

November 30, 2011

To: All Members of the Retirees Chapter

Re: Meeting Notice

The next meeting of the Retirees Chapter of the PSC will be held on **Monday, December 5th** at the **PSC Office, 61 Broadway**, between Rector Street and Exchange Place, **16<sup>th</sup> floor**, from **1:00 to 3:00 p.m.** Photo ID is necessary to enter the building.

This month our speakers will be **Larry Morgan, Patrick Smith and Donna Costa of the PSC Welfare Fund** and a report by the **Safety Net Working Group on Defending the Safety Net**".

The **Executive Committee** of the Retirees Chapter will meet at the PSC Office, 61 Broadway, **14<sup>th</sup> floor, at 10:30 am.** Anyone interested is invited to attend.

*Dear Retiree:*

*The **Newsletter** is being distributed this month in two ways: Either by snail mail, or through E-Mail addresses. If you receive this message in your E-Mail box, then all you need do is open the Retiree Chapter link in the PSC website to access the November issue. For those who have not as yet provided the PSC with an internet address, you will continue to obtain the **Newsletter** by snail mail.*

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# Retirees Newsletter

Professional Staff Congress  
Jack Judd, Editor

## CHAIRMAN'S REPORT: JIM PERLSTEIN

The multitude and complexity of the issues we confront demand the richest available input. For that reason, we have decided from here on to change our newsletter opening from “**Chair’s Remarks**” to “**Leadership Commentary**,” opening the space for brief pieces on retiree issues by various members of your Executive Committee. We begin with the following article on the PSC’s Social Safety Net Campaign by John Hyland and Steve Leberstein.

### I. LEADERSHIP COMMENTARY: JOHN HYLAND AND STEVE LEBERSTEIN

#### The Social Safety Net Working Group of the PSC Retirees Chapter

Faced with the mounting attack on Social Security, Medicare, Medicaid, public pensions, a group of retirees organized an educational and action campaign in defense of the social safety net. Its goal is to alert PSC members, especially younger active members, to what is at stake, and to mobilize them to oppose any cuts that may be proposed as part of an austerity program.

The group’s first task was to draft a short, plain-spoken booklet explaining the programs

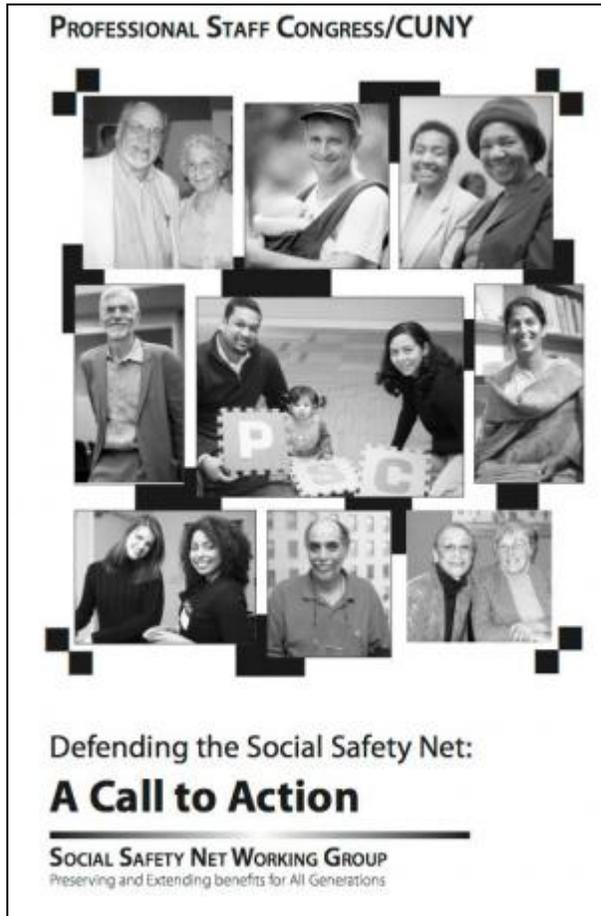
and why their support is crucial. Its second was to plan a major forum. The brochure, entitled “Defending the Social Safety Net: A Call to Action,” is now available and is being used at campus chapter presentations and elsewhere. It will be available to other unions and civic groups with an invitation to “steal this book,” and use it in their own endeavors with whatever modifications they deem necessary to meet their particular needs.



The forum took place on Oct. 25<sup>th</sup> at the Hospital Workers/1199 auditorium. An enthusiastic audience of about 200 people, young and older PSC members, students, and representatives of other unions and advocacy groups, filled the hall. The keynote speaker was the economist Dean Baker, co-director of the Center for Economic & Policy Analysis.

