



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

*Inside this issue:*

<b>CalPERS Report Details Reforms</b>	1
<b>From the President</b>	2
<b>Field Poll on Pensions</b>	2
<b>CSU-ERFA's Letter to the Governor</b>	3
<b>Letter to CSU-ERFA</b>	3
<b>Fifty-Five Attend State Council Meeting</b>	4
<b>CFA Report: Bargaining Moves Slowly</b>	5
<b>Retiree Business Card</b>	5
<b>Health Plan Open Enrollment and Long-Term Care Update</b>	6
<b>What's Really Happening With the State Budget?</b>	7
<b>In Memoriam</b>	7
<b>Pre/Post Retirement Issues: Another Adjustment for Inflation?</b>	8
<b>The National Crisis in Public Higher Education</b>	9
<b>ASCSU Report: Has Access Been Thrown Over the Bridge?</b>	10
<b>The Senior Texting Code</b>	11
<b>CSU-ERFA on Facebook</b>	12
<b>CSU-ERFA New Members</b>	12
<b>And They Ask Why I Like Retirement</b>	12

## CalPERS Report Details Reforms

In March CalPERS released a report based on a two-year special review of CalPERS placement agent activities. Conducted by the law firm of Steptoe & Johnson it contains with many recommendations for improving the "apparent misconduct and apparent ethical breaches" (words from a joint statement by Ann Stausboll, CalPERS CEO, and Rob Feckner, CalPERS board president.)

CalPERS has already implemented many of the report's recommendations, with others requiring legislative action.

The report used the standard that is found in CalPERS' laws and regulations: those serving the pension fund always put the

interests of its participants and beneficiaries ahead of personal gain or other interests. The report found that by this standard the behavior of several recent board members and the CEO during the 2000s was deficient. Those named in the report include former board members Alfred Villalobos, Charles Valdes, Kurato Shimada, and Robert Carlson, as well as former CalPERS CEO Fred Buenrostro. In 2010 then-Attorney General Jerry Brown filed a civil suit against Villalobos, his company ARVCO Capital - whose assets were frozen - and Buenrostro, charging them with fraud.

(Continued on page 4)



**State Council Meets April 23rd** - Donna Snodgrass, standing, CSU-ERFA-endorsed candidate for the CalPERS Board of Administration, answering a question. Seated: J. J. Jelincic, member of the CalPERS Board of Administration and guest speaker; Dieter Renning (Stanislaus), CSU-ERFA President; Barbara Sinclair (Los Angeles) CSU-ERFA Vice President and President-Elect; and Don Cameron (Northridge), CSU-ERFA Executive Director. The meeting attracted 55 members from around the state.

**CSU-Emeritus and Retired  
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**www.csuerfa.org**  
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**2010-2011**

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## From the President..

**CSU-ERFA's birth.** Since my term as CSU-ERFA President will end in a few weeks, I would like to use this opportunity to make a few general comments about our organization, starting with the observation that I was, in a very minor role, involved in its birth. In 1985 I was a member of the statewide Academic Senate, serving on a committee that Sidney Albert visited to seek the senate's endorsement of his plan to create an organization for retired CSU faculty. The following day I had the honor of introducing a resolution to that effect in the senate's plenary session which, if I remember correctly, was passed unanimously. (In speaking to the motion, I obviously got carried away because, when I was done, the senate chair said, "Thank you. If you had gone on much longer, we'd ALL be retired!") At that time the thought that I might be president of that organization some day didn't even cross my mind. Needless to say, I was delighted when I was asked two years ago to assume the CSU-ERFA Presidency.

**The CSU-ERFA spirit.** Those two years have gone by very fast (at our age, are there any years that don't?), but it has been a very satisfying experience. I won't review all the issues that were addressed or the changes to the organization that were made during this time. What I do want to say is that, as president, I found it surprisingly easy to deal with them all, thanks to the cooperative attitude and harmonious spirit in which the members of the executive committee and of the state council approached them. Arriving at a consensus where such was necessary has never been a problem. For that I want to express my profound appreciation.

**Executive director.** I especially want to express my gratitude to our executive director, Don Cameron, for the assistance, advice, and timely reminders which I received from him during these two years. I am prepared to say, without reservation, that CSU-ERFA's organizational and financial health today is due more to Don's competent handling of its daily affairs and his constant awareness of its needs than to anyone else's efforts, including the president's!

**Our committees.** In my view CSU-ERFA is being served very well by its various committees that keep all of us well

informed about the nature and development of issues relevant to retired faculty, while at the same time helping the leadership develop positions the organization should take, especially when those issues become subjects of public debate. That both *The Reporter* and the website are invaluable aids in that regard goes almost without saying. The editor and the webmaster both know, I hope, of my unqualified admiration for their accomplishments in those positions!

**Taking policy stances.** "Taking positions" on matters that are subject to public debate can, of course, be controversial in an organization such as ours whose members are bound to represent differing ideological viewpoints on certain issues. But so far I think we have been successful in putting "ideology" aside and concentrating on the practical aspects of policy and other matters. In this context I want to say that I am as disturbed as I think most of our members are by the increasing "politicization" of matters such as public retirement pensions, health care issues, funding of higher education, etc. I think the immediate future is going to be challenging for all of us, to put it mildly.

**Another term?** I have been asked why I decided against being nominated for another term as CSU-ERFA President. My answer is quite simple: I don't think I would be able to devote as much energy and attention to CSU-ERFA as I think I should, due to a variety of other, especially local, volunteer obligations. Like many of my retired colleagues I find it difficult just to say "No." Oops! I just did, didn't I?

H. Dieter Renning  
President, CSU-ERFA

## Field Poll on Pensions

The Field Research Corporation, which conducts the Field Polls of California voters, announced in March that California voters had switched from a margin of four to three in support of public pensions as "acceptable" in October 2009 to a margin of four to three in finding those benefits to be too generous in March 2011. Voters in the early March poll opposed taking away collective bargaining rights from public sector employees (50% to 42%). For more information, see Field's web site at [www.field.com](http://www.field.com).

