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Incumbents Win CalPERS Election

The secretary of state's office certified on October 14, 2013, that Joseph (JJ) Jelincic, candidate for position A, investment officer III for the California Public Employees' Retirement System (CalPERS), and Michael Bilbrey, candidate for position B, bookstore operations coordinator for Citrus Community College, have been re-elected by the active and retired members of CalPERS to the board of administration, CalPERS. The members will serve a four-year term of office beginning January 16, 2014, and continuing through January 15, 2018.

The results indicate Jelincic was reelected to his seat with more than 79,900 votes, 56.8 percent of the valid votes cast during the voting period from August 30 through September 27, 2013.

The results also indicate Michael Bilbrey

was reelected to his seat by receiving more than 93,000 votes, 66.3 percent of the valid votes cast. More than 140,000 CalPERS members (active and retired) voted in the election.

Jelincic was first elected to the CalPERS Board in 2010 and currently serves as the Chair of the Board's Risk & Audit Committee. He also serves on CalPERS Investment, Pension & Health Benefits and Board Governance Committees.

Bilbrey was first elected to the Board in 2011 and currently serves as the Chair of the Performance, Compensation & Talent Management Committee. He also serves on CalPERS Investment, Pension & Health Benefits, Board Governance and Risk & Audit Committees.

For more, see the editorial on page 3.

State Council Opposes Pension Initiative, States Concern About CalPERS' Making Private Information Public

The CSU-ERFA state council held its semi-annual meeting on the campus of San Jose State University on October 26, 2013. Delegates from 16 CSU campuses were in attendance, including, for the first time, a delegate from CSU Channel Islands. Vice president Bill Blischke presided in the absence of president Barbara Sinclair.

One issue that generated much discussion was the possibility that CalPERS, responding to legal challenges, would make public information about retirees. A resolution was unanimously adopted that urged CalPERS not to publish any retiree information, but if a data base of retirees is to be available, it should be limited to name, agency and amount of pension

income and omit personal information such as telephone number, address and other contact information. The legislative committee and board were directed to advocate the position protecting the personal security of retirees.

The recent revision of the *Survivor's Guide*, which was prepared by the pre- and post-retirement committee, has been in such demand that an additional 300 copies have been printed. Copies are available for \$5.00. Membership has remained stable for the past year, reversing a trend of slight losses of the past few years. Income exceeded expenses for the 2012-2013 fiscal year. The central office continues to receive compliments about the

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**CSU-Emeritus and
Retired Faculty Association**
www.csuerfa.org
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2013-2014

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The Reporter welcomes submissions by members of CSU-ERFA or other appropriate individuals of advertisements for academically oriented materials or services, to be printed at the discretion of the editor.

From the President...

Dear Colleagues,

Ballot Initiative. I want to call to your attention several issues that might be of interest. First is the potential for a ballot measure regarding pension reform. If it makes it onto the November 2014 ballot and passes, it will modify pension and health benefits for government employees. Although aimed at new employees or those currently working, it is quite possible that it or a successor initiative could affect retirees, e.g., you and me.

Do keep an eye open to any progression of this measure, *and I urge you not to sign any initiative petition to get it on the ballot.* For more information, see the Legislative Report on page 4.

Visual Archive. With an ever increasing collection of photographs depicting people and places during the growth of the CSU, our archivist, Judd Grenier, decided that the visual archive needs a home. He put a plan together, and we now have the CSU-ERFA collection in the CSU Archives at CSU Dominguez Hills. It is housed in the Library. Sorting and identifying the photos is a huge undertaking, and Greg Williams, the CSU archivist, has agreed to help but the project is massive. We would appreciate any assistance that you could provide – perhaps a couple of hours of your time reviewing the holdings or the submission of photos that you have in your possession. If you are interested, please give us a call.

CSU-ERFA's home office has been moved to another site on the CSU Northridge campus. Again, we thank CUSN for the wonderful support it provides to us. The telephone number has changed also, and you can find it in the masthead on this page.

President's Absence. I missed the recent State Council Meeting and I want you to know why. I was absent because I was in Pennsylvania attending a high school class reunion. The reunion get-together was announced shortly after our State Council meeting date was established, and this was followed by a very difficult period of personal debate for me: "go" vs. "don't go." My deliberation resulted from the fact that not only was it important for me to attend my reunion (I am getting old, you know!), but also for our council to meet its goals and that I was responsible for help-

ing the group to do so. Thus the dilemma resulted.

I then received a notice that this will probably be the last reunion, and at that point I realized that there would be friends whom I would never see again. Consequently, I decided to attend. My difficult decision was somewhat ameliorated by the support I received from executive director Don Cameron and the knowledge that our vice president, Bill Blischke, had the ability, skill, and willingness to lead the meeting.

I had a wonderful visit that provided me with the opportunity to chat with many of my former classmates. When I got home, I was informed that the State Council Meeting went quite well. Needless-to-say, I was grateful for both.

I thank you for your continued support of CSU-ERFA and ask that you encourage your colleagues to join us. I would value greatly any comments, questions or contributions that you have and invite you to be in touch with me.

Cordially,

Barbara

DuFault Resigns as CSU-ERFA Liaison to CFA

Prof. David DuFault of SDSU, our liaison for many years with CFA, has resigned his position as of the current issue of *The Reporter*. We would like to thank him for his many years of accurate reporting, producing columns that needed little editing, and meeting our deadlines, something editors appreciate more than our readers can imagine.

DuFault retired from SDSU in 1999. He was chair of the history department and a long-time member of the campus academic senate, as well as the CSU statewide academic senate. He served 37 years at SDSU and 26 years in its senate. He served for 12 years as a member of the board of directors of CFA, chair of the contract bargaining committee and occasional member of the bargaining team.