Baker was followed by Kimberly Phillips-Fein of NYU, who spoke on the attack on Social Security. After that, James Parrott of the Fiscal Policy Institute discussed the state budget context, and Frances Fox Piven concluded the event with a call to action.

Along with the forum and the brochure, members of the working group have been visiting PSC chapters to present and discuss important information on Social Security, Medicare, Medicaid, and pensions. These activities are motivated by a desire to interest and engage the whole union, both in-service and retiree members, in this important project. It will take the energy of all of us, now and in the future, to maintain and advance the safety net benefits so essential to all of us.



The Social Safety Net Working Group has produced a booklet available in print and on the web at [psc-cuny.org/safetynetbooklet](http://psc-cuny.org/safetynetbooklet).

We must always keep in view the fact that the financial resources of our opposition are extraordinary. Wall Street, the Koch brothers, and the rest of the 1% can spend millions on campaign contributions, lobbying and public relations campaigns. Our strength is in the solidarity and action of our brothers and sisters—unionized and non-unionized. We are working to build deep and lasting coalitions. We participate in the Alliance of Retired Americans (AFL-CIO), Council of Municipal Retiree Organizations (COMRO), Rekindling Reform, NYSUT Retiree Councils, and many other national and local organizations (see the list in the back of our brochure). We urge you to join us, and bring your ideas and energy to this struggle that affects our living conditions so concretely and specifically. Send the letters and sign the petitions on the Act Now page of our website ([PSC-CUNY.org](http://PSC-CUNY.org)). Attend the monthly chapter meetings on the first Monday of each month. Bring your skills and talents to the Social Safety Net Working Group. We welcome you. United—and militant—we stand. Divided—and passive—we fall.

**John Hyland**  
**Steve Leberstein**

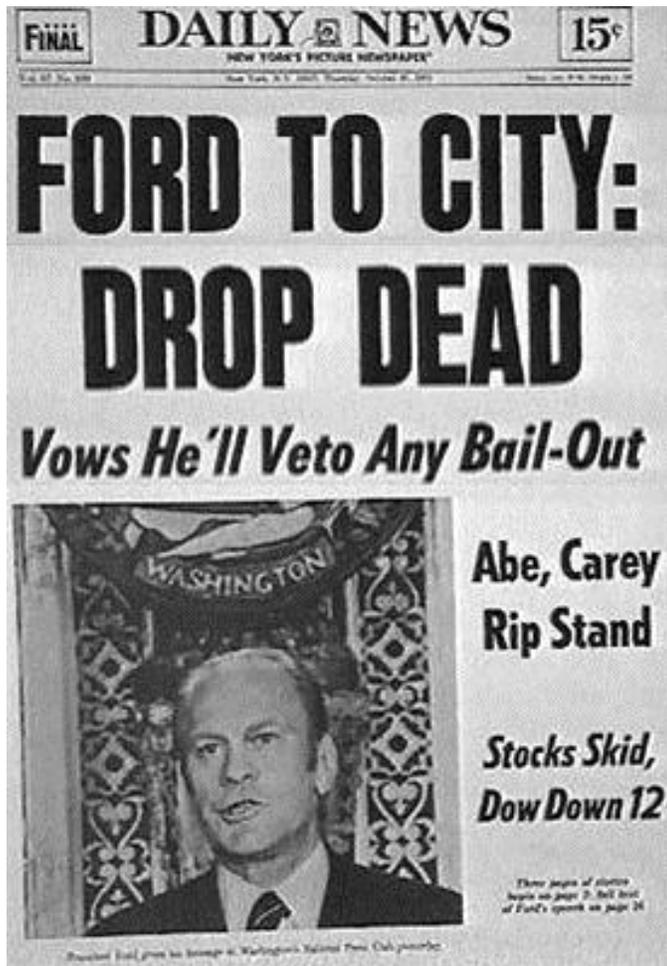
## II. THE FISCAL CRISIS OF THE 1970s—HOW THE PAST INFORMS THE PRESENT

*The following summary of Irwin Yellowitz's presentation made at the November 7 meeting was prepared by Joel Berger, vice-chairman of the chapter.*

Professor Irwin Yellowitz, chair emeritus of the retirees chapter, and former treasurer of the PSC, looked at the fiscal crisis of the 1970s and compared the events of that time to the current fiscal situation.

New York City had a fiscal crisis in the '70s because its expenditures exceeded its income by a significant amount. New York was unique among American cities in the extensive number of services it provided its residents. There was a network of municipal hospitals, a vast public transit system, free tuition at CUNY, one million people on welfare (29% of the

budget), and a large municipal workforce (14% of employment in the City). Public workers were attacked for their wages, benefits, and terms of employment. "That attack is almost identical to the attack that is being made against unions today, with concerted efforts to balance budgets on the backs of city workers," Yellowitz stated. New York City revenues in the '70s were inadequate. They are inadequate again today.