# CSU-ERFA's Letter to the Governor: "Support a Fall Ballot Initiative for Public Services & Education"

April 12, 2011  
 Governor Jerry Brown  
 State Capitol, Suite 1173  
 Sacramento, CA 95814

Dear Governor Brown:

On behalf of our members, we thank you for your courageous and resourceful efforts to resolve our state's budget crisis.

We represent more than 2,700 retired faculty from all the campuses of the California State University. Many among us are from the generation of professors who were attracted to careers in higher education in California because of the bright promise of the Master Plan. Most of us enjoyed satisfying careers teaching the students who have helped make California a great and prosperous state. Along with other state employees, we have also enjoyed modest but adequate retirement benefits.

We do recognize the need for certain reforms in California's public employee benefit system, and generally support your efforts toward prudent but needed changes. Reining in the most egregious pension abuses should rank high among these efforts. However, we urge you to stay the course in resisting major changes to the existing system, such as transforming it into a defined contribution scheme or even a hybrid version of the latter. The present system has functioned well on a mainly self-supporting basis since its inception, and there is every reason to believe that it will continue to do so once the current devastating recession has become history.

Public employee pensions did not cause the state's current fiscal crisis, nor should we and thousands of other valued public servants be treated in the same shameful manner that the private sector has decided to treat its employees. Our state is better than this, and its employees and retirees deserve decent treatment.

Given the steadfast commitment of the minority party, what comes next? We understand that an all-cuts budget might be your only current option, but this would have devastating effects on our entire state, not just those of us who serve the public. Its impact on the defenseless poor, children and disabled would be unconscionable. Those who depend on public services – i.e., most of us – would be at the least seriously inconvenienced, and our already struggling economy would suffer yet another major setback.

Perhaps worst of all, the education sector, from K-12 through our world renowned public universities, would be sharply limited in its vital role of preparing our citizens for life in an increasingly complex society. Even now, without the cuts contemplated, our colleagues in education are struggling with heavy burdens that far exceed those that we bore in earlier eras of limits.

Why not a Fall ballot initiative asking the voters to support revenues for the maintenance of public services and education? Yes, it might fail. But would California be any worse off for hav-

ing tried? Those who love this state and believe in its future will have made an all-out effort for its passage.

Sincerely,

H. Dieter Renning  
 President, Professor Emeritus CSU Stanislaus

Alan Wade  
 Chair, Legislative Affairs Committee  
 Professor Emeritus, CSU Sacramento

Endorsed by the following California State University Emeritus and Retired Faculty Association Executive Committee members and others in leadership roles:

Ted Anagnoson, Professor Emeritus, CSU Los Angeles  
 William Blischke, Professor Emeritus, CSU Dominguez Hills  
 Don Cameron, Professor Emeritus, CSU Northridge  
 Donald Dewey, Professor Emeritus, CSU Los Angeles  
 Milton Dobkin, Professor Emeritus, CSU Humboldt  
 David Elliott, Professor Emeritus, CSU San Jose  
 David Humphers, Professor Emeritus, CSU Sacramento  
 Sylvia Navari, Professor Emeritus, CSU Sacramento  
 Mark Shapiro, Professor Emeritus, CSU Fullerton  
 Harry Sharp, Professor Emeritus, Cal Poly, San Luis Obispo  
 Barbara Sinclair, Professor Emeritus, CSU Los Angeles

cc: John A. Perez, Speaker of the Assembly, Darrell Steinberg, Senate President pro Tem

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## Letter to CSU-ERFA...

To Don Cameron, Executive Director of CSU-ERFA

Dear Don,

I have just returned to California and found your letter of February 18. I want to extend my appreciation to you, to Adrian Daoud and Sally Hurtado de Lopez for the grant awarded to me. I appreciate the effort all of you have extended in administering this program and evaluating the proposals. Thus, I feel particularly honored that you have chosen my proposal for a CSU-ERFA Foundation research award.

I would like to assure you that I have already begun preliminary work on the proposed research project and intend to have a formal paper ready for presentation at the international meeting of the Comparative and International Education Society in Montreal May 1-5. I did submit a proposal to the conference organizers and it has been accepted. I shall certainly forward a copy to you for your archives.

By the way, I have followed up on your suggestion to contact  
 (Continued on page 12)

# Fifty-five Attend State Council Meeting at LAX

## April 23rd - Jelincic & Snodgrass Speak



The State Council in action -- 55 was the largest number attending in some years.

The CSU-ERFA State Council met April 23, 2011 at the Crown-Plaza Hotel at Los Angeles International Airport, with 55 persons in attendance, the largest number in many years. The main speakers were J. J. Jelincic, newly elected member of the CalPERS Board of Administration, and Donna Snodgrass, the CSU-ERFA-endorsed candidate for the seat currently being voted upon by all members of CalPERS. Jelincic stated that CalPERS investment income has been above projections. Both Jelincic and Snodgrass offered cautious, but encouraging, comments about the future of the long-term care program.

The council elected the officers as recommended by the CSU-ERFA nominating committee, including Barbara Sinclair (Los Angeles), the first female President in CSU-ERFA's history. Other officers included Vice President Bill Blischke (Dominiguez Hills), Secretary Rita Jones (Long Beach), and Treasurer Harry Sharp (San Luis Obispo). Four at-large members of

the state council were elected for three year terms: Joan McCauley (Long Beach), Maynard Moe (Bakersfield), and Barry Pasternack (Fullerton). At large members whose terms continue are Donald Gerth



CSU-ERFA President Dieter Renning (Stanislaus), right, has the mike, as speaker J. J. Jelincic of the CalPERS Board of Administration, center, looks on, and CSU-ERFA Secretary Judy Stanley (East Bay), left, takes notes.

(Sacramento), Robert Maurer (Chico) and Marshelle Thobaben (Humboldt) until 2012; and Judith Hunt (Sonoma), Larry Ianni (San Francisco) and Donald Maurer (Chico) until 2013. The four officers are elected to two-year terms.

Sidney Albert, founding president of CSU-ERFA who recently turned 97, was present and spoke to the group.

