

## NEW CAUCUS LEADERSHIP HAS RESTORED A FISCALLY SOUND WELFARE FUND

"I have been a trustee of the PSC/CUNY Welfare Fund for two years. During that time I have watched Barbara Bowen and Steve London address many important issues facing the Fund. Without exception they acted in a professional, ethical manner consistent with a high standard of good governance. They consistently sought to balance the need for fiscal prudence with the imperative of serving the members. I would defend their leadership of the Fund in any forum."

**--Terrence F. Martell, Saxe Distinguished Profession of Finance, Director,  
Weissman Center for International Business, Baruch College**

"The leaders of the PSC, running on the New Caucus slate, recognize retirees as a vital part of the Welfare Fund and the union. They have conserved the Welfare Fund, continued to maintain equality for retirees in the programs of the Fund, and recently provided a voting retiree representative as a trustee of the Welfare Fund....This record deserves our support, and I urge you to join me in voting for the New Caucus slate."

**--Irwin Yellowitz, Chairman Emeritus, PSC Retirees Chapter**

## CUNY Alliance Lies Again and Uses Code Words To Say Some Members Are Less Deserving Than Others

**CA reveals their true politics** when they claim \$13 million of Welfare Fund expenditures were "wasted." The Fund spends 95% of its money on benefits for members and 5% on administrative costs. On which members were benefit expenditures "wasted?" Whose benefits do they want to cut? Adjuncts'? Retirees'? Active members'? To say that magnitude of benefit spending is "waste" is a code for saying some members are less worthy.

**CA is wrong** in charging that "the union (sic) slashed...a separate benefit for surviving spouses." In fact, Welfare Fund Trustees **have not changed that benefit since 1989**. (The survivor of an active member who served under ten years receives one year free of Welfare Fund benefits. If the member served over ten years, the survivor receives three years free. After the free period ends for actives, and for survivors of retirees, Welfare Fund benefits are eligible for life-time under COBRA.) The survivor's benefit is all clearly spelled out on the PSC-CUNY Welfare Fund Website. It has been the same for 20 years! Why needlessly frighten members that their loved-ones will not be afforded a period of free coverage? **In this case, lying for political gain is not only dishonest, it is cruel.**

**It gets worse.** Even though Rina Yarmish, CA candidate for Treasurer, was Treasurer of the Welfare Fund during the period they criticize (see below), they don't seem to make any self-criticism and CA candidates display a fundamental misunderstanding of the basics of Welfare Fund financing. **Welfare Fund finances began a free-fall in the 1990s, before New Caucus leaders took over.** New Caucus PSC leaders did three things to revive the Fund. 1) We won additional funding from New York City through our participation in negotiations, jointly with other municipal unions, with the City; 2) We won additional Welfare Fund funding in negotiations with CUNY; and 3) we restructured the Fund's benefits. The restructured benefits began to reduce deficits in 2004 (see below), and the impact of additional money from the economic package of the 2002-2007 contract can be seen in 2006.

The economic settlement with CUNY always includes funds for salaries and benefits, and part of the funding for the Welfare Fund has always come from this economic settlement. So, when CA

says money to fund benefits was “stolen” from paychecks, either they display their ignorance about bargaining or they are signaling they would be willing to cut some group’s benefits or let the Fund go bankrupt. Who knows?

AUDITED YEAR END WELFARE FUND BALANCES

Year	Net Income(Loss)	Fund Balance	
1996	\$1,420,734	\$19,946,433	<i>Yarmish Appointed to Board @ Mid-year</i>
1997	(\$185,058)	\$19,761,375	
1998	(\$385,409)	\$19,375,966	
1999	(\$3,355,963)	\$16,020,003	<i>Yarmish Appointed as <u>Treasurer</u></i>
2000	(\$615,181)	\$15,404,822	
2001	(\$2,639,515)	\$12,765,307	
2002	(\$4,258,485)	\$8,506,822	
2003	(\$3,179,243)	\$5,327,579	<i>Yarmish Leaves as <u>Treasurer</u> / <u>Trustee</u></i>
2004	(\$730,394)	\$4,597,185	
2005	(\$860,991)	\$3,736,194	
2006	\$32,285,669	\$36,021,864	
2007	\$2,254,785	\$38,276,650	

**The Dental Plan:** In 2002/03, to save the Fund, we had to make hard decisions about our benefit structure. The dental plan was always inadequate and had become no longer viable. The SIDS network panel of dentists were collapsing and SIDS was demanding a lot more money to keep the panel going. The funds were just not there to keep SIDS. After extensive discussions with members across the university, we decided to restructure the dental plan and rebuild it. And, we have been doing just that. In 2003, \$4 million was spent on dental. This year, it has gone up to \$6 million. As we go forward, we will endeavor to continue to enhance the dental benefit. But, this will cost money which will come from our negotiated economic packages. If CA views such allocations as “theft,” then they will never enhance any benefits.

New Caucus PSC leaders have protected your benefits for nine years through some very tough economic times. We took a Fund that was in fiscal stress and turned it around. We did not cut one group to benefit another. When tough choices had to be made, we ask for sacrifice from everyone. We have appointed knowledgeable Trustees who are both representative of the membership and take their fiduciary responsibilities on behalf of the entire membership seriously.



**Re-elect The New  
Caucus Headed By  
Barbara Bowen. The  
Only Choice For Our  
Future!**