



THE CONDUIT

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February-March, 2011



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AEA-Retired Annual Meeting scheduled for April 28 in Mesa, ; Paul Matson to deliver keynote; Tory Anderson to address health care reform and Social Security; AEA Delegate Assembly follows on April 29-30; still time to register for both meetings

This year's AEA-Retired Annual meeting will take place on April 28. The theme will be **Understanding and Protecting Your Retirement**. Our keynote speaker this year is **Paul Matson**, Executive Director of the Arizona State Retirement System. With Social Security, Medicare, and public pensions under increasing attack, Mr. Matson is a particularly good choice for our speaker. He is a defender

of the Defined Benefit which we have, (and love), in Arizona.

Our luncheon speaker will be **Tory Anderson**, Executive Director of the Arizona Alliance for Retired Americans. Tory will speak to us about health care reform changes and benefits for seniors. In addition to this, she will also discuss the importance of Social Security to Arizonans, threats to Social Security, and ideas to improve Social Security for future generations.

In addition to our speakers and strategic planning discussions, we will have elections for President, Treasurer, and nine seats on the Board of Directors. As always, there will be plenty of door prizes and auction items to help raise funds for the NEA Fund for Children and Public Education, and the AEA Fund.

The registration forms for the Annual Meeting are on page 5 of this newsletter. There is a nominal fee of \$30 to help defray costs for lunch. Please note the deadline date for the Annual Meeting registration is April 14. Members attending both meetings will be reimbursed for half the cost of a shared hotel room. Those travelling over 100 miles one way will be reimbursed for mileage.

We still have slots open for those who would like to attend the AEA Delegate Assembly, as well as the AEA-Retired Annual Meeting.. The deadline for getting your name in for Delegate Assembly is March 14. We will accept names until all remaining slots are filled. Those who sign up will be expected to attend all sessions.



Paul Matson, ASRS Executive Director



Tory Anderson, Arizona Alliance Executive Director

Editor's note: There are many photos in this issue for you to enjoy. To get a clearer view, go online to www.arizonaaea.org/pdfs/aear/aearconduit0211.pdf and set the size to 200% or more.



AEA-Retired Calendar

February 8, 2011 AEA-Retired Board of Directors, 10:00, AEA HQ

March 8, 2011 AEA-Retired Board of Directors, 10:00, AEA HQ

April 28, 2011 AEA-Retired Annual Meeting, Mesa, AZ

April 29-30, 2011 AEA-Delegate Assembly, Mesa AZ

June 28-30, NEA-Retired Annual Meeting, Chicago, IL

June 30-July 5- NEA RA, Chicago, IL



On the delegate floor

Come to work...and to play

Whether you're coming only for the Annual Meeting, or for both meetings, there's plenty of time for hard work and fun play. Why not join us this year?



The legendary Happy Hour



ARIZONA STATE RETIREMENT SYSTEM UPDATE

BY STEVE RAMOS, ASRS CHAIR

ASRS WRAPS UP 2010 WITH POSITIVE NUMBERS DESPITE MEDIA ATTACKS ON STATE PENSION PLANS.



Steve Ramos

The Arizona State Retirement System Board wrapped up the year by setting a new contribution rate for the Defined Benefit Plan. A rate of 10.75% will take effect on July 1, 2011. The rate funds Long Term Disability, Health Care, and Retirement Benefits for members. For the first time, the rate exceeds 10% due to a downturn in the economy in 2008, the impact of a

smaller government workforce, and shrinking worker salaries. AEA Retired understands that higher contribution rates impact the state budget and draw the attention of those in the legislature who would like to change the ASRS to a risky and more costly Defined Contribution system. AEA believes that the huge cost of such a change could keep a DC bill from getting any traction in the legislature this year, but we expect that this issue will remain a priority for Republicans in the future.