The council also nominated two members for the selection committee to select the retiree member of the statewide academic senate, currently held by emeritus professor Harold Goldwhite (Los Angeles). The council nominated Drs. David Elliott (San Jose) and Ralph Huntsinger (Chico).

The next state council meeting will be held on the San Jose State University campus on October 15, 2011.

## CalPERS Report

(Continued from page 1)

Last year, AB1743, requiring placement agents for investment companies to register as lobbyists and report their fees, became law. In response to the problems and the report, CalPERS has taken other actions, including:

- Establishing a risk management office and an ethics helpline for fraud, waste and abuse.
- Posting board members' conflict-of-interest forms and travel costs on the CalPERS web site.
- Restricting the gifts that board members may accept.
- Banning gifts from business partners and potential partners.
- Establishing new rules for communications about investment

proposals between the board and the staff.

CalPERS is doing periodic audits to ensure that placement agents are not being paid and has obtained \$300 million in investment fees that the managers gave to investment / placement agents.

Proposals in progress include one where ethics-related proposals cannot be buried in a board committee, as happened at least once in the last several years; more training on the open meeting act; and new policies regarding members of the board who may be in financial difficulty. CalPERS has endorsed legislation regarding the revolving door phenomenon, where board members or employees subsequently work for those who are

(Continued on page 9)

# CFA Report: Bargaining Moves Slowly

By Dave Du Fault, CSU-ERFA Liaison to CFA

**Bargaining.** As reported in *The CSU-ERFA Reporter* in March, after Governor Brown announced his proposed state budget in January, the California Faculty Association (CFA) resumed bargaining on the 2011-12 successor contract. Since that time bargaining has moved slowly.

CFA again stated its goals for bargaining: stabilization of the teaching force, defense of quality education and protection for jobs and teaching conditions affecting faculty and students. CSU responded by bringing forward several serious “take backs” (see *The Reporter*, March 2011).

In addition to CFA’s earlier proposals about academic freedom, improved sabbaticals, family leave, promotions and workload, the union offered contract language about fee waivers. In this new proposal faculty members would receive “fee waivers for their spouses, domestic partners and all eligible children,” and covered faculty would include all bargaining unit members. CFA also introduced a new article about academic freedom that would specifically “provide free speech protections for all bargaining unit members regarding research, student grades [and] speaking out on CSU budgets and policies....”

In response to the increasing workload for faculty, CFA proposed new language guaranteeing the “12 and 3 direct-to-indirect instruction ratio.” In addition when classes reach a certain size, CFA proposed to require the assignment of readers.

Finally, CFA asked to stop “easy” tenure for management employees and make hiring of assistant professors “consistent across all campuses.”

CFA reported that CSU’s “exception to the order of layoff” proposal had been dropped. This CSU “take back” would have allowed the “layoff of more senior faculty” by someone junior if that person possessed “a desirable ‘specialization’.”

Then during bargaining on April 21-22, the Chancellor’s Office proposed changes in summer pay. These included “reduction of salary and benefits for faculty members who teach self-support summer classes” and the elimination of preferences for lecturers with 3 year contracts “who have not

received sufficient work as provided in their contracts.” CFA said there should be no “take backs” in the contract article about teaching in extension for credit. The union believes that faculty teaching credit courses in extension should be paid “at the same rate and receive the same benefits” as in regular sessions.

According to John Travis, CFA’s bargaining team chair, CSU is going to move additional classes into the extension program at greater cost to students and lower pay for faculty.

CFA and CSU have scheduled additional bargaining sessions for the months of May through August.

**Raising Awareness.** In addition to the activity at the bargaining table, CFA engaged in other ways to raise the faculty and public’s awareness of the threat to higher education in California. First, CFA held meetings on all campuses during which bargaining team members spoke to faculty about negotiations. Second, the union staged rallies and teach-ins on all campuses on April 13 called, “Take Class Action” to secure quality higher education.

These meetings, also held on campuses across the country, called for protection of the quality of higher education and negotiation of fair contracts. The meetings at all 23 campuses were highly successful in that they focused attention on the economic threat to higher education. Sit-ins took place on two campuses, Sacramento and Fullerton. Participants occupied administration buildings, staying several days. These peaceful sit-ins ended with the early morning appearance of “riot” police at Sacramento and the signing of a document to support higher education by the president at Fullerton.

Also, President Lillian Taiz and Bargaining Team Chair John Travis sent a special message to faculty entitled “Understanding the Crisis We Face.” This letter summarized the bargaining situation and explained several of CFA’s important contract proposals. CFA’s retired faculty committee wrote to all retired members of CFA asking them to help the union “win this fight.” Retired members were asked to help organize the “Take Class Action” events on April 13th, make tele-

phone calls and write letters and opinion pieces. Retired faculty can also work with the committee to build an “effective fighting force” to help provide accessible and quality higher education.

Finally, CFA at its 74th Assembly adopted a statement of purpose about the bargaining situation. According to this document, if the contract were not settled this spring the union would “implement activities and actions designed to pressure the CSU ... to agree to a fair contract.” These actions would include pressuring “the Chancellor and selected CSU Trustees” and taking actions at the beginning of the Fall term to “galvanize the campuses and encourage even broader participation among the faculty, students and staff.”

**CalPERS Election.** CFA endorsed Michael Bilbrey for the board of administration, as have the SEIU and AFSME.

Bargaining will be difficult for the successor contract. CFA and the faculty face the threat of an additional \$500 million cut in CSU’s budget, a misplaced distrust of state workers and their pension programs, increased negativity toward labor unions, and a continuing stalemate in Sacramento about the extension of certain taxes.

## Retiree Business Card

No Phone	No Address
NAME HERE	
No worry No business	No prospects No money

And on the back of the card?

Since I have retired from life’s competition I find each day an exact repetition
I get up each morning & dust off my wits, Pick up the paper and read the obits
If my name is missing, I know I’m not dead,
So I eat a big breakfast and go back to bed!

Recently found by the editor on the Internet, but sung by “The Weavers” in 1955 or earlier....