Editorial: “SOLES4SOULS” (S4S)

At the fall 2013 CSU-ERFA state council meeting at San Jose State, I introduced the Soles4Souls program. It was not an action item on the agenda, and CSU-ERFA has not formally endorsed involvement. However, my personal opinion is that this is a way for emeriti groups to lead and join with their campus community in an easily implemented and terribly needed social action program.

Soles4Souls - what a clever title - could be called “shoes for people.” It is a global nonprofit organization fighting the devastating impact of poverty and natural disasters. S4S collects new and used shoes, distributes them directly to people in need or by supporting qualified microenterprise programs that create jobs in poor and disadvantaged communities. They have distributed over 20 million pairs in 127 countries, including the U.S. after the recent natural disasters. They are currently focusing on the tens of millions of victims of the typhoon in the Philippines. If the shoes are not reusable, they keep them out of landfills and direct

them to a waste-to-energy facility that produces environmentally clean and renewable energy.

I recommend that your campus emeritus faculty group work with faculty, students, staff and administrators to establish a Soles4Souls shoe drive. For details on doing so, go to www.soles4souls.org and click on “Host a Shoe Drive.” I have done this with several non-CSU groups and am working on setting it up on the Dominguez Hills campus. I have been informally designated as the “West Coast Ambassador for Soles4Souls” and will respond to any questions you might have about this program.

Bottom line: I think it is a great way to connect with your campus community and to provide shoes for the estimated one billion people on our planet who need the unused ones in our closets.

--Bill Blischke

Editorial: A Totally Predictable Election: Few Vote, Incumbents Win

CalPERS mailed out almost 1.2 million paper ballots, both to the currently employed and to annuitants. They got back fewer than 141,000 ballots, for a participation rate of under 12%. And we thought the Los Angeles City Council elections had low turnouts, at 20%. At least with the LA City Council the voters have to show up at a precinct to vote. In the CalPERS election, every voter received a paper ballot through the U.S. mail.

We don't have the participation rate of CSU-ERFA members, and we assume it is higher than 12%. We endorsed a candidate for both seats, J. J. Jelincic for position A and Harvey Robinson for position B. Jelincic was an incumbent, and he won. Robinson was the challenger, and the incumbent, Michael Bilbray, won. We congratulate both. But we think that any system where almost no one votes is a system ripe for corruption, and we have had our share of corruption among some board members in the past.

Next year, three seats are up for election. These are the positions elected from the state membership of the system (currently held by George Diehr), elected from the school membership of the system (currently held by Rob Feckner), and elected from the public agency membership of the system (currently held by Priya Sara Mathur). Perhaps there will be a higher turnout for this election.

Electing CalPERS board members is a legacy of the progressive era in California politics, the period around 1910. The progressives believed that “the people” should elect each official and the members of each board, and their legacy is the governmental structure we have today. We elect eight statewide officials, and the governor cannot control them because they are each elected independently, raising their own campaign money, putting together their own organizations, developing and placing their own advertising. In theory they are each accountable to “the people.”

In practice, they are accountable to almost no one except themselves, unless there is a major screw-up and the press investi-

gates.

We have almost 500 incorporated cities in California, each with an elected city council, and almost all run under the council/manager model developed by the progressives. We have countless special districts, each with an elected board. And the progressives gave us what every schoolchild knows – the initiative, referendum and recall, the symbols of a government controlled by “the people.” The result is our present ballot, so complex that it discourages voting, and with so many offices to vote on that most people aren't able to easily obtain the information they need to vote intelligently.

And the system the progressives developed has a fundamental problem: it was developed for a state of 2.5 million people, and California now has over 38 million. What was possible in exercising the rights of “democracy” for a state of 2.5 million requires major amounts of money in a state of 38 million. For the CalPERS board, with a seat that 1.2 million people can vote for, let's think about making a mailing – 100,000 people would cost about \$50,000, including mailing and printing costs. And all the seats on the board have constituencies of at least a few hundred thousand. And this is for a job that doesn't pay – you just get a reimbursement for each meeting you attend.

That means that in order to reach the voters, you need an organization that reaches them as a matter of course in its everyday business, and that means the employee unions. The only time there is really a contest for the CalPERS board is when two of the unions sponsor their own candidates for the same seats. Otherwise, it's the same old story – no one votes, and either the incumbent or whoever the employee unions have endorsed – they are usually the same person – wins. We think it is a recipe for repeating the same corruption that occurred in the 2000s.

We'll see. We aren't optimistic.

--Ted Anagnoson

Legislative Report: 2014 Initiative, Public Records

Alan Wade, Legislative Committee Chair

CalPERS Board Election Results. The last legislative report (*Reporter*, August 2013) focused on our endorsement of Harvey Robinson, president of the Retired Public Employees Association (RPEA), for one of the two CalPERS board seats recently up for election. We also supported J.J. Jelincic, the incumbent, for the other seat. Jelincic won, but Robinson lost, thereby depriving us of the chance to have an actual retiree on the board. The most appalling aspect of the election was that only about 12% of all employees and annuitants receiving ballots actually voted, out of a potential 1.2 million.

I concluded my August report by urging CSU-ERFA members to vote, with the comment that “our pensions and health benefits are always at risk.” We will never know how many of our members actually voted, but we do know that we tend to take our benefits for granted. After all, are they not protected as a sort of vested right in the state constitution? Well, aren’t they?

Pension Reform Initiative of 2014. This brings us to the first of two items that need our immediate attention. An initiative calling for a constitutional amendment that could affect all public employees

is currently awaiting “title and summary” in the Attorney General’s office. Referred to now as the “Pension Reform Initiative of 2014,” if enacted, it would change the law to allow elected officials to renege on promises made to active public workers at all levels. This initiative, planned for the November 2014 ballot, is sponsored by Chuck Reed, the mayor of San Jose, who is joined by others who would scapegoat public pensions as the main cause of municipal bankruptcies. Big money is available to get the needed signatures. Big money and a big turnout would be required to defeat it.

