

NEA-Alaska/Retired

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NEA Representative Assembly Goes to Denver

The NEA Representative Assembly met in Denver, Colorado, June 30 – July 6. NEA-Alaska's delegation of fifty-nine delegates was a powerful part of the 7,137 association-wide delegates. Susan Stitham and I were the retired delegates.

We were very fortunate this year to be staying at the Embassy Suites, directly across the street from the convention center, with spacious rooms, a “complimentary” full breakfast, and evening happy hour. No waiting for or getting on and off busses to and from the RA for Alaska this year. Next year Alaska will be miles from the convention center in Orlando, Florida.

Representative Assembly is similar to the NEA-Alaska Delegate Assembly with 7AM caucus meetings and even a 6AM pre-caucus preview committee, attended by both Susan Stitham and me. Our delegation had quite a few first-timers, with a handful going to the microphone during the RA to debate. Neva Reece from Anchorage drafted and was the main speaker for a proposed NEA Policy Statement about librarians and media specialists. It passed!

Susan was the auctioneer for not only “selling” the states but also for some of the wonderful items brought by Alaskan delegates, including a beaver pelt. This is our way of raising money for the “NEA Fund for Children and Public Education.” As usual, Susan did a fantastic job, especially considering that the auctions were all held before 9AM. Our delegation raised over \$20,000 with an average of about \$388 per Alaskan delegate.

Susan had the honor of giving the nomination “sentence” for our newly elected NEA President Lily Eskelsen Garcia. Yes, Susan was only allowed to give a one sentence nomination “speech,” and she wasn't even shown on the convention center's huge TV-trons.

One of our responsibilities was to offer pre-retirement information. Twenty-one delegates were not already pre-retired, and now NEA-Alaska/Retired has three new pre-retired members.

It was a very busy week, what with early mornings, RA floor maneuvering, speeches by candidates, making contact with other state delegations, getting together for Alaska Night at a comedy club, and talking about education and working conditions with other educators from across our country.

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President's Message

aka Kronberg's Corner



When we were all active education employees, we knew that every important decision about our schools was made by either an elected official or someone appointed by elected officials. We personally got to experience changes, both positive and negative, that resulted from the outcome of elections. Now that we are either pre-retired or retired, the issues we face have changed. Now we are concerned about the security of our pensions and maintaining our medical benefits. As we saw in the last legislative session, the actions of elected officials can make a huge difference

in the security of both TRS and PERS. As we are seeing now, the maintenance or diminishment of our health benefits depends upon the actions of people in state government who were appointed by elected officials. In other words, the security of our pensions and the level of health care we receive depend upon the actions of elected and appointed officials.

Many of us do not much care for politics. Nonetheless, we need to be paying close attention to the candidates and their campaigns. We need to vote, and to the extent we are able, support candidates who will support us. There is nothing wrong with supporting candidates with our time and energy, and, indeed, many of us already do that. Please be sure when you donate money or volunteer your time you identify yourself to the candidate and the campaign staff as someone very concerned with making sure Alaska's public pension systems remain sound and secure.

I hope that as you make your personal decisions on who to support you will carefully examine the candidates' positions on securing the state's pension plans. If the public positions of candidates are too vague then you should consider calling or e-mailing the campaign to ask clarifying questions. If you do this please share the responses - both positive and negative - with NEA-Alaska, other members, and with the local association in your area. You should also share failure on the part of a candidate or the campaign staff to respond to your question(s).

The most important thing for all of us is to vote. Many of us are not Alaskan voters, while many others are Alaskan voters who are either living or traveling in other states. If you are an Alaskan voter, but will not be physically present in the state on Election Day, please make sure you request an absentee ballot from the Division of Elections. You can make such a request up to 10 days before Election Day. Wherever you live, please be sure to register to vote and to cast your vote. The people we elect will be making all the critical appointments and all the important policy decisions about public education, including decisions that impact the safety and security of our retirement.