# Health Plan Open Enrollment & LTC Update

By David Humphers, CSU-ERFA Health Benefits Chair

**Open enrollment.** The CalPERS health benefits committee, at the March 15 meeting, adopted October 10th to November 4th 2011 as the “open enrollment” period for current employees and retirees to enroll in or change health plans or enroll family members. CalPERS will begin sending information to members and employers in late July or early August. The information distributed during the preparation for “open enrollment” will provide the opportunity for CSU-ERFA members to determine whether CalPERS and the health plans are meeting our request for improved descriptions of our health benefits.

## Need for better quality information.

Also at the March 15th meeting I delivered the CSU-ERFA executive committee's request that the CalPERS board issue clear, specific, focused information about enrollment in CalPERS Medicare plans and the coverage we have in the Medicare components, Parts A, B, C, and D. CalPERS' “Open Enrollment News” warns against enrolling in a Medicare Part D plan outside of CalPERS. We are further told that CalPERS' prescription benefit is better than Medicare Part D. Neither of these two statements tells us whether we have Medicare Part D coverage, or not.

One of our colleagues, Janet Cameron Hoult (CSULA), described her experience as a genuine “Catch 22” after knee replacement surgery and a serious infection that threatened amputation of her leg. Her CalPERS Anthem Blue health plan directed her to return daily to a hospital emergency room to receive a powerful antibiotic but told her that she was not covered by Medicare Part D. Consequently, she had to pay the \$1,300 cost for the antibiotic that prevented amputation of her leg. While the CalPERS staff responded immediately to our request, months passed before Professor Hoult was reimbursed for the cost of the antibiotic.

## Let us know if the information is improved.

When you receive the CalPERS explanation of benefits and enrollment information in August or September, please read it carefully and let us know if you find improvement in the CalPERS descriptions of your health care enrollment and benefits. Please send a

message (telephone or e-mail) to the ERFA office if the documents lack sufficient clarity and specificity in your view.

**Long-Term Care Up-Date.** In response to the question, “Will there be a CalPERS long-term care program (LTC) “open enrollment” period this year?” The answer: “not likely.”

**LTC program finances.** The United Health Actuarial Service second-quarter report to the CalPERS health benefits committee on March 15 indicated continued improvement in the CalPERS LTC program's financial status. Investment returns were greater than expected; program claim expenses were lower than expected. Premium income, however, dropped because some members made policy changes, and some dropped the LTC program. Approximately 2,900 LTC members (approximately 2 % of total enrollment of about 160,000) reduced their coverage or terminated their policies between April and September 2010 due to the big premium rate increase.

The LTC program financial status is slowly improving. The other good news is that CalPERS is preparing to issue a LTC program administration request for proposal (RFP) for the first time since 1996. The current LTC provider contract with Univita Health has been extended to December 2012. The RFP timeline is appended to this report.

**More good news.** Dr. Kathleen Donneson, chief of the CalPERS office of health plan administration, invited LTC members and public employees' representatives to an April 14 constituent group meeting to make comments and recommendations on what services and requirements should be in the next LTC contract. CSU-ERFA representatives Alan Wade, Phyllis Mills and I attended the meeting at CalPERS headquarters in Sacramento.

Having received requests for help from four CSU-ERFA LTC members in the past six months because the LTC provider was not responding to their telephone requests, I recommended that the next LTC contract require a prompt telephone response by a live person. Our colleague, Alan Button (Fresno) died at home after weeks of unsuccessful attempts to get a response

from the LTC provider.

**LTC phone number.** Shortly after I made my recommendation at the April 14, meeting, Univita Health LTC provider vice president Ted Duley gave me his card and told me that the Univita telephone number, 800-982-1775 is always answered by a live person and it is toll-free. Please pass this number along to CSU-ERFA LTC enrolled colleagues.

**Getting better LTC service.** After reading my “buyer beware” warning in the February issue of the Reporter, LTC member Louis King (Pomona) asked “what should we do to insure that, at the time of need, the entitled LTC service will be provided”? My answer is to keep informed, ask questions and insist on answers. Some examples:

- (1) Read the CalPERS and LTC provider's annual explanation of benefits documents (these will likely be mailed to you in August or early September) and note any changes.
- (2) Keep CalPERS and the LTC provider informed of any changes in your address, telephone numbers, and e-mail address.
- (3) Familiarize yourself with the LTC provider communication system (phone, Internet, land-mail, whatever) that will be required when you seek LTC service.
- (4) Telephone the LTC provider if you have questions at 800-982-1775; if you are not satisfied with the response, call CalPERS customer service number 916-795-2079; if still not satisfied email CSU-ERFA csuerfa AT csun.edu or telephone us at 818-718-7996.
- (5) Check the CSU-ERFA website [www.csuerfa.org](http://www.csuerfa.org) regularly for new LTC information. Our webmaster Mark Shapiro routinely adds LTC updates. Click on the link for “long term care.”
- (6) Check the CalPERS website every month [www.CalPERS.ca.gov](http://www.CalPERS.ca.gov); click on Long Term Care for updates.
- (7) If your health plan is with one of the HMOs (Kaiser Permanente, for example), find out from your LTC provider what

(Continued on page 8)

# What's Really Happening with the State Budget?

By Alan Wade, CSU-ERFA Legislative Committee Chair

The editor-supplied headline for my March 2011 effort to write about the state budget crisis suggests that I, or someone, has some inkling as to the TRUTH about this unresolvable chronic condition. Neither I, nor apparently anyone else, has any idea what is “really happening,” nor what the outcome will be. Still, having kissed the Blarney Stone, I write on.

**One thing is certain.** Jerry Brown’s grand scheme to ask for a popular vote by initiative for tax extensions on the June ballot is dead in the water. He did his part, coming up with billions in prospective cuts in return for what he hoped would be a handful of GOP (stands for “Grand Old Party,” or the “minority party”) votes in the legislature for his plan—one on which he campaigned in his reelection bid against Meg Whitman.

**The minority party has remained intransigent,** all but a few having taken a pledge never under any circumstances to raise taxes. Some prefer “heroically steadfast in their commitment” to the word “intransigent” or even “pig-headed.” Take your choice. Nonetheless, there is little possibility of any compromise that would lead to a successful conclusion to Brown’s certainly reasonable *quid pro quo*.