Would its passage affect our retired way of life? Some say only if you believe in slippery slope theories. “It depends. . .” is a more realistic answer. If we don’t expect to live out the next decade, probably not. We need to pay attention!

Can Anyone Access Your Retiree Pension Amount, Your Name, and Your Address? The second item concerns the Public Records Act and CalPERS’ plan to change its manner of releasing key facts in its huge data base. Currently, anyone who wishes can initiate a request for information on pensions and have the request granted. That’s how the press obtains

reports about certain folks who are presented as “poster children” for public pension opponents. CalPERS has recently proposed to change this procedure by making all pension data available online to anyone with a computer. Many retirees have protested, including those who fear financial scams as well as those who just don’t want their neighbors to know their employment and pension data.

RPEA has taken the lead by asking CalPERS to hold off on the massive online release of the data until a legislative committee has reviewed the matter. Legislation for an exemption of individual pension information from the Public Records Act is one option. Let us know of your concerns, if any, about the CalPERS proposal and possible remedies.

Enjoy your lives in retirement to the fullest. But remember that our future security depends on events in the political arena, controlled by politicians whose decisions are based on quid pro quos, mostly money and power. A few of us in CSU-ERFA and other retiree groups spend a lot of time and energy in our retired years to influence this process as best we can. We could do much more with your active interest and help. So, give us a hand by paying attention!

Change in CalPERS Investment Philosophy Coming

CalPERS is in the process of making a major change in its investment philosophy. You may have heard of the book, *A Random Walk Down Wall Street*, now in its 10th edition (2012), which made the case that since stock prices are essentially unpredictable in the short run, investors are better off buying and holding on to index funds than actively managing their portfolios, whether those are individual stocks or packages of mutual funds. Thus the suspicions that Bernie Madoff’s investment returns couldn’t possibly be true – he got an 11% to 13% return consistently every single year, even years when the market went down.

CalPERS has a new investment philosophy, and that is that beating the market isn’t going to work consistently and requires extremely high management fees. In fact, most CalPERS investments are going to be passive in the future. As of last June 30, 2013, CalPERS had invested some \$258 billion, 35% in passive investments and 65% actively managed. The goal from the September 16 CalPERS board of administration meeting is now summed up in the seventh of its ten “investment beliefs,” that “CalPERS will take risk only where we have a strong belief we

will be rewarded for it.” The ten beliefs and many corollaries are summed up in the document *CalPERS Investment Beliefs*, adopted September 16, 2013 by the board, and authored by the CalPERS Investment Office.

So we can expect the percentage of CalPERS assets that are in passive investments to rise to 65%, and the percentage in actively managed assets to decline from the present 65% to 35%, probably over the next several months.

This is major news in the investment community, where CalPERS is the sixth largest pension fund in the world and the second in the U.S., where only the federal employees plan is bigger. The major reason for the move is the high active management fees that make it less likely that CalPERS will beat the market averages.

For the rest of us, this is something to consider: if CalPERS thinks it is unlikely that it can beat the market, perhaps we should be following the same philosophy in our own retirement investments.

Pre and Post-Retirement Report: What Will Obamacare's Effect Be On Our Children's Future?

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

Q. Given my HMO and Medicare, I feel relatively comfortable about health expenses in my own future. But with the poisoned discourse concerning the Affordable Care Act, I worry about the expenses in my children's future. What is your take on this?

A. "Poisoned discourse" is an apt description of the present circumstances. The Affordable Health Care Act (ACA) is so long and complex that most political opponents – and members of their staffs – have not read it. But they have united in their opposition, apparently working through the precept that absolute truth is just what you can get people to believe. Their response has developed mostly through lies and misrepresentations, yielding attitudes born of mounting hysteria which then affect all sides of the issue. Examples could be multiplied, but most reprehensible is Representative Bachmann's claim that children are dying as a result of Obamacare, a statement made well before any parts of the law were in effect.

A current difficulty with the Act is that it requires that even the simplest form of health coverage to contain ten essential properties which are ordinarily found in higher end policies. These ten include: outpatient care, emergency room services, hospitalization, preventive care visits, maternity and newborn care, and prescription drugs, as well as mental and behavioral health services, devices for the disabled or chronically injured, lab tests, and pediatric care with treatment for vision and dental needs. (See Kimberly Amadeo, "Essential Health Benefits," at About.com.)

Policies for many people at present do not cover all ten of these, and the result is that companies are canceling out on these policy holders, with a figure of two million affected people being floated at present. Thus when President Obama promised that no one will have to change doctors, he showed that he may not have understood

the scope and impact of his own health plan. The predictable result of that, of course, is that the poisons in the discourse will become even more virulent.

There is every likelihood that there will be two results: the ten requirements listed above will be more expensive than people want to pay for in their policies, although a large number of users may qualify for subsidized support. One presumes that if voters finally see the lack of substance in the opposition to the ACA, the political shakeout eventually will provide us with a more sophisticated set of services than the general public uses at this instant. The long range bet is that your children and their future society will be better off under this complex plan.

Questions for this column? Write Tom Donahue at: donahue_thomas@ymail.com.

CSU-ERFA Research Grants Available

The CSU-ERFA grant awards committee wants to remind everyone that the deadline for the receipt of applications for the 2013-14 grant cycle is December 16, 2013. The CSU-ERFA Charitable Foundation is making available up to \$5000 this cycle for grants to CSU-ERFA members in good standing (a membership application may be submitted concurrently with a grant application) 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.

