

110TH CONGRESS
2D SESSION

S. 3636

To amend title II of the Public Health Service Act to provide for an improved method to measure poverty so as to enable a better assessment of the effects of programs under the Public Health Service Act and the Social Security Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 26 (legislative day, SEPTEMBER 17), 2008

Mr. DODD (for himself and Mr. BINGAMAN) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend title II of the Public Health Service Act to provide for an improved method to measure poverty so as to enable a better assessment of the effects of programs under the Public Health Service Act and the Social Security Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Measuring American
5 Poverty Act of 2008”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

1 (1) On January 22, 2008, the House of Rep-
2 representatives, by voice vote, passed House Concurrent
3 Resolution 198 expressing the sense of the Congress
4 that the United States should set a national goal of
5 cutting poverty in half over the next 10 years.

6 (2) The poverty rate is a critical indicator of
7 how widely shared prosperity is in the economy, and
8 a key benchmark for targeting resources towards the
9 most disadvantaged.

10 (3) The official poverty measure, while helpful,
11 is based on outdated assumptions and fails to accu-
12 rately measure economic deprivation or take into ac-
13 count the availability of many economic resources.

14 (4) The official poverty measure offers inad-
15 equate guidance about the effectiveness of public
16 anti-poverty efforts.

17 (5) In 1995, the National Academy of Sciences'
18 Panel on Poverty and Family Assistance rec-
19 ommended adoption of an improved poverty meas-
20 ure, which addresses many shortcomings of the offi-
21 cial poverty measure and which remains relevant
22 and offers a starting point for an improved measure.

23 **SEC. 3. STATEMENT OF PURPOSE.**

24 The purpose of this Act is to provide for an improved
25 and updated method for measuring the extent to which

1 families in the United States have sufficient income to
 2 allow a minimal, socially acceptable, level of consumption
 3 that meets their basic physical needs, including food, shel-
 4 ter (including utilities), clothing, and other necessary
 5 items, in order to better assess the effects of certain poli-
 6 cies and programs in reducing the prevalence and depth
 7 of poverty, to accurately gauge the level of economic depri-
 8 vation, and to ensure appropriate targeting of public re-
 9 sources.

10 **SEC. 4. MODERNIZATION OF THE MEASUREMENT OF POV-**
 11 **ERTY.**

12 Title II of the Public Health Service Act (42 U.S.C.
 13 202 et seq.) is amended by adding at the end the fol-
 14 lowing:

15 **“PART D—MODERNIZATION OF THE**
 16 **MEASUREMENT OF POVERTY**

17 **“SEC. 271. MODERNIZATION OF THE MEASUREMENT OF**
 18 **POVERTY.**

19 “(a) IN GENERAL.—The Bureau of the Census, in
 20 collaboration with the Bureau of Labor Statistics, after
 21 consultation about methodology with other Federal statis-
 22 tical agencies and outside experts, shall, to the extent pos-
 23 sible and based on the best available data, calculate mod-
 24 ern poverty thresholds and modern poverty rates as pro-
 25 vided for in subsection (c), for each calendar year (includ-

1 ing any calendar year before 2009 for which the informa-
2 tion needed to perform the calculations is available or can
3 be estimated with a reasonable degree of confidence, as
4 determined by the Bureau of the Census) in accordance
5 with this section.

6 “(b) MODERN POVERTY THRESHOLDS.—

7 “(1) CALCULATION FOR REFERENCE FAMILY.—

8 “(A) IN GENERAL.—The modern poverty
9 threshold for a reference family consisting of 2
10 adults and their 2 related children shall be an
11 amount equal to the average of 120 percent of
12 the 33rd percentile of the distribution of annual
13 expenditures by such families on food, clothing,
14 and shelter (including utilities) during each of
15 the 3 most recent years for which data is avail-
16 able from the Consumer Expenditure Survey, a
17 superior Federal government source of data, or
18 some combination of such sources.