**California government remains crippled** due to the toxic stew of:

- (1) **The constitutional 2/3 vote** required for a tax increase and its twin, Proposition 13, passed by “we the people” in 1978;
- (2) **Legislative districts** drawn to keep seats safe;
- (3) **Term limits**, which erase institutional memory and the know-how that comes with experience; and
- (4) **The zeitgeist or spirit** of the times which discounts the importance of what might be called a “public ethic.”

**Where then, are we?** Several options:

- **Wait for the May budget revision**, to see if reports of better than usual tax receipts will cut the deficit by a few billions.

- **An all-cuts budget**, which the Democrats have the votes to pass. The effects would be terrible, and would doubtless require default on the constitutional requirement to support schools. Or, a vote for the budget by Democratic majority—with tax extensions—which would likely be tied up in the courts.

- **A gubernatorial collapse on extortionate GOP demands** (53 to be exact), which would include a sell-out on public employee pension benefits. Probably won’t happen, as most of these demands have nothing to do with balancing the current budget and would face certain and strong union opposition.

- **Passage, or the threat of it, of Steinberg’s bill (SB 653) to turn over many tax decisions to counties**—maybe not good public policy, but could solve some issues. Gross inequalities already exist across county lines. Could be passed by majority vote.

- **The threat of Steinberg’s proposal to deny services to areas of the state whose legislators are from the minority party.** Clarity is lacking on how this could be administered in the real world. Probably not to be taken seriously, but a great ploy!

- **The usual free-for-all of competing public interests fighting for the crumbs** left on the state’s table after an all cuts budget. Even though legislators must pass a budget by the June 15th deadline or lose pay, they probably won’t budge. This could mean continued delays on into the fall. Business as usual.

- **Missing in action: real reforms** in the major cost centers, especially the sacred cow of corrections. No one wants to be charged with being “soft on crime.”

- **The impact on higher education will be devastating**, and will fall most heavily on students and prospective students—many of whom will never be able to matriculate, or if in the system, graduate. The CSU chancellor’s office has departed from past practice by centralizing most decision-making, rather than allowing flexibility by delegating decisions to campus presidents.

- The latest ploy, which may actually become the only option for some communities: **shortening the school year** by a month.

**Look forward to a “battle of the initiatives”** in the next year. Keep in mind that the assault on public employees is relentless, national in scope, and well-funded. It only takes about \$20 million to fund a ballot initiative. There are hundreds if not thousands of “right thinkers”  
(Continued on page 9)

## In Memoriam

Chico – Lowell D. Stratton

Dominguez Hills – George C. Wang  
Herman J. Loether

East Bay – John E. Baird

Fullerton – Michael J. Kane

Humboldt – John S. Brecher  
David T. Boxer

Los Angeles – Mary A. Kramer

Long Beach – Cynthia S. Johnson

Northridge – Howard J. Happ

San Bernardino – Alexander  
Sokoloff

Sacramento – Russell L. Bohr  
James A. Saum  
Robert J. Tzakiri

San Diego – Frank J. Irgang  
Maxine S. Jaffe  
Ruth M. Kukkonen  
Richard Pacheco

San Francisco – Sofia L.  
Prudenciado

San Jose – Donald M. West

San Luis Obispo – Robert J. Huot  
James H. Withers

Sonoma – Ruth M. Larg

# Another Adjustment for Inflation?

By Tom Donahue, Chair, Pre/Post Retirement Issues Committee

*Q. I hear that CalPERS offers another adjustment to inflation in addition to our COLAs. How does that work?*

**A. You are referring to the Purchasing Power Protection Allowance (PPPA) increase that CalPERS calculates after a period of inflation.** Following Retirement Law, CalPERS provides a PPPA, in which one's pension is not permitted to fall below 75% of the purchasing power a person had at retirement. This means that in difficult inflationary times (unlike those at present), a pensioner can get a stipend "bump" in addition to the 2% cost of living increases that occur for the May pay period.

## Here is how the PPPA works:

- The adjustment can come in January if it has been determined that one's pension has dipped below the 75% purchasing power level.
- The sum involved is based upon inflation since your year of retirement, after considering your cost of living increases since then.
- CalPERS calculates the amount based on the Department of Labor's consumer price index.
- The calculation used to be made every 10 or 12 years, but at the present low rate of inflation, this timeline is no longer used. The most recent information about this, given in the April 23 CSU-ERFA State Council meeting by CalPERS board member J. J. Jelincic, is that these calculations occur in October, but there can

be a long period of time before there is a difference in an individual case.

- Thus unlike the provisions in the federal Social Security system, with CalPERS procedures there is a very slow response to inflation.
- Lastly, the PPPA is designed as a leveling benefit--meaning that in fact it can increase or decrease.

To see an example calculation, you will want to join the "My CalPERS" site at <https://my.calpers.ca.gov/>. Doing this involves a set of complicated steps necessary to protect your identity. But the PPPA fact sheet available at the site illustrates the mathematics which will determine the amount of your adjustment. The site gives the following example: if a person retired in 1980 with a pension of \$1,000 a month, that retiree would be eligible for a PPPA adjustment of \$198.74 in 2009, with the sum increasing slightly to \$208.13 in 2010.

Notice, of course, that this still reflects an unrecovered loss of 25% purchasing power over the years 1980 to 2010. There are two lessons here: first, it is a prudent choice to invest in a salary supplement program like a 403(b) account before retirement; and second, it is always wise to save your money when and if you can.

We invite your questions for this Q & A column. Please send these to: [dunnie10@sbcglobal.net](mailto:dunnie10@sbcglobal.net).

# Health Benefits Long-Term Care Update

(Continued from page 6)

date/event triggers the beginning of your deductible period, leading to your eligibility for long-term care service. Is it the date of a diagnosis or the date you enter the hospital, nursing home, or rehabilitation center for care?

