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Many Contentious Issues on November Ballot This Year

Voters will face a complex ballot in November in California, with 11 statewide initiatives and propositions, the presidential race, a U.S. Senate seat, every member of the House of Representatives, the Assembly and the state Senate, not to mention countless county, school board, special district, and city issues and offices.

Beyond the presidential election, at the U.S. Senate level, Sen. Dianne Feinstein faces Republican challenger Elizabeth Emken, a former manager at IBM and vice president for governmental relations at Autism Speaks, a group advocating more research and better treatment for patients with autism.

Every congressional seat in California is up every two years, and this year the new commission reapportioned each district, meaning that in several cases incumbents are running against each other. The same is true of the state Assembly and Senate. The state's new "top two" primary system has produced an outcome where in several districts the "top two" from the primary election are from the same party, which may confuse voters.

Other statewide elections include 11 propositions, on which we have two editorials in this issue (see pages 3 and 5). Some good quality sources for more information on the propositions are in a box on page 3. Turnout was down spectacularly in the California primary in June, as noted in the article on page 11, and is predicted to be down in November compared with 2008.

CFA Report: A Tentative Agreement At Last, By David DuFault

DuFault is CSU-ERFA Liaison to CFA.

Late in April 2012, bargaining talks between the CFA and CSU administration failed to reach an agreement. The parties entered into mediation. When the mediator could not find a basis for agreement, CSU stated its "last best offer." CFA countered with an offer to return to the bargaining table. The CSU immediately refused.

While the events described above were happening, CFA held a strike authorization vote of its members that resulted in 95% of those voting authorizing a series of two-day rolling walkouts to take place in the fall. As CFA announced the results of the vote, CSU proposed a return to the bargaining table which subsequently took place in May.

Tentative Agreement. From May to late July neither side in the bargaining made public statements. However, the CSU chancellor announced that he would retire in 2013. Then in late July, CFA and CSU said that on July 27 they had reached, after two years, a tentative agreement (TA) for a new contract.

In its announcement, CFA recognized the difficult realities, including the financial woes of the state of California, pending tax proposals that would add additional funds to the CSU's budget and block a large budget reduction by the state, and a hostile political environment focusing on public employees, their salaries, and pensions.

(Continued on page 4)

From the President...

The Executive Committee's recent meeting was most productive; let me share some of the information covered.

CalPERS town hall meetings. CalPERS will sponsor two town hall meetings, and we will be represented at both. The first in Sacramento on August 9 is geared to health care and the second in Anaheim on August 16 will examine pension reform. Pertinent information from both meetings will be presented at our next state council Meeting.

Chancellor search. I doubt that I need to tell you that the CSU board of trustees is searching for a new chancellor. After giving careful consideration to the issue, it was decided that the search committee should know of the interest and concerns of CSU-ERFA, and as a result, we composed a letter, based on a draft from Mark Shapiro, our webmaster, with eight suggestions. The suggestions urged that candidates 1) have had experience teaching in a system similar to ours, 2) demonstrate a commitment to shared governance, 3) respect scholarship, 4) understand that students must be educated not only for their first but for multiple positions, 5) reduce administrative bloat, 6) be willing to share the sacrifices necessary to keep the system afloat, 7) communicate well with the public, and 8) be able to bring people together, including all segments of the university, the governor, state legislators, etc. The letter was sent to each member of the search committee, the board of trustees, chancellor Reed, and the chair of the statewide academic sSenate. A "thank you" was received from William Hauck, chair of the search committee. Needless to say, all of us should watch the progress of the search.

Wilma Krebs. We were so very sorry to hear of the passing of Wilma Krebs, CSU-ERFA's principal spokesperson in the state capital for almost two decades. After her health declined, she retired from CSU-ERFA but was recognized for her outstanding contributions and was declared an honorary member of the state council. Her papers are included in our archives, and all who knew her will miss her. Condolences were sent to her family.

CalPERS interview. I was interviewed by a member of an independent consultant firm hired by CalPERS to obtain perceptions of selected stakeholders. It was a positive interaction, and I was able to share many opinions (both positive and negative) held by members of CSU-ERFA. The gathering of such information seems to me to be a step forward on the part of CalPERS.

Props. 30 and 32. One of the more interesting discussions held at the executive committee meeting had to do with the initiatives on the November ballot. It was agreed to discuss selected proposals based on how the content might/would affect the CSU. Following a good discussion, the group voted to recommend that our members support a "yes" vote on Prop. 30, Governor Brown's proposal to enact a series of modest and time limited tax increases to assist in balancing the state budget. Also, we decided to recommend a "No" vote on Prop. 32, which prohibits political contributions by payroll deduction and is referred to as the "payroll protection act." Its passage will curtail union influence in elections but does little to restrain contributions from political action committees and corporate operating funds. (See the editorial on the next page.)

New members. Although our fiscal picture is still positive, we do have a shortfall in new members which lowers the amount of expected dues income. As a result, we are hoping to encourage new retirees to join our organization and will be examining ways to obtain such a response. Number one, we urge you speak to your colleagues about membership as the activities that CSU-ERFA undertakes are proving to be very positive for our retired and emeritus faculty. However, if you have ideas that you would like to see initiated or further implemented, do let me know.

Fresno affiliate. It is with great pleasure that I mention that our Fresno affiliate has re-emerged after a long hiatus. We are pleased to see the possible revitalization of the organization and welcome them "back into the fold" (see page 10).

Meeting with the CO. Our ad hoc committee will again meet with Vice Chancellor Vogel to continue the discussion regarding emeriti rights, privileges and volunteer activities. We hope to have additional information to share at the next state council meeting.

