President’s Report
Fellow NIUAA Members:

It’s with mixed feelings that I write my final report as President of your Association. To say that the past two years have been interesting or even hectic would be an understatement. When I agreed to be a candidate for President some four years ago, I had no idea what my two years in office would entail. What could have been a relatively routine experience was anything but that as the Association became embroiled in efforts to defend against attacks on our pension and healthcare benefits. I will address that struggle in my Legislative Report elsewhere in this issue, but for now let me just say that we can be thankful that we are part of the State Universities Annuitants Association, which has been instrumental in this process, especially with the lawsuits on both healthcare charges for retirees and, of course, the pension reform law. All but $3 of your annual dues go to SUAA to support its routine work, much of which involves close monitoring of the General Assembly and a great deal of lobbying. Your dues are a bargain by any measure.

If I could change one thing about our organization, it would be to replace Annuitants in the names with another term, perhaps Community. (Unfortunately, that’s not possible for many reasons.) For far too many of our colleagues, especially those who are still working, “annuitant” is synonymous with “retiree” and therefore not appropriate for them. Nothing could be further from the truth. NIUAA and SUAA are open to everyone who is part of the State Universities Retirement System (SURS). I believe the name is the primary reason that NIUAA (and all other chapters) has far fewer members who are currently working than should be the case. Our organization works for everyone in the NIU community and it is no exaggeration to say that current employees potentially have far more to lose as the pension “reform” movement continues than those who are retired. A quick perusal of what Gov. Rauner has proposed will confirm that. It is vitally important that we help our working colleagues understand what is at stake and urge them to join NIUAA as we continue to fight against the attacks on promised benefits. We can never afford to become complacent about the Illinois General Assembly and our Governor. Regardless of your residence or work status (retired or currently working), we must remain alert to the evolving scenario in Springfield and be prepared to fight for what we have earned.

Pensions remain an area of major concern, and are likely to be so for the foreseeable future. The Legislative Report below provides an update of where things stand as I write. In fact, each section of this newsletter offers important information for you as a SURS participant and I urge you to read it carefully in its entirety. If you have questions that are not answered, please contact me directly or the author of a particular report. Our contact information is listed at the end of this document.

Many of you are already aware that NIU is moving from GroupWise as an email platform to Microsoft Office 365. The migration is already under way on campus, but the latest information is that completion of that phase will take most of the spring semester. Retiree, student, and alumni email will be dealt with in Phase 2, which needs to be completed by July 1, according to our Division of Information Technology, as that is when the current contract for GroupWise expires. NIUAA is continuing to work with Information Technology and will keep you informed as this project unfolds and concrete plans are announced. We will do everything possible in conjunction with IT to provide assistance during the transition. This is an example of how important it is that NIUAA can reach you by email, as the transition will occur before another issue of The Annuitant is produced.

Your NIUAA was honored on April 14 by the Supportive Professional Staff Council at its annual awards ceremony. The Association received the SPSC Award for Partnership and Collaboration in recognition of the association’s work on behalf of the entire NIU community. Joe Grush and I accepted the plaque from SPS Council President Deborah Haliczer and NIU President Doug Baker on behalf of the chapter. It will hang in the office of our University Liaison, Lee Ann Henry, in Altgeld Hall.

Finally, I urge you to join me and the other officers, directors, and committee chairs of NIUAA at our annual membership meeting on June 3, 2015, at 3PM in Sandburg Auditorium on the NIU campus. President Baker will address the gathering to
provide perspective on the many challenges facing the university. He has also graciously agreed to host the traditional dinner following the business meeting, for which we thank him in advance. The unapproved minutes of our 2014 annual meeting are included in this document, as is the slate of candidates proposed by the Nominating Committee. You will be asked to approve the minutes and vote for new officers and directors at the meeting. It has been my privilege to be your President for these two years and I look forward to seeing you all there as we celebrate another year of NIU, the community.

Jim Lockard
NIUAA President

Report from State Universities Retirement System (SURS)
by John Engstrom
SURS Representative

SURS is in a period of transition. I reported previously that Bill Mabe, Executive Director for nearly five years, retired effective March 31, 2015. In my opinion Bill was an excellent Executive Director and will be missed. I served on the Search Committee to find his replacement, and SURS recently announced that W. Bryan Lewis was appointed the new Executive Director, effective April 6. Brian was the Chief Operating Officer for the Investment Division of the North Carolina Department of State Treasurer. He was responsible for the management, investment, operational strategy, legislative policy, and regulatory compliance of the North Carolina Retirement Systems’ defined benefit plans. I believe Bryan will continue the SURS tradition of having excellent Executive Directors.

As I write this, SURS is in a Trustee election process that will end May 1. No election was necessary for the two open active member trustee positions as only two candidates applied. An election is being held for the one open annuitant position where Fred Giertz of the University of Illinois is challenging Mitch Vogel. As I mentioned on several occasions, both have served extensively as SURS Trustees and are very qualified.

In addition, one active Trustee position opened due to a recent resignation. SURS By-laws provide that the new trustee be elected by the remaining elected trustees. That position is posted on the SURS website.

At the March, 2015 SURS meeting, I was elected as Treasurer for SURS. This means that I will be a member of the three-person Executive Committee.

