



Publication of the California
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Emeritus and
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Association
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Health Benefits Report: The Best or Worst, of Times?

By David F. Humphers

This month's report begins with a quote from Charles Dickens' *A Tale of Two Cities*, 1859. Dickens provides the perfect language to describe the current status of health care in the United States:

*It was the best of times,
it was the worst of times...,
it was the season of Light...,
it was the winter of despair.*

Faculty Pension/Health Insurance.

California State University retired faculty enjoy "the best of times" with defined benefit pension and life-time health care. Yet there are conditions abroad that may bring on "the winter of despair" for some of our colleagues.

After a decade of double digit increases in health plan premiums, CalPERS announced single digit premium increases

for 2009, and we applaud that accomplishment.

A few months later we learned from a *Wall Street Journal* report (Oct. 9, 2008) that health care premiums, nationwide, are expected to rise less than 8% in the coming year because the federal administration is using Medicare funds to subsidize high-end health insurers, enabling them to lower their premiums, thereby providing flexibility for employers to either reduce health care benefits or drop their employer-provided health care entirely.

The reduced premiums are part of a "smoke and mirrors effort" (my attribution); premiums may be lower but beware of out-of-pocket costs. The deductibles and co-payments may look like an "a la carte" menu.

We've had calls for help from members
(Continued on page 8)

CalPERS and the Stock Market - Is Your Pension Safe?

CalPERS' investments have been hit, as have everyone's, by the recent turmoil in the stock market. The CalPERS investment fund that reached over \$250 billion at its peak is down to less than \$200 billion, with a loss of 23% from July 1 to the end of October. Is your retirement pension safe?

The blunt truth is that it is as safe as almost anything is in the United States in this financially tumultuous period. Your pension is guaranteed by law and is not

dependent on the value of CalPERS' investments. While CalPERS' investments are not guaranteed by the FDIC or the Pension Benefit Guarantee Corporation (the latter guarantees only private sector defined benefit pensions), pension benefits that CalPERS provides in California are provided by law and are not dependent on investments. In fact, CalPERS' strategy is to stabilize public sector employers' contributions to the pension fund by spreading

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Retired
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2008-2009**

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Liaisons

H. Dieter Renning (ST)	CFA
William Blichke (DH)	CSU Academic Senate

Administrative Staff

Linda Zimmerman, Office Manager
Paige Stern, Admin. Assistant
The Retiree Center
18111 Nordhoff Street
Northridge, CA 91330-8339
Phone: (818) 718-7996
Fax: (818) 718-7680
Email: csuerfa@csun.edu
Web site: www.csuerfa.org

From the President..

It's all about the Web page. I've said it frequently and I'll say it again. Right now, for instance. You are receiving timely information on the risky combination of booming enrollments and careening resources, but you should not wait for the next issue of *The Reporter* for the next episode. If ever there was a time to turn to CSU-ERFA's website to remain up-to-date on events in the California State University and Sacramento, this is the year. Webmaster Mark Shapiro regularly adds gems of current information on the budget and its impact on your former colleagues. The printed page can't keep up with your need to know what is happening to state budgets and CalPERS investments.

Constitutional Amendments. And while you are thinking and worrying about the future, don't overlook the constitutional amendments that accompany this issue. One of them (you can tell which one) hopefully will help enable CSU-ERFA to cope with the changing numbers with greater success.

Association of Retirement Organizations in Higher Education (AROEHE).

I spent the final weekend of October attending the meeting of the Association of Retirement Organizations in Higher Education at USC. It ended the day before the copy deadline for *The Reporter*, so this comment must be brief.

The meeting was so full of good ideas and intriguing projects that I regretted that I had never attended before. I'll have to admit that USC was a more appealing destination for me than Indiana, Tennessee and Arizona, where prior conventions were held, and even Connecticut where they will next meet in 2010. CSU-ERFA council member Norma Summersgill from San Diego State was honored as she retired from the AROHE board. She had attended every meeting of the organization.

Keynote Address. The keynote address by Helen Dennis so effectively described the contributions of retirees to society and to their institutions that I wished current university administrators could have been there to hear it. There were scores of retired educators who profited from the added detail but were already convinced regarding her basic message.

The Vice President who welcomed the group to USC was on his way out of the ballroom and back to his office when she began speaking. Because she is a resident of Los Angeles County she is someone to be considered when you are seeking an inspirational presentation.

Other speakers and topics were of such relevance that I have forwarded the program to Ted Anagnoson in case some ideas have relevance for *The Reporter*. Later I'll ask Don Cameron to send copies to the Executive Committee and campus affiliates for similar reasons. After that, if anyone wants contact information I'll be happy to provide it.

UC Retirement Association. I met with Adrian Harris of UCLA who was founding chairman of the Council of University of California Retirement Association and has chaired the Council throughout its six year history. I had never been aware of CUCRA until then. Nor had the fame of CSU-ERFA reached his ears until I introduced myself.

--Don Dewey, President
CSU-ERFA

State News: Health Insurance in California

Dan Walters' blog (Sacramento Bee) recently discussed a Census Bureau report pointing out that California has the nation's 8th highest level of median household income at \$59,948 in 2007, but the 7th highest percent of its population without health insurance - 18.6%. Texas has the most uninsured, at 24.4%, followed by New Mexico, Florida, Arizona, Louisiana, Mississippi and then California.

