

# THE NEW CAUCUS *of PSC-CUNY*



## LET'S GET THE RECORD STRAIGHT ABOUT THE WELFARE FUND!

### **RINA YARMISH WAS PART OF THE PROBLEM.**

**Rina Yarmish, who heads the CUNY Alliance, was part of the problem.**

**The New Caucus inherited a Welfare Fund running annual deficits and in dire straits partly because of the neglect and incompetence of the former treasurer, Rina Yarmish.**

**New Caucus Leadership Has Faced Up to Our Responsibilities over the Past Six Years:**

- **We Saved The PSC/CUNY Welfare Fund from Insolvency.**
- **We Preserved the Prescription Drug Benefit for Actives and Retirees.**
- **We Maintained Health Insurance for Eligible Adjuncts.**

Nobody likes to cut and restructure benefits. But, choices had to be made or the most vulnerable amongst us would have lost life-sustaining prescription drugs or health insurance. New Caucus leaders took decisive action and we stand by the process for making those decisions and the choices we made. (Click [here](#) to get the true story).

CUNY Alliance's grumbling from the sidelines about this or that benefit lost and spreading misinformation about the Welfare Fund is no solution to the real world problems of skyrocketing drug costs and CUNY's underfunding of our benefits.

CUNY Alliance is attempting to use the Welfare Fund's problems for political advantage. *This is pure political opportunism, not leadership.*

Either CUNY Alliance leaders are willfully misrepresenting the facts about the Welfare Fund or they do not understand what they are talking about. Either way, they should know better because the person at the top of their slate, Rina Yarmish, was appointed treasurer of the Fund by the old leadership and served out her term from 1998 to 2003.

## **RINA YARMISH'S RECORD AS TREASURER:**

1. Starting in 1998 (two years before New Caucus was elected to leadership) and continuing for several years, CUNY underpaid the Welfare Fund by undercounting the actual Fund membership. CUNY pays the Welfare Fund on a per capita basis. **Treasurer Yarmish never questioned CUNY's underpayments, even though this is the Treasurer's responsibility.** Upon discovering this underpayment, Steve London and New Caucus leaders threatened to sue CUNY unless payment was made. As a result, the Fund received from CUNY: \$1 million for underpayments from 1998-2001 (the disputed period) and \$1.7 million for 2002-2003.
2. From 1998 to 2000, Treasurer Yarmish allowed \$3.8 million owed to CUNY to remain as a liability on the Welfare Fund books. After Barbara Bowen and New Caucus leaders were elected, we engaged in tough negotiations with CUNY to win a favorable settlement with CUNY agreeing to wipe \$2.8 million of liability off the books.

If it was left up to Treasurer Yarmish, the Welfare Fund would be millions of dollars more in the hole.

3. **Under Treasurer Yarmish, the Fund's bookkeeping and financial accounts were in disarray.** Benefits were not properly categorized, bookkeeping software was outdated, and specific benefit costs could only be approximated. New Caucus leaders brought in a new independent auditor and a new consultant to straighten out and modernize the Fund's finances.

**With this shoddy record, it is not surprising to find "CUNY Alliance's" statements about the Welfare Fund to be riddled with inaccuracies and misinformation:**

- **"CUNY Alliance Pledge #1" and its linked "Welfare Fund Woes" completely misstates the structure and funding of the Welfare Fund.** They claim the Municipal Labor Committee (MLC) is one of two boards that "oversees a package of basic benefits for all city workers including some at CUNY." *This is just not true.* Welfare Fund Trustees have sole authority over benefits. The MLC negotiates with the City for basic per capita payments to all Welfare Funds. Funds apply those per caps differently. *For example, the UFT provides only minimal prescription drug coverage for retirees while the PSC/CUNY Welfare Fund provides the same drug benefit for actives and retirees.* President Bowen serves on the Executive Committee of the MLC and has been instrumental in City-wide negotiations.
- **"Pledge 1" also contains an outright lie.** They say, "...the [2000 – 2002] contract did


not require the University to add new funds to the WF.” In fact, \$1.5 million in annually recurring funds and a \$1.4 million lump sum amount were added from the contract. In addition, New Caucus leaders brought in millions of dollars more from CUNY’s underpayments in the past and saved millions by negotiating away liabilities. *This is all verified by independent auditor’s reports and has been publicized in Clarion.* (click [here](#) for the true story in the March 2004 Clarion, page 11).

- **"CUNY Alliance Pledge #3" irresponsibly mischaracterizes a prudent and necessary action by the Trustees.** New Caucus leaders have made no secret of the dire financial difficulties of the Fund. As required by our auditors, Fund Trustees put in place contingency plans to be certain that the Fund maintains itself as a “going concern” for the upcoming year. On July 27, 2005, Fund Trustees adopted such a contingency plan, which was the responsible thing to do. *Using scare tactics (“drug benefits will disappear”) and inflammatory charges (“cover-up”) to frighten vulnerable members does nothing to resolve the Fund’s financial difficulties.*
- **In CUNY Alliance’s constantly changing mission statement, they mistakenly say there is a “\$50 per person deductible for prescription drugs.”** In fact it is \$50 per family for retirees. (click [here](#) for the real story) They also get the end date of the last contract wrong in their mission statement. It was October 31, 2002, not 2001. If they are running for union office they should know the basic facts.

With Rina Yarmish’s dismal performance as Welfare Fund Treasurer and CUNY Alliance’s inability to get basic facts and relationships straight, how can you trust them to oversee and protect our Welfare Fund?

New Caucus leaders have made adequate funding of the Welfare Fund and the enhancement of the dental benefit a goal of this round of bargaining. We continue to seek your support in pursuit of this objective. Meanwhile, we will continue to responsibly administer the Welfare Fund for all the PSC membership.

To get the full story on the PSC/CUNY Welfare Fund go to the New Caucus website (click [here](#)).

	<p>NEW CAUCUS PARK WEST FINANCE P.O. BOX 20678 NYC 10025</p> <p>Email: <a href="mailto:campaign@newcaucus.org">campaign@newcaucus.org</a> Website: <a href="http://www.newcaucus.org">www.newcaucus.org</a></p>
---	---