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

More details about the program and links to program guidelines and application forms can be found on the CSU-ERFA web site, www.csuerfa.org. See page 8 for more information on the foundation and its research grants

Interesting English Sentences

"I didn't say she stole my money" – This sentence has seven different meanings, depending on the stressed word.

This may be apocryphal: while lunching with friends at a restaurant. Ernest Hemingway bets the table ten dollars each

that he can craft an entire story in six words. After the pot is assembled, Hemingway writes "For sale: baby shoes, never worn" on a napkin, passes this around the table, and collects his winnings. (For more, see page 12.)

CSU-ERFA New Members

Fresno – Anna R. Hamre

Fullerton – Paul N. Deland

Humboldt – Sharon S. Chadwick,
Laurence S. Rice III

Los Angeles –
Stephanie Edwards-Evans,
Eleanor G. Ferguson-Marshalleck

Sacramento – Thomas J. Knutson,
Michael H. Semler

San Bernardino – Louis J. Reich

San Diego – Dean O. Popp

San Francisco – John A. Blando,
Robert C. Smith

San Jose – Richard L. Sedlock,
Maria Carmen Sigler,
Ethel P. Walker

Sonoma – Lane E. Olson,
Rashi Singh

ASCSU Report: The Future of Classroom Instruction and Other Insignificant Educational Issues

By Bill Blischke, CSU-ERFA Liaison to the ASCSU

The ASCSU meeting on Oct. 31 and Nov. 1 had its non-plenary session highlights and lowlights. The lowlights were the result of the tragic incident at LAX. The Friday morning shooting resulted in many senators having flights cancelled, waiting at the airport for many hours, finding it difficult to get a room in a nearby hotel, etc. Thankfully, everyone eventually returned home safely.

Another unprecedented event was the Halloween social on Thursday evening. Costumes were optional, but being my usual spaced-out self, I wore the authentic NASA flight director's uniform that I acquired during my 10 years administering a space mission simulator at CSUDH. (If you wonder why a sociologist studying folks on planet Earth would get involved in such non-terrestrial stuff, just keep wondering, or ask me next time you see me.)

Issues Before the ASCSU. Despite these positive and negative diversions, the ASCSU addressed important issues and had reports and interactions with critical individuals and groups. Chancellor White spent about forty minutes with ASCSU and fielded many challenging questions and comments. A member of the board of trustees, Douglas Faigin, did likewise. Having the chancellor attending regularly and a member of the board of trustees present was appreciated greatly by ASCSU.

Another special guest was Carol Geary Schneider, president of the Association of American Colleges and Universities. AACU has a close partnership with the CSU and is working on "LEAP" and "inclusive excellence." (Do your own research if you are interested in these topics.)

Resolution Regarding Emeritus Status for Long-Term Lecturers.

Though I will summarize a few resolutions relevant to CSU-ERFA, the most important first-reading item from our perspective, to be acted on at the January plenary,

recommends that long-term lecturers be eligible for emeritus status. Some campus affiliates already include long-term lecturers, but most do not. Please let me, as CSU-ERFA liaison to ASCSU, and our executive committee know your view on this important membership issue.

Faculty Trustee Finally Appointed.

Though ASCSU had recommended two of the applicants for the position of faculty trustee to the Governor last May, Governor Brown had left this important seat vacant for the last six months. ASCSU and many of the campus senates had passed resolutions urging an appointment. The CSU-ERFA state council was going to consider a similar resolution at our meeting on Oct. 26th. However, Governor Brown appointed Steven Stepanek from CSU Northridge the previous day. ASCSU is considering supporting legislation to ensure the continuous presence of a faculty trustee representative on the BOT. I will monitor this closely. CSU-ERFA may want to support and lobby for this legislative change.

Other Resolutions. ASCSU passed resolutions entitled "Legislative Advocacy Principles of the ASCSU" and "Legislative Advocacy Guidelines for the ASCSU." (For details on these important positions and other ASCSU actions go to their website.) CSU-ERFA might want to consider parallel motions.

The final two important resolutions involved the reinstatement of the faculty research, scholarship, and creative activities fund and the academic conference. Many of you were recipients of the former professional development grants, and some of us attended the academic conferences (formerly known as "academic retreats" and usually held at Asilomar Conference Grounds in Pacific Grove).

Ethnic Studies Programs. Two major ongoing issues: ethnic studies programs and online education. As you may have read in recent news articles, ethnic studies

programs are under attack. As a result, the chancellor announced that a task force is being formed to study the issues involved.

Online Education. My headline tried to tease you into reading this article. ASCSU is debating and analyzing such issues as: What is the future of the classroom instruction to which we devoted our careers? What is the proper role of technology in terms of enhancing this instruction? Will faculty retain control of the content of courses and the delivery modalities?

Do private, for-profit corporations such as Udacity or Coursera have a legitimate role in the creation, delivery and evaluation of online courses?

The list of critical concerns goes on and on. As it evolves, to the extent that I understand what is going on, I will try to keep you informed. Sometimes, as issues quickly mutate, I am glad I am on the sidelines.

Happy Holidays!

CalPERS "Flat Tax Election" To Change

CalPERS has announced that all beneficiaries who have elected to take their federal tax deduction as a specific dollar amount have to change to an election of single or married with a specified number of deductions as of January 1, 2014.

Those who receive a letter from CalPERS and do not reply will be automatically changed to married with three exemptions.

The reason for the change is that CalPERS has reviewed IRS publications and determined that a "flat tax election," as the specific dollar amount is called, is not valid under federal tax law. The flat tax election procedure, however, is valid under state law, so those who use it for state income tax withholding do not have to change.

The most important first-reading item recommends that long-term lecturers be eligible for emeritus status...