We in California also have a statewide poverty rate of 12.4%, just about the same as the nation as a whole. Inside California we have a wide range, with poverty rates ranging from "a Mississippi-like 23.7% in Tulare County to 5.9% in San Mateo County."

State Council Sends Const. Amendments To Members For Ratification

The State Council fall meeting was held October 18, 2008 at the Crowne Plaza hotel near the Los Angeles airport. Thirty-six delegates representing 16 CSU campuses heard reports from officers and committee chairs.

Among the more important items were the following:

Two constitutional amendments were recommended to the full membership for consideration. One amendment would change the definition of members from "all full-time tenured faculty" to "all retired California State University faculty who are CalPERS annuitants." An increasing number of faculty who are eligible for CalPERS retirement have been long-time part-time or full-time temporary faculty who never held a tenured position. The proposed new language will enable those faculty to become members of CSU-ERFA. Other faculty or staff who have been granted membership in one of the campus affiliates will continue to be eligible for CSU-ERFA membership.

The other amendment revises language regarding the location of the two annual State Council meetings to bring the Constitution into compliance with recent practice, when meetings have not always alternated between a Northern and Southern California location. These two amendments will be submitted to the membership in a mail ballot in November.

Treasury. 2007-08 Treasurer Don Cameron reported a healthy surplus of income over expenses for the 2007-08 fiscal year. Current Treasurer Mark Shapiro reported on several changes in fiscal practices and indicated that through the first quarter of the 2008 - 09 fiscal year, the association is on track to record another year of income exceeding expenses.

The Pre and Post Retirement Committee announced plans for an extensive survey of campus affiliates. The most recent survey was conducted in 1997.

Personnel procedures, including position descriptions for the three salaried positions (Executive Director, Office Manager, and Administrative Assistant), have been developed and approved by the Executive Committee. Annual evaluations of all employees will be implemented in the first quarter of 2009.

The tours to Spain and Dubai/Oman that were announced in the August *Reporter* have generated considerable interest. Because participation is limited to no more than 20 persons on each tour, those interested are urged to respond soon. "The Best of Dubai and Oman" tour is scheduled for March 30th to April 9th in 2009, and the tour of Northern Spain is scheduled for early May.

Call Dan Crandall at Latitude World Tours toll free at 1-866-949-9940 x701 or email Dan at dan@latitudeworldtours.com. There is also a World Wide Web link from the main CSU-ERFA web page at <http://www.csuerfa.org>.

Medicare Doctor Access Problems Highlighted

September's *AARP Bulletin* contains an article entitled "Where Have All the Doctors Gone?" Author Patricia Barry highlights several cases where people have had difficulties finding a doctor who will take new Medicare patients. In one case, in Salem, Oregon, it took two years to find a primary care physician who would take new Medicare patients.

A county-by-county study of access to primary care physicians by the National Association of Community Health Centers and the Robert Graham Center found that 56 million Americans live in areas that have inadequate access. Another study, by the Medicare Payment Advisory Commission (MedPac), found 3% of Medicare beneficiaries each year move and have problems finding a physician who will accept Medicare.

CalPERS and the Stock Market, Continued from page 1

market losses over 15 years, "reducing the impact of short term market volatility on employer rates."

A CalPERS' press release states that "rates for the fiscal year that begins July 1, 2009, will be based on the investment performance of the 2006-07 fiscal year for public agencies and 2007-08 for the state government and schools - not on the current fiscal year," according to Ron Seeling, chief actuary at CalPERS. Even a 20% negative investment return for the current 2008-09 fiscal year would not affect state and schools contribution rates until the fiscal year that begins July 1, 2010. It could be possible, according to Seeling, "to see an increase in rates that range from 2-4% of payroll."

CalPERS states that its investment portfolio is well-diversified with investments in public and private companies, real estate, bonds and other fixed income. "Since we don't have all our eggs in one basket, we can soften stock market losses by investments in other asset classes. Currently [as of late October 2008], our asset allocation targets are public stocks, 56%; bonds and other fixed income, 19%; private equity, 10%, real estate, 10%, and inflation linked (commodities, infrastructure, forestland, inflation-linked bonds), 5%."

CalPERS' historical rates of return vary considerably from one year to the next. Of the last 24 years, all but five showed a positive investment gain. (Figures are for the calendar years ending December 31st.) The five loss years were 1990, 1994, 2000, 2001, and 2002. Three of these declines were between 0.00% and -5%. Two of the declines were greater, at -6.2% and -9.5% in 2001 and 2002 respectively.

The positive gains, on the other hand, are in some cases spectacular. Placing each calendar year in a category of 5% yields the following table:

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“No Respite for the Righteous..”

CFA Report - by H. Dieter Renning

Since the new contract went into effect, everybody thought that was the end of bargaining for a while. Not so! And since the legislature passed and the Governor signed the state budget for this fiscal year, everybody thought the final numbers, unsatisfactory as they are, would stick. Not so!

