



Feinstein, Voinovich, 9 Other Senators  
Warn of Privatization's Impact on Public Employees  
March 8, 2005

**Washington, DC** – A group of U.S. Senators, led by Dianne Feinstein (D-Calif.) and George Voinovich (R-Ohio), have written to Finance Committee Chairman Senator Chuck Grassley (R-Iowa) warning of the serious impact of proposed Social Security reforms on public employees.

Currently, five million public employees in 12 states including 750,000 Californians do not contribute to nor receive benefits from the Social Security program. The states that exempt their public employees are; Alaska, California, Colorado, Connecticut, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Missouri, Ohio, and Oklahoma, and certain local governments in Georgia, Rhode Island, and Texas.

The text of the letter follows:

Senator Chuck Grassley, Chairman  
Senate Finance Committee  
219 Dirksen Senate Office Building  
Washington, DC 20510-6200

Dear Senator Grassley:

You have recently indicated the Senate Finance Committee will attempt to craft a bipartisan proposal to reform Social Security. We would like to commend you for undertaking this process in a cooperative manner. Also, we would like to take the opportunity to bring to your attention the concerns of millions of constituents with proposals requiring the mandatory participation of state and local employees in the Social Security system.

Thanks to sound management at the state and local level, nearly five million state and local retirees will receive higher benefits than they would under Social Security. We believe proposals requiring the mandatory participation of state and local employees in Social Security would starve public pensions of the continued flow of new participants needed to maintain solvency. Such proposals would disproportionately harm America's uniformed employees and place an undue burden on cities, counties, and states.

Furthermore, forcing public employees into the Social Security system against their will does nothing to improve the long-term health of the program. Stephen Goss, Chief Actuary for the Social Security Administration and Douglas Holtz-Eakin, Director of the Congressional Budget Office (CBO), confirmed this fact during a hearing of the Senate Finance Committee on

February 1. In response to questions from the committee, these gentlemen explained that contributions from public employees would only add a small amount to the Social Security trust fund and the Social Security benefits earned by public employees would put an additional strain on the system when they retired.

Thank you for your attention to this important matter. We look forward to working with you to ensure that the interests of public employees are not undermined during the debate on Social Security reform.

Sincerely,

Senator Dianne Feinstein  
Senator Dick Durbin  
Senator James Inhofe  
Senator Barack Obama  
Senator Kit Bond  
Senator Chris Dodd

Senator George Voinovich  
Senator Mike DeWine  
Senator Ted Kennedy  
Senator Ken Salazar  
Senator Mary Landrieu

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