19 “(B) SPECIAL RULE.—Notwithstanding
20 any other provision of this section, insofar as
21 the amounts described in subparagraphs (F)
22 and (G) of subsection (c)(3) are not easily in-
23 cluded in the distribution of expenditures re-
24 ferred to in subparagraph (A) of this para-
25 graph, the Bureau of the Census and the Bu-

1 reau of Labor Statistics shall develop methods
2 for including, and shall include, the actual or
3 estimated amounts in the distribution of ex-
4 penditures

5 “(2) ADJUSTMENT FOR FAMILY SIZE AND COM-
6 POSITION, AND FOR GEOGRAPHIC COST VARI-
7 ATION.—The Bureau of the Census shall adjust the
8 modern poverty threshold calculated under para-
9 graph (1)—

10 “(A) for other family sizes and composi-
11 tions, using the best available equivalence scales
12 that consider economies of scale; and

13 “(B) to the maximum extent possible, for
14 differences in the costs for the goods and serv-
15 ices included in the threshold among States,
16 sub-State non-metropolitan areas, and metro-
17 politan areas, based on the best available data
18 on the costs.

19 “(3) ACCOMMODATION OF HOUSING STATUS.—
20 To the maximum extent possible, the calculation for
21 the threshold for the reference family described in
22 paragraph (1) and the adjustments to the modern
23 poverty thresholds for varied family sizes and com-
24 positions under paragraph (2)(A) shall be made sep-

1 arately for each of the following categories of fami-
2 lies:

3 “(A) Families making rent payments for
4 their primary residence, or who own their pri-
5 mary residence and have a mortgage secured by
6 the residence.

7 “(B) Families who own their primary resi-
8 dence and do not have such a mortgage.

9 “(4) ANNUAL PUBLICATION OF WEIGHTED AV-
10 ERAGE POVERTY THRESHOLDS.—Not less often than
11 annually, the Bureau of the Census, in collaboration
12 with the Bureau of Labor Statistics, shall publish—

13 “(A) the average poverty threshold for
14 each family size, determined by weighting each
15 threshold by the proportion of families of that
16 size to which the threshold applies, and

17 “(B) the average poverty threshold for
18 each family size in each category described in
19 paragraph (3), determined by weighting each
20 threshold by the proportion of families of that
21 size in that category and to which the threshold
22 applies.

23 “(c) MODERN POVERTY RATES.—

1 “(1) IN GENERAL.—The Bureau of the Census
2 shall use the modern poverty thresholds calculated
3 under subsection (b) to calculate—

4 “(A) the number and percentage of fami-
5 lies in the United States whose adjusted market
6 income does not exceed the applicable modern
7 poverty threshold, and the number and percent-
8 age of individuals in the United States who are
9 members of such families;

10 “(B) the number and percentage of fami-
11 lies in the United States whose adjusted dispos-
12 able income does not exceed the applicable mod-
13 ern poverty threshold, and the number and per-
14 centage of individuals in the United States who
15 are members of such families; and

16 “(C) the numbers and percentages de-
17 scribed in subparagraphs (A) and (B) for var-
18 ious demographic, geographic, and other sub-
19 groups of families in the United States, and for
20 individuals who are members of such subgroups
21 of families.

22 “(2) ADJUSTED MARKET INCOME.—For pur-
23 poses of this section, the adjusted market income of
24 a family is—

1 “(A) the total of the amounts received by
2 any member of the family during a calendar
3 year from wages, salaries, and self-employment
4 income, interest income, dividend income, real-
5 ized capital gains, rents, royalties, estate and
6 trust income, a qualified retirement plan (as de-
7 fined in section 4974(c) of the Internal Revenue
8 Code of 1986), a plan described in section
9 457(b) of such Code, or any other plan, con-
10 tract, annuity, or account payments or distribu-
11 tions from which are in the nature of a retire-
12 ment benefit, survivor and disability pensions
13 and annuities, paid-up insurance policies, ali-
14 mony payments, child support payments, pri-
15 vate workers’ compensation, regular contribu-
16 tions from persons not living with the family,
17 and other relevant income as determined by the
18 Bureau of the Census except for income de-
19 scribed in subparagraph (C), (D), (E), or (F)
20 of paragraph (3) of this subsection; minus

