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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 11(A)(21)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: November 3, 2009

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution urging Congress to pass legislation addressing the adverse affects on senior citizens of no Social Security cost of living adjustment for 2010 coupled with likely increases in Medicare Part B premiums

Resolution No. R-1274-09

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Rebeca Sosa.

R. A. Cuevas, Jr.
County Attorney

RAC/jls

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

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FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 11(A)(21)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

✓ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

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Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(21)
11-3-09

RESOLUTION NO. **R-1274-09**

RESOLUTION URGING CONGRESS TO PASS LEGISLATION ADDRESSING THE ADVERSE AFFECTS ON SENIOR CITIZENS OF NO SOCIAL SECURITY COST OF LIVING ADJUSTMENT FOR 2010 COUPLED WITH LIKELY INCREASES IN MEDICARE PART B PREMIUMS

WHEREAS, on October 15, 2009, the Social Security Administration announced that, because the economic recession has caused prices for many consumer goods to fall, there will be no Cost-Of-Living Adjustment (COLA) for Social Security in 2010; and

WHEREAS, 2010 will be the first year without a Social Security COLA since such COLAs based on the rate of inflation first went into effect in 1975; and

WHEREAS, Social Security is a fundamentally important source of income to many senior citizens, who rely on this income for life's basic necessities; and

WHEREAS, almost 70 percent of Social Security recipients depend on Social Security for 50 percent or more of their income, while 15 percent of Social Security recipients depend on it as their sole source of income; and

WHEREAS, while the Social Security COLA is intended to help senior citizens keep up with inflation, a recent study of 20 key expenditures by the Senior Citizens League found that senior citizens have lost 20 percent of their buying power since 2000; and

WHEREAS, no COLA in 2010 will further erode the buying power of senior citizens, and the Congressional Budget Office is also forecasting that there will be no Social Security COLA for 2011 further exacerbating this problem; and

WHEREAS, the Social Security COLA currently is calculated using the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), which is based on the change in prices of a broad range of goods used by people in the workforce; and

WHEREAS, the problem with the CPI-W is that senior citizens' spending habits are different than younger people in the workforce; and

WHEREAS, senior citizens spend a far greater share of their income on health care than younger people, for example, and as such, the CPI-W doesn't accurately reflect the increases in costs experienced by senior citizens; and

WHEREAS, health care costs have risen much faster than the inflation rate over the last decade, and health care costs are expected to continue to increase by 6.2 percent each year even as other prices remain steady or fall; and

WHEREAS, while Social Security payments will remain flat for 2010 and are also likely to remain flat for 2011, Medicare Part B premiums are expected to continue to rise reflecting rising health care costs; and

WHEREAS, Medicare Part B premiums cover physician and other outpatient care; and

WHEREAS, Medicare Part B premiums have increased 112 percent over the last decade, and are expected to continue to increase in the next few years; and

WHEREAS, under current law, Medicare Part B premiums cannot increase more than the Social Security COLA for 73 percent of Medicare enrollees, but without Congressional action, the other 27 percent of Medicare Part B enrollees would see their premiums increase by 20 percent because Part B premiums are required to cover 25 percent of Medicare Part B costs; and

WHEREAS, millions of senior citizens ' Medicare Part B premiums are paid out of their Social Security checks, and without a COLA to cover the difference, increases in Medicare premiums will mean a smaller Social Security check each month for many senior citizens; and

WHEREAS, Congress is considering bills to address the adverse affects on senior citizens of no Social Security COLA in 2010 coupled with anticipated higher Medicare Part B premiums; and

WHEREAS, the U.S. House of Representatives has passed H.R. 3631, the Medicare Premium Fairness Act, with strong bipartisan support by a vote of 406-18; and

WHEREAS, H.R. 3631 would freeze all Medicare enrollees' premiums, ensuring that 2010 Part B premiums remain at their current level and senior citizens won't see a decrease in their Social Security benefits; and

WHEREAS, H.R. 3631 now goes to the U.S. Senate for consideration; and

WHEREAS, a second bill filed in the House, H.R. 3557, referred to as the Emergency COLA bill, would provide a Social Security COLA for 2010 equal to the average COLA over the past ten (10) years, which is approximately 3 percent; and

WHEREAS, a third House bill, H.R. 3572, would provide for a Social Security COLA for 2010 of 2.9 percent; and

WHEREAS, passage of one or more of these bills would not only prevent senior citizens from seeing decreases in their monthly Social Security checks during these already difficult times, but also prevent senior citizens from losing the compounding effect in future years of a COLA increase for 2010, which would extend throughout the remainder of their retirement; and

WHEREAS, another bill being considered in the House, H.R. 2429, referred to as the Consumer Price Index for Elderly Consumers Act of 2009, would require the U.S. Bureau of Labor Statistics to publish a new consumer price index specifically targeted at elderly consumers, that would reflect the actual expenses faced by seniors, including their higher spending on health care, and direct the Social Security Administration to use this index to determine annual Social Security COLAs; and

WHEREAS, passage of H.R. 2429 would ensure that future Social Security COLAs more accurately reflect the increases in costs that senior citizens incur; and

WHEREAS, passage of one or more of the above-referenced bills would assist the many senior citizens who depend in Social Security for life's basic necessities,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges Congress to pass legislation addressing the adverse affects on senior citizens from no Social Security cost of living adjustment for 2010 coupled with likely increases in Medicare Part B premiums, including passage of one or more of the following bills:

a. H.R. 3631, the Medicare Premium Fairness Act;

b. H.R. 3557 and H.R. 3572, the Emergency COLA bills; and

c. H.R. 2429, the Consumer Price Index for Elderly Consumers Act of 2009.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to the members of the Florida Congressional Delegation.

Section 3. Directs the County's federal lobbyists to advocate for the legislation set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to amend the 2009 and 2010 Federal Legislative Packages to include these items.

The Prime Sponsor of the foregoing resolution is Commissioner Rebeca Sosa. It was offered by Commissioner **Rebeca Sosa**, who moved its adoption. The motion was seconded by Commissioner **Dorrin D. Rolle** and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman	**aye**		
Jose "Pepe" Diaz, Vice-Chairman	**aye**		
Bruno A. Barreiro	**absent**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Barbara J. Jordan	**absent**	Joe A. Martinez	**absent**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**aye**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**absent**		

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of November, 2009. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **DIANE COLLINS**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. JMM

Jess M. McCarty