(Continued on page 3)

Editorial: CSU-ERFA Executive Committee Recommends YES on Prop. 30 & NO on Prop. 32

At its meeting August 6, 2012, the CSU-ERFA Executive Committee recommended a YES vote on Prop. 30, Governor Brown's temporary tax measure, and a NO vote on Prop. 32, the measure to eliminate the influence of special interests on state government.

Prop. 30 is titled "Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding. Initiative Constitutional Amendment." It increases the state sales tax by 1/4 of one percent for four years and increases the personal income tax on high-income (over $250,000) taxpayers. It is part of a package including some $8 billion in cuts, $6 billion in new revenues, and $2.5 billion in loans, deferrals and other temporary measures.

If passed, the new money would go to K-12 education (89%) and the community colleges (11%). If the measure fails, the state budget would be cut by an additional $6 billion: $5.4 billion from K-12 education, $250 million from CSU, another $250 million from UC, and the rest from other parts of state government. The CSU has already had a series of major budget cuts in the 2000s; these have only partially been offset by substantial tuition and fee increases. More cuts will have major effects on both the UC and CSU systems.

Prop. 38 is Molly Munger's proposed tax increase exclusively for K-12 education.

• If both 30 and 38 pass, whichever proposition goes into effect depends on which one receives more votes.
• If Prop. 30 gets more votes than 38, Prop. 30 goes into effect and 38 does not.
• **If Prop. 38 receives more votes, it goes into effect and 30 does not, but in this circumstance, the additional $250 million will be cut from each of UC and CSU.**

If you care about the future of higher education in California, we hope that you will vote YES on Prop. 30. The League of Women Voters agrees.

Prop. 32 is titled "Political Contributions by Payroll Deduction. Contributions to Candidates. Initiative Statute." It prohibits unions and corporations from using payroll-deducted funds for political purposes. It does allow voluntary employee contributions by payroll deduction to a union or corporate political action committee if the contribution is authorized yearly in writing. It further prohibits both unions and corporations from contributing directly or indirectly to political candidates.

There are three kinds of political spending under California law. **First, "political contributions" go to a candidate or ballot measure committee**. The initiative would prohibit them.

Second, "independent expenditures" can support/oppose a candidate or ballot measure, but the funds must not be "coordinated" with the candidate or ballot measure committee. These are the funds that were further enabled by the U.S. Supreme Court's Citizens United decision, under which corporations and unions can give unlimited amounts of money for independent expenditures. And if the contributions go to a non-profit organization, the organization does not have to disclose the identities of those who have contributed. The effects so far seem to be to enable the Sheldon Adelsons and Koch brothers of the world to give tens and even hundreds of millions of dollars for their pet causes.

Third, "other political spending" includes "member communications," where you tell your employees or members your endorsements. These would be banned for unions and corporations unless written permission again is obtained to take the payroll deduction.

Business organizations and corporations have tried twice in the last two decades to force unions to obtain written permission to continue payroll deductions for political purposes, and each time their initiatives have failed. This time they have broadened the initiative to cover businesses and corporations, but, **in the words of the League of Women Voters, "even the restriction it places on contributions to candidates by corporations is full of loophole exemptions. It does not fix the problem of money in politics; Super PACs and independent expenditure committees will continue to spend without limitation."**

All in all, Alan Wade's accompanying recommendation is right (see page 5). The whole thing is a sham designed to allow corporations and businesses to continue to contribute independent expenditures but to severely restrict unions. We recommend a NO vote on Prop. 32. Again, so does the League of Women Voters.

More information on the 2012 initiatives

• **Ballotpedia web site:** http://ballotpedia.org/wiki/index.php/California. Ballotpedia is "a free, collaborative, online encyclopedia" (like Wikipedia) about state politics.

• **League of Women Voters' recommendations:** http://ca.lwv.org/action/prop1211/ index.html.

• **The Legislative Analyst's analyses**, on the Secretary of State's web site: http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures.htm. These will be in the ballot pamphlet published later. The ballot pamphlet will be available here also.

Project Vote Smart - neutral, like Ballotpedia. http://votesmart.org/ elections/ballot-measures/2012/CA.

President...

(From page 2)

Scholarships. It is nice to end on a positive note, and I have one for you. Although not all campuses are included, a tentative count indicates that in Spring 2012 the CUS-ERFA affiliates donated over $60,000 in scholarships, almost all to current undergraduate or graduate students. The amount exceeds what was given in prior years and hopefully, this trend will continue. I urge you to keep up the good work.

Please feel free to be in touch with me. I would love to hear from you.

Barbara Peterson Sinclair
President, CSU-ERFA

Letter to the Editor, and a Query

To the editor of The Reporter:

Could the voters of California actually pass a proposition that would stand up in the courts depriving people that are already retired of their pensions? (That is two or three questions in one, I realize). Isn't there a federal program (other than Social Security) that takes over when a pension program fails?

Worried Annuitant

Answer: In the view of your editor, current pensions are almost totally secure, especially since CalPERS has $230+ billion in assets and needs only some $13 billion to pay pensions each year. The real question is the future.

Voters in San Jose and San Diego did pass measures to lower the pensions of current employees. The measures are headed for the courts. Cities are different from the state, since cities are allowed to file for bankruptcy, and in bankruptcy union contracts can be broken. States are not allowed to file for bankruptcy, although there was a Republican effort in the House of Representatives last year to change the law and allow that.

