

March / April 2012

"Education is for improving the lives of others and for leaving your community and world better than you found it."

*Marian Wright Edelman
American Educator and
Activist*



March is Women's History Month

The theme is *Women's Education - Women's Empowerment*. The equal opportunity to learn, taken for granted by most young women today, owes much to the valiant struggle waged by many tenacious women across years and across cultures. Find out more at <http://nwhp.org/whm/2012theme.php>.



April is Child Abuse Prevention Month

It's time to raise awareness about child abuse and neglect and create strong communities to



support children and families. Find out more at <http://www.childwelfare.gov/preventing/preventionmonth/>.



League's Mission:

The League of Women Voters is a nonpartisan political organization that encourages informed and active participation in government, works to increase understanding of major public policy issues, and influences public policy through education and advocacy.

Message from the President

Members: this Presidential Election year is shaping up to be quite a busy one for League, and I hope you're ready to pitch in. When you get a call from the Nominating Committee to serve on the Board, please step up. We meet for lunch each month on the second Tuesday, and we need your support.

Please read this Voter carefully and

review the calendar on page 2 to make sure you'll be available for the Privatization Study & Consensus meetings. Get all the details at <http://lwvokaloosa.org/private.html>.

Also, don't miss our upcoming general meeting on beach nourishment. Get details below and on the calendar on page 2.

Mary Blackwell

Beach Nourishment Double-header on 10 March

Are you concerned about preserving our beautiful beaches? If so, I've got a deal for you!

On 10 March from **9-11:00 a.m.** you can volunteer to plant sea oats on Okaloosa Island (or in Destin) to strengthen the dunes. Get details at http://lwvokaloosa.org/documents/dune_planting.pdf.

Then bring a sack lunch to Shalimar Town Hall (#2 Cherokee Rd) from **noon-2:00 p.m.** and learn about the actual and potential impacts of beach nourishment from renowned coastal geologist James H. "Rip" Kirby III of USF's Coastal Research Lab. Coffee and iced tea will be provided.

Privatization Study Summaries

History of Economics, Government and the Market: Executive Summary

Public and private property and money, key aspects of the social contract between governments, markets and individuals, have developed as explicit concepts and subjects of inquiry since at least Roman times. Medieval Europe's stable worldview gave way to changes brought about by the Enlightenment, the discovery of the Americas by Europeans and the exploitation of fossil fuels.

Enclosure of public pastures by the upper classes in England was an early example of privatization. Since then theory and fieldwork has outlined key factors to achieve sustainable stable management of key common-pool resources.

Over time, economic theories have become increasingly sophisticated, complex, mathematical and specialized, as our economic system/s have become larger, more complex and more interconnected.

Money, too, has evolved. Although the three basic attributes are unchanged (medium of exchange, unit of account and store of value), the everyday item has evolved. It has gone from strings of shells or beads to bags of gold and jewels, then letters of credit, greenbacks,

and eventually ATM cards.

Before World War II, markets and the economy were seen as automatically self-correcting. The Depression and Keynesian analysis led to the belief that government should manage and regulate the economy through fiscal policy (budgets) and monetary policy (the money supply and interest rates).

We have recently seen that the drive for monetary profits and growth has led to serious wounds in our economic goose, such that golden eggs are now few and far between.

The priority given to monetary growth and monetary profit persists. The transfer of an activity or service from government to the private sector may be accompanied by a transfer of focus from the achievement of the real task or service to a focus on the monetary profit that may be obtained as a byproduct of providing the product or service. While staying in the black is required for the continued operation of a government or business, it's the actual product or service that is the real reason for government and business operations. True competitiveness is about successfully providing the real product or service for the public, never just about making a monetary profit.

(Cont'd on page 2)

Privatization Study Summaries (cont'd)

Surveying State Laws Addressing Privatization: Executive Summary

Over the past few decades, state legislatures throughout the country have enacted state laws addressing privatization activities. By the early 1990s, several state legislatures, seeking to realize the promised benefits of cost savings and efficiency gains, had designed and enacted comprehensive, systematic privatization programs for their states. A decade later, however, no consensus had developed as to the effectiveness of privatization (outsourcing or contracting out), due, in part, to the lack of empirical data as well as the complexity of the issue. Consequently, the topic of privatization re-emerged as a controversial management issue for state policymakers. In fact, based upon its national survey, the Council of State Governments concluded in a 2003 report that many state agency directors had no clear idea of how much money privatization had actually saved.