ASRS funds continue to bounce back and now exceed \$25 billion. Despite the recent attacks on the ASRS in the media, the "Plan" is 76.4% funded, ranking it as one of the best in the country. Returns in 2009 topped 12%, and 2010 closed out at 14.9%, exceeding the 8% assumed rate of return on which the ASRS is based. However, even if investment yields should continue at that pace, the earliest any retiree would see a Permanent Benefit Increase (aka COLA) would be 2020. This is due to an actuarial

formula that smoothes the yield over 10 years. A 9% yield is needed to trigger a PBI payment. The smoothed yield at the close of 2010 was only 1.99%. The Board had discussions in 2010 about raising the assumed investment rate of return, but in December accepted the conclusion of a report that determined that 8% continues to be an appropriate assumption for future investments.

As of June 30, 2010 there were 213,530 active members in the ASRS "Plan", with an average salary of \$44,000. There were 101,307 retirees in the Plan, a 7.4% increase from 2009. The average retiree pension for "Plan" members was \$19,427. There are only 19 active members remaining in the old Defined Contribution "System" created in 1953. Their average age is 73.1. There are 1,562 retirees in the old "System" receiving monthly benefits. Their average age is 78. The "System" is 80.46% funded and the Board did not recommend a benefit increase in 2010 for members in the old "System".

In 2011 the ASRS Board will again ask the legislature to require an Alternative Contribution Rate for employers that hire ASRS members using the Return To Work (RTW) statutes. Because RTW employees are still working for ASRS employers while no longer paying into the retirement plan, a significant liability is created that has to be made up by increased contribution rates for other members. Media attention in November 2010 took aim at the entire RTW program (sometimes called double dipping) and this has led some legislators to seek an end to the practice altogether. AEA-Retired will again ask all members to stay connected with legislative updates and be ready to contact legislators about protecting our pensions and retirement plans.



John Campbell
Brenda Pierce

NEA Retired's Magazine, *This Active Life*, features AEA-Retired members frequently

There's something about Arizona that attracts the attention of *This Active Life*, the NEA retired magazine. In the past five years, we've had five of our members appear. Two of our folks, John Campbell and Juan Zuniga, were cover boys, both times in issues about mentoring programs. They also appeared in the stories and photos inside. (Apologies to Juan; for whatever reason, his cover did not show up in the NEA archives, but you can see his smiling face on page 6 of this issue.)

Board member Brenda Pierce was featured in the member profile section

in the January 2010 issue.

We even had a pre-retired member, Rachel Stafford, highlighted as a pre-retired life member in a 2007 issue when she was just 35!

Frank Bing has made the publication twice, once eight years ago as a pre-retired profile, and January, 2011 in an article about the editorship of *The Conduit*.

Of course, AEA-Retired member Barb Matteson appears in every issue since she is NEA-R President. You can check the archives by going to www.nea.org/retired.



Rachel Stafford
Frank Bing



PRESIDENT'S MESSAGE

BY LINDA SOMO

*My apologies to **Ralph Lara**, whose name I inadvertently omitted from my last column when naming past recipients of the Les Reynolds Distinguished Senior Service Award.*

Are you still considered to be paranoid if they really ARE out to get you? I find myself pondering this question because I definitely am under attack on three different fronts. As a public school advocate, a retiree living on a public pension, and as a union member, I, (and all those who fit in these categories), am being vilified by legislators, by the media, and often by the general public.

Public school employees and their unions are being blamed for all that is wrong with education in this country. Movies like "Waiting for Superman" and TV documentaries portray teachers and unions as the villains who oppose change, even though the changes that are recommended (e.g., charter schools) have not been proven to improve schools. No matter that we work diligently with every child who enters our schools to try to provide the best education possible under adverse circumstances. No matter that 85% of parents still highly rate their neighborhood public schools, or that our public schools continue to work well for the vast majority of our students. No matter that the NEA is at the forefront of school improvement with their Priority Schools Campaign aimed at "transforming" low achieving schools in a collaborative effort with members, administrators, and communities. The public never hears about all the good that is happening. They only hear about the negative. And they hear it continuously until they believe that is the whole story.