Federal programs - the Pension Benefit Guarantee Corporation guarantees only private sector defined benefit pensions, and only to approximately $55,000. If your company is bankrupt, the pension program may be sent to the PBGC if it has too few assets, and then the limits apply. The upper limit has affected high paid people in the airline industry in particular, especially pilots. But the PBGC doesn't apply to public sector pensions.

Iphone Jokes

Two iPhones walk into a bar….
• And get kicked out after being carded.
• Mutually, within mere microseconds, they outgrow one another and need to upgrade.
• One gets left behind.
• They asked/texted/emailed the bartender, "when is appy hour?"

New CFA-CSU Tentative Agreement

(Continued from page 1)

CFA noted that it had defeated at least nineteen of the CSU's "take away" proposals in the categories of pay, evaluations, sabbaticals, coaches, and fee waivers. For example, in reaching a tentative agreement, CFA had blocked CSU's attempt "to impose higher contributions for health benefits through contract reopeners" and avoided a cut in pay for faculty who taught in summer classes and in extended education programs. CFA also blocked five take aways from the temporary faculty, including the elimination of "modest levels of job security for 55% of the faculty." For the complete list of "take aways" blocked in the tentative agreement, see the CFA website (www.calfac.org).

Improvements in the Faculty Contract. CFA achieved a number of modest improvements in the new agreement. For example:

1. Faculty Early Retirement Program (FERP) participants "shall not be required to undergo evaluations" unless asked for by the faculty member or administration.

2. In addition to paid parental leave, tenure track faculty can take up to one year of approved unpaid parental leave.

3. Removal of reprimands from personnel files must in addition include all rebuttals and all past reprimands.

4. Fee waivers for eligible dependents are to be expanded from 23 years to 25 years of age.

5. Faculty selected for sabbaticals who do not have funding availability will be placed on the top of the following year's list of sabbaticals.

6. FERP will be expanded to tenured counselors.

7. "Lecturers with a one-year appointment will have the right to new or additional work before it goes to candidates without a one-year appointment." In addition, two other provisions for lecturers make their employment "more stable."

Compromises. Of course, collective bargaining always involves compromises between the parties. Some of these compromises included the following:

1. No increase in the General Salary (GSI) and Service Salary Increases (SSI) categories for the 2012-13 and 2013-14 years. However the union maintained the current salary and benefits including reopeners on salary and benefits in 2012-13 and 2013-14. If mutual agreement is not reached at these reopener sessions, the contract will maintain its current provisions.

2. The union agreed to pay more of the cost of faculty leaders doing union work.

3. Electronic evaluations by students are permissible.

4. Full-time faculty members who have more than 160 hours per semester of outside work (100 hours per quarter) must fill out a request form describing the work.

5. Doctoral students will be eligible for fee waiver but at "graduate student levels."

6. "A three-year appointment will continue to be issued automatically to eligible Lecturers" who now must have satisfactory periodic evaluations.

7. Lecturers with a one-year appointment who are "demonstrably better qualified for a specific class" may be given "new or additional work available to three-year teachers." The assignment order for appointments remains the same.

Ratification Vote on Tentative Agreement. The vote by CFA members takes place from August 13 through August 30 at 5pm. Summer always makes a vote like this more difficult to conduct. Thus CFA will hold an electronic vote. In addition, various CFA chapters will conduct on-campus briefings.

CFA's summer began with a bargaining stalemate destined for fact finding. Instead, bargaining resumed, resulting in a temporary agreement that will be voted on by CFA members in late August and by the Board of Trustees in mid September. In all, the summer proved to be a productive one with bargaining taking place under difficult financial and political conditions.

Op. Ed.: Why You Should Vote NO on Prop. 32

By Alan Wade, Legislative Committee Chair

Your CSU-ERFA executive committee recommends that you vote "NO" on Proposition 32 in November. This is the so-called "Paycheck Protection Initiative." officially the "Political Contributions by Payroll Deduction. Contributions to Candidates. Initiative Statute."

George Schultz wants you to vote "yes" on 32. He argues that its passage would end the domination of special interest money over our politics. By special interests, he means public employees, retirees, and the unions that represent us at the legislature. Schultz, Ronald Reagan's secretary of state, is currently a distinguished fellow at Stanford's Hoover Institution, a think tank with (among others) the goal of limiting "government intrusion into the lives of individuals." Schultz is at the very center of the brain trust of right wing America, not the tea party, but the voice of serious conservatives.

Prop. 32 would prohibit unions from using payroll deducted funds for political influence and would apply the same prohibition to corporations. The power of public employee unions in the California legislature is undoubted. That power is balanced and probably exceeded by the power and wealth of corporations, which do not have to deduct paycheck money for political action. They get all they want and more from their treasuries and executive contributions.

Over the years, a tenuous balance has prevailed in the California legislature between capital and labor. The proponents of this initiative intend not only to alter that balance, but drastically and permanently to ratchet it upward in a manner that favors the influence of corporate power and the top 1%. Those at the top already enjoy a greater disparity in wealth compared to the rest of us than in the years leading to the great depression.

What do we, as CSU retirees, have at stake? We are all dependent for our middle class status on agreements won for us by unions at the bargaining table. These agreements have given us access to good medical care for most of our working lives and into our retirement years. Further, during our working years we were privileged to pursue crafts that most of us found enriching, and we now live in relative comfort if not affluence on pensions promised as a condition of employment.

The Higher Education Employee Relations Act ("HEERA") became law in 1978, as the result of critical changes in the role of higher education in society. Prior to collective bargaining, the CSU system, faculty and administrators, relied on something that used to be called "collegiality" for resolving controversy. To work, it had to be based on mutual though unwritten consensus about what was needed to

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Prop. 32

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maximize the social good of educating students, and in some venues, conducting scientific research.