Bargaining to Reopen. In the second week of October the California Faculty Association received an official notice from the Chancellor's Office that the administration wants to reopen bargaining on the faculty pay raises which had been negotiated for this fiscal year. This was not a complete surprise: It was well known that the administration has the right to call for new bargaining when CSU funding falls below a minimum level - which at this time is the level of the "Higher Education Compact" reached by the governor and the CSU a couple of years ago. The way things stand, the CSU budget for 2008-09 is \$215 million less than the amount promised in the "Compact."

How to prepare for the renegotiations, and for dealing with other possible consequences of the financial and economic problems facing the state and the country now, was a major topic addressed by the 69th CFA Assembly, held in Los Angeles on October 18-19.

More Cuts in 2008-09. Since the CFA Assembly, however, another blow has hit the CSU, and this one was less anticipated, if at all: On October 21 CFA learned from the Chancellor's Office that the Department of Finance announced a further cut of the CSU budget (called a "savings requirement") by \$31.3 million. The Finance Department's order specifies that the cuts should include "delays in planned expenditures" and should focus on "reductions that could become permanent" in areas that are "non-mission critical." It also states that there will be a "no-growth policy" for the 2009-10 budget.

In short, CFA has its work cut out to protect faculty salaries, faculty hiring, academic programs, etc., by dealing with the CSU administration and by arguing the University's case in Sacramento. All

of this will undoubtedly dominate the agendas of future CFA Board of Directors and Chapter Presidents meetings.

It should be noted that before this additional cut in CSU funding was announced, the process of developing the CSU budget proposal for 2009-10 had gotten underway. On September 16 the Finance Committee of the CSU Board of Trustees met to review the system's funding request for the next year. At that meeting, CFA President Taiz urged the Trustees to protect the CSU's base budget and to include funding in the next budget request to make up for the money lost this year. The full Board is expected to vote on the budget request at its November 18-19 meeting.

Resolution. At the CFA Assembly, several resolutions were passed by the delegates. The most ambitious one, entitled "A New Deal for a New Millennium for Higher Education," is aimed at elected officials at all levels, urging a new way of thinking about the role and funding of higher education, especially in light of the current economic crisis.

At the national level its specific recommendation is the adoption of a \$70 billion federal program to rebuild the nation's colleges and universities. And for California it calls for restoration of the \$215 million cut from the CSU budget (not counting the additional \$31.3 million mentioned above); providing for admission of the 10,000 students turned away this year due to budget constraints; and rolling back student fees to 2002 levels. CFA is to take this proposal to leaders in Washington, D.C. and in Sacramento, as well as to allies throughout the U.S. higher education community.

Another important resolution, passed unanimously, dealt with the UC Miguel Contreras Labor Program, funding for which the Governor vetoed. This program has provided California policy makers with valuable information about the impact of proposed state policies, such as health care reform and climate change legislation, on the state's economy and workforce. The resolution urges the Governor to restore the funding for this program in his January 2009 budget proposal. (You can read this and other Assembly resolutions at <http://www.calfac.org/resolutions.html>.)

[tions.html](http://www.calfac.org/resolutions.html).)

Guest Speakers. The Assembly also welcomed two guest speakers. San Francisco Mayor Gavin Newsom - it's assumed that he is a candidate for the California governorship in 2010 - spoke about his commitment to education and called for "public-public" partnerships between local governments and schools, in order to "leverage resources" for educational success.

Kent Wong, director of the UCLA Center for Labor Research and Education, presented a short documentary, entitled "underground undergrads," a collection of stories told by undocumented immigrant college students about their experiences after attending several years of public high school in California and applying for citizenship. (Go to <http://www.labor.ucla.edu/index.html> for more information.)

Addendum: CFA has just found out (Oct. 27) that the further \$31.3 million budget cut, about which the Department of Finance had notified the University administration, was NOT a REQUIRED reduction for the CSU, but rather a recommended "voluntary" give-back. That is, the Chancellor was not obligated to agree to this cut, but he did, and without consultation or protest. In his communication to the campuses about this matter, CFA charges, he "misled" the CSU community into thinking that he had no other option but to comply. At its website, <http://www.calfac.org/Oct08cuts.html>, CFA presents the relevant documents in this matter.

Calling CalPERS?

If you are calling CalPERS, the number is 1-888-CALPERS (225-7377). There is a new automatic call-back feature in effect if the wait is too long. CalPERS will call you back in the same order as if you had waited on hold.

Legislative Report

By Robert Bess, Chair, Legislative Committee

Finally, the 2006-08 legislative session has come to a close - almost. At this writing, the governor has called a special session. Two budgets were passed. The first was vetoed. Although CSU has not suffered as much as some, the compact between the governor and the system was not honored. The consequence is that many campuses do not have funds to cover growth. Early closure of admissions will be occurring on many campuses.

The best thing one can say about the budget situation is that widespread frustration might convince state government and the voters that serious effort must be undertaken to revise the process.

Good news. The budget mess aside, from our perspective there is more good news than bad to report. Former Assembly member Keith Richman failed to qualify yet another initiative to reduce benefits for future retirees. The Governor's Commission on Post Employment benefits completed its work in January. Aside from a handful of witnesses who took the opportunity to slam existing programs, the Commission stuck to its charge and completed a thorough review of funding and management of these programs. It concluded that state programs were generally in good shape. CalPERS' future obligations are virtually fully funded, as are most local agency retirement programs. Health programs offered by some participating local agencies are on a pay-as-you-go basis. Recent legislation has enabled CalPERS to receive and manage funds from agencies that wish to pre-fund, and it appears that the opportunity is being taken by many of these agencies.