Health Benefits Report: No news is Good News

By Juanita Barrena, CSU-ERFA Health Benefits Director

No News is Good News. Well, it's been fairly quiet on the health benefits front down at the CalPERS building in Sacramento, so this report mostly provides a rehash of old news to refresh the ole gray cells, along with a few updates on old topics.

Dependent Eligibility Verification

(DEV) Project. The CalPERS DEV project continues, and CSU retirees are next in line to be "audited." So, if you have a dependent (including a spouse) enrolled in a CalPERS health plan, you should search your attic for copies of your marriage certificate, declaration of domestic partnership, or birth certificates for any dependent children. You will also need to be able to provide proof that the purported relationship continues to exist (e.g., 2012 tax return showing the current relationship status or a document dated within the last 60 days showing current relationship status, such as a recurring household bill or statement of account). Fortunately, you need not provide any proof relating to the quality of the relationship – good, bad, or indifferent. Also, you should not submit any documents until after you have received a letter from HMS Employer Solutions (HMS), the contractor hired by CalPERS to collect the documents and verify dependent eligibility. For CSU retirees, these letters are to be mailed on December 2, 2013, and the deadline for submitting documents is January 21, 2014. The letter will include details about the types of documentation and annotation that are required and how the documentation is to be submitted. And, yes, you are required (by law) to provide the documentation. If you don't, your dependent will be disenrolled.

Long Term Care Policy Conversion. I know, you have had it with this topic, but I feel compelled to bring it up again. Yes, the plan for an 85% increase in premiums in 2015 (prorated over two years) on all LTC-1 and LTC-2 policies with life-time benefits and LTC-1 and LTC-2 policies with fixed years plus inflation protection is still a go.

Folks with policies with life-time benefits have already been provided an "opportunity" to avoid this increase by converting to a policy with fixed years, and 28% of these

policy holders opted for the conversion. This conversion rate exceeded the anticipated rate of 10% and helped to increase the funded status of the program to 123% in June 2013 (up from 96% last year) and the margin (an investment term that I don't understand) to 19.6% (up from -4.6% last year).

In other words, things are looking good, but don't get your hopes up. The CalPERS actuarial folks say that there are just too many variables that could make the fund take a dive again, and there aren't any current plans to revise the 2015 rate increase (even though constituency groups repeatedly request consideration of the matter). One of these variables is the extent to which members with LTC-1 and LTC-2 policies with fixed years plus inflation protection will convert to policies without inflation protection. This is because the calculation of the premium increase assumed a conversion rate of 10%.

This brings me to my point. If you are one of these policy holders (fixed-term with built-in inflation protection), you will be sent a letter sometime in the first quarter of 2014 that will provide you the opportunity to convert to a policy without built-in inflation protection to avoid the 85% increase.

Long Term Care Policy (LTC-4) Open Enrollment. No, I'm not joking. CalPERS has developed a new LTC product (referred to as LTC-4) and will be inviting applications beginning in December 2013. You can find information about the benefits and options included in this plan at the CalPERS website. If you type in "Long-Term Care Program" in the CalPERS search engine, you will get a link to the appropriate pages. This program is open to all CalPERS members and

dependents, including those who already have LTC policies. However, it is important to emphasize that, unlike "conversions," enrollment in the new program is subject to completing new underwriting. Finally, I want to remind everyone that same-sex spouses are eligible to enroll in this new program.

2014 Health Plan Options. Although the Health Plan Open Enrollment period for changing health plans has ended, I thought it would be useful to provide a brief explanation about the rationale behind changes in options and premiums

If you have a dependent (including a spouse) enrolled in a CalPERS health plan, you should search your attic for copies of your marriage certificate, declaration of domestic partnership, or birth certificates for any dependent children....the deadline for submitting documents is January 21, 2014.

for 2014. Perhaps the most significant change was the addition of four health maintenance organizations (HMOs) to the program, expanding the list of HMO plan providers to six: Anthem Blue Cross, Health Net, Sharp Health Plan and UnitedHealthcare will join Blue Shield of California and Kaiser Permanente.

Mostly, the rationale for this expansion was to improve access to

and competition among HMOs (for lower costs and improved services). The changes in premiums mostly resulted from the application of "risk adjustment" factors to providers in the same type of plan (PPO or HMO), as opposed to changes in benefits in a given plan, in order to reward health plans for developing programs that attract high risk individuals and for serving portions of the state that plans would otherwise try to avoid. So, for example, the premiums of health plans operating exclusively in Southern California (Health Net and Sharp) were raised, while the premiums for Anthem's traditional HMO network were lowered, primarily due to the expansion of its service area to include Monterey County. And, in the case of the PPOs, the net impact was to raise premiums for the plan with a high proportion of low risk members (PERS Select), while reducing premiums for the plan with a high proportion of high risk members (PERSCare).

CSU-ERFA Foundation Receives Challenge Grant

The CSU-ERFA Charitable Foundation recently received a \$500 challenge grant from a CSU-ERFA member. The donor will match all donations from individuals received by the foundation through April 26, 2014 up to a total of \$500.

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

You may donate to the foundation either by sending a check made out to the CSU-ERFA Charitable Foundation to CSU-ERFA, 18111 Nordhoff Street, Northridge, CA 91330-8339; or alternatively, members can choose to donate to the foundation monthly through a deduction from their CalPERS pension warrant.

If you wish to contribute through a deduction from your CalPERS pension warrant, send a letter to CSU-ERFA with the amount you wish to donate (it must be a full dollar amount with a minimum of \$1 per month).

