on our campuses who feel that they have been forgotten by the public and Sacramento.

Charlie and I and the other trustees, we get yelled at during these meetings, but you know, and we know, that we are on your side. We get yelled at not because we believe in higher fees, or lower salaries, or because we were lazy or timid in our efforts or never plead our case in Sacramento. It's because we are here, and we are the only ones who seem to be listening or trying to figure out a way to keep things together. The trustees...have worked with the Chancellor and the Presidents to keep the system going on less and less, on broken promise after broken promise. We've gone to Sacramento over and over again, and we've made our pitch and we have been promised that we'd have long-term funding compacts and our budgets would be protected. But those promises have been broken.

What made California great was the belief that we could solve any problem, as long as we did two things: we acknowledged that it was a problem and we worked on it together. That is what is missing. California has not acknowledged that it has fundamentally abandoned the promise of the Master Plan. And Californians have lost the commitment to invest in one another. And this is why we have lost our way.

I admire what everyone is doing in this critical period. Employee furloughs, student fee increases, and campus-based cuts in service and programs are repulsive to all of us, but necessary to keep the system going. Everyone has had to step up. This is a huge sacrifice and we know it.

The solution is very simple, but hard. It is what I'm doing now, what today's speakers were doing, and what Chancellor Reed does every day. Tell the story. Tell what is happening to every person who can hear it. Beat this drum until it can't be ignored. Shame your neighbors who think the government has too much money and who are happy to see Sacramento paralyzed. But we have got to wake this state up and get it to rediscover its greatness. Because if we don't, then we will be the generation that let the promise for a greater California die.

[Emphasis by the editor.]

Personal and Professional

Harold Goldwhite (Chemistry and Biochemistry, CSULA) has recorded a set of forty introductory chemistry lectures, including examples and problems, for the website [educator.com](http://www.educator.com). This for-profit site presents material for AP high-school students and beginning college students in a range of subjects. Check out <http://www.educator.com/chemistry/goldwhite/>.

Leon Schwartz (French, CSULA) reports that there is an exhibit in his name at the 100th Bomb Group Memorial Museum in Thorpe Abbots, England containing samples of his letters home during World War II, photos of his crew, and other war memorabilia that he donated to the museum. An account he wrote of his wife Jeanne's clandestine activities spirited Jewish children out of occupied France and escaping to Switzerland from her home in Grenoble when the Vichy police came looking for her was published in the 100th Bomb Group Memorial Museum Bulletin of Spring 2009.

Budget, from p. 3

to be refunded. **If that weren't enough, we need to remember that in 2009-2010 the system's \$604 million shortfall was made up by furloughs (45%), fee increases (28%) and campus-based reductions (27%).** The state budget is based primarily on personal income tax, corporate income tax, sales tax and capital gains tax. An unemployment rate greater than 10% depresses personal income tax collection, unemployed workers buy less and pay less in sales taxes, diminished sales lower corporate income, and with all of this there are no capital gains. Even though the CSU board of trustees is preparing a very ambitious budget request, the state may well be unable to fund all of it. If the state cannot fund most of the CSU requests, then we will be in for a rough couple of years.

This economic disaster was imposed upon us – we didn't cause it, but we must deal with it, and we will be judged by how well we respond. Our response must be collegial and collaborative, unified and not divisive. We are all partners in a terrible task, and our approach and our tone must always lead

to constructive responses. Politicians worry about what the future will think of them; professors worry about what their students will learn. I hope that our students learn that the university is a creative and collegial institution that devises inclusive and creative solutions for a terrible problem.

Calling CalPERS?

If you are calling CalPERS, the number is 1-888-CALPERS (225-7377).

Long-Term Care Program, from p. 1

An informal report from a CalPERS staff member suggested that the premium increase will be in the 20% range, that there will be no open enrollment in the program in 2010, and that the program could be sold in 2011 or 2012.

However, no confirmed details were available at press time about the future of the LTC program beyond the letter sent to all members referred to above.

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



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