

DATE: May 19, 2009
TO: All CSFC GEMS MEMBERS
FROM: H. Ray Harrington
CSFC President

SUBJECT: NARFE PRESIDENT SPEECH TO NV FEDERATION CONVENTION

Below is the speech given by Margaret Baptiste to the Nevada State Federation of Chapters meeting in Primm, Nevada on Tuesday, May 19, 2009. Please share this information with your chapter members. Please pay particular attention to recent legislative victories and to the upcoming Grass Roots Advocacy Month. We are very fortunate to have Margaret Baptiste as our President during these troubled times.

May 19, 2009 talk for Nevada

State Federation Convention

Delivered by

Margaret L. Baptiste

NARFE National President

OPENING

Thank you Tom for your excellent introduction.

I was going to introduce all the federation and national officers present, because of all the California members present, we would be here all day. You all were recognized by Preident Tom.

Greetings from National Hq Officers and the staff in Alexandria.

I don't think I have to tell you that the economy has not been kind. It's been unkind to NARFE members and to NARFE.

Despite our best efforts, our investment portfolio continues to suffer right along with every other American who has a T-S-P or 401-k – which now looks like a 104-k – or other retirement plan tied to the stock market.

Some, of course, have weathered the storm better than others.

But I am not here to sing the blues about the economy today because, to be honest, it won't do any good.

The economy will turn around – when, no one seems to know – and when it does, things will be better.

What is not showing any signs of turning around at this time is NARFE's membership numbers.

Again, despite the efforts of our membership department staff and of those of you who carry the NARFE message to prospective members.

We continue to recruit over 20,000 new members yearly.

But we continue to lose over 24,000 members a year for non-renewals.

And this number doesn't include deaths – which averages 8 to 9 thousand a year.

A major reason for non-renewals is our requirement for chapter membership.

For years, we have been discussing the disadvantages of this issue on both recruiting and particularly retention.

If we create a single NARFE dues, there will be no national dues and chapter dues.

There will be just one dues; the NARFE dues.

NARFE members could choose to participate in chapter activities or not and, either way, they would have one simple and easy dues.

This would certainly help our retention efforts.

At the last two NARFE national conventions, resolutions recommending this change have come very close to passing.

The time for change is now!

For too many years, it seems that we have made it difficult to be a NARFE member.

Remember the days when you had to have worked for Uncle Sam – or the D.C. Government – for a minimum of five years to be eligible to join NARFE?

Remember when we were strictly a “retiree” organization?

It didn't bode well for us when we approached active federal workers who were a few years from retirement.

Then, we changed the name of our organization.

Then we designed recruiting strategies and advertising aimed specifically at those who were a few years from retiring.

And with some success.

Over the past couple of years, the active employees who join NARFE make up about 20-percent of new members.

And here comes a problem.

Remember when I said it seems we make it difficult to become a NARFE member?

Sometimes, we also make it hard on ourselves to keep the new members that we do recruit.

As new members, they join at a specific rate.

Then, a year later, they get a renewal statement, usually at a higher rate.

Why? Because chapter dues are factored in.

Before you get hostile and start thinking this an anti-chapter message, let me assure you that it is not.

What this is, is an attempt to make it easier to recruit new members ... and retain the ones we have.

Let's examine that new member who joins for 33-dollars for the first year, then finds out it's going to cost him or her five, ten or even more to renew that membership.

Sure, many of them do renew.

But all too many do not and let their membership lapse.

According to our stats, our retention numbers for first-year renewals are much worse than for those who have been a member six or ten years.

Is this solely because of the dues increase? Probably not.

But you should read some of the letters from those who do not renew for that reason.

Look at it this way; you order a magazine subscription for twenty dollars a year.

When that year is over, you get a renewal notice that says you now owe thirty dollars a year for the same number issues of the same magazine.

What would your reaction be?

My guess is you'd tell them what they could do with that subscription and then try to find someplace to report them for fraudulent advertising.

That is what we want to get away from.

And why we are coming to you later this year with a referendum to try to accomplish just that.

You can call it single dues if you want, but i prefer to use the term – “NARFE dues.”

No matter what you call it, it is an idea whose time has come.

At the Federation Presidents meeting in Louisville last September, the presidents supported a NARFE dues plan by over 90-percent.

The resolution, as approved by the National Executive Board at its March meeting, calls for a NARFE dues of \$40.

From this amount, four dollars – or ten percent – would be rebated to the federations; nine dollars would go to the chapters; and 27-dollars would stay with national.

Right now, the average chapter dues is around 8-dollars a year.

If yours is one of those chapters at the low end of that scale, this will be a slight increase.

If you're at the other end, it will mean a reduction in dues.

But the last thing we want to do is impact the operation of the chapter.

Let's say your chapter charges 15-dollars a year.

They use this money for a well-produced monthly newsletter as well as other community outreach programs.