The Comprehensive Annual Financial Report (CAFR) for the Year Ended June 30, 2014 has been issued and is posted to the SURS website (www.SURS.org). If you have the time and patience, you can probably learn more about SURS from this document than from any other. Here are some highlights:

1. The CAFR received an unqualified opinion from the independent certified public accounting firm, McGladrey, LLP. In addition, the previous CAFR received the prestigious Certificate for Excellence in Financial Reporting from the Government Finance Officers Association for the 30th consecutive year.

2. The fund earned an 18.2% return, net of investment fees. For the longer run, the fund earned an average 7.8% over the past 10 years, 8.9% since 1988, and 10.0% for a thirty-year period.

3. Contributions from the State and employers amounted to slightly more than $1.56 billion, investment income amounted to $2.966 billion, and benefits paid amounted to slightly more than $2 billion.

4. The notes to the financial statements provide a lot of information, including a description of the various plans, the benefits provided, and accounting alternatives chosen for the report. In accordance with generally accepted accounting principles, the plan net position as a percentage of the total pension liability amounts to 44.39%.

5. An investment section of the report provides details of the various types of investments of SURS, and an actuarial section provides a summary of the report provided by our independent actuary, Gabriel Roeder Smith & Company.

6. Finally, a statistical section provides financial and non-financial information in a different manner than in the financial report. At the end of FY 2014, SURS had 50,237 annuitants, receiving an average monthly annuity of $3,104. SURS had 80,845 active employees, including 3,395 from Northern Illinois University.

I continue to enjoy my service on the SURS Board of Trustees. My term expires July 15, 2018.

See page 9 for breaking news on NIU email for retirees
SUAA Foundation Report

by John Engstrom
NIUAA Representative to the SUAA Foundation

I represent NIUAA on the Board of Directors and Executive Committee of the SUAA Foundation, a 501-c-3 not-for-profit organization that is a separate arm of SUAA. Each chapter of SUAA appoints a member to the SUAA Foundation Board, and the Board elects the Executive Committee. The SUAA Foundation has four major purposes:

1. Support for education and dissemination of information regarding issues affecting the welfare of members of SUAA.
2. Emergency assistance to SUAA members who are in need of financial support. The local chapter board (NIUAA for us) must approve and fund such requests prior to consideration by the SUAA Foundation.
3. Support to those Chapters establishing Survivor Assistance Programs.
4. Assistance to the SUAA Central Office.

Members who pay membership dues directly have an opportunity on the membership form to contribute to the foundation. Members who pay by payroll deduction can send contributions payable to the SUAA Foundation c/o State Universities Annuitants Association, 217 East Monroe, Suite 100, Springfield, Illinois 61701. Contributions are tax deductible. As of December 31, 2014, the Foundation had $117,068 in net assets available for expenditure, of which $101,802 was unrestricted.

At the June 17, 2014 meeting, the Foundation Board elected officers and executive committee members and discussed the Survivor Assistance Program and procedures for providing emergency assistance to SUAA members. SURS has revised its webpage to provide materials for survivors, which can be accessed at surs.org. A brochure has been developed by the SUAA Foundation for use by the local chapters that choose to establish survivor assistance programs and for individuals who are in need of assistance. (To date, the NIUAA Board has not determined the extent of its involvement in a survivor assistance program.) In addition, the Foundation Board heard a proposal by the SUAA Executive Director for the Foundation to expand its efforts in promoting education and research regarding issues important to SUAA.

At the Fall, 2014 meeting of the Board, discussion centered mostly around implementation of the emergency assistance fund. In addition, the Board approved having an audit for the Year Ended December 31, 2014, conducted by the same firm that audits SUAA. For some time, I have been promoting the idea of an audit, with the reasoning that a not-for-profit that asks for funds from contributors should provide assurance that funds are accounted for correctly.

Since that time, an audit was completed by the firm of Estes, Bridgewater, & Ogden. An unqualified opinion was issued by the audit firm.

More information regarding the SUAA Foundation can be found at a link on the SUAA website (www.suaa.org).

Membership Report

by Pat Vary and Cathy Cradduck
Membership Co-chairs

The NIU chapter of the State Universities Annuitants Association is the second largest in Illinois with nearly 1900 members, second only to the Urbana-Champaign campus of the U of I. In addition, our chapter also has the largest number of current employee members (about 400) among all the chapters, making us unique in our advocacy for your benefits.

As a member of NIUAA you are also a member of the state association and privy to the briefings on benefits, legislation, and policy available with membership. These are primarily available through e-mail postings, so please make sure that Lee Ann Henry at University Advancement has your current e-mail address. She can be reached at lhenry@niu.edu.

All associations are only as strong as their membership. If you have a colleague, friend or family member who is eligible to join NIUAA but has not, please urge them to contact the association, an officer or director, or Lee Ann Henry at University Advancement. Information about the association is available online at www.niu.edu/annuitants, and an application form for membership can be downloaded from the membership page.