— Rich Kronberg

Editor: Barbara Stek

This newsletter is the official publication of NEA-Alaska/Retired, printed four times a year: September, December, February, and May. Retired members are encouraged to submit articles, as well as voice comments and concerns. Articles should be sent in Word via email to bwstekak@yahoo.com no later than the 1st of the publication month.

Medicare Questions???

Check out this website: aarp.org/MedicareQA

“NEA Representative Assembly...” Cont.

Wednesday, July 2, was a very interesting day. We spent most of the day at an event called “Raise Your Hand: Empowered Educators Day.” Thousands of delegates and others met at the convention center and heard from a variety of educational leaders – our own NEA leaders, teacher leaders, ESP leaders, and student leaders. Lunch was provided so we could join in table talk with folks from all over our country. My topic was “Empowered Educators – Educators who can access needed resources and the support to enhance their practice and build professional learning communities that facilitate student success.” We ended that afternoon with moderator Melissa Harris-Perry (host of her own TV show on MSNBC). Powerful speakers gave their talks and then Melissa asked a few more unscripted

questions. It was an afternoon to remember. Recognize the power of your voice - raise your hand, raise your voice. We need to tell our stories.

After spending an additional \$821,797 in unbudgeted money for the over fifty New Business Items that were passed (over half as much as NBI costs for the last five years combined), debate and decisions for New Business Items ended at 4:23PM on Sunday, July 6, but the assembly continued for nearly an hour longer with good byes and thank yous. Our newly elected NEA officers are President Lily Eskelsen Garcia, Vice President Rebecca Pringle, and Secretary-Treasurer Princess Moss.

— *Steve Click*

NEA-Alaska/Retired Health Committee Board Report

State of Reform committee met in Anchorage in early August. The Health Committee asked the board to fund two October conference fees at about \$500 dollars. There will be no additional compensation for the attendees. Fortunately, NEA-Alaska will fund Keri Clark’s attendance.

The happiness at the last quarterly meeting between Aetna and DOB over the drop in state costs to cover our members, even with more members enrolled, was quieted when our president got his chance to speak. My summary of his statement is: this is clear evidence of diminishment of benefits. They then used the argument that there are often unexplained ups and downs, hiding the joy of their successful diminishment of the value of our insurance. As Rich put it, “Yes, I heard the pride in their voices when they talked about the \$15-\$16 million they saved in the first quarter, even with a significant increase in claims. For the state, it is a cost savings; for our members it is a diminished benefit that shifted much of the supposed savings onto them. Perspective is everything, at least until a court changes either our perspective or the state’s. I imagine you heard the skepticism in my voice about their theory that this was really a savings.”

More and more it is clear – at least to this chair, the member’s dental insurance plan has been used to manipulate and teach members to accept diminished benefits. The plan had a fifteen million dollar reserve, far more than was needed. The limits on coverage are fixed, making the costs quite predictable. The state did not use the lowest bidder, Blue Cross, because the state wanted Moda to run the dental and Blue Cross would not change their bid to not include dental coverage. They also probably believed Aetna would be a better partner in the effort to lower state costs as Rich observed in the quarterly report.

The state insisted that Moda include a special provision: deny otherwise legitimate claims on the basis of a finding that the procedure does not have a “good prognosis.” A member was denied any coverage for filling a cavity that required a bridge to be removed and replaced. If it is true that the state is using the dental plan to manipulate the insurance thinking of our members, we can expect some form of a “good prognosis” clause in the 1/2015 insurance plan adoption. We can also expect the adoption will follow Moda’s non-duplications of COB rule. This means, in my situation, my wife’s state retirement insurance would no longer help cover my medical costs.

RPEA and NEA had meeting after meeting with Mike, Becky, Jim Puckett, and Emily Cotter for 2 years before 1/1/14. They kept the dental changes a secret, and when asked repeatedly if there were ANY changes coming, insisted that NOTHING had changed. It is ironic that DOB spent so much time and money to meet with us prior to 1/2014 and never discussed the dramatic reduction in dental benefits.

