



# NARFE NEWSLETTER

GREATER BOWIE-CROFTON AREA CHAPTER 1747

**National Active and Retired Federal Employees Association**

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April 2014

**Program Change: Gene Sumi will Speak at the April Meeting!  
That's April 17 at the Bowie Senior Center.**

**GENERAL MEMBERSHIP MEETINGS** are held at the Bowie Senior Center, 14900 Health Center Drive, Bowie, 20716 in Room 4. Meeting dates are the third Thursday of the month at 10:00 AM except in July and August. There is never a charge to attend and all meetings are open to the public. Please check your current newsletter or our website for any changes.

**EXECUTIVE BOARD MEETINGS** are held the first Thursday of the month at 10:00 AM in Conference Room 125, Bowie Senior Center. All chapter members are welcome.

**NOTE:** Chapter meetings are cancelled when Prince George's County schools are closed due to inclement weather. Otherwise, meetings are held as scheduled.

## COMING ATTRACTIONS

- ❖ **General Meeting:** Thursday, April 17, 10:00 AM. Gene Sumi, Director of Education, Homestead Gardens.
- ❖ **General Meeting:** Thursday, May 15, 10:00 AM. **Kenhill Center.** Maryland State Legislative Update

## PRESIDENT'S MESSAGE

*JERRY KURSBAN*

Your Executive Board has been actively discussing measures that can be taken to improve the balance in our Chapter 1747 Treasury. Slowly but inexorably, the balance has been diminishing; our current balance is less than \$2,000. There is unanimous agreement that it is a virtual certainty that we will exhaust our balance in the near future. The only unknown is the exact time of this event, but it would probably occur between one and two years at most. In order to avert this unwelcome event, we have agreed that the chapter will need to raise revenues, reduce expenses or utilize a combination of both.

With respect to reducing costs, by far the most cost is incurred in mailing the monthly newsletter. Some chapters have chosen to send their monthly newsletter by e-mail rather than by regular postal delivery (snail mail) unless that member specifically requests a print copy by mail. We will bring choice this to the attention of the entire membership in the near future.

With respect to raising revenues, we have discussed increasing dues and/or conducting a raffle. Our annual chapter dues of \$5.00 are among the lowest in our region. By way of comparison, the Bay Area, Calvert County, Northwest Baltimore Metro and Ocean Area chapters charge \$10, or twice what we pay. The Annapolis, Frederick, Southern Prince George's, Wheaton/Glenmont, Western Charles/Indianhead and White Oak chapters charge \$8.00 annually. There are a few chapters that still charge \$5.

We have also discussed holding a raffle. For some chapters, raffles are their main source of revenue. We will be bringing a  
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## MARK YOUR CALENDAR

### Chapter Events

- April 3, 10:00 AM, 1747 Executive Board Meeting at Bowie Senior Center .
- April 17, 10:00 AM, 1747 Chapter Meeting, Bowie Senior Center  
*Topic:* Gardening, Gene Sumi, Education Director, Homestead Gardens.
- May 1, 10:00 AM, 1747 Executive Board Meeting at Bowie Senior Center
- May 10, Crofton Parade
- May 15, 10:00 AM, 1747 Chapter Meeting, **Kenhill Center**  
*Topic:* Maryland State Legislative Update
- May 24, Bowie Parade
- June 5, 10:00 AM, 1747 Executive Board Meeting at Bowie Senior Center
- June 19, 11:30 AM, 1747 Annual Picnic

### Regional/National Events

- March 31–April 1 Noon to Noon Region II Training Symposium, Eisenhower Hotel and Conference Center, Gettysburg PA
- May 5–6, 8:30 AM–3:30 PM Maryland Federation of Chapters Board Meeting and Mini-Convention, Comfort Inn, Bowie MD
- August 24–28 NARFE National Convention, Rosen Centre Hotel, Orlando Florida

**Remember to tell Jerry or Bob your newsletter preference—See page 2 for details!**

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proposal to the general membership in the near future, since we would want to have it ready to take effect by the beginning of the following year if the proposal is approved.

Finally, your executive board has been actively discussing whether we should combine food with fun at our monthly general meetings. A significant majority of NARFE chapters hold luncheon meetings at restaurants, lodges, or senior centers. The executive board agreed that we would attempt to hold the cost to \$15.00 or less. We are in the process of checking several locations in the area and will bring our findings to the chapter by the time you receive the May newsletter.

