



# Committee On Finance

Max Baucus, Ranking Member

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## **Prepared Statement of U.S. Senator Max Baucus (D-Mont.) Amendment to Restore Funding for the Social Security Administration**

I rise to speak in favor of the bipartisan amendment that Finance Committee Chairman Grassley has just offered. As Ranking Democrat on the Finance Committee, I have worked with Chairman Grassley to develop this amendment. The amendment provides \$38 million to the Social Security Administration (SSA) – fully paid for – to reimburse the costs SSA incurred as a result of Hurricane Katrina and other hurricanes of the 2005 season.

The supplemental appropriations bill – as reported by the Senate Appropriations Committee would appropriate \$106.5 billion, including \$ 67.7 billion for the wars in Iraq and Afghanistan, \$4.5 billion for foreign assistance programs, and \$27.1 billion for relief needed because of last season's hurricanes. In contrast, no funding for SSA to make up for its costs from Katrina and the other hurricanes is currently provided in the supplemental.

The Social Security Administration (SSA) performed superbly in the aftermath of these hurricanes. SSA assisted more than 528,000 persons in FEMA Disaster Recovery Centers and shelters and helped many others who came to its field offices. To provide such assistance, SSA urgently invoked emergency procedures and issued approximately 85,000 immediate payments for displaced beneficiaries and those who could not access their bank or other financial accounts. In addition, SSA changed the addresses of displaced beneficiaries, provided individuals who had lost their identification documents with confirmation of their Social Security numbers, and took applications from many people from the affected areas who had become newly eligible for Social Security disability or survivors benefits or benefits from the Supplemental Security Income program. SSA even passed along messages to beneficiaries from worried family members. Finally, some SSA employees drove hours to provide relief to overstretched field offices, sometimes sleeping on air mattresses set up in the offices because there were no other places to stay.

Together, these activities caused SSA to redirect \$38 million from funding for its normal tasks and obligations. There were costs to SSA of \$6 million to acquire and outfit temporary space and renovate offices damaged by the storm, including costs for computers, furniture and supplies. SSA estimates that there were \$12 million in costs for new workloads, including processing immediate payments, changing addresses, confirming Social Security numbers, and taking new claims that resulted from the hurricanes.

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It cost SSA \$7 million to pay for the travel and per diem expenses for employees who came to the affected areas from other regions to help, as well as for employees who were forced to relocate because of damaged or destroyed homes and offices and who continued to work in other offices. Costs related to unprocessed work include \$12 million for SSA workloads (claims, hearings, etc.) that were not processed as a result of the storms' disruptions. Nearly \$1 million was spent to pay the salaries of those SSA workers who volunteered to work for FEMA in the affected areas (and thus were not doing their regular SSA work).

Unfortunately for SSA, it had already had its funding cut by a total of \$300 million below the President's request for Fiscal Year 2006. Rather than being able to absorb the \$38 million caused by the hurricanes, SSA found its \$300 million shortfall being exacerbated by these additional \$38 million of costs.

The Social Security Administration could make very good use of an additional \$38 million of funding for FY 2006 at this time by increasing overtime hours. This would allow SSA to make up for a small piece of the reductions and delays of service to its normal applicants and beneficiaries.

In the Senate-passed supplemental, many Federal agencies are reimbursed for costs arising from these hurricanes. Surprisingly, that is not the case for the Social Security Administration. This is especially ironic in view of the efforts of the Social Security Administration and its employees to help the Gulf Coast and its citizens, including some efforts that were above and beyond the call of duty.

This bipartisan amendment will address this funding shortfall for the Social Security Administration by providing it with an additional \$38 million for the current fiscal year. The amendment is fully paid for. As reported by the Appropriations Committee, the supplemental appropriations bill provides \$10.6 billion to the FEMA for Disaster Relief from Hurricane Katrina and other hurricanes of the 2005 season. Of this amount, according to the Committee report, \$2.4 billion is provided for "other needs." Although the report provides some examples of such "other needs," there is no list of specific projects and activities whose costs total \$2.4 billion. This amendment increases SSA's Funding for Fiscal Year 2006 by \$38 million and reduces the \$10.6 billion appropriated for the FEMA Disaster Relief account in this bill. (The \$2.4 billion provided by this bill for "other needs" is part of the \$10.6 billion appropriated for the FEMA Disaster Relief account in the bill). This amendment will not result in the loss of any specific project or activity provided for by this bill. Nor will it cause this bill to result in any additional costs to the Federal Government.

This amendment will restore the loss of resources for the Social Security Administration that has resulted from the 2005 season's hurricanes. I believe this is the right thing to do. I urge my colleagues to support this bipartisan amendment.

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