**Partial CalPERS staff summary of the Long-Term Care Special Constituents Meeting April 14, 2011**

## Questions from the Constituents

*Q: Is there a waiver of premium when a member files a claim?*

A: Yes, there is a waiver of premium once the member meets his/her deductible periods, and the program begins paying benefits.

*Q: Are the long-term care staff separate from the CalPERS budget?*

A: Yes, only long-term care (LTC) staff are paid through the LTC Fund.

*Q: Is there any refund of premiums?*

A: No refunds are paid for a voluntary ter-

mination or no use of the benefits.

*Q: What are the current rate increases if you keep your coverage?*

A: Comprehensive lifetime with inflation protection will receive a five percent rate increase annually.

*Q: Is the program solvent? Where is the cut-off for funding – 2037?*

A: The CalPERS board and staff conduct quarterly reviews of the CalPERS Long-Term Care program to ensure financial stability and make adjustments when necessary. Things to consider: ongoing program improvements and projections that change due to a surplus or a deficit. The program reviews actuarial valuations quarterly.

*Q: How much is due to investments?*

A: The fund is invested according to a strategic asset allocation policy approved by the CalPERS board investment committee and investment results can vary.

*Q: When will the rate increase information letters be mailed?*

A: The letters are scheduled to be mailed on Wednesday and Thursday, April 27-28, 2011.

## CalPERS Long-Term Care Program, Request for Proposal Timeline:

- March 2011 – Issue request for information (RFI)
- April 2011 – Receive responses from RFI
- June 2011 – Complete Draft RFP
- August 2011 – Release RFP
- November 2011 – Bidder's responses to RFP
- December 2011– February 2012 evaluation of proposals
- March 2012 – On-site visits
- April 2012 – Interviews with HBC
- April 2012 – Board of administration awards new contract
- May – Jun 2012 – Contract negotiations
- July 2012 – Transition/implementation of new contract
- Jan.1, 2013 – Contract start date



# The National Crisis in Public Higher Education

By Bill Blischke, CSU-ERFA Liaison to the ASCSU

(The following is a summary of a presentation to the statewide Academic Senate by Dr. Gary Rhoades, general secretary of the AAUP, on March 17, 2011, followed by my commentary on his remarks.)

**Summary of presentation.** There have been dramatic changes in public higher education in the last 30 years. These alterations have transformed public colleges and universities in fundamental and possibly permanent ways. The four key dimensions of this crisis are changes in the structure of employment, costs, the stratification of access, and educational outcomes.

**The structure of employment** has changed significantly. Nationally, in 1988 two-thirds of public higher education faculty was tenured or tenure track. Thirty years later two-thirds are “contingent” or part-time faculty or full-time lecturers. The CSU exemplifies these trends. This change is related to the decline in college teaching as a middle class career. Another impending trend is the retirement of the baby boomer professoriate. On the positive side, this is leading to greater demographic diversity in the professoriate.

**The cost burden for students** has shifted from state and federal grants to tuition and loans. Many graduating students have a six-figure debt. As Rhoades said, “We are renegeing on our commitment as a country to invest in our students and our future.” This has been painfully true in the CSU and UC in the last 5-10 years.

**The third major change is a direct result of student cost increases.** Rhoades calls this the “stratification of access.” After significant gains in student diversity in the last 40 years, we have reversed the trend toward greater equality of opportunity. Instead we are “rationing higher education by class and race.”

**Educational outcomes are the fourth dimension.** In the last 20 years, graduation rates and student outcomes have declined while time-to-degree has increased. According to Rhoades, “Students pay more for less access to faculty and campus services and have less time for studying because they are working more to pay for their education.”

In conclusion, he said, “We face a choice: Do we accelerate down the current path? Or do we reorient to expand educational opportunity and more fully realize our country’s potential?” Given the current budget crisis in California, we are unfortunately “leaders” in these trends and are sacrificing access and quality to an unprecedented extent.

**Comments.** As a fellow sociologist specializing in the sociology of education, I would like to extend this analysis to a closely related societal change: the concentration of power and wealth and the con-

comitant “privatization of America.”

The consensus among most researchers on the **social class system** in the US is that wealth has become increasingly concentrated at the top in the last 30 years. The top 1% controls over half the nation’s wealth. The most astounding statistic is that the wealth of the 400 richest Americans equals that of the 150 million on the bottom. Because of mortgages, loans and credit card debt, millions of families have negative net assets, and it takes a lot of folks to equal one billionaire.

(Continued on page 11)

## CalPERS Report

(Continued from page 4)

CalPERS business partners. AB 873 will impose a two year waiting period on such activity. The board also endorsed SB 439 to prohibit pension fund board members from accepting gifts or \$50 or more in any year from anyone doing business with CalPERS.

Governor Jerry Brown’s office released the subject of proposals that he was prepared to support to end perceived public pension abuses as part of a package that would enable extension of the temporary sales and income tax increases to go on a special election ballot, but as of May, talks with

Republicans have not resulted in an agreement. Changes included:

- Eliminating the purchase of “airtime,”
- Prohibiting pension holidays for agencies and members,
- Prohibiting employers from paying required monthly member contributions,
- Prohibiting retroactive pension increases, such as formula enhancements that credit prior service,
- Prohibiting pension spiking and requiring all pensions to be based on the highest three years or 36 consecutive months,
- Using base pay or the normal rate of pay only, not vacation pay or accumulated bonuses.

## What’s Happening With the Budget?

(Continued from page 7)

who can fund these things with pocket change! And public employee groups will have to raise similar amounts to fight back.

**On the plus side,** there are a few things that can be done in a proactive manner. One is a split roll initiative on Prop. 13, which would keep the limitations on homeowner property taxes but allow commercial properties to rise with their market value. Another is agreement on public pension reform that would fall short of imposing a defined contribution system, but still control costs and avoid the most egregious and highly publicized abuses in the current system.

**If none of these work,** or if no more creative solutions arise within the next few

months, all is not lost. In the worst case scenario, an unmitigated all-cuts budget with no additional revenue would become reality. We would then have a real-life opportunity to personally feel what daily life would be like with seriously reduced state government services. It will be a matter of life and death for some, or varying degrees of inconvenience for others. Anyone want the kids around the house for an extra month? Or how about calling your minority party legislator if you need a cop? Or everyone get to work and fill the potholes on the street in front of his own house? Or join together in volunteer urban fire brigades?