As time went by, administrators came not from faculty ranks but from business backgrounds, emphasizing goals more related to power and money than to those of teaching, scholarship and research held central by faculty. The result: The administration no longer cared about nor took care of the faculty, instead coming to regard them as "the other," obstreperous and bothersome impediments to management's increasing pressure for public accountability and its reliance on top-down lines of authority.

As our colleague David Elliott (San Jose State emeritus) wrote in a recent email reminiscing about his thoughts as CSU Senate chair in the 70's, ". . .whether we like it or not, the university cannot be governed as a democracy….In our current social and economic climate, where increasing demands for accountability make it more and more difficult for administrators to share authority, more formal collective mechanisms of appeal and redress are now required. So, the real reason for collective bargaining was not simply that we deserved it as a right, but that the university could not function and fulfill its mission to educate the society without it."

After HEERA became law, faculty were in the unfamiliar and sometimes uncomfortable position of being working folks who could raise financial resources to support politicians who in turn supported us, and higher education. Not all were happy about paying union dues and many remained anti-union in outlook, but all now benefit from the fact that we did so. And that's the way the game has been played since 1978.

The situation in California today is of course quite different from what we experienced before 1978. Still, if the people of the state in their collective wisdom vote to silence their employees by passing Prop. 32, our public institutions including higher education will be severely crippled. Only the voices of the 1% will be heard in the legislature. They already dominate our board of trustees.

If Prop. 32 passes, and the public employee unions no longer have the means to support our interests, those who follow us into retirement will have far fewer benefits than we enjoy. We (and they) will have no one to speak for us, and our system of governance will become even more dysfunctional than it now is.

Voting a resounding "NO" on 32 is just one step in the continuing struggle to preserve the middle class in America, and to keep a strong voice for working people in the legislature. And the pension you save could be youir own.

Alan D. Wade

CSU-ERFA New Members

Bakersfield – Diane L. Decker

Dominguez Hills – Laura J. Robles
Ricardo M. Ulivi

Fresno – Berta Gonzales
Susana C. Mata

Long Beach – Richard F. Marrs
Peggy J. Smith

Los Angeles – Raymond E. Garcia*
Kathryn C. Reilly

San Diego – Christopher D. Kenway

San Francisco – LaVonne Jacobsen*

San Jose – Irene Gonzales

* Denotes Lifetime Member.

Fall State Council to Meet at Dominguez Hills

At its summer meeting, CSU-ERFA's executive committee confirmed that the State Council will meet Saturday, October 27th on the CSU Dominguez Hills campus.

The Winter executive committee meeting will be held in Torrance, Thursday, February 7th. The Spring state council meeting will be held at Kellogg West, Cal Poly Pomona on Saturday April 20th.

The Fall 2013 meeting will be San Jose State University's library on Saturday, October 26, 2013.

CSU-ERFA Foundation Board Meets….

Directors of the CSU-ERFA Foundation met in conjunction with the April 21, 2012 State Council meeting at CSU Long Beach to discuss fund-raising procedures. From left: Bill Blischke (DH), Adnan Daoud (San Jose), Mark Shapiro (FU), Dieter Renning (Stanislaus), Bob Maurer (Chico), Harry Sharp (SLO), and Don Cameron (Executive Director). Although the foundation is a charitable organization legally distinct from the parent body, its directors are members of the State Council and its funds are used largely to fund annual research grants to retired CSU faculty.

Pre- & Post-Retirement Concerns: Yearly Pay or Lifetime Earnings? By Tom Donahue

Tom Donahue (San Diego) is the chair of the CSU-ERFA Pre- & Post-Retirement Concerns Committee.

Question: Isn't it true that our CalPERS pensions are very costly and that we should therefore have heightened respect for the total amount of our career-long earnings?

Answer: It is true that our pensions are costly, and we all will recall the career-long "sticker shock" on our pay stubs when we saw the deductions for CalPERS, Social Security, and perhaps such other things as CSU-sanctioned life insurance.

Comparison with other states. But consider this. In 2011, the Wisconsin Legislative Council published its 2010 "Comparative Study of Major Public Employee Retirement Systems," and of the 87 varying state plans reported there, CalPERS is listed as requiring a 5% contribution from members, with (an average) 10.73% matching sum from the state. At the same time it is interesting to compare this with other plans from highly developed states: California teachers, 8% and 8.25%; Connecticut, 6% and 10.11%; Massachusetts, 9% and 3.16%; Minnesota, 9% and 13.14%; North Carolina, 6% and 5.12%; Ohio, 10% and 14%; Pennsylvania, 7.37% and 8.65%; Texas, 6.5% and 6.95%. In the listed states, California, Connecticut, Minnesota, North Carolina, Pennsylvania, and Texas have Social Security coverage in addition, while Massachusetts and Ohio do not.

Just how costly ARE our pensions?

We see that state employee pensions can be quite costly in lots of other places. The combination of contributions toward a retirement system and the additional 7% deduction for Social Security is widely in force: in only 17 of the 87 retirement plans discussed by the Legislative Council is there no provision for Social Security. Many persons nationwide have large deductions from their state paychecks.

But as we all remember, there were substantial deductions on our pay stubs, and nearly all of us were stretched very tight month to month during our careers. I suggest that much of that derived less from what was required from our retirement support systems and more from the fact that our pay was set according to comparisons with institutions found for the most part elsewhere in the United States, in locales which had very little relationship to the California cost of living or to survival needs in the California economy.

