111TH CONGRESS
1ST SESSION

S. 1625

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

AUGUST 6, 2009

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

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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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Measuring American Poverty Act of 2009".

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Poverty imposes substantial costs on all Americans that can be addressed through effective poverty reduction.

(2) States and cities throughout the country have acknowledged the need to reduce poverty and the role of the Federal Government as an essential partner.

(3) On January 22, 2008, the House of Representatives, by voice vote, passed House Concurrent Resolution 198 of the 110th Congress expressing the sense of the Congress that the United States should set a national goal of cutting poverty in half over the next 10 years.

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

(5) The poverty measure is critical for efforts to strengthen and enlarge the middle class, as it indicates who falls from or struggles to join the middle class.

(6) The official poverty measure, while helpful, is based on outdated assumptions and fails to accurately measure economic deprivation or take into account the availability of many economic resources.

(7) The official poverty measure offers inadequate guidance about the effectiveness of public anti-poverty efforts.

(8) In 1995, the National Academy of Sciences' Panel on Poverty and Family Assistance recommended adoption of an improved poverty measure, which addresses many shortcomings of the official poverty measure and which remains relevant and offers a starting point for an improved measure.

(9) Since even an improved poverty measure remains a measure of deprivation, not of adequacy, a measure of adequate income needed to reach a decent living standard is also necessary.

(10) Since an inability to access needed medical care is an important indicator of economic insecurity, a medical care risk measure would further enhance understanding of Americans' well-being.

SEC. 3. STATEMENT OF PURPOSE.

The purpose of this Act is to provide for an improved and updated method for measuring the extent to which families and individuals in the United States have sufficient income to allow a minimal level of consumption spending that meets their basic physical needs, including food, shelter (including utilities), clothing, and other necessary items, in order to better assess the effects of certain policies and programs in reducing the prevalence and depth of poverty, to accurately gauge the level of economic deprivation, and to improve understanding of the targeting of public resources, without directly affecting the distribution of, or eligibility for, any Federal benefits or assistance.

SEC. 4. MODERNIZATION OF THE MEASUREMENT OF POVERTY.

Title II of the Public Health Service Act (42 U.S.C. 202 et seq.) is amended by adding at the end the following:

"PART D—MODERNIZATION OF THE MEASUREMENT OF POVERTY

"SEC. 271. MODERNIZATION OF THE MEASUREMENT OF POVERTY.

''(a) IN GENERAL.—The Bureau of the Census, in collaboration with the Bureau of Labor Statistics, after consultation about methodology with other Federal statistical agencies and outside experts, shall, to the extent possible and based on the best available data, calculate modern poverty thresholds, and modern poverty rates as provided for in subsection (d), for each calendar year (including any calendar year before the first year for which the first annual report is published, for which the information needed to perform the calculations is available or can be estimated with a reasonable degree of confidence, as determined by the Bureau of the Census) in accordance with this section.

"(b) NO EFFECT ON BENEFIT PROGRAMS.—This section shall not be interpreted to modify or authorize modification of eligibility of any entity for, or the amount or kind of benefits or assistance to be provided to any entity under, any program or activity funded, in whole or in part, with Federal funds.

"(c) MODERN POVERTY THRESHOLDS.—

"(1) CONSUMPTION DISTRIBUTION FOR REFERENCE FAMILY.—

"(A) IN GENERAL.—Within 12 months after the date of the enactment of this section, the Bureau of the Census and Bureau of Labor Statistics shall choose—

"(i) the most appropriate distribution of consumption expenditures (including the value of relevant amounts described in subsection (d)(3) or that would otherwise be described in subsection (d)(3) if included in the distribution) on food, clothing, and shelter (including utilities), which may, if appropriate, exclude families receiving subsidies for food, clothing, or shelter (including utilities)); and

"(ii) the reference family for the modern poverty measure.

"(B) CALCULATION FOR REFERENCE FAMILY.—The modern poverty threshold for a reference family, as determined under subparagraph (A), shall be an amount equal to the average of 120 percent of the 33rd percentile of the distribution chosen under subparagraph (A) allowing for calculations to rely on a limited band converging on this percentile, during 4 or more of the most recent years for which data is available from the Consumer Expenditure Survey, a superior Federal Government source of data, or some combination of such sources as determined by the Bureau of the Census and the Bureau of Labor Statistics. The threshold shall be updated no less often than annually using this method.

"(C) SPECIAL RULE.—Notwithstanding any other provision of this section, insofar as the amounts described in subparagraphs (F) and (G) of subsection (d)(3) are not easily included in the distribution referred to in subparagraph (B) of this paragraph, the Bureau of the Census and the Bureau of Labor Statistics shall develop methods for including, and shall include, the actual or estimated amounts in the distribution.