There is nothing that will prevent the local chapter from asking their members to kick in an extra five or ten bucks a year to continue those programs.

Conversely, if your chapter only charges four or five-dollars a year, there is nothing to stop the chapter from returning some money back to the members.

Or you can use that extra income to further NARFE programs in your chapter.

That is a local chapter issue, and up to the chapter membership.

Discussion of a NARFE dues proposal is not new.

There have been very few national conventions in the past decade or so where a resolution to implement unified – or NARFE – dues hasn't been introduced.

And, at the past two conventions, a majority of the chapter delegates voted in favor of this concept, but came up short of the necessary two-thirds majority to amend the bylaws.

For example, at last year's convention in Louisville, the proposal received 3-thousand, nine hundred and 29 votes – or 63.7 percent – but fell 180 votes short of passage.

We could wait until next year's convention in Grand Rapids to get this before you again.

But, to be honest, it's past time for waiting.

It's time to act!

And, by taking this proposal to the chapters via a referendum, we can virtually guarantee that all NARFE chapters will have a vote.

There are still too many chapters that do not send a voting delegate – or a proxy – to the national convention.

This practice literally disenfranchises the members of those chapters.

With a referendum, everybody will have a chance to vote.

I ask you to search your hearts and do what is best for the future of this organization.

You are attending this federation convention because you **believe** in this association.

You wouldn't be here if you didn't.

Please go back to your chapters and encourage your members to support this NARFE-dues referendum when you get your ballot in September.

I would hope that every chapter would dedicate at least one meeting to discuss and debate the merits of this issue before the chapter vote is returned by mid-December.

And as the men and women who are the heart and soul of NARFE, I would hope that you will be the ones who lead the charge for a "yes" vote.

I know you've heard that NARFE is at a cross-road and we're running out of time to fix things before.

It's still true and, given what's happened in the last 12 months to our economy, that hourglass may be emptying faster than we thought.

Please help us get the NARFE-dues referendum the two-thirds majority it needs.

Let's look at some other issues.

We are pleased that we were able to start the new 111th Congress with NARFE victories right out of the box.

The senate version of the economic stimulus bill included a one time, \$250 payment for social security, veterans, S-S-I and railroad retirement beneficiaries.

But federal, state and local government workers that did not participate in social security covered employment got nothing.

Your legislative department mobilized a coalition of organizations which represent federal, state and local government employees.

During the three weeks leading up to approval of the final bill there were ups and downs:

It was hard keeping our coalition together

We encountered resistance from some Capitol Hill and administration staff.

An amendment Senator John Kerrey planned to offer on our behalf was sidetracked because of the compromised stimulus bill brokered by Senators Collins, Specter and Snowe.

And even after house and senate passage of the stimulus bill, Senator Kerry, with the help of finance committee chairman Max Baucus, included a provision in the final bill to offer a \$250 refundable tax credit for government retirees who are not eligible to receive social security.

Without NARFE's persistence, about one million government retirees would have been left out in the cold.

Another success story is our achievement in helping to restoring the Blue Cross / Blue Shield surgical benefit.

We discovered last fall that Blue Cross / Blue Shield standard option for 2009 would require enrollees to pay 100% for non-network surgical procedures, up to \$7,500 cap

The House Subcommittee on Federal Workforce criticized the move in a December hearing, and i called on O-P-M and Blue Cross / Blue Shield to restore the benefit.

Federal Civil Service Press – the media that NARFE works closest with – drew attention to the problem.

The result: the benefit was restored: a 30% of the plan allowance for non-network surgical.

It is unheard of to change any FEHBP benefit a few weeks prior to when a new plan takes effect, but we pulled it off!

I am also happy to report that NARFE played a key role in the House of Representatives approval of legislation to allow FERS employees to credit their unused sick leave toward retirement.

The bill that passed the house on April 1 also makes significant improvements to the Thrift Savings Plan.

House passage of this bill is a victory for federal workers and it reaffirms NARFE's effectiveness as an advocate for both federal workers and annuitants.

In addition, NARFE had a defensive victory on April 2 when the House overwhelmingly defeated representative Paul Ryan of Wisconsin's amendment to the budget resolution which would have cut-back entitlement programs, like Social Security, Medicare and Medicaid, by \$1.38 trillion over ten years, and would have included a reduction of \$10.263 billion in Federal Civil Service retirement and health benefits.

In a letter sent to all 435 members of the House prior to the vote, I said that the instruction to cut Federal retirement would have meant that the House Committee on Oversight and Government Reform would have been compelled to consider proposals such as cutting or canceling Federal Annuity COLAS and / or shifting a growing share of F-E-H-B- premium costs to workers and retirees.

But, as significant as these victories are, we face many challenges ahead.

The President and Congress have called for sacrifice and responsibility as they grapple with unparalleled economic upheaval and a trillion dollar budget deficit.

Patriotic federal workers and annuitants want to do their part, but not if it means they are singled out for budget cuts while others are not asked to make similar sacrifices.