Association dues are minimal (currently $36 per year) and can be paid through payroll deduction, direct deduction from pension payments, or annually by check. Dues cover membership in both the state and local organizations. If you have any questions pertaining to your membership in NIUAA/SUAA, please contact Pat Vary at patsvary@niu.edu, Cathy Cradduck at ccradduc@niu.edu, or Lee Ann Henry at lhenry@niu.edu or (815) 753-7406. Current employee members should note that if you now use payroll deduction for your membership, when you retire you will need to fill out a new membership form in order to have your dues paid by deduction from your SURS account.
**Legislative Report**

by Jim Lockard

Legislative Chair

The 99th General Assembly is under way and the issue of the state’s enormous financial problems remains the single largest challenge facing our Representatives, Senators, and Governor. Governor Rauner was elected on his promise to “fix things,” which he may already realize is likely to be far more difficult than he imagined. It is unclear as I write what kind of relationship he will build with the legislative leaders, Mr. Madigan and Mr. Cullerton, whose views on many issues are certain to differ from his own. As you probably know, there was a meeting of the minds on sweeping funds from a wide range of special accounts to help balance the FY15 budget which was not balanced when it was passed last year. However, the sweep could not produce nearly enough money to plug the gaping hole, even with significant across the board cuts to government programs and the cancellation of numerous state grants and contracts. Those actions are producing much pain for many citizens of Illinois and will impact significantly the NIU budget for FY16. The situation is much too fluid at this point to hazard a guess as to what is yet to come as the state limps toward the end of FY15.

Despite the many uncertainties we continue to face, there have been very significant achievements on the benefits front with more to come regarding pensions, I believe. First, you are probably aware of the outcome of lawsuits regarding the state’s effort to charge premiums for retiree healthcare coverage. By way of brief recap, on July 1, 2013, the state began collecting insurance premiums based on a percentage of one’s pension. Multiple groups filed lawsuits challenging those premiums and the Illinois Supreme Court ruled against the state, finding that free healthcare for retirees was a benefit included within the Pension Protection Clause of the state Constitution. The state ceased collection of premiums in the fall of 2014 and began to make plans to refund the premiums collected. The process was slowed by a claim for fees under class action law from attorneys with no connection to the vast majority of the plaintiffs, including SUAA members. Their initial request was for 15% of the premiums collected, or roughly $9 million. SUAA attorneys did not participate to any extent in the initial legal challenges, but filed detailed, well-documented objections to these fees, which the Circuit Court took to heart. Judge Nardulli ultimately awarded the attorneys about $1.5 million, which I could characterize as still generous, but probably the least we could hope for. That amount will be paid first from the interest earned on the premiums while they were being held pending court action, with the remainder coming from the actual premiums we paid. In the end, each retiree will be charged a little over 2% of the full refund. There is no precise timetable for refunds to reach retirees, so don’t be surprised if it still takes a number of weeks.

Unresolved at this moment is the legal challenge to the so-called pension reform law. Again, I am confident you know at least the broad outlines of the case, so I won’t go into great detail. We are now at the critical point of awaiting the final decision of the Illinois Supreme Court. As I have reported in the past, observers have long felt that the ISC’s ruling on healthcare premiums was a strong signal that the justices will side with us retirees and overturn the pension reform law. Attorneys for both sides have presented their written documents and made their appearances before the Court. If you would like to watch the entire proceedings at the ISC, a recording is posted at https://www.youtube.com/watch?v=qiHjqgoVMhw. It runs over one hour, but the actual arguments begin about 15 minutes into the video. This session provided another hint at the direction the Court will take in that nearly all of the questions were directed to the representative of the state, and they were often pointed. For example, the state was asked how it could claim a financial emergency sufficient to invoke police powers and overturn contracts when it had just allowed the temporary income tax rate increase to expire. The Court’s ruling is expected in May, so we shouldn’t have to wait too much longer to know the decision.

Also unresolved is the fate of the effort to repeal the 50% university tuition waivers, which have helped so many dependents of employees attend college. At this time, we are hopeful that the waivers will remain in place. SUAA has been very vocal in Springfield in arguing that the benefits of these waivers far exceed their perceived cost.

In the end, we must all acknowledge that the state has very serious financial problems. The debate is about how to address them. It seems obvious that the answer has to be some combination of spending cuts and revenue increases, but deciding just how to do that is sure to be very contentious and at least partly partisan. Assuming the ISC does rule in favor of retirees from public employment and upholds the so-called plain meaning of the Pension Protection Clause of the constitution, it will absolutely not be the end of the war over our benefits. At best we will have won a battle, though a major one to be sure. We can expect the attacks on our benefits to continue, just as they are in many other states and even at the federal level. There appears to be a rising tide of resentment toward public employees at every level. We must remain ever vigilant, and your association is there to be your eyes, ears, and voice in Springfield.

As just one indication of what lies ahead, one bill already exists to change the Illinois Constitution and remove the Pension Protection Clause. Another idea floating about is taxation of all retirement income. In this 99th General Assembly, SUAA reported in its March 20 Mini-Briefing that 176 bills related to pensions have been filed, of which fortunately only a few relate to SURS. However, there are 91 shell bills, that is, bills that have no actual content. Every year there is a deadline for filing new bills and the established way around that deadline is to file what are essentially empty bills. At a later date,
shell bills are then amended to replace the initial generic verbiage with a true proposed bill. This can happen very rapidly and with potentially dire consequences, as was the case with the Tier II pension law. Our best defense is to be constantly on guard and ready to react quickly. We must also be prepared for the likelihood that more lawsuits will be necessary in the future. When you receive a request to contribute to the SUAA legal fund, it is important because SUAA must have the resources to take our case before the courts. It is vitally important for all of us to support SUAA as our spokesperson in Springfield with whatever amount we can afford.

