by alternative plans. In Ohio, Colorado, California, Massachusetts, Nevada, Maine, Alaska, and Louisiana, over half of all state employees are covered by their own plans. In Texas and Illinois over one million employees are covered under state and local plans. Every state is impacted because about 75 percent of all public safety employees are not covered under Social Security. In Colorado there are more than 200,000 state, education, and local government employees who are outside of the federal retirement system.

These state and local disability and pension systems were developed because the original Social Security Act of 1937 excluded state and local governments from Social Security coverage. This was to avoid raising a possible Constitutional question of whether the federal government could tax state and local governments. Congress later amended the law to make state and local government employee participation in Social Security voluntary in 1950. In 1983, those already participating in Social Security were required to remain in the federal system.

In the absence of Social Security, Colorado state and local employees developed public retirement plans which have been able to provide solid, secure benefits at a reasonable cost. The plans earn better investment returns, through private sector investments, than are available through the current pay-as-you-go Social Security system. With a diversified investment fund, the state's largest public plan has earned an average annual investment return of over 11 percent during the last 25 years.

Furthermore, the plans are designed to meet the specific needs of public employees. Fire fighter pension plans, for example, are designed to take into account early retirement ages, high rates of disability and the need for extensive health care characteristic of this profession.

The one-size-fits-all approach of universal Social Security coverage would provide inadequate flexibility for safety workers' needs. Mandatory coverage will have additional consequences. Even on a new-hire basis, mandatory coverage will reduce the capital stream necessary for investment. In many plans around the country this will cause benefit cutbacks including reduced credit for future service, cuts in retiree health care coverage and cost of living adjustments.

Further, mandatory coverage represents a new tax and an unfunded federal mandate on states which would require state and local tax increases or a reduction in services for taxpayers. Health benefits for retirees would also be affected in many states.

Private sector workers would also be affected. Most states do not receive any income tax revenue from Social Security payments and the lost state revenue resulting from mandatory coverage would likely be made up from increased state taxes or budget cuts.

In Colorado, the public pension systems will be seriously compromised because most of the funding of benefit comes from investment income which would be severely cut by the transfer of significant contributions to Social Security. State retirement funds support Colorado's economy and the nation unlike Social Security funds which simply support other government programs. Reduced state pension investment means reduced Colorado capital investment. A decline in contributions translates into less investment in Colorado-based companies and real estate. Furthermore, when Colorado retirees receive fewer benefits they will pay fewer state income taxes.

The potential loss of revenue to the state is significant, but the loss of retirement contributions and security for Colorado state and local workers is even more troubling. Our state's Public Employees' Retirement Association (PERA) anticipates an end to plan improvements for current participants and retirees. New hires would receive a combined Social Security and PERA benefit that would be slightly less than three-fourths of the current PERA benefit.

To put it plainly, under mandatory Social Security state and local workers will lose out. New hires will lose the opportunity to participate in financially strong, high-earning retirement plans and they will be forced to partake in an inefficient system and receive far less or possibly nothing at all. Those already participating in state and local government retirement plans will experience a reduction in benefits when new hire funds are redirected to Social Security. In order to make contributions to both pension and Social Security plans, state and local governments will have to raise taxes or reduce services, in which case everyone loses.

The only advantage Congress would realize in this scheme would be to buy two extra years for Social Security.

Over the past year, I led our delegation to protect state and local government pension and disability plans. Letters I wrote expressing our united opposition to mandatory Social Security have reached your desk. Do not disregard them or underestimate our resolve.

Congress must preserve the freedom of states, school districts, and local governments to maintain plans which best meet their needs, independent of Social Security. Social Security can and must be fixed without destroying plans upon which our constituents depend for their retirement.

Mr. Speaker, if it works, don't break it.

THE MORTGAGE INTEREST DEDUCTION: A POWERFUL TOOL OF UPWARD MOBILITY

HON. KEN LUCAS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. LUCAS of Kentucky. Mr. Speaker, to so many Americans, owning a home means living the American dream. And the mortgage interest deduction has allowed so many Americans to fulfill this dream. The mortgage interest deduction and the property tax deduction have been a part of the Internal Revenue Code since its inception in 1913. It is a broad-based deduction, widely available to all taxpayers.

In 1995, of the 28 million taxpayers who used the mortgage interest deduction, 71 percent had incomes below $75,000 and 42 percent had income below $50,000. Sixty-seven percent of American households own their own home. Most of this growth is among minorities and first-time homebuyers. We must ensure that we protect and preserve the mortgage interest deduction, a powerful tool of upward mobility.

PERSONAL EXPLANATION

HON. JIM NUSSLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. NUSSLE. Mr. Speaker, on Tuesday, Wednesday, and Thursday (April 20–22), I missed a series of roll call votes (Roll Call Votes No. 92–96). I had been granted a leave of absence by the House of Representatives to travel to and from, and to attend, the funeral of my grandmother. Had I been present during those votes, I would have cast my vote in the following manner:

Rollcall vote No. 92 (To suspend the rules and pass H.R. 573) 'aye' yea;

Rollcall vote No. 93 (To suspend the rules and pass H. Res. 128) 'aye' yea;

Rollcall vote No. 94 (To agree to the Conference Report to H.R. 800) 'aye' yea;

Rollcall vote No. 95 (On passage of H.R. 1184) 'aye' yea; and

Rollcall vote No. 96 (On motion to instruct conferees on H.R. 1141) 'aye' yea.

WOMEN OF THE YEAR

HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 22, 1999

Mr. KUYKENDALL. Mr. Speaker, I rise today to pay tribute to some outstanding women from my congressional district being honored tomorrow as the South Bay Women of the Year. The honorees are Ms. Patricia Harik, Mrs. Sandra Jacobs, Ms. Carole Keen, Mrs. Fran Limbird, Mrs. Inez Van Lingen, Mrs. Aruna Roy, Dr. Patricia Sacks, and Dr. Janet Switzer. A special recognition award, called the Switzer Star, is being bestowed upon Mrs. Angie Papadakis.

This honor is given to outstanding women each year by the Switzer Center School and Clinical Services located in the city of Torrance, which serves children with learning, emotional, or social challenges. The theme of the 1999 award is Women Who Make a Difference: those who impact the lives of others, or better their communities, their businesses or simply fulfill a need. This type of philanthropic duty is truly outstanding and I am glad the Center takes time to honor these truly extraordinary individuals within our community.

This year, the Switzer Star Recipient is award-winning humorist, lecturer, and author, Mrs. Angie Papadakis. Mrs. Papadakis is a pillar in the South Bay. Currently, she is the Commissioner of the Little Hoover Commission, Commissioner of the California Nevada Super Speed Train Commission, Founder and Director of Gang Alternative Program, on the Executive Board of the Los Angeles Area Council Boy Scouts of America, Member of