"(2) ADJUSTMENT FOR FAMILY SIZE AND COMPOSITION, AND FOR GEOGRAPHIC COST VARIATION.—The Bureau of the Census, in collaboration with the Bureau of Labor Statistics and the Bureau of Economic Analysis, and in consultation with other relevant Federal statistical agencies, shall adjust the modern poverty threshold calculated under paragraph (1) of this subsection—

"(A) for other family sizes and compositions, using the best available equivalence scales that consider economies of scale and any special needs of children, including young children; and

"(B) to the maximum extent possible and not earlier or later than the inclusion of State and local taxes and transfers as described in subsection (e)(4), for differences in the costs for the goods and services included in the threshold among States, sub-State non-metropolitan areas, and metropolitan areas.

"(3) ACCOMMODATION OF HOUSING STATUS.—To the maximum extent possible, the calculation for the threshold for the reference family described in paragraph (1) and the adjustments to the modern poverty thresholds for varied family sizes and compositions under paragraph (2)(A) shall be made separately for each of the following categories of families:

"(A) Families who own their primary residence and do not have a mortgage secured by the residence.

"(B) All other families, or for any subgroups of all other families if the Bureau of Labor Statistics determines that reliable data indicates substantial variation in the amounts of money needed by the subgroups to purchase similar quality shelter.

"(4) ANNUAL PUBLICATION OF WEIGHTED AVERAGE POVERTY THRESHOLDS.—Not less often than annually, the Bureau of the Census, in collaboration with the Bureau of Labor Statistics, shall publish—

"(A) the average poverty threshold for each family size, determined by weighting each threshold by the proportion of families of that size to which the threshold applies, and

"(B) the average poverty threshold for each family size in each category described in paragraph (3), determined by weighting each threshold by the proportion of families of that size in that category and to which the threshold applies.

"(d) MODERN POVERTY RATES.—

"(1) IN GENERAL.—The Bureau of the Census shall use the modern poverty thresholds calculated under subsection (c) to calculate, at a minimum—

"(A) the number and percentage of families in the United States whose adjusted market income does not exceed the applicable modern poverty threshold, and the number and percentage of individuals in the United States who are members of such families;

"(B) the number and percentage of families in the United States whose adjusted disposable income does not exceed the applicable modern poverty threshold, and the number and percentage of individuals in the United States who are members of such families; and

"(C) the numbers and percentages described in subparagraphs (A) and (B) for various demographic, geographic, and other subgroups of families in the United States, and for individuals who are members of such subgroups of families.

"(2) ADJUSTED MARKET INCOME.—For purposes of this section, the adjusted market income of a family is—

"(A) the total of the amounts received by any member of the family during a calendar year from wages, salaries, and self-employment income, interest income, dividend income, realized capital gains, rents, royalties, estate and trust income, a qualified retirement plan (as defined in section 4974(c) of the Internal Revenue Code of 1986), a plan described in section 457(b) of such Code, or any other plan, contract, annuity, or account payments or distributions from which are in the nature of a retirement benefit, survivor and disability pensions and annuities, paid-up insurance policies, alimony payments, child support payments, private workers' compensation, regular contributions from persons not living with the family, and other relevant income as determined by the Bureau of the Census except for income described in subparagraph (C), (D), (E), or (F) of paragraph (3) of this subsection; minus

"(B) the total of the amounts paid by any member of the family during the calendar year for—

"(i) alimony or the support or maintenance of a noncustodial child;

"(ii) medical expenses; and

"(iii) necessary work-related expenses, including—

"(I) dependent care expenses;

"(II) transportation expenses; and

"(III) if there is reliable data therefor, work-search expenses.

"(3) ADJUSTED DISPOSABLE INCOME.—For purposes of this section, the Bureau of the Census shall define the adjusted disposable income of a family as follows, excluding any amounts that are not taken into account in determining poverty thresholds under this section:

"(A) the adjusted market income of the family; minus

"(B) the total of the amounts paid by any member of the family during the calendar year to cover Federal income tax liability or Federal payroll tax liability, or if such information is not available, the total of any such liabilities that are payable by any member of the family during the calendar year; plus

"(C) the total of the amounts received by any member of the family during the calendar year from refundable Federal tax credits, or if such information is not available, the total of any such credits that are expected by any member of the family to be received during the calendar year; plus

"(D) the total of the amounts received by any member of the family during the calendar year which may be used to meet food, clothing, or shelter (including utilities) needs—

"(i) referred to in section 459(h)(1)(A)(ii) of the Social Security Act; or

"(ii) paid under a State or local program funded under part A of title IV of the Social Security Act, the supplemental security income program under title XVI of such Act, or any other Federal program or activity the eligibility for which is based, in whole or in part, on need; plus

"(E) the total dollar value of any food assistance benefit (as defined in section 3(d) of the Food and Nutrition Act of 2008) received by any member of the family during the calendar year under section 8 of the Food and Nutrition Act of 2008; plus

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

"(G) the total of the amounts received by any member of the family during the calendar year as government-funded nonmedical in-kind, cash and near cash benefits that help families meet food, clothing, and shelter (including utilities) needs and are not intended to reimburse or subsidize other expenses, including nutrition programs, housing subsidies, and the value of public housing, not to exceed to the lesser of the share of the threshold defined in subsection (c) attributable to the component of the threshold towards which the benefit may be used or the estimated monetary value of the benefit to the recipient, to the extent possible.