The Mercer report. A document prepared for the CSU Board of Trustees, the Mercer Report, is quite instructive for us on this matter. A look at the Mercer Report shows that as late as 2010 our salaries were 17% behind the average of our comparison institutions, which included Arizona State, Bucknell, Cleveland State, Georgia State, Illinois State, Loyola, North Carolina State, Reed, Rutgers, SUNY Albany, Tufts, the University of Colorado, Denver, Connecticut, the University of Maryland at Baltimore County, the University of Nevada at Reno, USC, UT Arlington, University of Wisconsin at Milwaukee, and Wayne State.

The entire document may be seen at http://www.calstate.edu/hr/Mercer_CSU_Trustee_Presentation_03222011.pdf. An alternative path is to go to http://www.calstate.edu, choose "Administration" and then "Human Resources." The report can be accessed from the "What's New" column.

Note that USC is the only California-based comparison institution on the list.

We may believe that we deserve heightened respect for getting through that minus 17% figure, but when you compare our CalPERS retirement program with the others on the list, you will feel better!

But that is a matter for another column. Please send questions for the Q and A column to Tom Donahue at dunnie10@sbcglobal.net.

Legislative Report: Still Waiting....

By Alan D. Wade, CSU-ERFA Legislative Chair

As an important piece in his efforts to secure support for his tax increase initiative (Proposition 30) on the November ballot, Governor Brown months ago submitted a 12 point pension reform proposal to the legislature. Numerous public hearings were held through last April on the proposed legislation.

Even as the current legislative session draws to an end, the fate of his proposal in the hands of a conference committee (whose bill will be "final," that is, no amendments allowed from the floor) is as yet unknown.

As you may recall, the list of proposals includes some long overdue and desirable reforms, as well as some that CSU-ERFA has already expressed reservations about. It is suspected that, due to the high political stakes of this legislation, it will not be made public until the end of the session on August 31. We may not know what the governor thinks until he signs or vetoes the eventual bill. Recall that the previous governor vetoed a previous reform bill, allegedly because it "didn't go far enough." Brown could do the same thing. Time will tell.

There is no other legislative action that directly concerns our interests at the present time.

In Memoriam

Humboldt - Robert Dickerson

Sacramento - Wilma Krebs

San Diego - Jack R. Delora

Stanislaus - Jerome J. Beamish

Health Benefits Report

By David Humphers, CSU-ERFA Health Benefits Chair

Open enrollment. CalPERS will hold open enrollment for its health plans September 10 to October 5, 2012. If you want to change health plans, open enrollment is the time to act.

Health care premiums. The CalPERS board at the August 14 meeting approved health plan premiums for 2013. There will be raises of 8.7% for HMOs and 13.9% for PPOs. CalPERS Medicare plans will enjoy a 10.5% premium reduction.

Long-term care (LTC) program. A 21 page LTC program report was presented at the August 14 CalPERS meeting. The focus was on LTC claims experience, member termination, member claim recovery statistics and the 2012 premium increase. A brief introduction:

• The CalPERS LTC program has 150,333 policies in effect with an invested asset value of $3.6 billion as of June 30, 2012.

• The majority of members "in claims" are cared for in their home. Fewer than 17% are in skilled nursing facilities.

• The top diagnoses for LTC are (1) dementia, (2) cancer, (3) stroke, (4) fractures, and (5) Parkinson's disease. The top diagnoses for LTC differ from the top diagnoses for those in the health plan population.

The report covers a full range of LTC issues: claim payments, terminations, average time "on claim," premium increases, and more. The full report is available online from CalPERS, and there is a copy in the CSU-ERFA office.

Leading state in national health care reform. Diana Dooley, California health and human services secretary, said that California is one of the first states to support President Obama's health care reform legislation. She reported that Governor Brown will call a special legislative session on health care reform for December 2012 or January 2013. The session will run concurrently with the state's regular legislative session. The purpose is to develop California's health insurance exchange and to expand MediCal so that both can be promptly implemented by the state legislature. (Sacramento Bee, Aug. 18, 2012)

Medicare. The New York Times, August 19, 2012: "Don't believe most of what Mitt Romney and Paul Ryan are saying [about Medicare]. Republican attacks on President Obama's plans for Medicare are growing more heated and inaccurate by the day. Both Mitt Romney and Paul Ryan made statements last week implying that the Affordable Care Act would eviscerate Medicare when in fact the law should shore up the program's finances."

According to the Congressional Budget Office, President Obama's Affordable Care Act will reduce Medicare costs by $716 billion over the next decade. The lower cost does not represent a reduction in Medicare benefits. The lower cost results from (1) reducing the federal reimbursements to health care providers such as hospitals, nursing homes and home health agencies, (2) eliminating high subsidies to private Medicare Advantage plans that enroll beneficiaries at higher costs, (3) imposing fees or taxes on drug makers, device makers and insurers. The rationale for the latter is that the drug makers, device-makers and insurers can afford the fees because expanded coverage for the uninsured will increase their markets and revenue. A fourth factor driving down costs is the fact that the Affordable Care Act requires that insurers devote at least 80% of their premium income to medical care instead of the current 70%.

"Both Mitt Romney and Paul Ryan made statements last week implying that the Affordable Care Act would eviscerate Medicare when in fact the law should shore up the program's finances."

The Republican attack statement claims that Obama will use the $716 billion from Medicare to expand health care coverage to the thousands of low income people who are uninsured. Both Romney and Ryan said that they would "save Medicare by pumping a huge amount of money into the program," yet both also plan to privatize Medicare.