If this turns out not to work so well, we will have to look to serious reform of California government to bail us out. And that is on the horizon.

# ASCSU Report: Has Access Been Thrown Over the Bridge? By Bill Blischke, CSU-ERFA Liaison to the ASCSU

The penultimate meeting of ASCSU for 2010-11 academic year was held March 17-18 at the Chancellor's Office.

**The budget.** Given the current unprecedented fiscal crisis in California, one unavoidable topic was potential budget cuts in the CSU. The Governor's proposed budget includes decreases of \$500 million for the CSU, \$500 million for UC and \$400 for the community colleges. Higher education's slice of the general fund has decreased from approximately 14% in 2000 to about 8% this year. CSU faculty, staff and administrators are straining to serve 70,000 more students with essentially the same level of funding we had a decade ago. Anyone who doesn't get an immediate response to whatever they need should take into account the workload and understaffing that is affecting every aspect of our campuses.

**Chancellor Reed remarked,** "We will throw access over the bridge to protect quality." In my view, both have already been thrown over the bridge. Class size has increased dramatically, workloads for everyone on campus have escalated, salaries have decreased through enforced furloughs, etc. With significant increases in tuition (when I was on the CSU Senate in the '70's, the PC term was "student fees" and "tuition" was a four-letter word), the students are paying more for less.

**Mental health.** One other astounding statistic cited by the Chancellor is that 40-50% of our students visit campus student health centers for mental health reasons. Chancellor Reed also said that if the initiative to extend current taxes does not reach the ballot and/or is not approved by the electorate, the consequences for the CSU would be "absolutely devastating."

**The Executive Vice Chancellor and CFO,** Ben Quillian, supplemented the picture. He said, "All, and I mean all, options are on the table if existing taxes are not extended....The changes will be transformative." The somewhat good news I heard from EVC Quillian was that the strictly formulaic (i.e. FTES-based) approach was being altered to consider other factors." What other means of determining campus budget allocations will be used was

unclear.

**Faculty trustee.** As I reported previously, our former governor did not appoint either of the nominees for faculty trustee sent to him two years ago. (CFA and ASCSU attend the BOT public meetings and comment on relevant issues.) The committee to solicit and recommend nominees for the 2011-13 term was once again chaired by our very able and experienced emeriti representative, Harold Goldwhite. Bernadette Cheyne (Humboldt) and Steve Stepanik (Northridge) were selected and their nominations were forwarded to Governor Brown. The latest information I have is that they have both been interviewed by the governor's office, and an appointment is imminent. A related first-reading item to be acted on at the May meeting will recommend to the governor the addition of a second faculty trustee to the BOT with a term of appointment staggered so that the lack of a formal faculty voice on the CSU governing body would be less likely to occur.

**Presentation.** An important presentation on major national trends in higher education, all of which are reflected in California and the CSU, was made by Dr. Gary Rhoades, General Secretary of the AAUP. (A separate article on p. 9 summarizes these remarks and my comments on them.)

**Action items.** ASCSU considered over 20 items and acted on 11 of them. The others will be acted upon at the final meeting of the year on May 5-6. The major resolutions are summarized below:

**SB 1440.** One of the most important academic issues (budgets necessarily dominate, but we are still academic institutions) was the implementation of SB1440, the AA Transfer Degree. AS-2998-11 commended the Academic Senate of the California Community Colleges (ASCCC) for their collaboration in the development, implementation and oversight of the transfer degrees through joint committees that have been formed. It also encouraged further collaboration with the University of California Academic Senate. SB 1440, though not welcomed by many faculty members, has encouraged unprecedented cooperation among the senates of the three segments.

A related resolution urges the campuses and the Chancellor's Office to provide the necessary funding for the implementation of SB1440. The transfer degrees require very time-consuming, intersegmental, discipline-specific curriculum development and agreements. With the increased class size and workloads of faculty in both systems coupled with the fiscal crisis, it is an extremely difficult time to make these complex changes.

**Library resources.** In "CSU Libraries: Revisiting the Standards" the authors maintain that most of our libraries fall seriously short of standards regarding staffing, space, collection size, etc. Though the CSU administration has repeatedly requested additional library funding in its budget, the state has been unwilling or unable to provide it. As a result, this absolutely vital university resource has deteriorated significantly!

**Academic freedom statement.** There is a serious omission in the constitution of ASCSU that was brought to their attention by recent national controversies and the remarks of Dr. Rhoades referred to above. The constitution fails to address directly the issue of academic freedom! (I surmise that we have simply taken it for granted all these years.) The resolution (AS-3003-10/FA), passed unanimously, recommends adding the following statement to existing language in the preamble (proposed amendment underlined): "It shall be the purpose of ASCSU to promote academic excellence in the CSU; to uphold and preserve the principles of academic freedom and protect freedom of inquiry, research, teaching and expression both inside and beyond the classroom, as set forth in the AAUP 1940 Statement of Principles on Academic Freedom and Tenure." To be ratified, this amendment must receive a majority vote systemwide and a majority vote of the votes cast at a majority of the campuses.

**Clickers.** Student Response Systems (often called SRS or "clickers") are being used increasingly by faculty in the CSU and throughout higher education. Current practices frequently require students to purchase multiple clickers at up to \$40 each. They are often used for only one  
(Continued on the next page)

# The National Crisis in Public Higher Education

(Continued from page 9)

The most significant consequence of the concentration of wealth is what I call the “privatization of America.” The “haves” use private schools, private clubs, private security in gated communities, private toll roads etc. We have even privatized war to some extent by hiring private security forces in Iraq and Afghanistan. Meanwhile, public services for the rest of society are being cut to the bone. Higher education’s major feeder institutions, public K-12 schools, are being devastated and laying off tens of thousands of teachers and staff. In wealthy districts, private donations to education foundations offset much of the decrease, an example of privatization spilling over to the public sector.