We need to discuss joining with RPEA in this effort to find constitutional footing to reverse many of the changes to our dental plan, or simply to establish the state must work with the membership prior to making big changes in the plan, a plan financed completely by the members. NEA-Alaska/Retired remains focused on protecting your health benefits now and in the future. When we work together, we can achieve positive results.

— *Rod McCoy, Chair*



NEA Retired Annual Meeting

The 2014 NEA Retired Annual Meeting (June 28-29) was held, as usual, just before the Representative Assembly which, like NEA/Alaska's "mini-DA" for rural locals, gives the 300 plus retired delegates an opportunity to immerse themselves in the issues and candidates that will be decided at the RA as well as to provide guidance for the R leadership during the coming year.

The meeting began with a bang for me when NEA Vice President (now President) Lily Eskelson Garcia gave one of her customary impassioned and charming speeches but added a little Alaskan flavor as she first recognized her mother, visiting from Wasilla, and then announced that I would be nominating her on the floor of the RA since we had shared her 9th grade year at Ryan Jr. High in Fairbanks. She and NEA Secretary-Treasurer (now Vice President) Becky Pringle, another dynamic speaker, stressed NEA's willingness to take on the "perfect storm" of challenges that NEA is facing with an increasingly hostile climate for organized labor in many states and in Congress, meeting the rising clamor for "education reform" from "outside experts" from business and non-profits. Despite losing membership nationally (only retired membership has increased – a potentially unhealthy trend), the positive energy from this executive team, led by outgoing NEA President Dennis Van Roekel, and the evidence of NEA's determination to fight back by empowering members to take real instructional leadership in their schools was palpable throughout the RA.

After ten years, I was glad to see that not all the national leadership were familiar faces to me (although once I pierced the effects of the ravages of time, I was very



Lily's brother, Joe Pace (Lathrop, Class of '82), Susan Stitham, Lily Eskelson Garcia, Bill Ernst (FEA)

happy to find lots of old comrades among the R delegates). I was most impressed with NEA Executive Director John Stocks and the Director of Government Relations Mary Kusler, a fireball who remains upbeat in the face of constant attacks from every quarter. In a later conversation, she told me how helpful both Alaska's Senators have been to NEA, and in particular praised NEA-Alaska and past president Barb Angaiak for helping elect Lisa Murkowski.

John Stocks highlighted the work of several retired affiliates in the DC area, as well as Florida, who have organized Retired Rapid Response Teams to "mobilize, organize, recruit, and engage" in political action. Many NEA-Alaska/Retired members have been very active over the years in campaigns and lobbying, particularly on retired issues, but perhaps this approach can give us some new ideas. Certainly, Steve and I were both struck by Alaska's foresightedness in bringing retired members so fully into the Association, unlike some states where they are very separate organizations.

In NEA Retired business, we learned that our budget has been impacted by NEA's necessary cost reductions, perhaps most directly in the decision to stop publishing *THIS ACTIVE LIFE* as a separate magazine but rather to incorporate retired issues in the *NEA TODAY*, which may have the positive effect of keeping retirees abreast of the issues impacting actives. We may also be facing an NEA Retired dues increase in 2016, although the amount is not yet known.

One proposed budget cut that directly affects retired delegates at RA was the elimination of a joint project between NEA R and Student NEA called "Outreach to Teach," which provides a chance for retired members to work with student NEA members to transform a school, a neighborhood, or a community wherever RA is held. This year, Steve painted part of an outside mural at an elementary school in suburban Denver, part of a makeover for the interior and exterior of the school and its adjoining middle school. In the final budget, the program was retained, partly due to the advocacy of retired and student delegates to the RA.