Governor's Commission on Post-Employment Benefits. Two bills, SB 1123 and AB 1844, incorporate several Commission recommendations including steps to address cases of fraud more effectively and to establish various audit and reporting requirements. A related bill, AB 1296, was passed and signed earlier. It will require health plans to provide better information on claims and payments to service providers. This requirement is a major step in CalPERS' efforts to achieve greater transparency.

On the broader health front, little progress

is evident.

Reforming California Health

Insurance. SB 840, authored by outgoing Senator Sheila Kuehl, would have established a universal single payer health care system. It passed the legislature but was vetoed. Expect to see this return in the next session. After remaining neutral for some time because of the variety of related bills being considered, ERFA changed its position to favor this bill.

SB 1322 (Lowenthal). Last Spring, the Council passed a resolution that would have deleted a variety of provisions of law related to Communist party membership. These were remnants of the loyalty oath struggles of the 50's and were subsequently determined to be unconstitutional. Simply put, changes would have made the law properly reflective of actions by the Courts. This bill was introduced in the same time frame but was overlooked in preparation of previous Legislative reports. Although the Governor vetoed the bill, ERFA took a support position.

Governor's Veto Message. Governor Schwarzenegger's veto message read: *Many Californians have fled communist regimes, immigrated to the United States and sought freedom in our nation because of the human rights abuses perpetuated in other parts of the world. It is important particularly to those people that California maintains the protections of current law. Therefore, I see no compelling reason to change the law that maintains our responsibility to ensure that public resources are not used for purposes of overthrowing the U.S. or state government, or for communist activities.*

CSU Vision Program. SB 235, which extends the State annuitant vision care program to CSU, passed and was signed by the Governor. You should have received information from Vision Service Plan last month.

AB 2940. The surprise event of the session was AB 2940. It moved through the Assembly without difficulty, but died in Senate Appropriations. Its purpose was to enable CalPERS to establish IRA-type programs for both public and private sector employees. It was amended at least four

times. Most retiree organizations took no position on the bill. The Retired Public Employees Association (RPEA) took an oppose position in early spring, and the CSU-ERFA Executive Committee voted in July to oppose the bill. Members expressed mixed views on the merits of the program, but agreed unanimously that the numerous amendments and rushed hearings justified our opposition. Some shared RPEA's concern that this could be the first step in greater private sector influence over CalPERS.

Under The Radar. Meanwhile, a number of activities largely under the radar for most of us could have consequences for all CalPERS annuitants down the line. Chief among these is a lawsuit filed by the Orange County Board of Supervisors. It challenges the constitutionality of retroactive benefits. This will be a major case and will be with us for some time. Several employee organizations, state and local, have already planned to fund a vigorous defense. Several public agencies are looking at modifying their retirement programs. Some could move in the direction of defined contribution programs. Watch for more information about this and related developments over the next year or so.

Keeping informed. Finally, if you wish to keep informed about matters related to your benefits, I suggest that you check the CSU-ERFA website regularly. The website provides new information several times each week. It includes a copy of the biennial report to the State Council, which describes all of the bills, we have followed. If you wish to get more information about a particular bill, go to www.leginfo.ca.gov, enter the bill number, and you will find current information about status as well as a history of actions taken. I welcome inquiries from readers who wish further information by email. Write to me at rbess@sbcglobal.net.

Choice Quotes

--He had delusions of adequacy. Walter Kerr

--He has all the virtues I dislike and none of the vices I admire. Winston Churchill

--A modest little person, with much to be modest about. Winston Churchill

--I have never killed a man, but I have read many obituaries with great pleasure. Clarence Darrow

--Thank you for sending me a copy of your book; I'll waste no time reading it. Moses Hadas (More of these next issue.)

ASCSU Report

By Bill Blischke, CSU-ERFA Liaison

The CSU Academic Senate held its first meeting of the 2008-09 academic year on Sept. 11th and 12th. This was my first meeting as CSU-ERFA liaison. Like joining the CSU-ERFA State Council, it was a nostalgic experience. I served with many State Council members in the Senate in the 1970s.

What's Happening. Though I was unable to attend the Thursday afternoon one-hour Plenary Session, Harold Goldwhite graciously provided notes for me. The session was devoted primarily to a report by the CSU Academic Senate Chair, John Tarjan. His major points were:

--The proportion of tenured and tenure track faculty in the CSU has continued to decline,

--The Lower Division Transfer Pattern Project needs Senate attention (the project is an effort to coordinate our major courses at the lower division level with the community colleges),

--There will be a Senate Task Force created to focus on Career-Technical Education,

--The November Board of Trustees meeting includes the 2009-10 preliminary budget, and

--Craig Smith, the current Faculty Trustee, whose term expires July 1, 2009, will not run for re-election.

