

December 19, 2005

The Honorable Jennifer Granholm
Governor of Michigan
1111 S. Capitol
P.O. Box 30013
Lansing, Michigan 48909

Dear Governor Granholm:

While our organization regrets that you were unable to attend our November meeting to dialogue about a number of issues of concern to us, and hopefully to you, we appreciate that you sent Sharon Gire as your designated representative. Ms. Gire represented you well at the meeting and we look forward to working with her Office on matters we believe warrant being addressed by your administration.

We would still very much like to have you come to one of our quarterly Council membership meetings. Personally sharing your views on senior/state retiree issues and to better understand our concerns is important to our members, who represent chapters statewide, as I am sure it is to you. While we have had a positive and generally successful relationship with your administration through working with David Fink, former Director of the Office of the State Employer, and now, it appears, with Ms. Gire of the Office of Services to the Aging. However, we are never sure of the degree of filtering that takes place between you and your surrogates with whom we interact.

In initial meetings with Mr. Fink, we acknowledged the state's severe fiscal crisis and indicated that we would put our political agenda on hold until the state's economic problems have improved. Our leadership primarily worked with Mr. Fink and his staff and the staff of the Department of Civil Service in reducing the impact of escalating health care costs to retirees. Since Mr. Fink's departure, we continue to work closely with Department of Civil Service staff on pressing health care cost issues. We believe we have been moderately successful in this effort and we are appreciative of the cooperation received. However, there is one issue which we believe needs to be addressed immediately because time is of the essence.

There is a relatively small number of state retirees who retired prior to October 1, 1986 whose pensions, in many instances, are below the poverty level guidelines. This is a function of the salary structure at the time of their retirement and the fact that retirees' pensions are not indexed to the cost of living. This group of retirees did receive periodic adjustments in their pensions. The last of these was in 1987, but that adjustment, some 18 years ago, still leaves their pensions woefully inadequate. Yet, these individuals experience the same increases in their health care co-payments, premiums and deductibles as those who retired since that time including those who retired with a 17% enhancement to their lifetime pensions. We believe this is unfair and some type of corrective action should be taken. Ironically, it would appear that some adjustment in pensions or other economic relief would not be extremely costly because of the decreasing number of these economically-harmed retirees through natural attrition.

The Michigan SERA Council respectfully requests that you designate several representatives of your administration as members of an informal task force to work with several knowledgeable individuals from our organization to come up with recommendations regarding how best to address the problem outlined above. It is our recommendation that such a task force as we are suggesting include a representative from each of the following: the Office of the State Employer, the Department of Civil Service, the Office of Retirement Systems, and the Office of Services to the Aging. We would further suggest that there be a relatively short time period given for the task force to complete its work and make a recommendation to you.

We would be pleased to discuss this request in detail with you or your representative(s). We look forward to your timely response.

Sincerely,

Robert Kopasz, Chairperson
Michigan SERA Coordinating Council

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