



The conduit

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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/aearconduit1209.pdf and set the size to 200% or more.



AEA-Retired Calendar

- January 11 — AEA-Retired nomination forms due (see pp 4-5)
- January 15-17 — NEA Western Region Leadership Conference, Mesa, AZ
- February 3 — AEA-Retired Board of Directors Mtg., AEA HQ
- February 6 — AEA Committee Day
- March 3 — Education Day at the Capitol
- March 9 — AEA-Retired Board of Directors Mtg., AEA HQ
- April 22 — AEA-Retired Annual Meeting, Mesa Marriott

Health Care reform takes center stage nationally; U.S. Senate, House both get votes to move forward with critical debate; major retiree groups urge passage

For the past several months, the debate over Health Care reform has been the center of attention in Washington. Contentious debates, all along party lines, have given the Obama Administration its first huge test as they try to fulfill a very important campaign pledge.

In a nutshell, the legislation is designed to extend health care to millions of citizens who now lack it, prohibit insurance companies from denying coverage on the basis of pre-existing conditions, and generally slow the rate of growth in medical spending. Most Americans would be required to carry health insurance, (much the way they are required to carry car insurance). Small companies would not be required to provide insurance for workers, but large companies would have to provide coverage or face fines. To make sure citizens would carry coverage, the bill would create new marketplaces, called exchanges, where consumers could shop for insurance that met government guidelines. The bill would include hundreds of billions of dollars for federal subsidies to help lower and middle class families afford the requirement. The biggest bone of contention in the early stages of the debate was (and still is) over the concept of a public option. The public option would allow the government to establish a premium-based (not government funded) company which would give an option to private companies. The public option company would spend only about 3% of premiums on administration of the company rather than 30-35% for private



companies. This lower overhead would allow for lower premiums.

The other big argument is over the cost of the program currently being debated. Some are claiming the cost will be 2 trillion + over ten years, but the Senate proponents show a cost of \$849 billion. In fact, the non-partisan Congressional Budget Office (CBO) claims the net reduction in the federal budget deficit over the period 2010-2019 would be \$138 billion dollars as a result of the reforms.

There have also been dire claims about health care reforms damaging Medicare. However, AARP, the largest retiree advocacy group, has

come out in favor of the pending proposal. A. Barry Rand, CEO, stated, "Most importantly, the legislation does not reduce any guaranteed Medicare benefits."

The Alliance for Retired Americans (ARA) supports Health Care reform. The ARA believes that any Health Care reform passed by Congress must

- Allow Medicare to negotiate volume discounts with drug manufacturers. The Veterans Administration does this and its prescriptions cost 30 percent less.
- End wasteful taxpayer subsidies to private insurance companies who run Medicare Advantage programs at a cost nearly 20 percent higher than Medicare.
- Provide early retirees the option to purchase Medicare coverage. Many of the 5.1 million Americans between 55-64 who lack health insurance are victims of mass layoffs.
- Close the "donut hole" in Part D coverage.



LEGISLATIVE UPDATE

BY JULIE HORWIN

With a new year on the horizon, the economy, wars in Iraq and Afghanistan, and other social issues are high on the radar; however, health care continues to take center stage. It is difficult to try to guess what the eventual outcome will be of continued debate and literally hundreds of amendments being presented to current proposals being considered by President Obama and the Senate.

There are still sharp divisions between parties, and little progress is being made at this writing. Financing of these proposals is unclear and all over the board depending on whom you listen to. The Public Option is still a hope of many, although it has moved from center stage. Your voices to your representatives are an invaluable source, and I

encourage all to remain current on changes as they happen. Get involved.

On the state level, we have several retirement issues that may be introduced this legislative session. Steve Ramos will detail them in his ASRS article - look for Plan Changes and Return-to-Work Rules Changes.