Chancellor Reed's Report. Most of the Friday Plenary Session was devoted to reports. Chancellor Reed reported on the ongoing budget negotiations. He mentioned that the CSU has resources to cover the \$260 million monthly payroll and \$12-14 million in vendor costs until December. He also stressed that we have 10,000 more students than we are funded for. The major initiative he described was a "Road to College" tour bus. This is an attractive, state-of-the-art vehicle fully funded by AT&T that will travel to high schools throughout the State to encourage and inform high school students regarding the "road" to CSU campuses.

Executive Vice Chancellor Gary Reichard's Report. Gary Reichard, Executive Vice Chancellor and Chief Academic Officer, gave a lengthy report and answered a number of, as always,

incisive Senate queries. He informed us that the Chancellor's Office is in the process of searching for a Statewide Continuing Education Dean and an Associate Vice Chancellor of Academic Affairs. He provided an update on the controversial "Accountability Plan for Access to Academic Excellence." (I will keep you informed about this contentious issue.) Gary also informed us that there will be fourteen Ed.D. programs in the CSU by 2009, enrolling over 300 students. Other joint doctoral programs are being explored.

Faculty Trustee Search. The Senate elected the Faculty Trustee Nominating Committee (the five Senators who will vet the candidates to replace Craig Smith). Harold Goldwhite, a member of the ERFA State Council, was the first one elected and, eventually, became chair.

Budget Resolution. Since this was the first Senate meeting of the academic year and there were no carry-over action items, there was only one substantive issue at stake. Not surprisingly, it was titled "CSU Budget Priorities for 2009-2010." Even less surprising, it strongly urged the Chancellor's Office and the Board of Trustees to adopt a budget that "fully funds 2006-08 enrollment growth, the 2008-09 Compact agreements and Additional Budget Challenges." The latter includes \$168.5 million in long-neglected budgetary needs. The CSU budget has been vastly under-funded for years and the current economic crisis does not bode well! The item passed unanimously.

First Reading Items for the Next Meeting. The first reading items were titled, "Advocacy for the CAU" (continue our coalition with the broad alliance of CSU organizations), "Support for Policy Changes on Sub-Programs: Minors, Options, Concentrations, Special Emphases," and "Efforts to Encourage California Community Colleges Lower Division Transfer Pattern Project." I will answer questions regarding these items if requested. These items will be voted on at the November meeting. If you have any questions, feel free to email them to me.

William R. Blischke wblischke@csudh.edu

CSUDH Chapter to Hold Annual Fall Colloquium Nov. 18

The CSU Dominguez Hills Emeritus Faculty Association will hold its 10th Annual Emeritus Faculty Colloquium on Tuesday, November 18 in the CSUDH Loker Student Union. Emerita Frances Steiner is the featured speaker. She is Emeritus Professor of Music at Dominguez Hills and has been the Music Director of the Chamber Orchestra of the South Bay since its inception. She also conducts the Carson-Dominguez Symphony, and she has had numerous guest conducting appearances. Her topic is "What is the Work of a Musical Director/Conductor, or, Why are They Paid Nearly Two Million Dollars a Year for a Part-Time Job?"

CalPERS, From Page 3

0%-4.9%	1 year
5%-9.9%	1 year
10%-14.9%	7 years
15%-19.9%	5 years
20%-24.9%	3 years
25%-29.9%	2 years

CalPERS states that its strategy during downturns is to handle them as it has handled others in the past, "by holding our investments and providing liquidity to the market" and thus playing a key role in its recovery. The fund states that it also identifies "buying opportunities" in this environment, "taking advantage of high-quality fixed income investments," and using the downturns in stock market slumps to reposition its portfolio for post-slump gains. Past crises, such as the savings and loan problems of a few decades ago, the big real estate slump of the early 1990s ("when we bought cheap properties for big cash-outs later"), and the recession of the early 2000s, were all used as floors to build for post-recession gains. In the case of the early 2000s, CalPERS lost \$50 billion "on paper and rebounded with a \$120 billion gain over the next four years."

For the size of the CalPERS investment portfolio each day, see the main CalPERS web page at <http://www.calpers.ca.gov>, in the right column. In the next issue we'll discuss what the stock market problems might mean for new state and local employees.

CSU-ERFA New Members

Chico - Diane L. Chatlosh Peter L. Cruise	Long Beach - J. Kay Bailey	San Jose - Kenneth Dorst Frederick Spratt
East Bay - John M. Chavez	Northridge - Stephen Montgomery	San Luis Obispo - Michael M. Cirovic
Fresno - Edward E. Nelson	Pomona - Henry B. Brock Jr.	Somoma - James E. Gray
Fullerton - David G. Laquay	Sacramento - Steve V. Gregorich Jean E. Torcom	Stanislaus - Nancy J. Clark Kent C. Richmond Evan M. Thompson Joan Wink
Los Angeles - Neda S. Fabris Terry R. Kandal	San Diego - Terry L. O'Donnell Albert Ochoa	

News from the Campus Affiliates

San Jose. On Oct. 23 the San Jose State EFA held its annual fall luncheon. Don Keeseey reports that about 80 people heard Dr. Eric J. Vettel, the Executive Director of the Woodrow Wilson Presidential Library and a former San Jose State student, talk about the significance of some recently discovered letters to, by, and about Woodrow Wilson.

On December 12, the SJSU EFA will hold its annual Holiday Celebration open house on campus.