Certainly, one highlight of the meeting for me was Dennis's speech to the retired group in which he traced the history of the NEA over the past forty years, from the very difficult internal challenges of integrating the separate black and white affiliates in southern states into becoming a full union with collective bargaining and then in the '80s under Mary Hatwood Futrell becoming

“NEA Retired Annual Meeting...” Cont.

a national advocate for professional excellence. None of these steps was easy and they all temporarily cost us members, but they were the right things to do. His point was that NEA is now at another such perilous cusp, and we must be prepared to move into the external world and take control of our profession. His historical view was very well received by the audience since many of the people in the room had been part of the struggles he recalled. I was very surprised and honored when he gave me some credit for our work in the ‘80s without knowing I was at the meeting.

The other highlight occurred when a delegate during a

break asked Steve whether I was his wife. I have no idea what she made of our burst of laughter.

My sense of the purposeful energy I felt during the two days of the retired meeting is perhaps best captured in the words of this year’s recipient of NEA’s Retired Distinguished Service Award, Jean Savage of Washington Education Association (an old friend of Gayle Harbo’s): “I retired from my position, not from my profession.”

All in all, it was an excellent meeting, and I thank you for the opportunity to represent you.

Post Script:

Although Steve is reporting more fully on the RA in this issue, I will just add a few observations: this NEA-Alaska delegation, consisting of 1/3 first year delegates, was one of the most hard working and harmonious I have experienced in my 27 RAs. Many first time delegates felt comfortable speaking at the RA, another tribute to NEA-Alaska’s excellent leadership training through DA. President Ron Fuhrer and Vice President-elect Jessica Cook led the caucuses with a steady hand, and every day brought new evidence that our NEA Director Tim Parker is highly regarded by the national leadership. (He has been named chair of next year’s “Raise Your Hand” instructional pre-RA day.)

One advantage of RA is to compare our own state’s problems with those of others. The horror stories of the outrageous abuses of public funds and trust by “for profit” charter schools in other states must make us even more determined to preserve Alaska’s strong public charter school law.

Finally, I was very disturbed to discover that some large states have fallen into the habit of abusing the 2/3 vote to suspend the rules in order to “bundle” multiple and random New Business Items together and refer them as a package to a committee. In supporters’ eyes, this action speeds up the RA, but in practice it results in delegates from small states, in particular, not getting a chance to speak to their item before it is sent into limbo with no debate at all. It became clear that a number of states were upset with this strategy so that a group of us has submitted several proposed Standing Rule and Bylaw changes for 2015, one of which I drafted on behalf of the Alaska delegation. We understand that the body always has the power to call for a vote on an NBI, but Alaska has always supported full debate on all the issues before RA, including the right of the maker to speak to the motion. I was proud to see that this long tradition continues in our caucus.

— Susan Stitham

Delegate Assembly 2015 – Congratulations!!

We did not have to hold an election this year! Your representatives at Delegate Assembly 2015 are:

Cindy Lou Aillaud	Bob Deitrick	Verna Henkel	David Schwantes
Henry Anderson	Pat Desmet	Rich Kronberg	Kristina Tornqvist
Bonnie Barber	Karen Eddy	Rod McCoy	Steve Toth
Sherry Barrett	Lucinda Folsom	Don Oberg	Gary Van Hooser
Bill Bjork	Karla Gallagher	Trish Patterson	Mary Van Hooser
Mary Bohanan	Barb George	Linda Pfisterer	Ed Viscardi
Bryant Christensen	Beverly Goad	Patty Rich	Jody Viscardi
Steve Click	Daniel Greer	Tracy Rivera	
Katie Curtis	Donald Hadley	Judith Salo	

NEA-Alaska Board of Directors Meeting

The NEA-Alaska Board of Directors met at the Anchorage office on September 13, 2014. The meeting began with a two day training on team building and organizational development.