Grant Results for CSU-ERFA Foundation in 2011-12 by Sally Hurtado de Lopez

In the 2011-12 CSU-ERFA Foundation grant cycle, two faculty received awards. Dr. Alfred B. Evans was awarded \$3,200 to conduct his research on protest in Russia, and Dr. David Maciel was awarded \$800 to complete his research on the contemporary cinema of Mexico from 1965 to 2012.

For 2013-14, grant applications are due December 16, 2013, with information and applications available on the CSU-ERFA web site, <http://www.csuerfa.org>.

Dr. Evans reports that "protests have become an increasingly important factor in Russian politics during the last several years. Some commentators have depicted the conflict that has spilled into the streets of Russian cities as a struggle between the state and society in Russia. Yet that interpretation is misleading, since it implicitly assumes that Russian society is an internally undifferentiated whole...unified in its opposition to the state. The central thesis in the findings of my research is that the forces that are using protests to confront the Russian state on various levels are very heterogeneous, since they include movements that are different from each other with respect to their leadership, their goals, and the strategies that they have chosen to follow. It is important to distinguish between the groups that protest against violations of democratic political principles and groups that protest against actions by political authorities that cause disruption in their daily lives on

a practical level. The themes and goals of protests against abuses that average citizens might experience in their daily lives resonate more successfully with the outlook of the majority of Russians than protests that focus on issues related to fundamental political principles."

Dr. Maciel reports that "an important section of my projected book-length manuscript of 'the Contemporary Cinema of Mexico' was recently published as an extensive book chapter in the multi-authored text, entitled *El Estado y la Imagen en Movimiento*. (Mexico: Instituto Mexicano de Cinematografía, 2012). My book chapter, entitled: "La Sombra del Caudillo: El Estado y el Cine Mexicano en la Decada de los Sesentas [La Sombra del Caudillo: State and Cinema in Mexico in the Decade of the 1960's] focused...upon the complexity of the relationship between the Mexican state and its institutions, the film industry, and its major entities in the decade of the 1960s. Its principal thesis is that...in the period of the 1960s the Mexican state (with a great sense of urgency and because of a profound crisis unfolding for Mexican cinema) becomes involved on a great scale in areas of film production and distribution. But the 1960s is also the darkest chapter of the relationship between cinema and the state because of the state imposition of censorship. And lastly, the decade of the 1960s has been a most forgotten epoch in the scholarly research on the cinema of Mexico."

CSU-ERFA Founder Leaves Bequest to our Foundation By Mark Shapiro, CSUF, CSU-ERFA Foundation Treasurer

The CSU-ERFA Charitable Foundation recently received a generous bequest from the estate of CSU-ERFA founder Sidney P. Albert. The \$2,500 donation from Albert's estate will assist the foundation in its mission to provide grants for research and scholarly activities by current CSU-ERFA members.

Albert, who was a CSULA professor emeritus of philosophy, passed away earlier this year shortly before the beginning of his 99th year. He was instrumental in the establishment of both the emeriti association on the Los Angeles campus and CSU-ERFA statewide. He worked tirelessly to enhance the status of emeritus faculty members throughout the CSU system.

Albert was a noted Shaw scholar who continued his research on George Bernard Shaw throughout his retirement. His final book, *Shaw, Plato and Euripides - Classical Currents in Major Barbara*, was published in 2012 by the Florida University Press.

Members who wish to recognize his contributions to CSU-ERFA are encouraged to do so by making a donation to the CSU-ERFA Charitable Foundation in his name. (Checks payable to the CSU-ERFA Charitable Foundation can be mailed to CSU-ERFA, 18111 Nordhoff Street, Northridge, CA 91330-8339. Donations generally are tax-deductible.)

You've Come a Long Way, Ladies

By John G. Kilgour, CSU East Bay

It has come to my attention that I have been consorting with revolutionaries. They are among us. They are everywhere. They call themselves "women."

In ancient Israel, men "dedicated" to the temple were valued at 50 shekels and women at 30. Boys were valued at five shekels and girls at three (Lev. 27: 2-9). Thirty divided by fifty is 60%. Remember that number.

Equal Pay Act of 1963. In 1963, Congress passed the Equal Pay Act (EPA), mandating that women and men receive equal pay for substantially equal work requiring the same skill, effort, responsibility and done in the same conditions. Differences in pay could be justified by bona fide seniority and merit systems, differences in quantity and quality of production, different locations, and any factor other than sex. These "employer defenses" limited the law. The EPA was originally administered by the Department of Labor (DOL).

Civil Rights Act of 1964. In 1964 Congress passed the Civil Rights Act (CRA) with its much broader and stronger powers. Title VII dealt with employment. The CRA also established the Equal Employment Opportunity Commission (EEOC). In 1978 enforcement of the EPA was transferred from the DOL to the EEOC. However, the Bennett Amendment, which became Section 703(h), limited the CRA to the provisions of the EPA.

EO 11246. Executive Order 11246 was issued in 1965. A federal executive order is an order from the president to the various departments and agencies of the U.S. government to do something. EO 11246 required that federal contractors and grant recipients (including universities) comply with the requirements of the CRA. The EPA, CRA and 11246 are the legal foundation of the civil rights movement.

And The Results? In 1960, women earned 60.7% of what men were earned. Remember Leviticus! By 1979, after 15 years of enforcement and litigation under the EPA, CRA and 11246, women on average earned 62.3% of what men earned. On an unadjusted annual basis, it was 59%. Remember the "59-cent dollar" rallying cry? It was never really quite accurate. In

1980, men worked seven hours more per week and more weeks in the year than women worked. But still....

Comparable Worth. The campaign for fair pay began in earnest about 1979 with an internal memo from the EEOC's San Francisco office to headquarters in Washington proposing the use of "comparable worth" under Title VII of the CRA. Comparable worth meant moving from "equal pay for equal work" to equal pay for jobs of comparable value as measured by job evaluation. It would have replaced market-driven wage determination with "administered pricing" by legislative or judicial fiat. Comparable worth was embraced by the EEOC and the women's movement. However, it made no economic sense and was not well received by the courts.