In closing, I share with you a quote from Alice Walker: "May you be free; May you be happy; May you be at peace; May you be at rest; and may you know that we remember you."

## FEDERAL LEGISLATION

JOSEPH YOUNG

### Borrowing and the Federal Debt Part II

*The following was obtained from the National Priorities.org website in an effort to better educate our readers about the Federal budget process.*

#### How Does the Federal Government Borrow?

To finance the debt, the U.S. Treasury sells bonds and other types of securities. (Securities is a term for a variety of financial assets.) Anyone can buy a bond or other Treasury security directly from the Treasury through its website, treasurydirect.gov, or from banks or brokers. When a person buys a Treasury bond, he/she effectively loans money to the federal government in exchange for repayment with interest at a later date.

Most Treasury bonds give the investor—the person who buys the bond—a pre-determined fixed interest rate. Generally, if you buy a bond, the price you pay is less than what the bond is worth. That means you hold onto the bond until it matures; a bond is mature on the date at which it is worth its face value. For example, you may buy a \$100 bond today and pay only \$90. Then you hold it for five years, at which time it is worth \$100. You also can sell the bond before it matures.

There are actually many different kinds of Treasury bonds, but the common thread between them is that they represent a

#### Regular or Email: What's Your Choice?

As mentioned in the February newsletter, we are canvassing our membership to see who would be interested in receiving their monthly newsletter via email instead of by regular mail. If you are interested in doing this, please email our webmaster, Howard "Flash" Gordon at [flash@acm.org](mailto:flash@acm.org), providing him with your name, email address, and zip code. You will receive your newsletter more quickly—and it will be in beautiful color.

loan to the Treasury, and therefore to the U.S. government. As citizens of a democracy, Americans collectively own the federal government, thus a big portion of the federal debt—the portion that was lent to the government by regular Americans—is actually money that we owe to ourselves!

### If the Federal Government Has Lots of Debt, Who Does It Owe Money To?

The federal debt is the sum of the debt held by the public—that's the money borrowed from regular people like you and from foreign countries—plus the debt held by federal accounts. Debt held by federal accounts is the amount of money that the Treasury has borrowed from itself. That may sound funny, however trust funds are federal tax revenues that can only be used for certain programs. When trust fund accounts run a surplus, the Treasury takes the surplus and uses it to pay for other kinds of federal spending. But that means the Treasury must pay that borrowed money back to the trust fund at a later date. That borrowed money is called "debt held by federal accounts;" that's the money the Treasury effectively lends to itself. One-third of the federal debt is debt held by federal accounts, while two-thirds of the federal debt is held by the public.

#### Debt Held by the Public

Debt held by the public is the total amount the government owes to all of its creditors in the general public. That includes Americans as well as foreign individuals and the governments of foreign countries.

Approximately half—the largest portion—of debt held by the public is held internationally by foreign investors and central banks of other countries who buy our Treasury bonds as investments. In 2010, these countries included China, which held the most (\$1.1 trillion), followed by Japan (\$800 billion), Middle Eastern countries (\$173 billion), Russia (\$168 billion), Brazil (\$164 billion) and Taiwan (\$152 billion).

The next largest portion is held by domestic investors, which includes regular Americans as well as institutions like private banks. (A bank may invest some of its own assets in Treasury bonds.) This portion constitutes over a third of the federal debt.

The U.S. Federal Reserve Bank and state and local governments hold the remainder of the federal debt. (The Federal Reserve's share of the federal debt is not counted as debt held by federal accounts, because the Federal Reserve is considered independent of the federal government. The Federal Reserve buys and sells Treasury bonds as part of its work to control the money supply and set interest rates in the U.S. economy.)

#### Debt Held by Federal Accounts

Debt held by federal accounts is the debt that the federal government has borrowed from itself. Trust funds, such as Social Security, Medicare and the Civil Service Retirement Trust Fund, own most of that debt. The Treasury must pay back borrowed money with interest into those trust funds at some point in the future.