Northridge ARF. Francine Hallcom reports that Northridge's first meeting was held September 10th. James Overman, Director of Program Production for NBC, was the guest speaker. Mr. Overman told numerous tales about the perils of being a program director. As it happens, James Overman was a graduate of the Broadcasting Department at CSUN back in the 60's. The session was filled with laughter and reminiscing.

On October 8th ARF met again and had as its guest speaker Eileen Crimmins from the USC Leonard Davis School of Gerontology. Dr. Crimmins spoke about her extensive research on memory and aging. Each guest speaker session was attended by approximately 35 ARF members. Dr. Crimmins topic raised a great deal of discussion and interest. Therefore, the Program Committee is currently working on getting another speaker on this topic for next year's lecture series.

ARF is looking forward to three other speakers in the speaker series this year and to the January Banquet, which will feature a barber shop quartet entertaining the group. There is also a field trip

planned to the historic Gamble House in Pasadena in the spring.

Sonoma. Sonoma's retired faculty association meets quarterly. A small group of Sonoma retirees received a grant from ERFA to produce an SSU history, including memoirs of "old timers" about our early years to be published in time for our 50th anniversary. Most of our luncheon speakers are writers of the memoirs. On September 11th, John Palmer, driving force behind the book, reported on its progress, and then the attendees toured the newly opened music center.

East Bay. The fall luncheon was held on Thursday, October 30, at Dino's in Castro Valley. Senator Ellen Corbett spoke about finances and the current situation in Sacramento.

CSU East Bay President Mo Qayomi held a reception for ERFA members to introduce the new librarian on October 14 at the Biella Room in the Library. The President, Vice President Michael Mahoney, Head Librarian Linda Dobb and the chapter chair made remarks. Beatrice Pressley also reports that the campus affiliate has established an endowment for the library.

Sacramento. Alan Wade from Sacramento reports that "the Annual Dinner is scheduled for Friday evening, November 14, at the campus Alumni Center. In recent years, we have not had speakers - instead, we have arranged for a series of musical entertainment features performed by students and faculty from our Music Department. This year we will be enjoying a 'Broadway Review'. Our members want entertainment, not edifica-

tion or erudition, which is fine with our Board. Bob Bess serves as program planner. Our focus remains on entertainment, but with the added benefit of seeing our talented students and faculty in action. We will be enjoying a buffet dinner provided by the campus catering service, at a cost of \$35 per person, and are expecting an attendance of 50 or more."

Los Angeles. The Los Angeles affiliate had a very successful meeting as its first major activity of the 2008-09 academic year. Some 40 members gathered on October 17, 2008 at the new Herzberg-Davis Forensic Sciences Building on campus. This facility combines the Forensic Sciences Program of the University; the Los Angeles Police Department's forensics laboratories; and the Los Angeles County Sheriff's Department's forensics laboratories.

The fascinating tour included visits to the studio where crime scenes are created for student investigation, including stained carpets and blood spatters from gunshot wounds, the biology and chemistry laboratories replete with advanced instruments, as well as a DNA laboratory.

Following an excellent lunch, we were both entertained and enlightened by a talk by Dr. Beatrice Yorker, Dean of the College of Health and Human Services at CSULA, on "The CSI Effect," which weighed the positive and negative effects on our legal system of the popular CSI television programs. Dean Yorker, formerly of San Francisco State University, is a leader in the field of forensic nursing, conducting research on crime in hospitals and advocating for victims of violence.

CalPERS Health Benefits Report

Continued from p. 1

who were caught in this trap. A CSU-ERFA member signed up for a lower premium Blue health plan because he could afford the \$2,000 deductible for surgery. Months later he needed surgery and paid the \$2,000 deductible. A few months after the surgery, he called the CSU-ERFA office for help because he was still receiving bills.

He paid the \$2,000 deductible, but had received bills for an additional \$30,000 plus. At a CalPERS meeting I learned from a representative of that health plan that the plan with the \$2,000 deductible is very popular because of its modest premium. He explained that the premium is low because the insured member shares the cost of care, including the \$2,000 deductible for surgery, plus co-payments of 20% of the total cost of the surgery. The health plan representative concluded, "Gee whiz, he should have read the entire contract."

Unfair Cancellations Still Happen.

The Sacramento Bee (July 18, 2008) reported that California regulations prohibiting illegal and unfair termination of health insurance policies are being enforced. Cindy Ehnes, Director of the State Department of Managed Health Care, announced that Anthem Blue Cross will pay a \$10 million fine and Blue Shield a \$5 million fine for unfairly canceling policies after insured members submitted expensive claims. In addition to Blue Shield and Anthem Blue Cross, three other large California health plans have paid fines this year for illegal or unfair termination of policies.

When is Success Not Success? While CalPERS was applauded for success in negotiating premium reductions for 2009, CalPERS was blamed for the private market 12% increase in 2009 HMO premiums in California and the west. Jon Ortiz, writing for the Sacramento Bee (July 17, 2008), reported that Hewitt Associates, an Illinois consulting firm, issued its HMO premium rate study reporting a 12% increase in California and the west. Jeff Smith, Hewitt Associates consultant and leader of the rate study, said, "For those (less expensive) plans to be offered to CalPERS, they have to be subsidized by the private market ... it's basic cost shifting." In my view, CalPERS' success in

negotiating premium increases at half the rate of the private market demonstrates the effectiveness of the "single payer" system in controlling costs.