If you would like to receive periodic updates on political, pension, and benefit issues, updates that are much timelier or more detailed than can be communicated through this newsletter, please send me an e-mail (jalockard@gmail.com) and I will gladly add you to my NIUAA distribution list, which uses Google Groups. You may always ask to be removed from the list at any time. I also welcome your specific questions and comments.

Report on Fun and Fantastic Social Events for NIU Annuitants

by Steven Johnson
Events Chair

One of the benefits of belonging to the NIU Annuitants Association is the opportunity to participate in a number of fun special events, planned specifically for NIUAA members and their guests. Check your e-mail or the NIUAA website (under “annuitants association” in the university’s drop-down alpha listing) for times and places. Specific details and costs of events will be forthcoming when available.

It is the belief of the NIUAA Board that the organization of special events helps increase ‘camaraderie’ among members of the association. We hope you will take advantage of these special opportunities.

Several complimentary coffee klatches and wine and cheese tastings are held throughout the year. Check the Annuitants page often for upcoming events.

Some Upcoming 2015 Events:

May 14: The Music of Johnny Cash, Mercury Theater, Chicago ($99)
May 15: Coffee Hour, Vista Room at Oak Crest, 9:30-11am (FREE)
June 17- July 01: Alaska and the Yukon
July 10: Museum of Science + Industry, ROBOTS ($99)
July 15: Kinky Boots, Cadillac Palace Theater ($145)
July 23-24: Mississippi River Cruise ($545)
July 27-31: Theater trip to the Stratford Festival of Canada
August 7: A Day at Lincoln Park/Navy Pier ($99)
August 21: Wrigley Field, Chicago CUBS vs ATL ($74)
August: Back to School Coffee Hour, TBA
September 10: OnStage Alaska (free)
September 11: Stars of the Lyric Opera. Millennium Park, Chicago

September 20-25: Ashville, NC, BILTMORE ESTATE and Gardens ($535)
November 9-13: Veteran’s Day Week in BRANSON, Missouri ($599)
November 23-December 13: Train to Hawaii
December 19: Chicago Shopping trip, ($20.15)
December 29 - January 06: Rose Bowl Parade trip plus San Francisco
January 14-25, 2016: POLAR VORTEX ESCAPE: Southern Caribbean Cruise
January 31-February 6: New Orleans and pre-Mardi Gras ($599)
February 2016: Safari in Tanzania (and Zanzibar)

If you have additional ideas for special events/trips that might interest members of the NIU Annuitants Association, please contact Steven at sjohnso11@niu.edu. NIUAA events are also posted on the NIUAA website: www.niu.edu/annuitants/events/index.shtml.

REMINDER

The NIU Annuitants Association annual meeting will be held Wednesday, June 3, beginning at 3:00 p.m. in Sandburg Auditorium of the Holmes Student Center. A complimentary buffet hosted by President Baker in the Duke Ellington Ballroom will begin with a social time following the business meeting (approximately 5:00 p.m). The unapproved minutes of the June 2014 minutes are printed below for your convenience. Also included below is the list of nominees for the 2015-2016 NIUAA Board. Please bring them to the meeting. Some additional copies of the minutes and the agenda of the business meeting will also be available at the auditorium entrance.
Call to order/Welcome: Jim Lockard, President, welcomed all attendees to the 2014 meeting. He discussed a serious problem with the organization. People feel that because it is an annuitants association, only retired faculty and staff can join and enjoy the benefits of the organization. However, those currently employed by the university are also eligible to become member of the NIU Annuitants Association. He encouraged all current members to help out by talking to other people and sharing the benefits of the organization. We need members, especially from those who are employed. We are an organization for anyone and everyone that works for this institution. The state-wide organization, State Universities Annuitants Association of which we are a part, lobbies and advocates for us in Springfield. Politicians understand numbers, so the more members the more our voice is heard.

These are not the best days for higher education in general. President Baker will talk later about some of our challenges. It has been a difficult year for the state. The state’s financial situation has not improved, and there are many things that remain unclear. Rep. Pritchard will have more details later in the meeting.

Approval of the Agenda: The agenda of the meeting was approved.

Approval of the Minutes of the June 5, 2013 meeting: Approved as distributed.

Recognition of Officers, Directors and Committee Chairs of the NIUAA Board: Jim Lockard, President recognized the current officers: Vice-President Joe Grush, Secretary Sandy Jonker, Treasurer Doug Moore, and Past-president Jerry Meyer. Thanks was given to standing committee chairs Al Voelker, SUAA action committee; John Engstrom, member of the Board of SURS and the SUAA Foundation; Jim Lockard, legislative chair; Pat Vary and Cathy Cradduck, Membership Committee; Sherie Spears, Benefit Committee; LeeAnn Henry, University Liaison; Steven Johnson, Travel and Events; Benetta Stearns, Margaret Phillips, and Marge Rey, and the Holiday Party. Recognition was also given to the Directors of NIUAA Bill Blair, Sara Clayton, Bill Lundberg, Margaret Phillips, Sherie Spear, Elaine Spencer, Clair Williams, and Dan Wunsch.

Special thanks were given to outgoing board members Sandy Jonker, Margaret Phillips, Bill Lundberg, Sherie Spears, Clair Williams, and Doug Moore.