Across the 50 states, legislative approaches to privatization differ widely, and while some states have enacted laws that promote and facilitate privatization, others have enacted laws seeking to regulate and curtail such activity. Moreover, such legislative approaches differ in scope. Some states have enacted broad-based privatization laws that apply to all such activity within the state (*general privatization laws*), such as the Massachusetts Pacheco law that tends to restrict and regulate such activities. Other states have passed laws that relate only to one or more sectors (*sector-specific privatization laws*), such as the Tennessee private prison contracting act, which, according to some commentators, has led to the rise of the national private prison industry. *Issue-specific privatization laws* also have been enacted and typically reflect policy concerns regarding such matters as nondiscrimination or public employee job security with respect to the outsourcing of services by public agencies.

Federal Privatization: The Ryan Plan

In 2011 Medicare and Social Security were singled out in new proposals for privatization. One of these proposals is the current federal budget plan backed by the House Republicans and sponsored by Rep. Paul Ryan. Ryan's Medicare

privatization plan would apply only to individuals under age 55, and would require future Medicare recipients to use a premium support provided by the federal government to buy private insurance instead of receiving current benefits directly funded by the federal government. This plan would enable the federal government to contain Medicare costs by setting the amount of premium support and allowing the insurance providers to determine the benefits provided, subject to certain minimum requirements.

A CBO analysis found that if current law is not changed, beneficiaries would be paying about 25% of the cost of services in 2030, while under Ryan's plan, beneficiaries would pay 68% of the cost of currently covered services. CBO predicts this would result in lower utilization of services.

Social Security is funded through a payroll tax, and current payroll taxes fund current benefits, which are determined by the federal government and include retirement and disability benefits, and benefits to survivors. Because it's a blend of a retirement plan and a social insurance program, benefits may not be entirely proportionate to contributions, and Social Security accounts do not belong to beneficiaries.

Ryan previously proposed a plan to privatize Social Security that would give workers under age 55 an option to invest some of their Social Security taxes in personal retirement accounts. Additionally, retirement age would gradually rise from 67 to 70. A one-time payment of \$2 billion would be required to assure continued benefits to those over age 55 and others not participating in the privatization plan.

Privatization would shift the risk of a decline in the value of investments to the beneficiary. It would not necessarily fund the social insurance programs now providing disability and survivors insurance. It would require a large "transition cost" to pay benefits to beneficiaries under the current plan. Under privatization, money contributed by a current wage earner would go directly into that wage earner's individual plan. Privatization would also permit individuals to make decisions about their retirement funds and benefit from increased value in their investments. It could open up new funds for investment in the economy because additional money would be going into the stock market.

2012 Calendar

Florida Women's Hall of Fame Induction

March 6th, 5-7:00 pm
Three new members will be inducted at a ceremony in the Capitol courtyard in Tallahassee. The inductees exemplify the great diversity of women's contributions to Florida life. The ceremony is free and open to the public. RSVP to 850-414-3300.

Dune Planting

March 10th, 9-11:00 am
Volunteer to plant sea oats along Okaloosa Island or Crystal Beach, Destin, to stabilize dunes. Details at http://lwvokaloosa.org/documents/dune_planting.pdf.

Beach Nourishment

March 10th, Noon-2:00
Is it sustainable in the long run, economically and environmentally? Is it best for our County? Bring a sack lunch to the Shalimar Town Hall, #2 Cherokee Rd, to get the facts from coastal geologist James H. "Rip" Kirby III and decide.

Women's History Month Workshop

March 15th, 5-7:00 pm
NWFS will host "Florida then and Now," in Room 302, Bldg SSC, Niceville Campus. Florida Supreme Court Justice Peggy A. Quince is the keynote speaker, and there will be break-out sessions on Human Trafficking and Cyber Bullying. For details call 850-729-5202.

Privatization Study & Consensus Meetings

April 5 & 12, 6-8:00 pm
(Back-up date: 14 April)
There's a lot of ground to cover, and we need max attendance by members. Please review the Voter summaries and details at <http://lwvokaloosa.org/private.html> and come prepared to discuss the issues. (Location TBD)

Annual Meeting

Apr 28th, 10:00am-1:00pm
(Location TBD)

State of the County Report

May: Local elected officials report and take questions from citizens. (Date/time/location TBD)