The AEA Government Relations and Task Force of which I am a member, as are the Honorable Marion Pickens and Steve Linder, each from AEA-Retired, is looking into what bills AEA can write, and what are our promising outcomes from a legislature that has at least a 2 billion dollar shortfall to overcome.

We are looking at what legislation has been implemented and how these implementations affect educators, employees

of public education, and especially students.

Draconian laws that were signed into law and went into affect November 24, 2009 include

~Requiring the governing board to remove union representatives from the school district payroll. This would eliminate release time for Association leaders

~Requiring a teacher to repay a school district for the cost of a substitute teacher if the teacher engages in a



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ASRS FUND BEGINS TO RECOVER; PROBLEMS WITH HEALTH CARE PACKETS.



Steve Ramos

The Arizona State Retirement System fund at one time stood at \$28 billion. That number dropped dramatically over the past year to \$19 billion. At that time, ASRS assured members that the fund was more than capable of providing uninterrupted payments to retirees. ASRS has continued to make good financial decisions on behalf of members and has seen the fund rebound to almost \$24 billion as of October, 2009.

ASRS continues to seek support from the legislature for plan changes that the Board feels will make the fund more solvent in future years. If passed, these changes would apply to new hires after July 2011.

1. **Changing the calculation of a member's average monthly salary from the highest 3 years to the highest 5 years.**
2. **Raising the points for Normal Retirement from 80 to 85**
3. **Limiting a member, who terminates employment after five or more years, to a refund of only 25% of their employer's contribution.**

The ASRS will also go back to the legislature to get new language surrounding "Return To Work" legislation passed. They have proposed two options.

Option 1. Charge an alternative contribution rate to school districts that hire retired private contract employees.

Option 2. Require all retirees who return to work with an ASRS employer to "un-retire" and return to making payments into the system until such time that they terminate employment

Finally, ASRS admits they had a problem sending out health care packets to members in a timely manner. The deadline for making changes was extended to November 30th. AEA-Retired began asking questions about the delay early in October, only to be told "the packets were in the mail". AEA-Retired has informed the ASRS Board that we were disappointed with the lack of communication with our members over this issue. Many of our members had no choice but to individually call ASRS help lines seeking copies of the packet. A few members reported ASRS operators were less than apologetic on the phone, especially as the deadline approached. AEA-Retired expects better communication in the future.

Steve Ramos is the chair of the ASRS Committee for AEA-Retired. He attends all meetings of the ASRS Board.

PRESIDENT'S MESSAGE

BY LINDA SOMO

It doesn't seem possible that another year has almost passed by. I guess the old adage that "the older you get, the faster time flies" is really true. It seems like only yesterday we were worrying about Y2K, and here we are finishing the first decade of the new millennium. Amid the holiday hustle, bustle and frenetic activity, I always take some time to reflect, evaluate, and give thanks for the many blessings that have touched my life.

I have been blessed in so many ways. First and foremost, I am thankful for my family -- a loving husband who has been by my side for more than 45 years, two wonderful sons, and six unique and irreplaceable grandchildren. Next, I am thankful for a country that has given me, the daughter of immigrants, an excellent public school education from kindergarten through graduate school, and afforded me the opportunity to pursue my professional dreams. I am thankful for the military men and women (past, present, and future) who have sacrificed so much to keep our country safe and maintain our valued freedoms. I am thankful for the ability to work in a profession that I love for more than 30 years, and for my professional union that gave me a voice and supported me and my colleagues in efforts to enhance the lives of children and public school employees.

I am especially thankful for all the wonderful members of AEA-Retired who give unselfishly of their time and talents to serve their colleagues. We are privileged to have great representation and leadership on our Executive Board with the officers and 15 Representatives-at-Large who willingly do the work of AEA-Retired: **Aurora Aber, Suzan Austin, Shirley Boswell, AnnJi Craig-Wooton,**

Ken Freed, Steve Linder, Cindy Michels, Gary Mehok, Judy Moy, Brenda Pierce, Steve Ramos, Mark Rosin, Daina Swinford, Linda Thicken, and Juan Zuniga. They follow in the footsteps of those who led the way before us and continue to guide us.