The board made the following motions and recommendations at the meeting:

- Approved assignments to the NEA-Alaska standing committee.
- Approved appointment of Tom Klaameyer as Region VI director.
- Approved appointment of Janine Todd as a member of the executive committee.
- Approved revisions to the election schedule policy.
- The ESP committee is reexamining the ESP dues structure; there will be a Constitution and Bylaws change presented at DA.
- There will be a discussion of the draft PACE policy changes at the November board meeting.

- NEA-Alaska awards deadline is November 1, except for the ESP award deadline which is October 15.
- Approved \$25,000 to Citizens for the Educational Advancement of Alaska's Children (CEAAC) Teacher Quality and Quantity Initiative.
- Approved funding for Dushane issues.
- Approved arbitration requests from DESPA, Lower Yukon, and Yukon Flats associations.
- The Board observed a minute of silence on September 11 in memory of 9/11.
- The Board also observed a minute of silence in memory of Kathy Wight Murphy, a former officer of NEA-Alaska, who recently passed away.

The next meeting of the NEA-Alaska Board of Directors will be November 7 and 8 at the Anchorage office.

Respectfully submitted by Region R representatives.

— Nancy Allen, Susan Stitham, Gayle Harbo

Spotlight On...



Sonja Schmidt

— Healy, Alaska

Sonja began her teaching career in 1973 at then Railbelt School District, Healy, in speech-language and learning disabilities, and ended having worked as an elementary school teacher, teacher of the gifted-talented, and middle school and high school teacher. All her teaching years were in Denali. Sonja received

many awards throughout her teaching career, most notably the 1998 Alaska State Teacher of the Year honor, as well as the Healy-Denali Chamber of Commerce Public Service Award.

Since her retirement in 2008, Sonja has served as Secretary of Kids In Motion, Healy, a non-profit whose mission is to promote healthy activities in movement, the arts, and the humanities. As a board member she

has been involved in the creation of the Denali Arts and Humanities Alliance, working to integrate the arts in the schools and communities through a consortium of five non-profits in the Denali area. Kids in Motion is known state wide as a supporter of such programs as Motion Sensors Dance Troupe and the Healy Tech Team. Sonja received the 2010 Interior Alaska Mayors Award for Art Advocacy.

Continuing her work with educators, Sonja has presented in-service classes to teachers on integration of the arts with the curriculum, service learning, and quilting in the classroom. She has taught two week art intensives at Denali Borough School District, and through the Kids In Motion sponsored program, Denali Water Safety, created puppets and public service messages with a group of middle school students.

And in her “spare” time, Sonja has been developing her own arts skills and has created textiles and jewelry which is sold through Denali Arts and Glass during the summer season. She also works part time in the shops at the Denali Princess Wilderness Hotel and “on the board-walk” at Denali.

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For the past few winters, Sonja and her husband have been snowbirds in Kona, Hawaii. There she has sold her jewelry, taught silk painting classes to adults, participated in an intergenerational theatre group, and then started her next career: real estate.

Sonja works at a small boutique brokerage and has successfully helped Alaskans find their second home in

Hawaii. It is a connection that she has found extremely gratifying, since her family has vacationed on the island for thirty years, and Alaskans abound there both winter and summer.

Sonja hopes that her story helps other retirees see that there are lots of ways that their skills and talents can contribute to others.

Alaska Retirement Management Board Report



The Alaska Retirement Management Board met September 17-19 in Fairbanks, Alaska. Audit, Defined Contribution, and Budget and Real Assets committee meetings were held on the 17th and the full board met September 18 and 19 to review the Real Assets portfolio, receive the experience analysis report from the actuaries, and

reset employer contribution rates for FY'16 because of the guidelines imposed by the passage of HB385 which authorized \$3 billion dollars to be transferred from the Constitutional Budget Reserve to the PERS and TRS DB trust funds.