State affiliates, such as AEA, help members to advocate for school funding, class size, employee benefits, and numerous other important student issues. In retaliation, some state legislatures, such as Alabama's, have passed laws to outlaw payroll deduction for union dues. Other states will surely follow suit in an attempt to destroy the only voice that public school employees have.

Nationwide, public employees, their pensions, and their unions are being blamed by elected officials and the media for

bankrupting state budgets. Really? With the worst economy since the Great Depression, unemployment at an all-time high, state tax revenues at an all-time low, and businesses and the very wealthy getting huge tax breaks, public employees are responsible for state budget deficits?



President Linda Somo

When the New Jersey Governor said that his state could not afford to cover the huge deficit in the public employees' pension fund, he failed to mention the fact that the state paid nothing into the system for 14 of the last 17 years. Yet he was more than willing to blame public employees for causing the problem.

Last summer, while visiting California, I was dismayed to hear a friend blame the public employees' unions for causing all the budget problems in that state. He actually said that unions were causing the downfall of our country. Why did he believe this? Dave Johnson at the Campaign for America's Future writes: "The right's propaganda machine begins with a simple narrative, repeats it endlessly, and then ties current events to the narrative to drive the point home. The corporate/conservative right are currently working a narrative that public employees and their unions are the reason for state and local budget problems. This is repeated endlessly, and every current event that hits the news is then used to support the claim. This is how an untruth becomes conventional wisdom." Johnson traces the recent (and false) mantra that public employees' pensions and wages are causing state and local budget meltdowns. It ran from

A Good Reason to Join



Congresswoman **Gabriella (Gabby) Giffords** and AEA-Retired member **Pam Simon** (Thanks to Pam for the photo.)

Pam is the Community Outreach Coordinator for Congresswoman Gabrielle Giffords. She was there on January 8 in Tucson, and was wounded in the attack on Gabby. Like Gabby, she is having a miraculous recovery. While active, Pam served as president and vice president of the Marana Education Association. During that time, Pam became much more active in politics, and when Gabby was elected to congress, Pam was hired as a staffer. She is a proud NEA-AEA Retired member. Check out the additional articles on pages four and five to learn more.

George Will, to the *Wall Street Journal*, to Wisconsin Gov. Scott Walker, to anti-tax extremists.

So, if lately you've been feeling like you are under attack, don't worry. You're not paranoid. The question is, what do we do about it? We could hunker down and go into hiding, but that would only encourage our attackers. I prefer to fight back. With the help of all of you, and the other members of AEA/NEA, our collective voices will be heard. We need to tell our side of the story, wherever and whenever we get the opportunity. Talk to your friends, family members, neighbors, church members, acquaintances, and anyone who will listen. Write letters to the editor challenging the falsehoods. Contact legislators and advocate for what you know is right. Just because they are out to get us, doesn't mean we have to let them.



In 2008, Pam Simon and Gabrielle Giffords stopped by to visit with AEA-Retired members who were doing volunteer work for candidates in Tucson

L.to R. Michael Gordy, Pam Simon, Aurora Aber, Jan Goeller, Helen Arnold, Congresswoman Gabby Giffords., Marilyn Freed, Frank Bing, Ken Freed

Editor's note: AEA-R Legislative Co-chair Steve Linder was preparing his column for this issue of The Conduit when the events of January 8 shook Arizona and the whole country. Instead of his regular column, Steve turned in this personal reflection on those tragic events. FB



Steve Linder

This is a very different article from the one that I originally was going to write. The events of Saturday, January 8 changed everything. I first was made aware of what had happened because my brother-in-law is the pharmacist at that Safeway and he called immediately. There was nothing on the news for what seemed to be an exhaustive amount of time so it felt like a dream. When the

news began to trickle in I went through all of the requisite stages: shock, disbelief, anger and then incredible sorrow.