President Linda Somo

My fellow officers, **Frank Bing**, Vice President, **Julie Horwin**, Secretary, and **Jean Stephenson**, Treasurer, spend countless hours working for all of us. I can always depend on them for whatever needs to be done, and I could not do my job without them.

Thanks, too, to our committee chairs, committee members, chapter chairs, and all volunteers. You perform the nitty gritty, day-to-day activities that make our Association strong and effective in serving the needs of members.

And finally, I am thankful for you, the members of AEA-Retired. You are indeed a very special group of people. Not only did you devote your lives to meeting the needs of students, you continue to be committed to procuring a quality, public education for every student. The fact that more than 450 of you have already returned your voluntary contributions to the AEA Foundation, the Fund for Children, and the Education Improvement Fund (exceeding the \$6 amount requested from each participant) is proof of this.

Yes, this is indeed the time of year for giving thanks for my blessings. Best wishes to you and your family for holidays that will bring you health, happiness, and many reasons to be thankful.

A Good Reason to Join AEA-Retired

Suzan Austin



Suzan has been very active in AEA-R since her retirement from the Phoenix Union district. In addition to her stint as co-editor of the award-winning Conduit, Suzan works incredibly hard each year as co-chair of our Annual Meeting planning committee. Suzan also serves as an at-large representative on the Board of Directors.

Thanks, Suzan, for helping to make the association better for all of us.

Endorsed Provider Advertisement



The NEA MemberCare Medicare Supplement provides all of the same plan options and benefits of other Medicare supplement programs. However, the Program offers you more advantages including discounts on dental care, chiropractic care, vision care, hearing care, and vitamins.

The NEA MemberCare Medicare Supplement Program is underwritten and self-insured by the NEA Members Insurance Trust. This means you can count on us to give you the best benefits at the best price since we serve only you, our members, exclusively. The NEA Members Insurance Trust has been serving members with quality insurance since 1978.

For more information, call **Sean Mabey**, NEAMB Regional rep 1-(866)-903-0440

The **LES REYNOLDS DISTINGUISHED SENIOR SERVICE AWARD** is presented annually to a member of our association in appreciation for outstanding service to our Association, public education, and the community. Please take time to nominate a member you believe meets these criteria. Please be specific in completing the form, either in typewritten or word-processor form. You may attach additional information. The committee will not consider partially completed forms.



LES REYNOLDS DISTINGUISHED SENIOR SERVICE AWARD NOMINATION FORM

Nominee Name _____

Address _____

City _____ State _____ Zip _____ - _____ Phone (____) _____ - _____

Nominator's Name _____ Phone _____

Nominee information: Please use this format and use a typewriter or word processor. Attach an additional page if necessary. There is a two page maximum.

1. Number of years as an AEA-Retired member : _____
2. Association positions held at the local, state, and national levels:
3. Positions held in other professional and/or social organizations:
4. Community service:
5. List and describe the nominee's involvement in activities that were beneficial to AEA-Retired, education and/or his/her community:
6. Other relevant information:

Please return a completed nomination form to **John Campbell** at
4540 Laurie Lane, Glendale, AZ 85302, by **January 11, 2010**.

**AEA-RETIRED ELECTION 2010
Region 16**

Pursuant to Article V and VI of the Association’s Constitution, AEA-Retired is currently accepting nominations for the following positions: Secretary, 5 Representatives-at-Large. The election of Officers and Board Members will be held during the AEA-Retired Annual Meeting which is scheduled for Thursday, April 22, 2010, at the Marriott in Mesa. **Nominations are due by January 11, 2010.**

NOMINATION FORM FOR AEA-RETIRED EXECUTIVE BOARD

- You may self-nominate for only ONE of the vacant offices.
- If you nominate someone other than yourself, you must have his or her signed permission.