Treasurer’s Report: Treasurer Doug Moore reviewed the Schedule of Cash Receipts and Disbursements from May 27, 2013 – May 26, 2014. Receipts included SUAA dues, holiday party receipts and a small amount of interest. Disbursements were made for the holiday party, SUAA meeting expenses, newsletters, food and supplies for coffee hours, and memorial contributions to the SUAA Foundation.

The largest disbursement this year was a $9,000 contribution to the SUAA Legal Fund. Although this was called a “one-time contribution,” there will probably be future contributions given to assist the efforts in fighting for our pensions and benefits. This disbursement resulted in disbursements being $8,456.52 greater than receipts, but NIUAA still has $19,734.08 in total resources. Jim Lockard added that the annual audit was completed and everything is in order.

Membership Report: Pat Vary & Cathy Cradduck recently took over this committee from Joe Koch. Membership remained fairly stable, but they plan to work very hard to increase the membership and to get the word out on how important it is. The more members we have, the more funds we have to support efforts in Springfield. We want to protect our benefits. You do not have to be a retiree to be a member of the Annuitants Association and the cost is very minimal. There were 1882 members at the end of April, 70% of them were retirees. At the Wellness Fair, an additional 22 people signed up. The committee intends to do more promotion at the Operating Staff picnic, and they have other ideas as well. LeeAnn reminded those who recently retired that they have to complete a new form to change payroll deduction to pension deduction. Pat reiterated that so many more are eligible to be members than are currently in the organization. We are the voice in Springfield and the larger the voice the more effective.

Jim Lockhard added some additional perspective. NIUAA is number two in the state relative to membership. Our membership is only 200 less than the UIUC, with 3rd place going to UIC. Crossing the 2000 member mark is very important as we will then have 7 votes at the state meeting. We need to try to reach that mark by the end of the year.

Public Relations/Events Report: Steven Johnson asked for recognition of all past board members and officers present at the meeting. He reminded attendees that there is always a need for more volunteers, so if you are interested, let a board member know.

The Coffee Hours and Events are important in allowing us to connect with each other. When we were working we interacted with our colleagues on a daily basis; however, when you are 100% retired you don’t have that connection as much. Coffee hours allow you to reconnect. Our coffee hours have been held at Barnes and Noble, but we are looking to have some of
them at Barsema Alumni and Visitors Center in the future. A variety of trips occurred this year and more are planned for this coming year. Jim Lockard shared that the benefits we get from Steven’s events are unique to our organization. None of the other chapters in the state have the rich array of events that we enjoy through Steven’s planning.

SURS Report: John Engstrom is completing his fifth year as a SURS Trustee and has four years left in his term. Next spring, there will be an election for Trustees. John reported that HB 6095 passed in both the House and Senate and it appropriated $1,544,200,000 for pension payments. It represents the fourth year of full state payments based on legislative standards. The Governor is not sure how the state will pay for the funding deficit that has accrued over the past several decades in the five pension systems.

SURS investment returns continue to be around 13%. SURS is 46.7% funded based on market value, and there is $16.5 billion available for pension benefits.

A Sangamon County judge issued a “stay” on the pension reform legislation passed earlier by the state legislature. This means that, temporarily, SURS will 1) continue administering contributions and benefits as they existed before the pension reform legislation, 2) provide information based on the current law, and 3) enable people to rescind retirement applications. In addition, SURS will report its financial statements in accordance with new standards issued by the Governmental Accounting Standards Board. The new auditing standards requiring SURS and its auditor to audit data coming in from the universities will add to the workload of the staff.

John shared some information about the SUAA Foundation of which he is a member. The Foundation has several goals including assistance to members in emergency situations, and assisting survivors when a member dies and the survivor doesn’t know what else to do. If you want to make a donation to the Foundation you can do so in two ways. If you pay your dues once a year there is space on the form for such a contribution. If you pay through payroll or pension deduction you will need to send a check to the Foundation. There is information on the website.

Jim Lockard thanked the staff of SURS for all the work they have had to do with the state of uncertainty for retirees. SURS had to plan for the reform and then had to go back to what it was before. It created a lot of work and confusion for the staff of SURS.

Legislative Report: Jim Lockard put together a timeline as to what has been happening in the last six months:

- Dec, 2013: legislative law reforming the pension system was passed in Springfield.
- Dec. 2013 & March 2014: five lawsuits filed concerning its legality. One of them was a suit from SUAA. The NIUAA Board authorized $9,000 from our chapter towards the SUAA legal fund. Lawsuits of this nature do not come cheap. Already the cost has been around $200,000, most of which has already been raised. There will probably be more contributions to the SUAA legal fund from NIUAA.
- Why are there currently five suits? Various reasons, but one is that SURS has some unique features that the other four systems do not have so we have filed our own. However, the five cases were consolidated together, meaning instead of suits in three different counties, they will be consolidated in one county under one judge.
- The SUAA lawsuit is based on several concepts: The Pension Protection afforded by the Illinois Constitution, and the Takings Clause protecting against loss of Due Process. Also under contract law we have a contract with the state that would be violated by the new legislation.
- May 14, 2014: a temporary restraining order was issued by the judge to last until the case is resolved. The Judge, in issuing the order, agreed with the arguments put forth that the annuitants would suffer irreparable harm. Unfortunately the decision came a little late and some damage was already done by those who had already retired. Everything is back as it was before.
- May 13, 2014: Lisa Madigan released the state response to the five lawsuits. She basically said, yes, the legislation is unconstitutional, but the state financial situation was so dire that the state can ignore the constitution and go around it.
- May 22, 2014: the Judge said he would work on a schedule for the remainder of the case; Attorney General said there was no hurry; she could bring in experts to testify as to the dire straits of the financial crisis in the state. The plaintiffs, however, said they would like to have a quick ruling about the legality of the imposition of sovereign power to overrule constitutional provisions. The Judge decided that Class Certification needs to be worked on first (due June 5) and hearings will begin on June 13.