It May Get Better. In July Congress rejected the administration's effort to reduce payments to physicians who treat Medicare patients. Congress also rejected the administration's plan to use Medicare funds to subsidize "high-end" health insurers.

Medicare Changes. Congress made important changes in the federal Medicare program and had the votes to override the president's veto. The *Wall Street Journal* (July 17, 2008) described how the changes in Medicare affect patients:

- Improvements in preventive care enable new Medicare participants to get a physical exam.
- Out-of-pocket payments for mental health treatment were reduced from 50% to 20%, achieving parity with the co-payment for regular doctor visits.
- Coverage was added for anti-anxiety and sleep drugs.
- Rehabilitation coverage was added for pulmonary illness.
- Finally, the Medicare amendments encourage physicians to switch to electronic prescribing.

If you would like to see a thorough evaluation of the recent Medicare amendments, see John Iglehart, "Medicare Showdown," *New England Journal of Medicine* (July 16, 2008). www.nejm.org.

Private Contracts and Unintended

Consequences. A word of caution for those of you not enrolled with a HMO and having difficulty finding a physician who accepts Medicare "assignment." See p. 35 of *Medicare & YOU*, 2008 (p. 48 in the 2009 ed.) for an outline of payment arrangements for providers who do not accept Medicare "assignment." The unintended consequence is that if you sign a "private contract" with a doctor or other health care provider who does not provide services through the Medicare program, Medicare will not pay any amount for services from this provider; nor will a Medigap policy pay for services from this provider. Signing the "private contract" means that you pay the entire bill.

CSU Voluntary Retiree Vision

Program. The CSU Chancellor's office announced on August 27 that the effective implementation date for the Voluntary Retiree Vision Program administered by VSP is January 1, 2009. VSP mailed open enrollment information to retirees in October. Pamela Chapin, CSU senior benefits manager, requests that retirees not contact the CSU until after receiving enrollment information from VSP.

Some health plans cover ophthalmology and optometry, plus a vision hardware benefit. Before signing up for the Voluntary Retiree Vision Program, check with your health plan to determine what vision care services are already covered.

Health Plan Open Enrollment. The CalPERS open enrollment period for 2009 health plans was September 15 through October 10. If you did not receive the information packet outlining your current health care coverage plus information about other available health plans and premium rates, contact CalPERS at 888-225-7377.

Rural Subsidy? The Rural Health Care Equity Program ("Rural Subsidy") was established to provide reimbursement of health care expenses for state employees and annuitants who do not have access to a Health Maintenance Organization (HMO). The Rural Subsidy provides a supplement for the more expensive PPO health insurance in rural areas. Over the past decade the number of HMOs accessible to CalPERS members has declined.

Ten years ago there were ten HMOs in the Sacramento region; now there are two. CalPERS approved Blue Shield's terminating their HMO in five rural California counties within the past year. The governor and legislative budget committees placed the Rural Subsidy on the chopping block. The termination will yield a saving of about \$13 million.

The CSU-ERFA Executive Committee at the July 2008, meeting adopted a resolution opposing termination of the Rural Subsidy. Executive Director Don Cameron notified each affected CSU-ERFA member and encouraged each one to contact their

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Retiree Profile

We continue with our series of CSU-ERFA retiree profiles, focusing on what retirees have done during retirement. Suggestions for others to profile should be forwarded to the editor.

Anthony Arthur, CSUN

I retired in 2002 after teaching American literature and writing at Cal State Northridge since 1970. During that time one of my interests was in developing a writing course and intern program that would help English majors find jobs after graduation in careers other than teaching, including journalism, public relations, and business. I drew on my own pre-academic experiences working as a newspaper reporter and writing for a corporate magazine to teach this course, and also tried my hand at non-academic or "trade" publishing, hoping to serve as a role-model of sorts for my students.



Anthony Arthur

I published two books in the 1980s about World War II in the Pacific, a third in 1990 about the Anabaptists in 16th-century Germany, and another called *Literary Feuds*, in 2002. All were published by St. Martin's Press. That was fun, but by now--at 65!-- I felt ready to try my hand at writing full-time, a much easier prospect to face than it would have been before having the CalPERS retirement income in hand. I had found a new subject, the muckraker Upton Sinclair, and a new challenge, writing a biography that would require my attention for several years.

I have to say that I am not among those who feel a continued need to be in the classroom; even while I was still teaching, I enjoyed most the unanticipated thrills of on-the-ground research for books and articles, for example, going through the Malinta Tunnel on Corregidor, seeing Jan van Leyden's cage in Münster, and learning why there's a statue of a WWI American general in the middle of Budapest. Once I retired, I was able to devote all my time to a much more ambitious project of a different kind--the biography called *Radical Innocent: Upton Sinclair*, published by Random House in 2006 (the 100th anniversary of the appearance of *The Jungle*).