21 “(B) the total of the amounts paid by any
22 member of the family during the calendar year
23 for alimony or the support or maintenance of a
24 noncustodial child, or to cover health care ex-
25 penses or necessary work-related expenses, in-

1 including child care and transportation expenses,
2 and capping necessary work-related expenses at
3 the lesser of the earnings of the parent with
4 lesser earnings or another reasonable cap tied
5 to the median expenditures of the reference
6 family or Federal program and tax credit poli-
7 cies as determined by the Bureau of the Census
8 in collaboration with the Bureau of Labor Sta-
9 tistics.

10 “(3) ADJUSTED DISPOSABLE INCOME.—For
11 purposes of this section, the Bureau of the Census
12 shall define the adjusted disposable income of a fam-
13 ily as follows, excluding any amounts that the Bu-
14 reau of the Census, in collaboration with the Bureau
15 of Labor Statistics, believes are not included in the
16 distribution of expenditures referred to in subsection
17 (b)(1) of this section or whose inclusion in the ad-
18 justed disposable income of a family would otherwise
19 be inconsistent with the modern poverty thresholds
20 described in subsection (b):

21 “(A) the adjusted market income of the
22 family; minus

23 “(B) the total of the amounts paid by any
24 member of the family during the calendar year
25 to cover Federal income tax liability or Federal

1 payroll tax liability, or if such information is
2 not available, the total of any such liabilities
3 that are payable by any member of the family
4 during the calendar year; plus

5 “(C) the total of the amounts received by
6 any member of the family during the calendar
7 year from refundable Federal tax credits, or if
8 such information is not available, the total of
9 any such credits that are expected by any mem-
10 ber of the family to be received during the cal-
11 endar year; plus

12 “(D) the total of the amounts received by
13 any member of the family during the calendar
14 year which may be used to meet food, clothing,
15 or shelter (including utilities) needs, to the ex-
16 tent that expenditures of the amounts are taken
17 into account in determining poverty thresholds
18 under this section, and which are—

19 “(i) referred to in section
20 459(h)(1)(A)(ii) of the Social Security Act;
21 or

22 “(ii) paid under a State program
23 funded under part A of title IV of the So-
24 cial Security Act, the supplemental secu-
25 rity income program under title XVI of

1 such Act, or any other Federal program or
2 activity eligibility for which is based, in
3 whole or in part, on need; plus

4 “(E) the total dollar value of any food as-
5 sistance benefit (as defined in section 3(d) of
6 the Food and Nutrition Act of 2008) received
7 by any member of the family during the cal-
8 endar year under section 8 of the Food and Nu-
9 trition Act of 2008; plus

10 “(F) the total of the amounts received by
11 any member of the family during the calendar
12 year as described in section 2605(b)(2) of the
13 Low-Income Home Energy Assistance Act of
14 1981; plus

15 “(G) the total of the amounts received by
16 any member of the family during the calendar
17 year as government-funded nonmedical in-kind,
18 cash and near cash benefits that help families
19 meet food, clothing and shelter (including utili-
20 ties) needs, including nutrition programs, hous-
21 ing subsidies, and the value of public housing,
22 not to exceed to the lesser of the share of the
23 threshold defined in subsection (b) attributable
24 to the component of the threshold towards
25 which the benefit may be used or the estimated

1 monetary value of the benefit to the recipient,
2 to the extent possible and to the extent that ex-
3 penditures of the amounts are taken into ac-
4 count in determining poverty thresholds under
5 this section.

6 “(4) INCLUSION OF STATE AND LOCAL TAXES
7 AND TRANSFERS.—Within 5 years after the date of
8 the enactment of this section, the Bureau of the
9 Census, in collaboration with the Bureau of Labor
10 Statistics, and after consultation with other relevant
11 statistical agencies, shall modify the calculation
12 under paragraph (3) to take account of State and
13 local taxes and transfers.