Presiding Judge Belz seems to be very cautious. He does not want this case returned to him when it goes to the next level, because of a mistake he made.

There are some favorable signs – the injunction itself is a positive indicator. The Illinois Constitution is one of the strongest in the country for pension protection. For instance, the county treasurers are guaranteed a certain stipend by the state. When it was cut and they sued. It took 4 or 5 years, but they won. Crane’s Chicago Business (not a supporter of ours), said that the county treasurer’s suit was ominous sign for the pension reform law.
In addition, there have been favorable court decisions in other states that may serve as precedents:

Election of Officers and Directors: Joe Grush recognized Sara Clayton and Margaret Phillips who with himself, made up the NIUAA Board nominating committee. Joe Grush shared that that eligibility requires a person to be a member or to become a member of NIUAA. In addition, the committee added two other requirements: nominees had to have administration/organizational experience and leadership in on campus or off campus boards. Each member came up with three possible names and then the committee convened to go over the names. After discussion a consensus was reached and then presented to the Board for approval.

The nominees were presented to those gathered at the annual meeting. No nominations came from the floor. Nominations were closed and the vote was taken. New members of the Board are Nancy Kasinski, Secretary; Pamela Rosenberg, Treasurer; Judy Burgess, David Mason, Deborah Haliczer and Judy Santacaterina as new Directors.

Presentation of Appreciation Award: The Awards Committee – Clair Williams, Joe Grush and Lee Ann Henry – were charged with the responsibility of recognizing people who have made important contributions to the NIUAA. This year’s recipient was Jim Lockhard for his ongoing commitment to keeping the association’s membership updated on the various legislative initiatives affecting pension and health care benefits.

Introduction of Specials Guests: Jim Lockard introduced each of the special guests, in turn.

President Doug Baker acknowledged his wife, Dana Stover, Representative Bob Pritchard, and DeKalb Mayor John Rey. He thanked all who have served the institution for so many years.

President Baker made some comments on the upcoming budget. It is an imperfect budget. Increasing the income tax was not mentioned and not many cuts were made either. The Presidents of the universities have worked hard to find a solution to the pension problem, but it did not quite get there.

The budget, if it is passed includes a $223,000 reduction to the university. That was probably as good as we could hope for. There has been a 21% reduction in state appropriations and a 5000 student reduction over the last decade. We need to turn the enrollment around and we have been working on that aggressively. Feedback has been obtained from various groups through Bold Futures workshops. There are many benefits and strengths in the institution, but we are not attracting the students we should. We also need to retain students once they are here. We have increased our focus on retention. Last year, one-third of the freshmen did not come back as sophomores. There are many reasons for this that can be addressed. President Baker sees things turning in a positive direction, but it will take some time. NIU is reaching out to community colleges for agreements on transfer. NIU has instituted a reverse transfer agreement with Rock Valley College. The administrative is looking at other ways to strengthen relationships with community colleges. NIU is also looking at strengthening programs with international students.

Student career success is linked to the curriculum. NIU is doing a reformation that started with the general education component, but is now looking at the entire Bachelor’s program. What do we want out of a baccalaureate degree? Internships play a huge role. One of our assets is our large alumni base that lives close. We need to figure out how to put together those relationships with faculty, alumni and students for mentoring and internships.

We need to be good stewards of the money we do have. We have about $55 million in auxiliary services (parking, student center, residence halls, etc.). We need to prioritize the projects. On the operating side of the budget, we will be facing a large operating service deficit. We will have to look closely at who we can hire and prioritize the hires. We also need to look at process engineering, how we can be more efficient and effective.

NIU does not yet have a completely developed strategic plan. This year Student Success is a keystone goal. Numerous retreats and meetings to accomplish that are planned for this summer.

Deborah Haliczer & Liz Guess, Human Resources/Employee Benefits

Deborah Haliczer gave regards from all the colleagues in Human Resources. As always, the end of the year is busy with benefits choice, hires, etc. Retirements have been a topic at just about every meeting this year, but HR is limited because they are no longer able to do retirement counseling. HR sends out press releases, puts info on the website, and has many individual conversations. At the latest head count, 128 people have retired. Some left through separation and eight individuals have rescinded their retirement papers. Hoards of people went to SURS for appointments. SURS does not allow NIU Human Resources to be the benefits office any more for retirees. Everything is sent to SURS. HR can still serve as Notary Public to retirees.

