

**Retirees Chapter
Professional Staff Congress/CUNY
25 West 43rd Street
New York, NY 10036**

212-354-1252

**The Retiree Newsletter
October 2004**

I. Report of the Chairman: Irwin Yellowitz

- A. Political Activities: As you know, the PSC, the New York State United Teachers, the American Federation of Teachers, and the AFL-CIO have endorsed John Kerry for President. A number of members have asked how they can participate in the campaign. The PSC will sponsor several bus trips to Pennsylvania, a key swing state. The first took place on October 9, but there are others scheduled on October 23 and October 30. Contact Cecelia McCall at the PSC office, 212-354-1252. The PSC also will conduct phone banks during October in support of John Kerry, but also to help several legislative candidates whom we strongly support. To participate, contact Eileen Moran through the PSC office or by e-mail at eyedon@earthlink.net. Other organizations are also soliciting volunteers on behalf of their work that directly or indirectly supports the Kerry campaign. Americans Coming Together (ACT) is conducting phone and letter writing campaigns. You can contact them at www.actthere.com or Matt Tomey at ACT-NewYork@hotmail.com or Bonnie Nuzum at 718-622-6878. Volunteer 2004 stresses calling voters in swing states. Contact Jesse Dixon at jdixon@citizenactionny.org or 212-523-0180, Ext. 43. For Move On, use e-mail at www.moveonpac.org/pledge. Campaign organizations are nothing if not hectic, but if you would like to volunteer to work directly with the Kerry campaign, contact them at www.johnkerry.com or 212-764-7104. If you have some free time on a Sunday afternoon, and free minutes on your cell phone, you can join the effort sponsored by Democracy in the Park to call voters in swing states. For information and to verify the sites and times contact john@democracyinthepark.org. One site is in Central Park. The dates will be October 17, 24 and 31. Meet at Central Park West and 93rd Street at 2:30 PM for briefing with the calling itself scheduled for 3-7 PM. Finally, any of us who know voters in swing states such as Pennsylvania, Florida or Ohio can call our friends or relatives and urge them to support John Kerry.
- B. Welfare Fund: The changes in benefits designed to reduce the annual deficit of the Welfare Fund have cut into the shortfall significantly when comparing the 2003-2004 fiscal year with the prior one. The reduction in the expenses for benefits amounts to approximately 1.7 million dollars, with the greatest portion of that in the dental plan.

Prescription drug costs did drop by almost \$900,000, but here the gains to the Welfare Fund from changes in benefits were offset to a significant degree by the escalation in drug costs, which far exceeds the average inflation for prices across the economy. The Welfare Fund still needs to deal with the deficit to remain solvent, and the focus now is on increasing income to the Fund through the contract negotiations. The demands of the PSC concerning the funding of the Welfare Fund are far reaching, including not only traditional increases in per capita rates, but monies to eliminate major sources of the recurring deficits. I fully support this approach. I believe it was necessary to change benefits to meet the immediate crisis of the Fund, but a long-term solution cannot come from continuing cuts. Eventually we would reach a Welfare Fund with no significant benefits. Instead, the PSC is correctly stressing increasing the income to the Fund, both in recurring amounts and one-shot infusions. If successful, this effort should stabilize the Fund. I will keep you informed of PSC activities designed to reach a contract settlement including significant new money for the Welfare Fund. Also note that our next meeting on November 1 will feature a discussion of the Welfare Fund. We will have with us Steve London, the Executive Officer of the Fund, and the new Administrator, Larry Morgan, who recently replaced the retired Norma Frey. This will be an opportunity for you to learn much more about the Welfare Fund and to ask the necessary questions.

- C. Program for 2004-2005: I want to thank the Program Committee, chaired by Jack Judd, for its work in preparing this varied and interesting program for us. The other members are Ted Gottesman, Larry Kaplan, Israel Kugler, Jane Moore and Jim Perlstein. All Chapter meetings are at the CUNY Graduate Center, 34th Street and Fifth Avenue, from 1:00 to approximately 3:00 PM. Please note that the room assignments are correct at this writing, but the Graduate Center does, and has, changed rooms. So if you do not find us where we should be, check with the Security Desk in the main entrance hall to find out about a change of room. Our meetings are open to all members of the PSC so if you have colleagues still in-service who might be interested in a particular topic, invite them to attend.

Oct. 4, 2004, Barbara Bowen, President, PSC: "The State of the Union"

Nov. 1, Steve London, Executive Officer, Welfare Fund and Larry Morgan, new Administrator of the Fund: "The Current Situation of the Welfare Fund", C 201-202

Dec.6, Frank Stella, Retiree Director, American Federation of Teachers: "Labor and the National Election", 9204-9205

Jan. 10, 2005 Luncheon: Retired President Gerald Lynch, John Jay College: "Changes I Have Seen at CUNY" (The event will be held at John Jay, and you will receive information later.)