This event was so deeply personal because I've known Gabby since her first campaign for the Arizona House and have worked closely with her ever since. There are no words; there is just no one like her. When I heard there were other victims my thoughts immediately went to Pam Simon who I knew always would be at these events. I've known Pam for almost 20 years since my niece was in her class at Tortalita Middle School in Marana. We became friends mostly due to our common interest in politics and lobbying. When she retired and Gabby offered her the position of community outreach for education, I thought, "this is a perfect fit."

The shock of the event was so magnified because I know all of these people so well. I knew Gabe Zimmerman, the young man who was slain, as the bright shining star he was. What a future he would have had. It is so difficult to fathom such an event happening, but to cut so closely, and to even have one of our own, a retired AEA member, out doing only good work for our community with Gabby, is almost too much to imagine.

When the commentary from various notables began to trickle in I was stunned. Certainly people who loved Gabby as we all do were horrified and wished her only the best. Then came the comments from some politicians who so vilified her during the campaign. I'm not going to name names; most of you know who they are. They professed such outrage and their undying admiration for our Gabby. These are the same people who made commercials that disparaged her in every possible way this campaign season.

Gabby had recently stated that we must bring back civility to the political landscape. If this event doesn't wake people up to the fact that words have consequences, nothing will. We may never know what makes a young man go on a rampage like he did, but certainly the words of hate blasted daily on cable TV and radio have an impact on fragile minds.

When the shock of this Saturday begins to wear down, our politicians are going to go back to business as usual. This is why I am asking all of you to make the connection to "The Wizard of Oz". When the character says "pay no attention to the man behind the curtain", you must pay attention. You must listen to what our legislators are saying, but watch what they are doing. They will profess to be helping all the citizens of our state, but will be destroying everything we hold dear.

Now that they have all statewide offices and have a huge majority in each house they have no one to blame. For every hurtful action they perform you must make your family, friends, neighbors and community aware. You must be constant letter writers to your local papers. You must hold their feet to the fire and ask your neighbors "Is this what you voted for?"

Right now I am still rather numb. I know we will get through this horrific event, but meanwhile we can't allow our state to be destroyed. Please be vigilant, be aware, and stay strong. If things need to happen I know I can count on our members to pull together. For now I am with you, but my heart is broken.

Steve Linder, AEA -R Legislative Co-Chair

An interview with Pam Simon

On February 3, I had an opportunity to chat with **Pam Simon**. It was a wide-ranging discussion that went well beyond the events and aftermath of January 8. We spoke first of her history in education. After college, Pam taught briefly (Home Economics) before taking a long break to raise her family. While volunteering in her daughter’s class in Marana, she got to know a teacher that Pam said was a genuine mentor. That teacher was current AEA-Retired member, and NEA-Retired President Barbara Matteson. Barb encouraged Pam to get back into teaching, and that’s exactly what happened. Pam was very interested in politics, and Barbara helped Pam get more involved at the local, state , and national levels. Eventually Pam became involved with association leadership and was elected vice president of the Marana Education Association. Her president was some guy named Andrew Morrill. When Andrew moved on to AEA political work, Pam became president of MEA. Pam also considers Andrew as a great mentor and a friend.

Pam had worked very hard for Gabrielle Giffords when she ran for state rep in Arizona. When Pam retired, she was hired as Gabby’s Community Outreach Coordinator, and she still serves in that capacity.



Pam was standing about 8 feet from Gabby when the shooting started; she remembers seeing Gabby go down, then Pam was hit and after that, mostly what she remembers is chaos. Following the events of February 8, Pam was visited, at length, in her hospital room by President Obama and Michelle Obama. And just days after the event, Pam attended the memorial service at UofA. A week later, she was back to work. Pam feels like she’s almost back to 100% just a month after the horror.

Pam says the #1 job now is healing. Her take away from what happened is that we need to do a better job training educators in identifying and getting help for young people who are ill and getting worse. She felt that this could have been avoided if the shooter had gotten help earlier. Pam said she doesn’t feel great animosity towards the young man, any more than she would feel animosity towards someone else who needs help. It’s just like Pam to think about the needs of others, even when this happened to her.