Liz Guess, Director of Benefits, shared some of the highlights for plan 2015. The enrollment period for benefits has just finished. Open enrollment for Medicare will be Mid Oct. – Mid Nov, with choices effective Jan. 1st. This is a little different from last year, to coincide with Medicare. Effective July 2014, health care premiums will increase to twice as much as last year. Additionally, charges for those with less than 20 years of service will still apply. There has been a change in the Dental Option for those in Medicaid. You can now opt out of the medical portion, but still maintain dental coverage. Lisa then answered questions from the audience regarding insurance.

Rep. Pritchard thanked Jim Lockard for the update on pension issues. He then thanked the attendees for the privilege of representing them in Springfield. He enjoys telling others about NIU.

By 2025 we need to be at the 65% level for those over 18 having some sort of degree or certificate. It is now at about 42%. He is encouraged and is working with university presidents so that students can have access to counseling, mentoring, internships, etc. so that after taking classes for 5 years they do not then discover that their major is not what they want. What is being done at NIU is a good model for the state.

It has been an unusual year. The Speaker is in control. This year, he realized it was an election year. There has been success in areas that were not traditionally Democratic. The representatives have been listening to their constituents, so bills regarding taxes, increased minimum wage, and other issues could not get a majority vote. The speaker has then put advisory questions on the ballot, instead. Three questions and at least 2 constitutional amendments will be on the ballot. We have to be focused on the November election.

There was a bill that included changes to some procurement issues for the university. One was how supplies for research were procured. Also, some changes were made in how we arrange student internships. Another change was in the health care system. There has not been a rate increase in the Medicaid system for 15 – 20 years. An omnibus Medicaid Reform bill was passed that is extremely important to hospitals, nursing homes, etc. A bill was also passed to speed up payments that the state owes. The legislation requires that the state must pay within two months.

Financial problems have not become any better. There was unanimous approval of the budget, but then the legislature started to look at how to spend that money. At the Governor’s address he presented one budget if the tax increase continued and another if it did not, requiring a number of cuts. The Revenue Committee started to look at options, but the bipartisanism never materialized. The Higher Education Committee never even met to develop a budget. Look at the smoke – what is going on in the legislature right now? What are our priorities? We have some growth in income coming in. We need to look at our priorities.

Education needs to be a priority. Training opportunities have to be available. Representative Pritchard is working with a bi-partisan group looking into how we fund elementary and secondary education as well as higher education.

Finally, many people are talking about leaving the state. There are many great things in Illinois and the state has many advantages. We need to use them. Citizens need to be heard. Don’t give up.

Jim Lockard thanked all of the guests and everyone for coming. Six NIUAA Board members will be travelling to Springfield to the annual summer SUAA meeting. There is some discord so it will be challenging. We will be reporting back to you. Thanks to President Baker for coming and for hosting the dinner following this meeting.

There was a motion and second to adjourn. The meeting was adjourned at 4:50.

Respectfully Submitted,
Nancy Kasinski, Secretary

Breaking News on NIU Email for Retirees

Current NIU retiree Groupwise email accounts will be migrated to the new Office 365 system on June 8. Your login will be your NIU email address, your password will not change, and your existing messages, contacts/address book, and calendar entries will all migrate. Specific information for retirees will be available by a special Retirees link at http://o365.niu.edu/ before the end of May. The agenda for the NIUAA annual meeting on June 3 includes a presentation on the new email system, so please plan to attend.
Proposed Nominees for NIUAA Board

In accordance with the NIUAA Constitution, the Nominating Committee has prepared a slate of candidates for positions open for election at the June 2015 Annual Meeting. Each candidate is presented by position with a brief biographical sketch. Additional nominations will be possible from the floor at the Annual Meeting. In addition, continuing members of the Board are listed at the end along with their brief bio.

President – Joseph Grush, retired
Joe served as Chair of the Psychology Department, Associate Dean and Acting Dean of the College of Liberal Arts and Sciences, and Vice Provost. He now serves as Vice President for NIUAA and Co-Chair of the Legislative Platform Committee for SUAA.

Vice President – Lynn Neeley, retired
Lynn has served as Chair of the Management Department, Associate Dean of the College of Business, Chair of the Presidential Commission on the Status of Women, and President of the U.S. Association for Small Businesses and Entrepreneurship.

Secretary – Nancy Kasinski, retired
Nancy worked for many years as Director of NIU’s Office of Access Abilities Resources. She regularly volunteers for many local organizations such as Kishwaukee Hospital and TAILS Humane Society. Currently, Nancy is serving as the Secretary for NIUAA.

Treasurer – Betsy Hull, working
Betsy has served as Assistant and Associate Controller of the NIU Foundation. She is now the Treasurer of NIU’s SPS Council and Assistant to the College of Education Dean. Betsy also serves the community as the current President of the Sycamore Education Foundation.

Director – Ferald Bryan, working
Ferald directs the COMS 100/100P Program in the Communication Department. He also serves as Parliamentarian for the Faculty Senate and University Council. His knowledge of Robert’s Rules of Order will help NIUAA revise its bylaws.

Director – Sara Clayton, retired
Sara was Administrative Assistant in the Division of International Programs. She was also President of NIU’s Operating Staff Council and Vice President of the State Universities Civil Service Advisory Board. Sara is ending a first term on NIUAA’s Board.

Director – Michael Gonzales, retired
Michael was a History and Presidential Research Professor. He directed the Center for Latino and Latin American Studies for 25 years, chaired the Multi-Cultural Curriculum Transformation Committee, and served on decanal and presidential search committees.