Pay Equity. Comparable worth was replaced by "pay equity." Who could be against pay equity? It sounds so nice. The problem was that "equity" is a value judgment. How do you measure it? And what could be more equitable than pay determined by the equilibrium of impersonal labor supply and demand curves?

The Pay Gap. Pay equity has morphed into "the pay gap." The pay gap has none of the faults of comparable worth or pay equity. It is easy to understand and communicate. Data on women's earnings as a percent of men's are readily available. If that number is subtracted from 100 you get the pay gap.

By 2011, women earned 82.2% of what men earned. Thus, the pay gap had declined from 37.7% in 1979 to 17.8%. However, that's only part of the story. Based on usual weekly earnings of full-time workers (35 or more hours per week), in 2011 men worked 40.6 hours and women 35.6 hours (annual average). Men also worked more weeks in the year. Also, the pay gap varies considerably from state to state.

In California, women's earnings as a percentage of men's in 2011 was 89.9%, the highest. Thus, the pay gap in California was 10.1%. In Louisiana women earned 67.8% of what men earned (a 32.2% pay gap). Almost Biblical!

If the rate of decline continues, the putative 17.8% national pay gap will be gone by 2040. If we control for hours worked per week, it will be gone about 2021. And, if we account for weeks worked in the year, choice of major, etc., it will disappear even sooner. In California, it may already be gone.

After 2021, or whenever, women on average will earn more than men. That is not surprising. Women now account for 57.3% of all students in degree-granting post-secondary educational institutions. Men account for 42.7%. And, women are majoring in all sorts of things once thought the preserve of men. Moreover, women are now in positions of responsibility and authority throughout the economy. It would be most surprising if they would condone any overt pay discrimination.

Many economists and others have concluded that pay discrimination on a large scale has already ended. If not, it will soon be. That does not mean that all discriminatory practices will disappear. Some will continue and will require ongoing policing by the EEOC, especially in Louisiana!

Within the adult lifetime of most CSU-ERFA members, the pay gap has gone from 40% to a putative 17.8% and may even have disappeared in California and a number of other states. If that's not revolutionary, I don't know what is. You've come a long way, ladies. We all have.

Source: Derived from John G. Kilgour. "The Pay Gap in Perspective." *Compensation and Benefits Review*. (forthcoming 2013).

In Memoriam

Chico – Don Lillibridge

Dominguez Hills – Albie Burke

East Bay – William A. Bullough

Northridge – Geraldine L. Luethy,
David W. Benson

Potpourri

By The Frugal Ferper*

Back from summer/early fall vacation and thought I would give an update on some discounts mentioned in previous columns and focus on a couple of inexpensive ways to travel and challenge one's mind. My last article was posted on the CSU-ERFA website and can be found at: <http://csuerfa.org/Traveling-Almost-Free.pdf>. In that article I mentioned some strategic ways to obtain airline and hotel discounts.

Updates. I am pleased to report that my wife and I spent a few days in New York City this summer and were able to snag rooms at the Intercontinental in Times Square for \$49 (the cost of the IHG, formerly the Priority Club, credit card) per night. We had a view of the Hudson river right around the corner from Times Square. A benefit of the IHG credit card is obtaining platinum status (their highest tier) that you can use to obtain a status match from other hotel chains such as Hilton, Starwood, and Hyatt.

Air Deals. I have identified a fairly inexpensive way to get a companion pass from Southwest that enables one to designate a companion who flies free (except for those pesky security fees) for the remainder of the year and the following year. To get this pass one needs to accrue 110,000 points on Southwest during the year. While this would ordinarily represent a lot of flying, one can frequently get a 50,000 point bonus for taking out a Southwest credit card from Chase (one needs to charge \$1,000 in the first three months).

Also, one can apply for a regular Southwest credit card as well as a business Southwest credit card, thus earning a total of 100,000 points (plus the 2,000 points one would earn from making charges on the card). To get the additional 8,000 points one can make an additional \$8,000 in credit card charges, obtain points by staying at participating hotels (Hyatt gives 600 points for each stay), eating at particular restaurants, renting a car from a participating rental agency, or doing online shopping from a business partnering with Southwest.

Car Rentals. While one can often find discount airfares and hotel rooms, the cost of renting a car at some airports can be high, often exceeding the cost of the flights. Some ways I have found to get discounts are going through Costco Travel (you need to be a Costco member), some airline websites, AAA, Entertainment Card discount certificates, some retailers (e.g. BJ's Warehouse Club), discount travel websites (e.g. Hotwire), and car rental websites.

Using Costco Travel (<http://costcotravel.com/>) has the advantage

of allowing one's spouse to drive the car too without paying an additional fee. I must point out that the prices shown on the site change quite frequently and tend to decrease as one gets closer to the date of booking, although they generally do not fall in price during the last week.

As an example of how varied prices can be, a recent search for a rental car in Portland, Oregon for January 7th to 14th in 2014 yielded the following prices at Costco Travel on an intermediate car: Alamo, \$238.80; Avis, \$507; Budget, \$416; Enterprise, \$241. At Dollar's website (Dollar.com) the cost was \$265.39. At BJ's (<http://www.bjs.com/travel-services.content.services.A>) the Dollar car rental cost was \$252.56 (note you do not have to be a member to rent through BJ's). At Southwest's website (Southwest.com), the lowest cost for the rental was \$241.23 through Thrifty. One can also use discount coupons on the BJ's and Southwest websites. The rental through Hotwire (www.hotwire.com) was \$238.80, but this rate requires one to immediately pay for the rental and, as I mentioned earlier, rental prices frequently will decline markedly as one gets closer to the rental date.