While lowering taxes for the top rungs of our society, we are **cutting or eliminating vital public services for the neediest** nationally and in California. In the process, the middle class, one of the major political stabilizing forces in society, is declining rapidly. Since economic power can, and in our society recently has, been translated into political power, the public sector has been under attack. The collective bargaining rights of faculty and other public employees have been under attack by the governors and legislatures in Wisconsin, Ohio, Indiana and other states. Academic freedom has been threatened in Idaho and elsewhere. Unions have been virtually eliminated from the private sec-

tor; now it is our turn!

In higher education, we are blurring the distinction between public and private colleges and universities. Both types of institutions receive federal student aid and research grants. And both have fundraising from private individuals and corporations as a major goal. In the CSU in recent years, one of the qualifications for campus presidents has been a solid track record in garnering non-government monies. The dramatic escalation of student fees in public universities has narrowed the gap in cost between them and their private counterparts.

One of the most important forms of privatization as far as CSU-ERFA members and our counterparts in other similar programs are concerned is **the effort to change retirement programs for future faculty** (those now retired have relatively binding contractual guarantees) from defined benefit to defined compensation programs. When unions disappeared from private companies, retirement and health benefits were lowered or rescinded as well. The political initiatives designed to privatize Social Security, CalPERS and many other public employee benefit programs are in full swing. This will tie retirement to the health of the economy and the financial acumen of the retiree. The recession we are in provides a dramatic lesson in that regard.

**Though we as retirees** are somewhat

immune to these changes, if we care about our society and the institutions where we spent our careers, we will act collectively to put us back on the right path. I recognize that many of The Reporter’s readers will disagree with my analysis. One of my purposes is to stimulate dialogue on these issues through letters to the editor. Freedom of speech and the open exchange of ideas are the most precious value and tradition of the academy. We hope to hear from you.

## The Senior Texting Code

Since seniors are texting and tweeting, there appears to be a need for a STC (Senior Texting Code):

ATD: At The Doctor’s  
 BTW: Bring The Wheelchair  
 BYOT: Bring Your Own Teeth  
 CBM: Covered By Medicare  
 CUATSC: See You At The Senior Center  
 DWI: Driving While Incontinent  
 FWB: Friend With Beta Blockers  
 FWIW: Forgot Where I Was  
 FYI: Found Your Insulin  
 GGPBL: Gotta Go, Pacemaker Battery Low!  
 GHA: Got Heartburn Again  
 IMHO: Is My Hearing-Aid On?  
 LMDO: Laughing My Dentures Out  
 LOL: Living On Lipitor  
 LWO: Lawrence Welk’s On  
 ROFL...CGU: Rolling On The Floor Laughing ... And Can’t Get Up

## ASCSU Report - Access vs. Quality?

(Continued from the previous page) course. This resolution (AS-3007-11/AA) supports one passed by the California State Student Association and calls for standardization of these devices as well as other changes to reduce student expenses and other problems associated with this new technology. One of my young colleagues quipped that simply having students raise their hands in the old-fashioned way was preferable. Just because it is new technology does not mean it is pedagogically useful.

**The politicalization of the academy.** Academic senates, unions and individual faculty are under attack in a number of

ways nationally. The resolution regarding academic freedom cited previously was one indication of this trend. In addition, ASCSU unanimously condemned the Idaho State Board of Education for its retaliatory suspension of the Idaho State University faculty senate because it conducted a faculty vote of no-confidence in its president and refused to endorse a reorganization plan promulgated by the board (AS-3010-11FA/FGA/AA). Furthermore, the CSU Academic Senate expressed strong support for public employees and unions across the country with AS-3021-11/FA/FGA, which stated, “Resolved that ASCSU – as a body legally constituted to represent CSU faculty, one

of the largest groups of public sector employees in California – strongly support the college and university faculty whose collective bargaining rights are currently under threat by the legislatures in Wisconsin, Ohio, Indiana and other states who, along with other public employees, are being unfairly targeted as a cause of their state’s budget difficulties....” Clearly, CSU-ERFA must join this nationwide battle to protect the academy!

As always, go to the ASCSU website for further information on the topics cited above as well as the other items not reviewed above or send me an email at: [wblischke@csudh.edu](mailto:wblischke@csudh.edu).

## CSU-ERFA New Members

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

Chico – Patrick W. Kopp

East Bay – Judith Faust  
Jane E. Lopus

Long Beach – Richard D. Wollmer

Los Angeles – Stephanie E. Edwards-  
Evans

Sacramento – Anne L. Whitteaker

San Francisco – Richard L. McCline

San Jose – Robert J. Cullen

San Luis Obispo – Eugene D.  
Fabricius

Sonoma – Floyd L. Brooks

Stanislaus – Nancy J. Taniguchi

## CSU-ERFA on Facebook Letter to CSU-ERFA

(From page 3)

Thomas Spencer of ERFA at San Francisco State since that is the nearest campus to where I am now residing. I shall attend their next meeting on March 17, and if there is any interest on their part, I would be happy to present a Power Point presentation of my research results at a future meeting.

Again, my sincere thanks to each of you.

Sincerely,  
Norma Tarrow, Ph.D.  
Professor Emeritus  
California State University, Long Beach

### And They Ask Why I Like Retirement

**Question:** How many days in a week?  
*Answer:* 6 Saturdays, 1 Sunday.

**Question:** When is a retiree's bedtime?  
*Answer:* Three hours after he falls asleep on the couch.

**Question:** How many retirees to change a light bulb?

*Answer:* Only one, but it takes all day.  
(More to come next month!)

Alternatively, you can go to the CSU-ERFA website homepage (<http://csuerfa.org>) and click on the Facebook box in the lower left corner of the page. Then log in with your Facebook user name and password.

In either case be sure to click on the "like" button at the top of the CSU-ERFA Facebook page. That will ensure that items posted there will appear on your Facebook news feed. Then feel free to add your comments to the CSU-ERFA items that you read. If you have any difficulty accessing the Facebook page, contact our Webmaster Mark Shapiro, who will help.

## 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