CANDIDATE _____ PHONE _____

ADDRESS _____ CITY _____ ZIP _____

Signature of Nominator _____ Signature of Candidate (Candidate must sign) _____

Check the office you seek

_____ Secretary _____ Representative-at-Large (5 to be elected)

All terms are for three years.

NOTE: Please mail nomination forms postmarked by **January 11, 2010** to:
AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004

**NOMINATION FORM FOR AEA-RETIRED DELEGATES, REGION 16,
TO AEA DELEGATE ASSEMBLY**

Concurrent with officer and board nominations, we want and need you to run as a delegate to the AEA-R Annual Meeting and Delegate Assembly. We need a minimum of 75 delegates. You may nominate yourself. AEA-Retired delegates, Region 16, are required to attend both the AEA-Retired Annual Meeting on Thursday, April 22, 2010, and the AEA Delegate Assembly on Friday and Saturday, April 23 and 24, 2010. This is a great opportunity to meet with long-time friends, be updated on happenings around the state, and show your support for your statewide local, AEA-Retired. **The deadline for the return of nomination forms is January 11, 2010.** Election of delegates will be by secret ballot. Voting will take place online through AEA, unless individuals request a paper ballot. Voting will take place in February-March. Look for more information in the Conduit, on www.azedretired.com and in the e-newsletter.

CANDIDATE _____ PHONE _____

ADDRESS _____ CITY _____ ZIP _____

Signature of Candidate _____

NOTE: Please mail nomination forms postmarked by **January 11, 2010** to:
Judy Moy, AEA-Retired Elections Committee, 345 E. Palm Lane, Phoenix, AZ 85004

Photo Gallery & More News You Need

Photos from the recent meetings of the East Valley and Paradise Valley-Scottsdale Chapters



AEA lobbyist Jennifer Loredo spoke to the East Valley chapter about current info from the legislature, and what we can expect in the upcoming session



The hallmarks of the well-established East Valley Chapter meetings are great attendance (usually 30+) good food, engaging social time, and informative speakers.



The Scottsdale-PV Chapter (photos right) is one of our newest and is actively seeking new members.



See page 8 of this Conduit for more information about all chapters.



AEA-Retired Pre-retirement seminar presented to EA of Avondale, November 17

Frank Bing and Steve Ramos took our seminar to a group of 30 in Avondale . The audience was appreciative, and the evaluations were terrific.



*Holiday Greetings
from your*



*A EA -Retired Officers
and
Board of Directors*

Insurance issues

NEA Pension Forum warns of attacks on teacher retirement plans

AEA-Retired sent Steve Ramos and Richard Spitzer to the 2009 NEA Pension Benefits Forum in November. The annual conference educates and informs pension plan trustees, association leaders, and NEA staff. This year's forum focused on the impact of the recession on retirement security. The conference included sessions on protecting, preserving, and promoting public pensions.

As state legislatures begin to scrutinize every dollar they spend, generous, well managed, public retirement plans can become the target of new legislation or ballot initiatives seeking changes or limits. Combine this with the fact that many private pension plans have disappeared or been replaced by inferior plans and the public can easily develop a case of "pension envy". There is a general misconception that tax money funds these well-managed, quality defined benefit plans. One study found that when the public is informed that employee contributions and earned interest among the sources of state retirement benefits, their doubts about how deserving our members are of such benefits changes dramatically.

Pressure still exists in some states to move their retirement systems from a "defined benefit" plan like the Arizona State Retirement System to a "defined contribution" where mem-



Richard Spitzer and Steve Ramos

bers invest in a 401k. NEA has gathered solid research demonstrating the superiority of DB plans over DC plans. Proponents of DC plans may now look at getting states to consider a mixed DB/DC plan for future retirees in order to get their foot in the door.