Feb. 7, Carol Smith, PSC Retiree: "Free Speech and Academic Freedom At The City Colleges, 1930's and 1940's", C201-202

March 7, Larry Kaplan, Chairman Emeritus of our Chapter: "Investment Strategies in Retirement", C201-202

April 4, Francine Brewer, Member of the Chapter's Executive Committee: "Nutrition for Seniors", C201-202

May 2, Irwin Polishook, President Emeritus of the PSC, "CUNY and the Fiscal Crisis of the 1970's": C201-202

June 13, Luncheon: George Altomare, UFT: "Labor Songs" (The event will be held at John Jay, and you will receive information later.)

- D. Health Care Issues Committee - Jack Judd: I wish to raise some signs of caution about a relatively little known but quite important development. In June, a federal accounting agency promulgated new regulations for those public agencies that provide pension and health benefits to retirees. Public agencies have been placed under the same accounting procedures that applied to corporations. That is, future outlays of funds set aside for pension and health benefits for retirees must be included in their annual financial statements as stated costs against assets. When the public learns of the actual annualized costs involved in providing pension and health benefits to retirees, there may be a public outcry against such continuous and expanding expenditures. This may lead to a call for a reduction in benefits, increased medical costs to retirees, or a combination of both. We may have to fight many battles in order to preserve our current retiree benefits.

In the public sector, retiree benefits, including Medicare and Social Security, are currently under political attack. As we face the upcoming presidential election, it is incumbent upon retirees to be aware of the positions taken by the candidates on the issues directly affecting us. In the words of George J. Kourpias, President of the Alliance for Retired Americans, in order to recapture the American dream for those who have retired, "it means protecting and preserving the current Social Security and Medicare programs and any pension and health benefits promised by their former employers. Americans want their country and their agenda back." Be sure to vote, and vote for those candidates, on both the national and local levels, who want their country back and the agenda of retiree benefits protected.

- E. Prompt Payment of Medicare Part B Reimbursement to TIAA-CREF Retirees: This year the reimbursement checks for TIAA-CREF retirees were sent at the same time as those for TRS retirees. This is the second year of prompt payment for TIAA-CREF retirees, and it culminates a long battle on this issue. First, there was the struggle of the municipal unions to maintain this benefit in the face of efforts by New York City to slash the amount of payment. Larry Kaplan, who deserves our thanks for his work and persistence, led the effort for the PSC. Once full reimbursement was restored in 2000, there has been a problem in CUNY to set up a system to have TIAA-CREF retirees paid at the same time as TRS retirees, instead of months later. That now seems to be set. I appreciate the work of Clarissa Weiss of the PSC staff over many years in working for this result.
- F. TIAA-CREF Issues Committee: TIAA-CREF has revised their website and their automated telephone access. Some of our retirees have reported concerns and problems regarding these revisions. The TIAA-CREF Issues Committee would like to know what your reaction is to these revised systems. Please respond to Irwin Yellowitz at iyellowitz@aol.com or to Linda Slifkin at the PSC office, 212-354-1252, and we will pass the responses on to the Committee.

- G. Involvement of Retirees in the Work of the PSC: In the last Newsletter for June 2004. I pointed out that a significant group of retirees are active in the work of the PSC at large, not just within the Retirees Chapter. I mentioned some of those persons, but I am happy to add several more names. Renate Bridenthal chairs the International Committee of the PSC, and several other retirees serve with her on this committee: Electa Arenal, Fran Geteles, Peter Ranis and the soon to be retired, Tony O'Brien. If there are other retirees who are active in the PSC, who I have not acknowledged in June or at this time, please let me know so I can note them in future newsletters.
- H. NYSUT Program to be Shown on CUNY TV: The New York State United Teachers has prepared a 26 minute program entitled The Bush Medicare Law: A Prescription for Disaster. I thank Francine Brewer for letting me know that this program will be shown on CUNY TV, channel 75 within New York City, on the following dates: Wednesday, October 20 at 10:30 AM, 3:30 PM and 8:30 PM; Sunday, October 24 at 10:30 AM and Monday, November 1 at a time to be announced.
- I. Personals: Once again the Personals section of this Newsletter is open to you for personal and professional information that you would like to share with our members. Please send items to me at iyellowitz@aol.com, or by mail to Irwin Yellowitz, c/o Linda Slifkin, at the PSC.

II. Report of Lawrence Kaplan: Rising Health Costs Hurt U.S. Economy

A recent report on health care released by the Kaiser Family Foundation indicates that the cost of employer health insurance premiums for providing health care to employees has risen 11.2 percent in 2004, the fourth consecutive year of double-digit increases. This has resulted in a continuing decline in the number of the nation's workers and their families receiving employer health care coverage.

This year's increase in premiums is still more than five times the national 2.2 percent increase in wages from the spring of 2003 to the spring of 2004.