Following the deposit of the first \$1 billion dollars in mid-July, the PERS and TRS DB trust funds have almost \$22 billion dollars and the total amount in all 14 trust funds managed by the ARM Board totals \$27 billion. This money is invested in eight asset classes. The September meeting focused on the Real Asset class with a total of \$3.6 billion, or 17% of the total portfolio. For calendar year '13 the funds earned close to 19% annual return, in the top 10% of all public funds. Real Assets earned 13.15% for FY'14.

The experience analysis performed once every four years examines assumptions used to set employer contribution rates. Buck, the actuary, makes recommendations to change assumptions based on the study. Of the 13 assumptions, retiree mortality had the greatest effect on all systems. The net effect is an increase in the employer contribution for PERS of 3.83% and for TRS of 2.39%. The experience study covered July 1, 2009 to June 30, 2013. No change was recommended for the interest earnings assumption of 8%.

The ARM Board had to reset employer contribution rates for FY'16 because HB385 eliminated the two year lag in rate setting, returned the Board to using level percent

of pay to calculate rates, and eliminated the 5 years smoothing of gains and losses, a method to decrease volatility. The new ECR rates are: PERS, 27.19%, and TRS, 29.27%. Recall that PERS and TRS employer rates are set in statute at 22% and 12.56%, respectively, so the state pays anything over that amount. State employees make up almost 63% of the PERS membership.

In other action the Board voted to invest \$200 million with Allianz to manage a Structured Alpha Fund which will be part of the Absolute Return asset class and also created a new fund for the DC and SBS participant directed funds which combines Brandes International with Allianz NFJ international fund for a new fund titled International Equity Fund. Current participants will be notified of the change.

The ARM Board said a fond farewell to long-time pension fund legal advisor (since 1982) Rob Johnson. Rob has counseled the former TRS, PERS, and ASPIB Boards and has been a friend and advisor to ARM Board trustees since its inception in 2005. We wish him well but are very sad to see him go.

A special thanks to Barbara Rich, member of NEA-Alaska/Retired, and President of Alaska Retired Educators for encouraging members to attend the meeting. There was a good turn out of retired members.

The next meeting of the ARM Board will be in Anchorage, December 5-6.

– Gayle Harbo



NEA-Alaska/Retired

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Look inside for your list of representatives to Delegate Assembly 2015.

Moda

We have heard that Moda, the third party administrator for our dental insurance plan, has denied some claims on the basis of a “poor prognosis.” If you have a dental claim denied on the basis of a “poor prognosis,” please appeal that denial. There are time lines for these appeals, and they can be found on the back of your Explanation of Benefits Form (EOB). Generally the appeal must be made in writing within 180 days from the date of the EOB. If you are appealing a denial based on a “poor prognosis,” please contact Rod McCoy or Rich Kronberg at the e-mail addresses in this newsletter. We have been in communication with people in the Department of Administration asking them to clarify how these “poor prognosis” denials of claims are determined. We stated that we do not believe decisions denying coverage for dental care should be made by people other than the dentist and the patient on the basis of a guess as to what might happen in the future.

NEA-Alaska/Retired Logo Contest

Katie Curtis from Toksook Bay, Alaska, was the winner of our recent logo contest. We will have her design on display at our retired booth at Delegate Assembly in January 2015. For those of you who have been delegates for awhile, you may remember the 50th anniversary design on the cover of our DA notebooks – that was also created by Katie. **Congratulations, Katie!**



Calendar of Events

October 2014

17-19 NEA-Alaska Fall Event, Anchorage

November 2014

4 Election Day

7-8 NEA-Alaska Board of Directors
Meeting, Anchorage

December 2014

24-Jan. 1 NEA-Alaska Winter Office Closure

Happy Holidays!!

January 2015

14-15 NEA-Alaska Board of Directors
Meeting, Anchorage

15-17 NEA-Alaska Delegate Assembly
20 Legislative Session Begins

March 2015

23-24 NEA-Alaska Board of Directors
Meeting, Juneau