Participants also received an update on the outlook for health care reform and NEA's analysis of what is likely to come out of Congress. Carolyn York, a longtime NEA staffer in Washington D.C., reminded forum participants that change is deliberately slow in Congress. She chided the media for creating fear that Congress will change Medicare. Carolyn says "I've worked on Capitol Hill for years, Congress makes changes to Medicare every year. This year is no different." NEA continues to provide our members with great information and experienced representation for our members in Washington D.C. .

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Legislative Update, continued from page 2, top

lobbying activity. In essence, this "fines" teachers who visit the capitol using their own earned and district approved leave time to express their views to their elected officials.

~Removes current statute that requires a school board to notify a provisional teacher of nonrenewal by April 15. This means RIF notices can be sent any time throughout the year, even one week before school starts so a teacher can't find a new job in time for the new school year; removes the contract dates (between March 15 and May 15) in which districts are required to offer teaching contracts for those teaching over three years. This means teachers could go into a new school year not knowing what their teaching contract says.

~The law also allows districts to reduce the salary of an individual without having to reduce the salary of everyone in that employee category.

While there is no good way to RIF a teacher, most school districts have used seniority in the past in order to have a fair way to let go of teachers - **but the new laws make it illegal to use seniority as a method of reduction in force.**

This legislation is a direct attack against public school employees for daring to voice their opinions last spring and summer (March4Schools) about

the budget cuts at the state legislature. These laws hamper teachers from advocating for their students. I know that we will work side-by-side with active AEA members to eliminate these insulting laws.



The Conduit

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Linda Somo	President
Frank Bing	Vice President
Julie Horwin	Secretary
Jean Stephenson	Treasurer

Conduit Editor
Frank Bing

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 can contact Chairperson **Gary Mehok** at LOJO40@cox.net. *We would love to have chapters in the northern part of the state. Currently, our northernmost chapter is in Prescott Valley.*

Glendale Chapter: Future meeting dates are 2/11, and 5/13/. Contact Susie Sommer for info at (623) 931-6209 or at ssummer114@aol.com.

Mesa / East Valley Chapter: The remaining meeting dates for this year are 1/13, 3/10, and 5/12. For information contact **Steve Ramos** at steveramos2@cox.net or 480-924-0771.

Tucson Chapter: Tucson Chapter met 11/17. The speakers were Bill Finkelstein, who spoke about teaching experiences in China, and Barbara Matteson, who addressed Health care reform. The next meeting is scheduled for 1/19, at the TEA Offices. Contact **Aurora Aber** at TheAbers@cox.net or 520-721-7547 for information.

Phoenix Chapter: The next meeting will be on 1/21, at Metro Tech HS. The speaker will be Superintendent of Public Instruction candidate Penny Kotterman. Please feel free to bring friends and spouses/ partners. Contact **Mark Rosin** at 602-859-0165 or **rosin_mark@yahoo.com**.

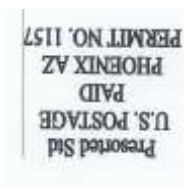
White Mountain Chapter: For information about this chapter, contact **Paula Grigsby** (Overgaard) at 928-535-4353 or (pkgrigsby@frontiernet.net) or **Gary Mehok** at LOJO40@cox.net.

Prescott Chapter: To join this chapter contact **Helga Krantz** at bcdhelga@gmail.com.

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

Paradise Valley/ Scottsdale Chapter: Please bring fellow retirees, members or not. Spouses/ partners are welcome. Please RSVP to **Suzan Austin** 480-947-2089, suzanaustin@cox.net ASAP

Sierra Vista: This chapter will have their next meeting in January. Please call Sally Rosen at (520)249-0233 or e-mail her at Azcatsally@aol.com for more info or to RSVP.



AEA Retired, YOUR STATEWIDE LOCAL
Affiliated with Arizona Education Association
345 East Palm Lane
Phoenix, Arizona 85004