



Cassell Resolution Opposes Social Security Private Accounts

Rep. Tim Cassell (D-Madison) announced a proposed resolution Thursday that would put the General Assembly on record as opposed to President Bush's social security privatization plan.

The debate over social security is being waged in state after state as the president tours the country trying to pump up support for his plan.

"The foundations of Social Security are to provide a basic standard of income. People must realize that the risk involved with private accounts is very real," Cassell said. "This is a national issue that deserves the attention of state lawmakers, and we must apply pressure that keeps social security safe."

Henry Aaron, a senior fellow at The Brookings Institution, in an opinion piece for the New York Daily News, wrote that "Owners of private accounts must bear the risk that asset values will fall."

Aaron noted that in 2000-2001, the NASDAQ lost more than 70 percent of its value and the S&P 500 fell nearly 50 percent, causing a "meltdown" in the value of many retirees' basic income support. Aaron said market swings like that could be "catastrophic" for future retirees and workers on the eve of retirement if more of their savings are tied up in private accounts.

He further noted that "post-retirement inflation erodes private pensions. Social Security, in welcome contrast, fully protects pensioners against inflation. That is another reason why traditional Social Security must be maintained."

Similarly, according to a study released Thursday by Policy Matters Ohio, older Ohioans, age 65 and over, rely on Social Security for more than two thirds (68 percent) of their income at the median.

"Benefit cuts would hurt older Ohioans," said Pam Rosado, outreach coordinator for Policy Matters Ohio. "These benefits provide Ohio retirees with more than two-thirds of their annual income, on average."

Highlights from the study show that in Ohio:

- 68 percent of recipients age 65 or older and 77 percent of those 75 or older get more than half of their income from Social Security;
- 30 percent of recipients age 65 or older and 77 percent of those 75 or older get more than 90 percent of income from Social Security; and
- Without Social Security, 46 percent of those age 65 or older would have poverty-level incomes.

For certain demographic groups in Ohio, Social Security is an even more important part of income. For example, unmarried Ohio women age 65 or over receive, at the median, 83 percent of their income from the program. African Americans recipients in this age group receive, at the median, 79 percent of their income from Social Security and Hispanic recipients rely on the program for 83 percent of income.

The proposed resolution recognizes this data stating that "cutting guaranteed benefits will particularly hurt women and people of color, as they are especially likely to rely on Social Security for most of their retirement income and are less likely than average to receive job-based pensions in retirement."

This heavy reliance of the elderly on Social Security income means that replacing the current system's prescribed benefit levels with a system that is susceptible to risk would have a significant impact on the quality of life for those who do not secure the best-performing investments, Policy Matters said. [\(continued\)](#)

Rep. Joyce Beatty (D-Columbus) joined Cassell in speaking out against the plan to privatize a portion of Social Security savings. "Bush's plan robs Americans who are assured income upon retirement and goes against the very principles upon which it was founded," Beatty said.

The resolution would call on the United States Congress to reject plans to privatize Social Security by cutting Social Security's guaranteed benefits and diverting money out of Social Security into private investment accounts. Sen. Marc Dann (D-Liberty) is proposing a similar resolution in the Senate.

Declining Enrollments Force School Construction Changes

Crystal Canan, interim executive director of the Ohio School Facilities Commission (OSFC), said Thursday large urban districts statewide are facing declining enrollments that are forcing those districts to change some of their school construction plans.

At the OSFC monthly meeting, Canan said schools in Warren, Canton, E. Liverpool and all the large urban areas are already modifying, or may have to modify construction plans to take account of decreased numbers of students.

Canan told the commission that she will introduce amendments to the construction plans of Warren and Canton schools at the April meeting. Enrollment is down by 800 students in Warren and 1,300 in Canton. Warren will trim its plans and build only four schools rather than five, reducing the total project cost by \$17.7 million. Canton will save \$4.2 million by abandoning plans to renovate a middle school and build an addition on a high school.

Rep. Bill Hartnett (D-Mansfield) was leery of changing such big plans based on student counts, which, in recent years, have been far from reliable. The state is currently trying to fill a hole in the current year education budget (\$210 million) caused by failure to count all the students attending Ohio public schools.

Canan said the student count is based on district October headcounts, as verified by the Department of Education and a 10-year projection of student enrollment. OSFC attempts to help districts build enough classrooms to meet a five-year enrollment projection.

The commission also approved an amendment to the Expedited Local Facilities Plan of Tallmadge City Schools, which is also experiencing decreased enrollment.

William Tipton and Bob Beal of Portsmouth addressed the commission regarding problems with the electrical installation and inspection at Waverly School. Tipton said electrical specifications are developed by architects and while they may exceed the minimum standards set forth in the National Electrical Code, they are never below those standards.

Tipton said the electrical installation at Waverly was below code and the violation was never caught by the electrical inspector or the construction manager. He suggested that the state would be better served by using only state inspectors, rather than the current mix of state, county and city inspectors.

He further suggested that school construction project managers should represent the mechanical trades as well as the building trades. Tipton said most school construction project managers represent the building trades and do not know enough about electricity or HVAC to make accurate inspections of those systems.

Interested Parties Gather to Discuss Gambling

Outside the Columbus Athletic Club, Rep. Bill Seitz (R-Cincinnati), Cincinnati Mayor Charles Luken and Cleveland Mayor Jane Campbell answered reporters' questions prior to their meeting with gambling proponents.

Seitz, the ringleader of the assembly that included racetrack, slot machine and full casino gambling interests, said the purpose of the meeting was to "become educated about the different plans the different