

The Honorable Arnold Schwarzenegger  
Governor  
State Capitol  
Sacramento, CA 95814

**Re: Privatizing Pension Plans for California State Employees**

Dear Governor Schwarzenegger:

While we are glad that you have decided for now to withdraw your ill-conceived initiative to privatize pension plans for California State employees, we are still concerned that you have intentions to rework this proposal and reintroduce it at a later date.

To reiterate why CalPERS and STRS must remain as they currently are:

- Privatizing California's public employee retirement funds hurts California's economy and costs taxpayers money.
- *Only after such corporate scandals as Enron, Worldcom, and Tyco did these pension funds lose money.* If these funds had been privatized, the cost to taxpayers and the state would have been much worse.
- *CalPERS and STRS call for corporate accountability and transparency* after the previously mentioned corporate disasters.
- Privatization or so-called "reform" of CalPERS and STRS would significantly reduce the ability of public employees to hold corporations accountable.
- *California's Public employees would suffer insurmountable cuts* in retirement benefits, with *profits going directly to large corporations* and the private sector.
- Studies have shown that individual, defined contribution plans do not invest enough to cover the cost of retirement, and are not diversified sufficiently to reduce risk.
- *CalPERS and STRS have a proven, reliable track record* of sound investment quality, and greatly reduced risk for public employee retirees.
- We need talented, qualified professional nurses, teachers, firefighters, police-officers, and other highly-skilled public workers. *Without stable benefits, and on relatively low-wages, who in California will do these jobs?*

Certainly, it was inconceivable that the originally proposed initiative eliminated death benefits from public safety workers' pension plans, but what remains incomprehensible is your continued intention to privatize these plans when there is nothing wrong and everything right about them.

We are glad that you heard Californians' outrage at this initial proposal. We urge you to realize that we will continue in our fight for public sector workers' pensions to remain intact and we hope that as the Governor of California, you will listen to us. It is time for you to stop your attacks on public workers and instead focus on issues that will have a true impact on fixing the State's current budget imbalance.

Sincerely,