*The iconic and somewhat overstated Daily News headline from 1975.*

Taxes of the city are controlled by the State Legislature, which prevents an immediate response to decreases in revenue. In the '70s, New York City was losing its manufacturing, losing population as a result of suburbanization, and had fewer workers to pay income and sales taxes. As a response, the City borrowed money to cover the shortfalls. With an 11 billion dollar debt in long term borrowing, the City sought to borrow an additional 5 billion dollars in short term loans.

"It was a staggering amount of money to borrow." The bankers decided not to make any more loans to the City because they believed they could get a higher return by investing overseas and they feared a default on the loans by the City. This action precipitated the financial crisis.

Policy makers wanted to impose a conservative agenda on a liberal city, according to Yellowitz. What they called for in 1975 is familiar to us now: a wage freeze for municipal workers and additional layoffs, a transit fare hike, reduction in welfare payments, a freeze on capital construction, and the end of free tuition at CUNY. "The same dynamic is at work today," Yellowitz observed. It was a political program to change the priorities of the City by downsizing government and reducing taxes.

New York was saved from default with the establishment of the Municipal Assistance Corporation and the Emergency Financial Control Board. Federal and state loans, along with an increase in some taxes, made the City more fiscally responsible. The municipal unions' pension boards also invested money in MAC bonds providing an immediate influx of cash.

In all the attacks on unions then, there was no danger of losing the basic right of collective bargaining. Today, as in Wisconsin and in Ohio, there is that danger, as conservatives have moved farther to the right. Their argument that public-sector unions are unacceptable is an old argument that has resurfaced. Facing these current attacks, the union response is much the same today as it was in the '70s: avoid local bankruptcy at all cost and avoid layoffs. (In the '70s the unions held 40% of city bonds and 18% of MAC bonds.) However, the modern union response must also fight to preserve collective bargaining. Comparing the recent contracts of CSEA and PEF with the two-week furlough imposed on CUNY in 1975, Yellowitz observed, "You give up wages, you take zeroes."

Yellowitz then described how city unions and the PSC managed to restore losses as they navigated the constraints placed upon them. He reviewed how the City University became established, with senior colleges being fully funded by New York State. He believes that "CUNY would not have survived had it not been for the union." All of the concessions of the '70s were reversed in the '80s. As a result of the fiscal crisis, city labor unions banded together and formed the Municipal Labor Committee, which has increased the bargaining power of the labor movement.

The PSC was successful in the '80s because it used the same tactics then that are used today: building public support through rallies and demonstrations, working closely with NYSUT in lobbying efforts, and building internal union solidarity.

In conclusion, Professor Yellowitz illustrated how the PSC, using the same strategies, was able to achieve retiree health care for its TIAA members; with the city paying public funds for members in a private pension system.

### Our January Luncheon:



The luncheon invitation accompanying this newsletter contains important information concerning a new location for the luncheon and a revised date. This came about because of a change in catering service at John Jay College. The firm with whom we have had a pleasant business relationship was replaced. Judith Bronfman, a member of the chapter's Executive Committee, immediately contacted the new caterer. This firm sought a basic price of \$38.50 per person sans wine, tax and tip. The individual tab would have approached \$50

or more. Fortunately, the original catering service, MJB Caterers, did hold the franchise at Borough of Manhattan Community College. Since the Retirees are a chapter in the PSC, Judith and Jim Perlstein, retirees chapter chairman, made contact with the BMCC Chapter Chair Joyce Moorman to intervene for us in order to acquire the use of BMCC facilities without a fee. The quest was successful. Antonio Pérez, president of BMCC, graciously waived the space fee requirement for the luncheon. Speaking for this chapter, Jim Perlstein sent this message to President Pérez: "I want to thank you for your gracious and most generous waiver of the usual fees associated with the use of BMCC space. The annual January luncheon of the Retirees is an important part of our program and your cooperation is enormously helpful. If you are so inclined, we would welcome your attendance and any remarks you would care to deliver."

So let us enjoy the January luncheon in new surroundings, with the familiar menu, and with a stimulating talk by Professor Jonathan Buchsbaum of Queens College.

### Annual Florida Retirees Breakfast Seminar:

The date for this year's Breakfast Seminar is February 6, 2012. It will be held at the same restaurant as last year.

LAKESIDE TERRACE, BOCA RATON, FLORIDA. It is adjacent to the Hilton Hotel.

For further information contact Etta Kutner (561-487-2074), or call Linda Slifkin at the PSC (212-354-1250) for a written invitation.