Health reform pays. The federal health reform legislation requires health insurers to pay rebates if they fail to spend eighty percent (80%) of premiums on health care. The California Department of Insurance ordered health insurance rebates for employees and employers because their insurers failed to spend eighty percent of premiums on actual health care. These first-time rebates are issued to individuals who purchase health insurance or to employers who are required to pass on savings to covered employees. Reducing the dollar amount that health insurance firms are allowed to keep is one of the Obama health reform requirements that lower health care costs.

The California Department of Insurance required rebates included:
• Blue Shield of California, $10.8 million to 239,595 subscribers, average rebate $45.15.
• Aetna, $3.4 million to 84,428 subscribers, average $40.50.
• Connecticut General (CIGNA), $3.4 million to 89,575 subscribers, average $37.70.
• Kaiser Permanente, $277,034 to 21,823 subscribers, average $12.69.
• PacifiCare, $789,615 to 63,600 subscribers, average $12.42.
• Anthem Blue Cross, $1.3 million to 407,429 subscribers, average $3.16.

In addition, the California Department of Managed Health Care directed two insurers to provide rebates:
• Anthem Blue Cross, $38.6 million to 182,214, average $212.
• United Health Care, $3.8 million to 22,260, average $173.

The health insurance industry is preparing for implementation. United Health Group, the largest U.S. health insurance firm, in 1999 reported that "it would stop second-guessing physicians' decisions before treatment" and adopted a "care coordinator" role that did not require prior approval before seeing a physician.

In spring 2012, United Health announced that "care coordination" will be replaced by a new prior authorization process. The change represents a hurdle for patients who seek medical care.

(Continued on the next page)

Health Benefits Report....

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Insurance firms are up-dating practices from the early 1990s that add requirements for referrals before patients can see a specialist. United Health Group, Cigna, and other insurers are requiring physicians to get prior authorization before patients can get specialty care. Health insurers claim that their new approach is a focus on improving care and curbing costs.

Jeremy Lazarus, MD, president of the American Medical Association (AMA), reported that the earlier insurance firm practices are frustrating physicians again. The AMA, 2012, evaluation of medical billing claims revealed a 23% increase in insurer required pre-authorization reviews. A Texas family physician said that the growing number of required prior authorizations for high tech imaging costs a tremendous amount of time, and typically requires two to four days, or longer if she must have a telephone conversation with the insurer.

Profiteers in medicine. Accretive Health, a large collector of medical debt, has been fined $2.5 million by the Minnesota state attorney general for violations of the federal requirement that hospitals provide emergency care even if patients cannot afford to pay. In addition, Accretive is prohibited from contracting with Minnesota hospitals for at least two years. After the two year prohibition, Accretive will be required to obtain permission from the Minnesota attorney general before resuming business in that state.

While Accretive denies any wrong doing, the Minnesota attorney general produced hundreds of Accretive Health documents that described overly aggressive collection tactics in emergency rooms, cancer wards and delivery rooms, including placing debt collectors in emergency rooms and pressuring patients to pay before receiving treatment.

Progress in medical research. Physicians have had great success in repairing the hearts of infants with serious cardiac problems. Given the advances in pediatric surgery, 90% of these children will live into adulthood. The American Heart Association has issued guidelines directing that children born with congenital heart disease, especially those that require complex surgery or surgery that interferes with blood flow to the brain, be screened early for cognitive and developmental deficits. Current research indicates that infants born with major heart problems are at risk for developmental disorders that can lead to behavioral, social and academic problems by the time they enter school. The population of people with congenital heart disease who are at high risk for developmental disorders is estimated at 400,000. The American Heart Association guidelines are endorsed by the American Academy of Pediatrics.

Medicaid after the Supreme Court decision. There were two disturbing reports about Medicaid (MediCal in California), the mostly federally funded, state managed health insurance program for the poor. The Congressional Budget Office predicted that states with large numbers of poor people will not expand their Medicaid programs as required by the federal health reform legislation because the Supreme Court has ruled that expansion of the Medicaid programs is an option for each state.

A study by Harvard University unrelated to the Supreme Court decision estimates that the failure to expand Medicaid will likely doom thousands of low-income people to death or a lifetime of poor health.

Dewey Honored....

Donald O. Dewey, former president of CSU-ERFA, pictured with Dean James Henderson of the College of Natural and Social Sciences, CSU Los Angeles, at the occasion of honoring Dean Dewey for his years of service and unveiling a photo of him that will reside in the Dean's conference room. Dewey was Dean of the School of Letters and Science and the College of Natural and Social Sciences for over 25 years.

e-Reporter?

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A Generation With Unprecedented College Debt

The New York Times ran a story in May entitled "A Generation Hobbled by the Soaring Cost of College," in which they highlight undergraduate students with between $50,000 and $120,000 worth of student loans when they graduate.

According to the article, over $1 trillion in student loans is now outstanding in the U.S., and student loan debt in aggregate is actually higher than credit card debt. Many students, even those who graduate from a public college, will have decades of student debt to pay off. Experts say that a college education is still a good investment, but the 21st century has brought with it an "unprecedented financial burden."

Two-thirds of BA recipients borrow money to attend college, according to a federal survey of 2007-08 graduates, compared with only

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Highlighting Chapters and Affiliates

Cal Poly Pomona's Pace Setters Celebrates 30th Anniversary

Pace Setters, the official organization for retired faculty and staff at Cal Poly Pomona, celebrated its 30th anniversary with a luncheon on April 26, 2012 at Kellogg House Pomona. The event began with an authentic Santa Maria style BBQ, a private tour of Kellogg House Pomona, as well as an organ recital on the home's 1925 theater-style Wurlitzer pipe organ.