Airport Car Rentals. It is also worth noting that renting a car at an airport typically carries extra fees tacked on by the airport. If the airport is close to an off-site rental location, it may be far cheaper to take a taxi to go to the location to pick up a car. I note that while Enterprise advertises that they will "pick you up," they normally do not do that if you are at an airport that has one of their rental counters.

Exercising One's Mind. Exercising one's mind can be as important as exercising one's body. If you enjoy doing word and math puzzles, there are ways to get them free over the Internet. The puzzles featured in USA Today can be found at: <http://puzzles.usatoday.com/quickcross/?POE=UCNWR#>, the Jumble game can be found at <http://www.shockwave.com/game-landing/dailyjumble.jsp>, and the KenKen game can be found at <http://www.kenken.com/game>. While these are, in a sense, not free as one frequently has to listen to an online commercial, the commercials do not last more than a few seconds and can sometimes be entertaining.

* The Frugal Ferper channels his contacts with the outside world through Prof. Barry Pasternack, Department of Information Systems and Decision Sciences, CSU Fullerton, bpasternack@exchange.fullerton.edu.

More Doctors Accepting Medicare Patients

Access to physicians accepting Medicare seems to have improved, based on the number of physicians accepting new Medicare patients, up by one-third from 2007 to 2011 and higher than the number of physicians accepting new private insurance payments. The number increased from 925,000 doctors who billed Medicare

in 2007 to 1.25 million in 2011.

The August 2013 report, from the Centers for Medicare and Medicaid Services (CMS), was commissioned because of a *Wall Street Journal* article that reported the number of physicians who had dropped out of the Medicare program had

increased from 3,700 in 2009 to about 9,500 in 2012. But it appears that the number of new primary care physicians entering the health care system has cancelled out the number who no longer take Medicare. Ninety percent of office-based physicians accept new Medicare patients, which is about the same rate as those who take new privately insured patients.

At the State Council Meeting at SJSU

Opposition to Pension Initiative

(From page 1)

CSU-ERFA website and *The Reporter*.

The recently announced pension initiative sponsored by the mayor of San Jose, Chuck Reed, has not qualified for the ballot yet. A motion advising members not to sign petitions to put this initiative on the ballot carried unanimously.

The Little Hoover Commission report on higher education was discussed. Don Gerth (Sacramento) commented that the differentiation among the three segments is being lost, with CSU offering applied doctoral degrees and the community colleges discussing the possibility of offering baccalaureate degrees. A second motion to provide the (nonfinancial) resources of CSU-ERFA to defend the master plan also passed.

The possibility of a CSU-ERFA political action committee was discussed. There are 8,000 CSU retired professors who could be organized. The executive committee and the legislative affairs committee will follow up.

Archivist Judd Grenier (Dominguez Hills) reported that a collection of photographs was turned over to the CSU-ERFA collection in the CSU archives in the library at CSUDH. The state council is invited to visit the archives when it meets at the Dominguez Hills campus next fall.



Delegates assembling for the state council meeting. From the left, Ed Aubert, Dieter Renning, David Quadro, Rita Jones, Bill Blischke, Don Cameron, Mark Shapiro and Henry DuBois.



Betty Tracy (Pomona) confers with David Karper (Dominguez Hills) at the state council meeting at San Jose State University, with Juanita Berrena, CSU-ERFA health benefits director, to the left.



At the CSU-ERFA state council meeting, with Vice President Bill Blischke, 2nd from the right, presiding. From the left, Milt Dobkin, Harry Sharp, Treasurer; Rita Jones, Secretary; Blischke; Don Cameron, Executive Director.

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

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CSU-ERFA Reporter November 2013

Some Interesting English Sentences

- “Foot Heads Arms Body” – British Labour party member Michael Foot was appointed chair of a nuclear armament disarmament committee.
- Ask the question: “Will Will Smith smith?” To which you could correctly reply: “Will Smith will smith.”
- LA Times headline (someone had some fun with this one): “Big Rig Carrying Fruit Crashes on 210 Freeway, Creates Jam”
- “I do not know where family doctors acquired illegibly perplexing handwriting; nevertheless, extraordinary pharmaceutical intellectuality, counterbalancing indecipherability, transcendentalizes intercommunications' incomprehensibleness” – This is a ‘rhopallic’ sentence: a sentence or a line of poetry in which each word contains one letter or one syllable more than the previous word.
- “This is a ship-shipping ship, shipping shipping ships” – picture shows a barge

CSU-ERFA Calendar of Events

February 6, 2014 -CSU-ERFA Executive Committee meets in Torrance.

April 26, 2014 - CSU-ERFA State Council meets at Cal Poly Pomona.

October 18, 2014 - CSU-ERFA State Council meets at CSU Dominguez Hills.

2014 - Dates to be announced. CalPERS elections for three seats on the Board of Administration.

with many ships on it.

- “The complex houses married and single soldiers and their families.”
- There’s a whole Wikipedia page on this one: “Buffalo buffalo Buffalo buffalo buffalo buffalo Buffalo buffalo.”
- “If” – the Spartan response to Phillip II of Macedon when he threatened: “You are advised to submit without further delay, for if I bring my army into your land, I will destroy your farms, slay your people, and raze your city.”

If Your Address Changes

CSU-ERFA members who move after retirement to a location that is closer to another CSU campus should contact the CSU-ERFA office. Information will be provided about the CSU-ERFA campus affiliate at the nearby campus, and an invitation will be forwarded to participate in its activities. Please notify the CSU-ERFA office if you change address. The address is on page 2 of *The Reporter*, bottom left.