14 “(d) FAMILIES.—For purposes of this section, the
15 term ‘family’ includes—

16 “(1) an individual who is living alone;

17 “(2) all members of a household who are re-
18 lated by blood, marriage, adoption, or other legal ar-
19 rangement; and

20 “(3) any unrelated individuals living together
21 whom the Bureau of the Census, after assessing ex-
22 isting research and undertaking any necessary new
23 research, determines should be treated as a family
24 for purposes of this section.

1 “(e) REPORT ON POVERTY RATES.—Not less fre-
2 quently than annually, the Bureau of the Census shall
3 produce, and make readily accessible to the public, a re-
4 port which contains detailed tables and explanations of
5 poverty rates—

6 “(1) as determined on the basis of adjusted
7 market income;

8 “(2) as determined on the basis of adjusted dis-
9 posable income; and

10 “(3) as determined on the basis of the Tradi-
11 tional Poverty Measure referred to in subsection (f).

12 “(f) REFERENCES TO EXISTING POVERTY MEASURE
13 AS THE ‘TRADITIONAL POVERTY MEASURE’.—To the ex-
14 tent practicable, whenever an officer or employee of the
15 Federal Government refers to the poverty measure out-
16 lined in Office of Management and Budget Statistical Pol-
17 icy Directive 14, the officer or employee, as the case may
18 be, shall refer to that measure as the ‘Traditional Poverty
19 Measure’. Any reference in a law, regulation, document,
20 paper, or other record of the United States to the poverty
21 measure outlined in Office of Management and Budget
22 Statistical Policy Directive 14 is deemed to be a reference
23 to the ‘Traditional Poverty Measure’.

24 “(g) INCLUSION OF INFORMATION BASED ON MOD-
25 ERN POVERTY THRESHOLDS AND RATES IN PUBLISHED

1 DOCUMENTS CONTAINING INFORMATION BASED ON HIS-
2 TORICAL POVERTY THRESHOLDS AND RATES.—

3 “(1) IN GENERAL.—To the extent possible, a
4 relevant Federal statistical agency that publishes a
5 document which contains information about a sub-
6 ject, which was produced using the poverty measure
7 outlined in Office of Management and Budget Sta-
8 tistical Policy Directive 14, shall include in the docu-
9 ment information about the subject, which is pro-
10 duced using the modern poverty thresholds and mod-
11 ern poverty rates calculated under this section.

12 “(2) PUBLIC RELEASE OF MICRODATA FILE
13 AND ONLINE TOOLS.—On releasing a document de-
14 scribed in paragraph (1), the Bureau of the Census
15 shall release to the public—

16 “(A) microdata files containing all of the
17 individual variables that are necessary to com-
18 pute the published modern poverty rates, as
19 well as poverty rates determined on the basis of
20 the Traditional Poverty Measure referred to in
21 subsection (f), and to calculate poverty rates
22 using different definitions of income and pov-
23 erty thresholds;

24 “(B) other public online tools that enable
25 poverty rates to be calculated using different

1 definitions of income and poverty thresholds;
2 and

3 “(C) the definitions of income set forth in,
4 and the poverty thresholds established under,
5 this section.

6 “(h) CONSULTATION ON IMPROVING CALCULATION
7 OF THE MODERN POVERTY THRESHOLDS OR MODERN
8 POVERTY RATES; REPORT TO THE CONGRESS.—From
9 time to time, and no less frequently than every 5 years,
10 the Bureau of the Census, in collaboration with the Bu-
11 reau of Labor Statistics, shall—

12 “(1) consult with other relevant Federal statis-
13 tical agencies and outside experts on whether the
14 method of, and sources of data for, calculating the
15 modern poverty thresholds or modern poverty rates
16 provided for in this section could be improved so as
17 to better measure the extent to which families in the
18 United States are able to secure sufficient income to
19 allow a minimal, socially acceptable, level of con-
20 sumption that meets their basic physical needs, in-
21 cluding food, clothing, shelter (including utilities),
22 and other necessary items; and

23 “(2) report to the Congress on any need for any
24 such improvement.