Small businesses are being especially hard hit. The most common type of health plan premium has risen to \$10,217 with employees paying \$2,691 of the total, 26 percent of the cost. Small employers cannot afford to pay \$7,526 on a family health plan for a \$30,000 employee. The same coverage used to cost \$4,500 in 1998, six years ago. In order to survive, small employers are dropping a worker's spouse and children from coverage, or dropping health insurance coverage altogether.

Rising insurance costs resulting in fewer workers in employer-sponsored health plans drove the number of uninsured people to a record 45 million in 2003. This is over 15 percent of the U.S. Census Bureau estimate of 288 million Americans.

The Big Three automakers spent \$8.5 billion in 2003 on health care. General Motors estimates that providing health coverage for its workers and retirees adds about \$1,400 to the price of each of its vehicles built in the United States. This reduces America's ability to compete at home and in the global market.

The other industrialized countries provide universal health care for their population. In 2002 the Conference Board of Canada released a report indicating that universal health

care in Canada has made a significant “economic contribution to the competitiveness of Canadian businesses.”

President George W. Bush in a recent campaign speech acknowledged “we have more to do to make quality health care available and affordable.” The Bush plan would expand health care to a few million Americans by extending tax credits and creating large, unregulated purchasing pools.

The Democratic nominee, John Kerry, criticizes the Bush health proposal, offering a more ambitious health plan that would cover 27 million people and that would be financed by rolling back tax cuts for individuals making \$200,000 or more a year.

In January 2005 seniors will be hit with a 17.4 percent increase in the Medicare Part B premium, rising from \$66.60 a month for 2004, to \$78.20 a month, or \$938.40 a year.

Our present for-profit health care system is a colossal failure. A recent poll included in the Journal of Internal Medicine showed that two-thirds of Americans favor a health insurance system for everyone. Adoption of a single payer universal health insurance program would expand everyone’s health coverage at less cost. A 2004 Harvard Medical School’s study found that single payer universal health insurance would save our nation billions of dollars every year and, at the same time, would cover catastrophic health insurance, long-term care insurance, home care coverage, dental care, and even prescription drugs for all ages.

Our goal should be universal health care. A change in national leadership in November would give us an opportunity to bring national pressure on the administration to consider our urgent need for a national health insurance system. Such a program would be good not only for our health but also for our economy.

III. Speaker: Barbara Bowen, President of the PSC

Jack Judd prepared the following report of Barbara Bowen’s remarks.

At our first meeting of the academic year of 2004-05, Professor Barbara Bowen, President of the Professional Staff Congress, discussed the “State of the Union” before a very large Retirees Chapter audience. Upon being introduced by our Chairman, Professor Irwin Yellowitz, President Bowen began by stating that the Retirees Chapter was a vital and important component of the PSC in that the Chapter members represent all campuses and titles within the union. Furthermore, the work of the Chapter, under its past and present strong leadership, continually provides “vital and good” participation within the PSC.

President Bowen’s main thrust was an emphasis upon the importance of the current contract negotiations in relation to the protection and enhancement of retiree benefits. While the PSC is currently in good financial health, it is not so with the Welfare Fund. A major effort had been made, during the past year, to cut a very substantial deficit in the Welfare Fund primarily by restructuring the dental benefits program. This has created some dismay among the membership. However, the only way that dental benefits could be enhanced in the future would be through an infusion of additional income into the Welfare Fund. That will only come about through the process of collective bargaining. The other major problem is that prescription drug costs keep climbing at an alarming rate.

The Fund must constantly struggle with such rising costs while attempting to maintain the current level of benefits.

Collective bargaining brings the PSC into the world of city and state politics. Our funding comes not directly from the City University, but from New York City and New York State. After bargaining has been successfully achieved with City University officialdom, negotiations must also be carried out with Mayor Bloomberg and with Governor Pataki. The New York State legislature recently voted to provide a substantial increase to the City University budget for the new fiscal year, only to have those line items vetoed by Governor Pataki. We must now fight to have the vetoes overridden.

Upon concluding her remarks, President Bowen responded to questions from the members. There were particular questions that directly related to retiree issues. It was pointed out that retirees have no direct participation in contract negotiations, and have a restricted voice within the PSC. President Bowen responded that contract negotiations are legally restricted to active employees only. As for the role of retirees within the PSC, there is current discussion regarding representation in the Executive Council, and enhanced membership in the Delegate Assembly. She also said that the new Welfare Fund Administrator, Larry Morgan, would study the possibility of other dental options. President Bowen then received a round of applause for her candid remarks.

IV. Next Meeting

The next meeting will be on Monday, November 1, 2004, at the CUNY Graduate Center, C201-203, 1-3 PM. Our guests will be Professor Steve London, First Vice-President of the PSC and Executive Officer of the PSC-CUNY Welfare Fund and Larry Morgan, Administrator of the PSC-CUNY Welfare Fund. Their topic will be "The Current Situation of the Welfare Fund."

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