"Mr. Kellogg loved to have pipe organ music played for his guests on summer nights. The pipes are cleverly built into the basement, creating a spacious area to store what was heard and not seen," according to the Kellogg House Pomona website. Part of the tour for the anniversary event was to see the spectacular pipes in their room in the basement. The sell-out event was a hit with all who attended.

Holiday concert, 2011, with organ recital at Kellogg House Pomona.

Pace Setters was originated by President Hugh O. La Bounty to serve the needs of retired faculty and staff and those of the university. In May 1981, the first Pace Setters luncheon was held as a "reunion" of retirees, with nearly 50 in attendance. Original dues were just $5. Today, there are more than 1,000 retired faculty and staff from Cal Poly Pomona and more than 150 of them are dues-paying members of Pace Setters.

Since its inception, Pace Setters strives to develop programs and activities for the benefit of its members, including promotion of fellowship among members, engaging in university activities, and other mutually beneficial relationshipa between the university and its retirees.

Starting with its first luncheon in 1981, Pace Setters has consistently met twice a year with luncheon programs that included musical performances, lectures by current Cal Poly Pomona faculty, and presentations from university administrators to keep Pace Setters engaged with the university. An average of 70 Pace Setters and guests attend the semi-annual luncheons.

The current board has proposed a new set of programs for Pace Setters, which include the creation of an email newsletter, which began in Fall 2011, a website, an upcoming student scholarship fund, a Need-a-Ride program, as well as a holiday open house and tour at the Kellogg House Pomona in December 2011, which was so well-received it will be continued each December. The board has planned new activities as well, such as attending a television show taping, Warner Brothers tour, and a tour of Voorhis campus, the original Cal Poly Pomona site.

Pace Setters hopes to continue and build on its tradition of service to its members and the university and offer even more opportunities in the future to connect with each other and the campus.

Revitalization Effort at Fresno

By David Quadro, Representative to the State Council

Unlike most affiliates, the Fresno group was established some ten years after CSU-ERFA's emergence. It adopted the state organization's name without the CSU reference and held a luncheon to approve a constitution (now lost) and an interim board in 1994. Affiliate status was granted in 1995. Since that time, no other significant chapter activity occurred until very recently.

In March 2011 an effort began to revitalize our local organization. A letter was sent to the membership soliciting an expression of interest. We received thirty-nine responses which fit into four categories: 1) some interest in participating in the chapter, but not in a leadership role (15); 2) not interested in participating (9); 3) interested, but live too far away to participate (10); 4) willing to take an active, leadership role (5).

The five of us who were willing to take a leadership role met twice during the course of the next year. At our first meeting we discussed the membership's response to the letter and how we intended to approach this effort. We also agreed to undertake the following tasks: 1) plan a luncheon; 2) draft a mission statement; 3) draft a new constitution and by-laws; 4) create a newsletter; and, 5) provide technical support. Four of these items have been completed. The constitution and by-laws are in process. Don Cameron joined us for the second meeting for a wide ranging discussion on revitalizing the group.

Our first luncheon in seventeen years was held on May 11, 2012. Twenty-two people attended. Ted Anagnoson was our guest speaker. His talk, "Will CalPERS Survive

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Voter Survey on Pensions Indicates Reform Support

A Field Poll of Californians conducted June 21 to July 2 asked a random sample of voters their opinions on California public pensions. On the basic question of whether the pensions are too generous, about right, or not generous enough, voters are split, with about equal numbers saying they are too generous (37%) or about right (36%), but another sizeable number saying they are not generous enough (17%). A plurality of Democrats (43%) thinks benefits are about right, but the majority of Republicans (59%) feel that they are too generous. Independent voters are closer to the Democratic point of view than the Republican.

There is majority support for two reform proposals. By two to one, (67% to 25%), voters support an upper limit or salary cap when calculating pension benefits. Almost the same margin (60% to 32%) supports increasing the minimum age when public employees can retire.

Replacing the current system with a hybrid system is also supported but by a narrower margin of 51% to 36%. Reducing the retirement benefits of new employees and for future unworked years of current employees is favored by 49% to 43%, a relatively narrow margin. There was more support for this proposal last year. A five to four majority (52% to 42%) opposes the idea of prohibiting workers who take early retirement from taking another government job. Presently those covered by CalPERS cannot work more than half time, the rule embodied in the FERP regulations, but many local governments outside the CalPERS system are not covered by this restriction.

Voters are opposed (50% to 40%) to reducing the deficit by taking away the collective bargaining rights of public sector workers. Legislative action on the issue of pension reform does not appear to have a great effect on how voters feel about Governor Jerry Brown's initiative to increase taxes, which will appear on the November 2012 election ballot. Over half (54%) of likely voters in Novem-ber say pension reform will have no effect on their vote on Prop. 30; 17% say they are more likely to vote for it; 20% say they are less likely to vote for it.

CSU Fresno Affiliate

(Continued from page 10)

the 21st Century?" was well received. It was summarized in the June issue of *The Reporter*. As a direct result of the luncheon and the efforts of some of those who attended, we picked up two new members and have leads on additional prospects.

We believe we are off to a modest but encouraging start. We will be meeting shortly to plan our second luncheon in November and to make further headway on creating a viable organizational structure and reestablishing a relationship with our campus.

Will Voter Turnout Be Down in November?