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

"(e) FAMILIES.—For purposes of this section, the term 'family' includes—

"(1) an individual who is living alone;

"(2) all members of a household who are related by blood, marriage, adoption, or other legal arrangement; and

"(3) any unrelated individuals living together whom the Bureau of the Census, in collaboration with the Bureau of Labor Statistics, after assessing existing research and undertaking any necessary new research, determines should be treated as a family for purposes of this section.

"(f) REPORT ON POVERTY RATES.—Not less frequently than annually, the Bureau of the Census shall produce, release simultaneously with publication and announcement of poverty thresholds and rates under the traditional poverty measure, and make readily accessible to the public, a report which contains detailed tables and explanations of poverty rates—

"(1) as determined on the basis of adjusted market income;

"(2) as determined on the basis of adjusted disposable income; and

"(3) as determined on the basis of the traditional poverty measure referred to in subsection (g).

"(g) REFERENCES TO EXISTING POVERTY MEASURE AS THE 'TRADITIONAL POVERTY MEASURE'.—To the extent practicable, whenever an officer or employee of the Federal Government refers to the poverty measure outlined in Office of Management and Budget Statistical Policy Directive 14, the officer or employee, as the case may be, shall refer to that measure as the 'traditional poverty measure'. Any reference in a law, regulation, document, paper, or other record of the United States to the poverty measure outlined in Office of Management and Budget Statistical Policy Directive 14 is deemed to be a reference to the 'traditional poverty measure'.

"(h) INCLUSION OF INFORMATION BASED ON MODERN POVERTY THRESHOLDS AND RATES IN PUBLISHED

DOCUMENTS CONTAINING INFORMATION BASED ON TRADITIONAL POVERTY THRESHOLDS AND RATES.—

"(1) IN GENERAL.—To the extent possible, a relevant Federal statistical agency that publishes a document which contains information about a subject, which was produced using the poverty measure outlined in Office of Management and Budget Statistical Policy Directive 14, shall include in the document information about the subject, which is produced using the modern poverty thresholds and modern poverty rates calculated under this section.

"(2) PUBLIC RELEASE OF MICRODATA FILE AND ONLINE TOOLS.—On releasing a document described in paragraph (1), the Bureau of the Census shall release to the public, while maintaining privacy and confidentiality standards required by Federal law—

"(A) microdata files (modified as necessary to avoid unduly increasing the risk of serious primary and secondary disclosure problems) containing all of the individual variables that are necessary to compute the published modern poverty rates, as well as poverty rates determined on the basis of the traditional poverty measure referred to in subsection (g), and to calculate poverty rates using different definitions of income and poverty thresholds;

"(B) other public online tools that enable detailed poverty rates to be calculated using different definitions of income and poverty and adequacy thresholds, including ½ and ⅗ of median income; and

"(C) the definitions of income set forth in, and the poverty thresholds established under, this section.

"(i) CONSULTATION ON IMPROVING CALCULATION OF THE MODERN POVERTY THRESHOLDS OR MODERN POVERTY RATES; REPORT TO THE CONGRESS.—From time to time, and no less frequently than every 5 years, the Bureau of the Census, in collaboration with the Bureau of Labor Statistics, shall—

"(1) consult with other relevant Federal statistical agencies and outside experts on whether the method of, and sources of data for, calculating the modern poverty thresholds or modern poverty rates provided for in this section could be improved so as to better measure, including through adjustments for any underreporting or other misreporting of income and adjustments for families with greater income needs (such as those including persons with disabilities), the extent to which families in the United States are able to secure sufficient income to allow a minimal level of consumption that meets their basic physical needs, including food, clothing, shelter (including utilities), and other necessary items; and

"(2) report to the Congress on any need for any such improvement.

"(j) RELEVANT FEDERAL STATISTICAL AGENCY.—In this section, the term 'relevant Federal statistical agency' means a Federal agency that—

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

"(2) the Office of Management and Budget expects to be so listed in the next such report.