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## STATE LEGISLATION

*Ed BICE*

### 2014 LEGISLATIVE SESSION

Our priority legislation for the 2014 General Assembly are SB 478 and HB 778 Income Tax-Credit for Long-Term Care Premiums. The companion bills would annualize the present one-time \$500 tax credit in two \$250 phases for tax years 2015 and 2016, then \$500 for 2017 and thereafter for new or returning purchasers. SB 478 was heard on 12 February and SB 778 on 25 February. This year we had the support of ten other organizations that agreed with us that the legislation is needed and would reduce the State's future MEDICAID costs. These costs are increasing at an alarming rate as a Genworth Cost of Care Survey 2013 on area nursing homes indicates a median annual rate of \$104,635. Long Term Care Insurance premium increases of 15% are common. We had between eight to ten SLC and chapter members attend the hearings which was a significant presence from prior years. Chapters 969 and 1747 had three or more members present. Thank you very much. The SLC has supported other bills to this date. SB 233 and HB 424- Subtraction Modification for Retirement Income, HB 558-Fairness in Taxation-RA and HB1298-Combined Reporting.

The outcome of our legislation is uncertain. Before the start of the session the budget shortfall was some \$70 million. Recently the Board of Revenue Estimates reduced estimates for fiscal 2014 and 2015, citing relatively stagnant wages and salaries and slow economic growth, particularly in the fourth quarter of 2013. The estimates mean that the General Assembly will have to trim \$126.7 million from the current fiscal year's budget and some \$111 million from next year's.



The picture was taken after HB 778 Tax Credit for Long Term Care Premiums was heard in the House Ways & Means Committee on February 25. Back row: Delegate Jim Hubbard (District 23) sponsor of the bill. Oscar Horton (Chapter 969), Dorothy Bice (Chapter 1747), Jerry Kursban, (President Chapter 1747), Ray Lucero (Chapter 1887) Front row Mary Horton (Chapter 969), Jerry Suskind (Chapter 969), Marcia Swanson (Chapter 1888), Ed Bice (Chapter 1747 and SLC Chair), Gary Roundtree, MD Federation, VP Legislation

Continued from Page 2—Federal Legislation

When a trust fund account runs a surplus, the Treasury invests the surplus in Treasury bonds or other Treasury securities. The Treasury does this for a number of reasons. First, it enables the federal government to use trust fund surpluses to finance current spending. But another reason is that Treasury bonds earn interest with very low risk, so it's a way for trust fund surpluses to earn a return over time—just the way you might invest your own savings in a Treasury bond or other interest-bearing investment.

Part III of "Borrowing and the Federal Debt" will be continued in the May edition of this Newsletter.

### Help Wanted

Maryland Federation President Dan McGrath, the speaker at our April general meeting, has asked Chapter 1747 to help staff the Federation mini-convention at the Bowie Comfort Inn. We will need people to stuff "goodie bags" on Sunday afternoon, May 4. and to help register attendees and do other administrative jobs on Monday and Tuesday, May 5 and 6. We are physically located closer to the site than any other Federation chapter. If you can commit two hours or more for any of these jobs, please give us a hand. Contact Jerry Kursban (301-261-3329 or [jkursban@gmail.com](mailto:jkursban@gmail.com)) to volunteer. Your help will be deeply appreciated.

### CHAPTER 1747 BUDGET REPORT

Balance on: January 1, 2014	\$1853.19
Receipts:	296.77
Disbursements:	366.03
Balance on: October 31, 2013	\$1783.93

### DAYS TO REMEMBER

April 13	Palm Sunday
April 14	Passover (begins at sundown)
April 18	Good Friday
April 20	Easter Sunday

### Greater Bowie-Crofton Area NARFE News

NARFE News is published ten times a year (monthly from September through June) by Greater Bowie-Crofton Area Chapter 1747, National Active and Retired Federal Employees Association, P.O. Box 504, Bowie, MD 20718-0504.

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## CHAPTER BOARD

### Officers

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### Activity Coordinators

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Community Events	Ed Bice (Bowie)	301-464-3748	DE3637@verizon.net
	Louise Cole (Odenton)	410-672-6528	col9135@aol.com
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Meeting Sign-In/Greeter	F. Miner and D. Evans		
NARFE-Net Coordinator	Howard (Flash) Gordon	301-464-2745	flash@acm.org
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Gene Sumi Will Speak  
Thursday, April 17, 2014,

Check our Website at [www.NARFE1747.org](http://www.NARFE1747.org)