1 “(i) NO EFFECT ON BENEFIT PROGRAMS.—This sec-
2 tion shall not be interpreted to modify or authorize modi-
3 fication of eligibility of any entity for, or the amount or
4 kind of benefits or assistance to be provided to any entity
5 under, any program or activity funded, in whole or in part,
6 with Federal funds.

7 “(j) RELEVANT FEDERAL STATISTICAL AGENCY.—
8 In this section, the term ‘relevant Federal statistical agen-
9 cy’ means a Federal agency that—

10 “(1) is listed as a major statistical program of
11 the United States in the annual report most recently
12 made under section 3504(e)(2) of title 44, United
13 States Code; or

14 “(2) the Bureau of the Census expects to be so
15 listed in the next such report.

16 “(k) LIMITATIONS ON AUTHORIZATION OF APPRO-
17 PRIATIONS.—To carry out this section, there are author-
18 ized to be appropriated to the Bureau of the Census not
19 more than \$5,000,000 for each fiscal year.

20 **“SEC. 272. STUDY OF DECENT LIVING STANDARD.**

21 “(a) IN GENERAL.—The Bureau of the Census, in
22 collaboration with the Bureau of Labor Statistics, shall
23 enter into a contract with the National Academy of
24 Sciences which obligates the National Academy of
25 Sciences to develop and publish a method of calculating

1 a decent living standard threshold, including relevant vari-
2 ations for geography, family size, and other such factors,
3 and a method of measuring the extent to which the income
4 of families in the United States is sufficient to meet the
5 threshold.

6 “(b) TECHNICAL SUPPORT.—The Bureau of the Cen-
7 sus, the Bureau of Labor Statistics, and other relevant
8 statistical agencies shall provide necessary technical sup-
9 port for the efforts to develop the threshold and method
10 referred to in subsection (a).

11 “(c) DEFINITION OF DECENT LIVING STANDARD
12 THRESHOLD.—In subsection (a), the term ‘decent living
13 standard threshold’ means the amount of annual income
14 that would allow an individual to live beyond deprivation
15 at a safe and decent, but modest, standard of living.

16 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-
17 PRIATIONS.—To carry out this section, there are author-
18 ized to be appropriated to the Bureau of the Census not
19 more than \$500,000 for each of fiscal years 2009 and
20 2010.

21 **“SEC. 273. STUDY OF MEDICAL CARE RISK MEASURE.**

22 “(a) IN GENERAL.—The Bureau of the Census, in
23 collaboration with the Bureau of Labor Statistics, the
24 Agency for Healthcare Research and Quality, and the
25 Centers for Medicare and Medicaid Services shall enter

1 into a contract with the National Academy of Sciences
2 with obligates the National Academy of Sciences to de-
3 velop and publish a method of measuring the extent of
4 medical care risk in the United States and calculating the
5 number and percentage of individuals in the United States
6 who, to varying degrees, lack adequate health insurance,
7 placing them at risk of being unable to afford needed
8 treatment.

9 “(b) TECHNICAL SUPPORT.—The Bureau of the Cen-
10 sus, the Bureau of Labor Statistics, the Agency for
11 Healthcare Research and Quality and the Centers for
12 Medicare and Medicaid Services, and other relevant statis-
13 tical agencies shall provide necessary technical support for
14 the efforts to develop the method and measure referred
15 to in subsection (a).

16 “(c) DEFINITION OF MEDICAL CARE RISK.—In sub-
17 section (a), the term ‘medical care risk’ means the extent
18 to which individuals are at risk of being unable to afford
19 needed medical treatment, services, goods, and care.

20 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-
21 PRIATIONS.—To carry out this section, there are author-
22 ized to be appropriated to the Bureau of the Census, not
23 more than \$500,000 for each of fiscal years 2009 and
24 2010.”.

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