I probably don't have to remind you that in previous periods of entitlement reform, policymakers first discussed cutting the "big three" – Social Security, Medicare and Medicaid.

However, when lawmakers realized the political liabilities of cutting a program like Social Security, which has 40 million beneficiaries – projected to be 77 million by 2030, they have turned to the "captive audience" of federal retirees – a much smaller constituency – 2.3 million retirees and survivors.

In fact, during the budget crises of the 1980s and early 1990s, Federal Retirees and survivors lost \$50 billion in deferred, reduced and canceled cost-of-living adjustments, while 40 million Social Security beneficiaries colas were not cut

The good news is that Federal civilian retirement does not face the same solvency challenges as Social Security and Medicare because our trust fund is fully funded and actuarially sound.

But, nevertheless, the Federal Civil Service could be swept up in the current effort to achieve political as well as deficit reduction goals.

That's why we need to ask our lawmakers if we can count on them to be vigilant in protecting the compensation and benefits of individuals who have dedicated careers to public service, often at significant financial sacrifice.

NARFE Federations and Chapters need to be prepared to mobilize their rank and file members – on short notice – against any threat to our earned benefits made during congressional efforts to overhaul entitlement programs.

Here's how you can help:

Organize and maintaining telephone trees and calling committees to contact your rank and file members within 48 hours of receiving an action alert ...

Get more NARFE members to join the “rapid response team” by adding their e-mail address to their membership record so they can receive urgent gems messages ..

And build and maintain relationships with your local representatives and senators.

Certainly, we will continue to fight for key legislative priorities, like our Premium Conversion Bill and legislation to repeal or reform the Social Security Government Pension Offset and Windfall Elimination Provision.

Despite the fairness and equity sought in both bills, moving this legislation has been an uphill struggle because of their costs and as a result of objections to them made on policy grounds by the House Ways and Means Committee and the Senate Finance Committee.

Unfortunately, those obstacles have been compounded during our economic and fiscal crisis.

For example, we have to confront the fact that lawmakers concerned about 50 million uninsured Americans – and growing – are not as sympathetic to providing tax relief to individuals who are insured.

If any of you hear this from your member of congress, remind them that the cost is not out of line with how the tax code is being used on health care, and Federal Civilian and Military Retirees should be rewarded for their sacrifices to our country.

Plus, the **simulative effect** would be that these tax savings would allow these retirees to spend these dollars elsewhere.

There is a lot more on the legislative front that I do not have time.

But before I leave the topic of legislation, please let me ask you to support NARFE-PAC.

Your contributions to NARFE-PAC directly support our core mission – the reason for our existence as an organization.

I'm sure you'll find your Federation NARFE-PAC coordinator at this convention, willing to accept your donation and present you with the new 2009-2010 NARFE-PAC pin for contributions of \$20 or more.

Beyond PAC, I want to encourage you to begin planning for NARFE grass-roots advocacy month – formerly known as “lobby month.”

The goal of advocacy month is to use the summer recess, August through Labor Day, September 7, to conduct visits with every member of Congress.

In the near future, more information about the August Grass-Roots Advocacy Month will be sent to Federation and Chapter Presidents and Legislative Officers.

NARFE's retirement benefits service department continues to provide a high level of service to Chapter Service Officers and members who call for information or assistance.

The on-line blog that was created for service officers last year has been refined to allow service officers better communication among themselves.

In addition, the department has been busy working in conjunction with the Office of Personnel Management to conduct focus groups with NARFE chapter members for their feedback on O-P-M websites and materials associated with the annual health benefits open season.

NARFE's Pre-Retirement Seminar program continues to grow in terms of contracts with Federal agencies.

Mary Pierson, Director of the Pre-Retirement Seminar program, has worked tirelessly to get the word out about the program, which increases recognition of NARFE among current active employees.

Our Information Technology department continues to improve our electronic capability to better serve our members.

The biggest change came last November, when the newly designed NARFE website was launched, providing more user-friendly access to our members.

And, more recently, we've added a "NARFE general store" feature, where you can order name badges, apparel and logo items.

Last year, the NARFE website generated over four million page views.

In closing, let me share some great news with you.

As of the end of February, NARFE members' giving to Alzheimer's Research has reached the eight million dollar level.

Give yourselves a hand!

We can be very proud of what we have done since we joined with the Alzheimer's Association in seeking a cure and prevention for this insidious disease that impacts so many of us and our friends and loved ones.

Certainly, there have been many gifts and grants to Alzheimer's larger than ours.

But the beauty of the NARFE contribution is that it comes from individual members, money collected at Chapter meetings and Federation conventions.

And, believe me, the folks at the Alzheimer's Association appreciate this effort on our part.

We have a great association and with leaders like each of you, we have a great future. Thank you for all you do for NARFE.

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If you have any questions about this GEMS message please contact me at hrrayharrington@yahoo.com

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