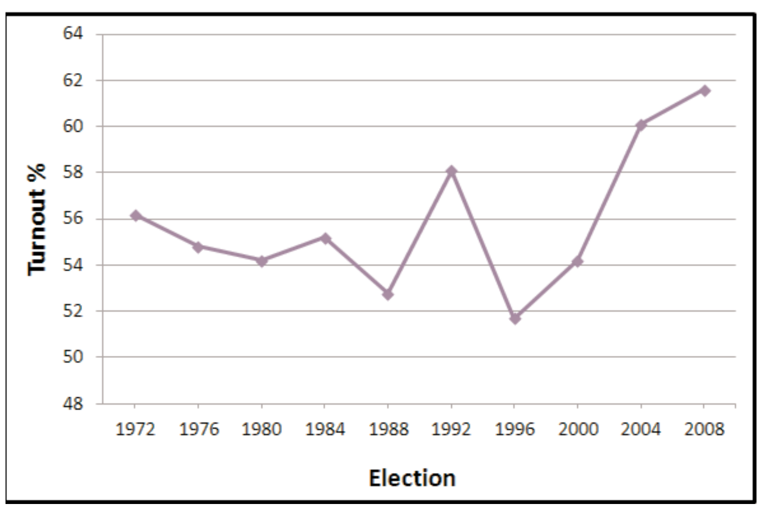
Voter turnout in June's California primary hit a new low. For the first time, turnout was in the 30% range at 31.1% of registered voters, and of course, only 70% of adults are registered, which means that only a bit over 21% of California's adults bothered to exercise the fundamental right of democracy, voting.

The previous record for a presidential primary was 41.9% of registered voters in 1996, but in June 2008, only 28.2% of registered voters voted in the regular primary (in 2008, the state held its presidential primary in early February). For this year, the fact that Gov. Romney had already clinched the Republican nomination didn't help, and Pres. Obama had no significant opposition in the Democratic presidential primary. Two contentious initiatives as well as the first test of the new "blanket" primary system were not enough to stir voters.

A USA Today/Suffolk University poll of people eligible to vote in November 2012 indicates that some 90 million Americans may be eligible to vote but stay home, perhaps continuing the low turnout trend. The poll asked why they would not vote, in spite of mostly being registered and stating that government plays an important role in their lives, and the usual reasons surfaced: being busy, lack of excitement about the candidates, votes don't matter, nothing gets done, etc.

In 2008, the turnout was the highest percentage of registered voters since 1960 for a presidential election, and even then 80 million American adults did not vote. Rhodes Cook, senior columnist for Larry Sabato's Crystal Ball at the University of Virginia, noted in June that there seemed to be little excitement in either major political party. Turnout for the primary season was half what it was in 2008, when there was a contest in both parties. Both parties seem to be running a significant number of negative advertisements in their attempts to excite the faithful. Cook provided the accompanying chart of the turnout rates in presidential races since 1972. It is likely that the 2012 rate will be significantly less than the trend for 2000 to 2008, regardless of who wins.

Percent of Registered Voters Turning Out, in Presidential Elections, 1972-2008



Source: Rhodes Cook, "Voting Turnout: Heading Downward in 2012?" Sabato's Crystal Ball, June 21, 2012. http://www.centerforpolitics.org/crystalball/articles/voter-turnout-heading-downward-in-2012/.

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Personal & Professional

LA county supervisor Michael D. Antonovich has appointed **Barbara Sinclair** (nursing, Los Angeles), president of CSU-ERFA, to the Los Angeles County Commission for Older Adults. She will also act as interim director of the School of Nursing at CSU Dominguez Hills during 2012-13.

Ted Anagnoson (political science, LA), editor of The Reporter, will teach two courses at UCSB in fall quarter: American Politics and Government, and Voting and Elections. He will also deliver a lecture on the politics of health and the Affordable Care Act to a group of visiting German graduate students at San Francisco State University in September. The two-week Fulbright program is coordinated by **Bob Cherny** (History, SFSU.

Don Cameron (Executive Director) has made four trips to the United Arab Emirates since January, as part of a three-member team advising their two-year community college system regarding curriculum and personnel issues.

Unprecedented College Debt

(Continued from page 9)

45% of those who graduated in 1992-93. The average debt in 2011 was $23,300, but 10% owed more than $54,000 and 3% more than $100,000, according to the Federal Reserve Bank of New York. The debt varies by type of college. Elite schools with substantial endowments often have an aggregate average debt under $10,000, but private colleges with poorer students and less financial aid average over $50,000.

In the CSU, 36% of the over 360,000 undergraduates in 2009-10, according to the chancellor's office, have Pell loans. The chancellor's office further reports that "CSU students' loan debt upon graduation is significantly less than the national average, with only 42 percent of CSU students carrying a debt of approximately $16,000 at graduation while the national average stands at 56 percent with an average debt of $22,000." The average loan debt was $15,804 for 2009-10.

And More Bad Puns

• I changed my iPod's name to Titanic. It's syncing now.
• When chemists die, they barium.
• Jokes about German sausage are the wurst.
• I know a guy who's addicted to brake fluid. He says he can stop any time.
• I stayed up all night to see where the sun went. Then it dawned on me.
• This girl said she recognized me from the vegetarian club, but I'd never met herbivore.
• Broken pencils are pointless.

CSU-ERFA Foundation Grant Cycle 2012-13

The CSU-ERFA Foundation research grant competition has a deadline of December 17, 2012. All members are eligible to apply. Grants can range from a few hundred dollars to $6,000 for the 2012-13 grant cycle. Information is available on the CSU-ERFA web site, http://www.csuerfa.org.