"(k) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated—

"(1) to the Bureau of the Census—

"(A) for fiscal year 2010, not more than $5,000,000; and

"(B) for each succeeding fiscal year, not more than the amount specified in subparagraph (A), multiplied by the sum of 1 plus the percentage (if any) by which the Consumer Price Index for All-Urban Consumers for September of the fiscal year then preceding the succeeding fiscal year exceeds the index for September of the fiscal year second preceding the succeeding fiscal year; and

"(2) to the Bureau of Labor Statistics—

"(A) for fiscal year 2010, not more than $2,500,000; and

"(B) for each succeeding fiscal year, not more than the amount specified in subparagraph (A), multiplied by the sum of 1 plus the percentage (if any) by which the Consumer Price Index for All-Urban Consumers for September of the fiscal year then preceding the succeeding fiscal year exceeds the index for September of the fiscal year second preceding the succeeding fiscal year.

"SEC. 272. STUDY OF DECENT LIVING STANDARD.

"(a) IN GENERAL.—The Bureau of the Census, in collaboration with the Bureau of Labor Statistics, shall enter into a contract with the National Academy of Sciences which obligates the National Academy of Sciences to develop and publish a method of calculating a decent living standard threshold, including relevant variations for geography, family size, and other such factors, and a method of measuring the extent to which the income of families in the United States is sufficient to meet the threshold. The National Academy of Sciences shall consider and critically review the growing body of work in this area, comparing different underlying concepts in existing approaches such as family budgets, basic needs budgets, and self-sufficiency standards, and comment on the best ways to move forward towards building consensus.

"(b) TECHNICAL SUPPORT.—The Bureau of the Census, the Bureau of Labor Statistics, and other relevant statistical agencies shall provide necessary technical support for the efforts to develop the threshold and method referred to in subsection (a).

"(c) DEFINITION OF DECENT LIVING STANDARD THRESHOLD.—In subsection (a), the term 'decent living standard threshold' means the amount of annual income that would allow an individual to live at a safe and decent, but modest, standard of living. The decent living standard shall be a measure of income adequacy reflecting the resources necessary to meet basic needs and live beyond deprivation.

"(d) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Bureau of the Census—

"(1) for fiscal year 2010, not more than $500,000; and

"(2) for fiscal year 2011, not more than the amount specified in paragraph (1), multiplied by the sum of 1 plus the percentage (if any) by which the Consumer Price Index for All-Urban Consumers for September 2010 exceeds the index for September 2009.

"SEC. 273. STUDY OF MEDICAL CARE RISK MEASURE.

"(a) IN GENERAL.—The Bureau of the Census, in collaboration with the Bureau of Labor Statistics, the Agency for Healthcare Research and Quality, and the Centers for Medicare and Medicaid Services shall enter into a contract with the National Academies, including the National Academy of Sciences and the Institute of Medicine, which obligates the National Academies to develop and publish a method of measuring the extent of medical care risk in the United States and calculating the number and percentage of individuals in the United States who, to varying degrees, lack adequate health insurance, placing them at risk of being unable to afford needed treatment.

"(b) TECHNICAL SUPPORT.—The Bureau of the Census, the Bureau of Labor Statistics, the Agency for Healthcare Research and Quality and the Centers for Medicare and Medicaid Services, and other relevant health and statistical agencies shall provide necessary technical support for the efforts to develop the method and measure referred to in subsection (a).

"(c) DEFINITION OF MEDICAL CARE RISK.—In subsection (a), the term 'medical care risk' means the extent to which individuals are at risk of being unable to afford needed medical treatment, services, goods, and care.

"(d) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Bureau of the Census—

"(1) for fiscal year 2010, not more than $500,000; and

"(2) for fiscal year 2011, not more than the amount specified in paragraph (1), multiplied by the sum of 1 plus the percentage (if any) by which the Consumer Price Index for All-Urban Consumers for September 2010 exceeds the index for September 2009.

"SEC. 274. STUDY TO IMPROVE STATE AND LOCAL POVERTY MEASUREMENT.

"(a) IN GENERAL.—The Bureau of the Census, in consultation with other relevant statistical agencies, shall enter into a contract with the National Academy of Sciences which obligates the National Academy of Sciences to develop a set of recommendations for methods to implement annual modern poverty measurement at the State and local level and a timeframe for the implementation. The methods to be examined shall include revisions to the American Community Survey questionnaire, use of administrative records, and use of modeled estimates.

"(b) TECHNICAL SUPPORT.—The Bureau of the Census and other relevant statistical agencies shall provide necessary technical support for the effort referred to in subsection (a).

"(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Bureau of the Census—

"(1) for fiscal year 2010, not more than $250,000; and

"(2) for fiscal year 2011, not more than the amount specified in paragraph (1); multiplied by the sum of 1 plus the percentage (if any) by which the Consumer Price Index for All-Urban Consumers for

September 2010 exceeds the index for September 2009.''.

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