I soon found myself so immersed in the research and writing of the book that my teaching career seemed to be a distant, pleasant memory of a great job that paid me to tell a captive audience about books that I liked and worried that somebody might find out and take it away from me. More seriously, I realize constantly that the reading and writing skills I developed as I was teaching have helped me immeasurably in my own writing. For those who are curious about Sinclair or the other books, my web site at

www.anthonnyarthur.net includes the reviews as well as an article I wrote for the *New York Times Book Review* on *There Will Be Blood*, which was based on Sinclair's novel, *Oil!*

I'm off now on a new project for Random House, a book about Confederate exiles at the end of the Civil War tentatively called *To Mexico and Back*. I still don't think

of myself as a professional writer, because that designation belongs to people who make their living at it. But the work keeps me active mentally and even socially, which is something we all aim for and find in our different ways. After all, as Upton Sinclair either said or should have said, if you don't keep moving they throw a sheet over you!

Voluntary Vision Plan Open Enrollment

As a result of SB 235, signed into law in Fall 2007, CSU has made available the VSP vision plan for CSU retirees and their dependents, with open enrollment from October 15th until December 1, 2008.

The plan is fully funded by the retiree participants who choose to enroll in the plan, with no state or CSU subsidy. The rate for the retiree alone is \$9.19 per month, for the retiree and one dependent, \$16.48 per month, and for a retiree plus family \$17.63 per month. Benefits include an exam every calendar year with a \$10 copay, lenses for new glasses covered every other year, a new frame every other year with a value up to \$93, and contact lens care every other year, including a \$120 allowance for contacts and the contact lens exam. For more information, www.vsp.com/go/csuretirees or call VSP at 1-800-877-7195.

Faculty Travel to Russia?

By Albert Baca, CSUN

Over the last ten years, retired faculty from the CSU system have gone on trips to Russia to present lectures and/or presentations at the Perm State Medical Academy.

In 2009 the group going to Russia will be comprised of community individuals from a New York people-to-people organization, *Amerus*, and from Long Beach State University, which has had a very successful exchange program with a private university in Kursk. The hope is to have a group of about twenty going to Russia.

The institutions to be visited are an independent university in Kursk and the State University and State Medical Academy in Perm. Retired professors in all fields are welcome to share their professional expertise by presenting lectures and seminars at these three institutions.

Especially needed are professors with experience in the medical or a medically related field.

The tentative schedule is to arrive in Moscow on April 9, and return on April 26. While participants pay their own expenses, it is our hope that some will nevertheless want to take part in this people-to-people program. In the past, some of the participants have been able to write off some of the expenses on state and federal income taxes.

Anyone who is interested in joining can write me at albert.roy.baca@csun.edu or call me at 818.769-2831.

Visit the website for more information and to register: www.theamerusexchange.org.

Next CSU-ERFA Meetings

The Executive Committee meets in San Jose February 14, 2009.

The Spring 2009 State Council meeting will be held at the LAX Crowne Plaza Hotel, April 25, 2009.

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legislative representatives to oppose the planned termination of the Rural Subsidy.

McCain and Obama Health Plans.

David Blumenthal, a physician and director of the Institute for Health Policy, Massachusetts General Hospital, asks "Who deserves to be trusted with the stewardship of America's health care system?" He says "McCain's proposal violates the bedrock principle that major health policy reforms should first do no harm." His plan risks employer-sponsored insurance and the welfare of chronically ill Americans in pursuit of a radical vision of commercial health care. See the October 16, 2008 *New England Journal of Medicine* at www.nejm.org.

Joseph R. Antos, writing in the same issue, titled his evaluation of Obama's health care plan as "Symptomatic Relief, but No Cure." Obama would prevent further declines in employer-sponsored health coverage by asking employers to make a "meaningful contribution" to the cost of their employees' health plan or pay a tax to a new public insurance plan. Supporters of "play or pay" say it is only fair that

employers bear some of the health expense burden. Antos challenges that idea. Workers, not their employers, "ultimately bear the full cost of their health benefits," he says. Employer provided insurance is part of a worker's compensation. The Obama plan, according to Antos, addresses many of the symptoms but fails to address "the perverse incentives that drive health care spending inexorably upward...."

Donald Gerth's CSU History to be Published Next Year

Donald R. Gerth, President Emeritus of California State University, Sacramento, has authored *The People's University - A History of the California State University*, to be published in summer 2009 by the Berkeley Public Policy Press of the Institute of Governmental Studies at UC Berkeley.

Anyone out there want to be a reviewer? Let the editor know....

In Memoriam

East Bay - Evelyn H. Belgum
Leroy Chauffe
Robert Good
Alvin H. Jones Jr.
Douglas Peterson

Fullerton - Tso-Hwa Lee
Mary A. Koehler

Los Angeles - John W. Rathbun

Long Beach - Beatrice M. Greer

Northridge - Henry B. Niles II
Gerald L. Prescott

Sacramento - Sharad J. Malelu

San Jose - Hobert W. Burns
A.P. Persky

Sonoma - Vivian Malmstrom

CSU-ERFA Web Site
<http://www.csuerfa.org>

CALIFORNIA STATE UNIVERSITY EMERITUS AND RETIRED FACULTY ASSOCIATION

The Retirement Center
18111 Nordhoff Street
Northridge, CA 91330-8339
<http://www.csuerfa.org>

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