Special visitors at the hospital: front, Pam; Back row, Pam’s husband Bruce, daughter Summer, (Barbara Matteson’s former student), son Fritz, President Obama, First Lady Michelle Obama

Pam is an invited guest for the AEA-Retired Annual meeting, and says she’ll probably be there. We’re proud to call her our colleague, our fellow AEA-Retired member, and our friend. FB

**AEA-Retired Annual Meeting
Thursday, April 28, 2011
Registration Form**

The **\$30** non-refundable registration **fee** is payable by check or money order to **AEA-Retired** and must accompany this form by Wednesday, **April 14, 2011**. Send to: **AEA- Retired Annual Meeting, 345 East Palm Lane, Phoenix, AZ 85004-1532**. (Registration fee & form are required of all members and guests.)

Name _____

Address _____

City, State _____ Zip _____

Phone _____ E-mail _____

Please circle your choice of luncheon entrée so we have an accurate lunch count (uncircled forms will receive chicken):

Chicken Flatiron steak Salmon Vegetarian

Require or use special accommodations? Yes No

If so, what? _____

Photo Gallery & More News You Need

IMPACT- (Uof)A Fun Time Was Had By All *by Marilyn Freed*

On December 8, 2010, the U of A IMPACT (Intergenerational Mentoring Program Attracting and Connecting Teachers) group met at the B'nai B'rith Hillel Foundation, just one block from the College of Education. Since the site is so close, many of the protégés were able to tear themselves away from their studying for finals.



Mentors Marsha Rianda, Ken and Marilyn Freed

The mentors served up a delicious pot luck dinner for the twenty-one attendees and, in fact, encouraged the protégés to take home the leftovers. Special thanks to Donna Jurich, the Director of Elementary Education at the

U of A for putting together wonderful goodie bags for all of the protégés. Those students who were unable to attend were contacted and invited to pick up their treats at the Department of Elementary Education office.

Prior to dinner, we played a get-acquainted game with prizes for the winners. It is always fascinating to see what people will do to win a key chain. In addition to our game and good eating, the two generations spent the bulk of the 2+ hours conversing about the things we have in common – kids. As retirees, we are all excited about meeting and working with the people who will be teaching our grandchildren.



Mentors Ed Messing, Juan Zuniga, and Steve Linder

Many thanks to Hillel for hosting this event, the mentors for the great food, and the protégés for including us in their college experiences.

Right: Jennifer Paffin, Evelyn Spitzer



Left: Karen Hines, Marilyn Freed, Dr. Donna Jurich, head of Elementary Education, U of A

Glendale/West Valley Chapter meeting, February 3

The Glendale /West Valley Chapter (new name) met at the Ironworks Restaurant in Glendale on February 3. Topics discussed included the Arizona Education Commitment, ASRS updates, Arizona Alliance news, and the events of January 8 in Tucson. A meal followed the business part of the meeting. Here are some photos from the meeting.



Thanks to Glendale/ West Valley Chapter Chair Susie Sommer for the photos.



Right: Glendale/ West Valley Chapter Chair Susie Sommer and speaker Frank Bing touched on a variety of current topics.



Social Security

Social Security is better off than you think; read on. It seems as though we're battered daily with stories of doom and gloom about Social Security. Many politicians would have you believe that the fund will dry up just a few years down the road. They're wrong. Here are some interesting facts taken from the AFL-CIO Blog of January 28, 2011.

Flash! Social Security's Not Doomed

by Mike Hall, Jan 28, 2011

Here's some news that gets buried in the normal the-sky-is-falling **Social Security** coverage. Although the weak economy is having a short-term impact on Social Security's finances, Social Security is still projected to run an \$868 billion surplus over the next decade, according to a **new report** from the Congressional Budget Office (CBO).

Economic Policy Institute (EPI) economist Monique Morrissey says the latest report shows the surplus is "sufficient to last through the peak baby boomer retirement years."

Nevertheless, gloomy news reports show that when it comes to Social Security, no news is bad news.