Director – Daniel Wunsch, retired
Dan was Chair of the Management Department. He also served as Associate Dean for the College of Business, Acting Chair of Operations Management & Information Systems and Member of the Athletic Board. Dan is ending a first term as Director.

Continuing NIUAA Board Members

Director – Judy Burgess, working
Judy now works as an Office Support Specialist for NIU’s Environmental Health and Safety Program. She has always been very active in civil service affairs, serving as President of the Operating Staff Council. Judy is finishing the first year of her term.

Director – Deborah Haliczer, working
Deborah now serves as the Director of Employee Training and Director of the Employee Assistance Program. She also serves as President of the Supportive Professional Staff Council. Deborah is now completing the first year of her term.

Director – David Mason, retired
David was a Professor of Health Education in the Department of Kinesiology and Physical Education. David served for many years on the DeKalb Park District Board, including several years as Director. David is finishing the first year of his term.

Director – Judy Santacaterina, working
Judy is the Director of the Baccalaureate Degree Program in General Studies. She is also the long-time coach of our nationally acclaimed Forensics Team and teaches various courses in Communication. Judy is completing the first year of her term.
Some Websites and E-Mail Addresses of Interest to NIU Annuitants

NIU Annuitants Association Website: www.niu.edu/annuitants/
State Universities Annuitants Association Website: www.suaa.org

Representative Bob Pritchard: 70th District Office
2600 DeKalb Ave., Sycamore, IL 60178
Phone: (815) 748-3494, Fax (815) 748-4630;
Springfield Office: 200-3N Stratton Office Building, Springfield, IL 62706
Phone: (217) 782-0425, Fax (217) 782-1275;
e-mail: bob@pritchardstaterep.com

Representative Tom Demmer: 90th District Office:
1221 Currency Court, Suite B, Rochelle, IL 61068;
Phone: (815) 561-3690, Fax (815) 561-3691;
Springfield Office: 222-N Stratton Office Building, Springfield, IL 62706,
Phone: (217) 782-0535
email: rep@tomdemmer.com

Senator Dave Syverson: 35th District Office:
200 S. Wyman St., Suite 302, Rockford, IL 61101,
Phone: (815) 987-7555, Fax (815) 987-7563;
Springfield Office: 108A Capitol Building, Springfield, IL 62706
Phone (217) 782-5413, Fax (217) 782-4243;
e-mail: info@senatordavesyverson.com

Governor Bruce Rauner. (e-mail through the website):
www.illinois.gov/gov/contactthegovernor.cfm

Attorney General Lisa Madigan. (e-mail through her website):
www.illinoisattorneygeneral.gov/about/email_ag.jsp

John Cullerton, President of the Senate: John@senatorcullerton.com
Phone: (217) 782-2728

Michael J. Madigan, Speaker of the House: mmadigan@hds.ilga.gov
Phone: (217) 782-5350

For those members who are not represented by one of the above named legislators, you can look up your own legislator and their contact information at www.jeanea.org/legislative/find-your-legislators/ or at www.jeanea.org/legislative/contact-your-legislators/ where you can compose an email message on the spot.

You can also easily reach your legislators courtesy of the We Are One Illinois coalition. Both telephone and email contacts are possible at www.weareoneillinois.org/.

Renewing NIU Parking Stickers

NIU parking stickers expire June 30. For NIU Retirees, parking stickers are complimentary. Those who wish to renew or initiate a retiree (white) campus parking sticker for the 2015-2016 NIU fiscal year, may do so via one of the three options, below:

1. If you have access to the Internet, go to www.niu.edu and then to the Campus Parking Services via the A-Z drop-down index. Click on the “Forms” line on the left hand side and then click on the “Faculty/Staff Vehicle Registration” line. Print, complete, and sign this form. Please be sure to check the “Retiree” box under “Permit Type” on the form. There is no charge to retirees for a parking sticker. Mail it to Northern Illinois University, Campus Parking Services, DeKalb, Illinois 60115.

2. If you do not have access to the Internet, call Campus Parking Services at 815-753-1045, and ask them to mail a copy of the form to you. Then follow the instructions above to complete the form and mail it back to the Campus Parking Office.

3. Finally, visit the Campus Parking Office (they’re lovely people) and fill out the form on the spot. Please note, however, that new stickers will not be available for pickup until June 1.
Update Your Contact Information!

Please notify the NIUAA when your address changes by e-mailing or calling Lee Ann Henry: annuitants@niu.edu, lhenry@niu.edu, or (815) 753-7406. If Lee Ann does not have your current e-mail address, please forward it to her. It will facilitate faster communication on matters of interest to members of our local chapter or from SUAA in Springfield.

Although we will continue to send “hard copies” of our newsletter to NIUAA members without email addresses, we can contact you with “non-spam” information in a quick, orderly fashion if we have an e-mail address for you. We do not share our list with outside persons or agencies. If you do not currently have an e-mail address, you can get one free by calling the Helpdesk of NIU’s Division of Information Technology at (815) 753-8100. They will set up a free email account for you as long as you identify yourself as a member of NIUAA.

NIUAA 2014-2015 Board Members and Officers

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Please Note: Voting members of the NIUAA Board include all officers and those listed as Directors.