For example, an Associated Press story on the CBO report claimed that "Social Security will run at a deficit this year and keep on running in the red until its trust funds are drained by about 2037." Says Morrissey:

The story misrepresents the trust fund's solvency by excluding interest earnings, a major source of revenue for Social Security. The article also fails to mention that even if nothing is done to shore up the system's finances, current tax receipts will be suffi-

cient to cover most benefits in 2037, which will still be higher in inflation-adjusted terms than benefits are today. Social Security is not in crisis.

For more on Social Security's long-term finances, check out Morrissey's new EPI paper, which shows the biggest cause of Social Security's projected long-term shortfall is not rising life expectancy or the baby boomer retirement, but rather stagnant wages and growing inequality.

She writes that rising life expectancy represents "only a small part of the fiscal challenge facing Social Security."


The bigger problems are weak wage growth and rising earnings inequality, which account for more than half the projected shortfall that has emerged since the system was last restored to long-term balance in 1983. Earnings inequality has eroded Social Security's taxable earnings because earnings above a cap are exempt from Social Security taxes.

Likewise, slower wage growth increases the costs as a share of taxable earnings. Rising health care costs, which create a growing wedge between compensation and taxable wages, a falling birth rate and higher disability take-up are also contributing to the projected shortfall.




Tucson Chapter meeting, November, 2010





Now More Than Ever,
The Commitment Continues

The Conduit



Your Retired
Statewide Local

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AEA-Retired Chapter News

Chapters are an attempt to bring AEA-Retired closer to members. All AEA-Retired members are eligible to join a chapter where they worked or currently live. Meetings usually include an information program, business meeting, lunch or dinner, and time for socializing with friends and colleagues. Anyone interested in forming a new chapter should contact Chapters Chairperson **Gary Mehok** at LOJO40@cox.net.

Glendale/West Valley Chapter- Meeting dates for 2011 are May 5, October 6, and December 1. All West Valley AEA-R members are invited to join us on these dates at 4:00pm at Ironworks Restaurant at Bellaire Golf Course. For info call or e-mail Susie Sommer at 623-931-6209 or ssommer114@aol.com

Mesa / East Valley Chapter: Contact **Steve Ramos** at steveramos2@cox.net or (480) 924-0771 for info. Next meeting, March 9 at Sunrise Bank Building on Main Street in Mesa. Frank Bing will present The Five Wishes.

Tucson Chapter: Contact **Chip Parsons** at chipp@cox.net or (520) 791-7847 for additional information.

Phoenix Chapter: Contact new chair **Barb Joseph** at (602) 859-0165 or btjoseph@cox.net, or call her at (602) 765-0788.

White Mountain Chapter: For information about this chapter, contact **Gary Mehok** at LOJO40@cox.net

Prescott Chapter: To join this chapter, contact chair **Ted Coleman** at tdashfork@azwildblue.com. Meetings are every 2nd Monday at the Chinese Buffet on Route 66. (Get your kicks.)

Yuma Chapter: Please contact **Gary Mehok** at LOJO40@cox.net if you are interested in reestablishing this chapter.

Paradise Valley/ Scottsdale Chapter : meetings are at Macayo's on Scottsdale Rd. north of Shea Blvd. from 11am to 1pm on March 14 and May 9. For more info, call **Suzan Austin** (480) 947-2089, suzanaustin@cox.net. The speaker for the next meeting is Linda Somo, who will present The Five Wishes.

Sierra Vista: Next meeting March 17, Landmark Café, Sierra Vista. Mid-to late May meeting at Ricardo's restaurant on S. HWY 92 in Hereford. Please call Sally Rosen at (520) 249-0233 or e-mail her at Azcatsally@aol.com for more info.

Northeastern Arizona: A chapter has formed to serve the areas from Flagstaff through the northeastern corner of the state. We're looking for members! If you're interested in participating, contact **Gary Mehok**, AEA-Retired Chapter chairperson, at LOJO40@cox.net, or **Danny Barlow**, at dsjbarlow@yahoo.com