

105TH CONGRESS  
1ST SESSION

# S. 425

To provide for an accurate determination of the cost of living.

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IN THE SENATE OF THE UNITED STATES

MARCH 11, 1997

Mr. ROTH (for himself and Mr. MOYNIHAN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

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## A BILL

To provide for an accurate determination of the cost of  
living.

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 “Cost-of-Living Board  
5       Act of 1997”.

6       **SEC. 2. COST-OF-LIVING ADJUSTMENTS.**

7       Title XI of the Social Security Act (42 U.S.C. 1301  
8       et seq.) is amended by adding at the end the following:

1           PART D—COST-OF-LIVING ADJUSTMENTS

2           “DETERMINATION OF INFLATION ADJUSTMENT

3           “SEC. 1180. (a) IN GENERAL.—The Cost-of-Living  
4 Board established under section 1181 shall each calendar  
5 year after 1996 attempt to determine a single percentage  
6 increase or decrease in the cost-of-living which shall apply  
7 to any cost-of-living adjustment taking effect during the  
8 next calendar year.

9           “(b) ADOPTION OR REJECTION OF PERCENTAGE.—

10           “(1) ADOPTION.—

11           “(A) IN GENERAL.—If the Cost-of-Living  
12 Board adopts by majority vote a single percent-  
13 age increase or decrease under subsection (a),  
14 then, notwithstanding any other provision of  
15 law, any cost-of-living adjustment to take effect  
16 during the following calendar year shall be  
17 made by using such percentage and not by  
18 using the change in the Consumer Price Index  
19 (or any component thereof).

20           “(B) APPROPRIATE MODIFICATIONS.—The  
21 Cost-of-Living Board shall make appropriate  
22 modifications to the single percentage applied to  
23 any cost-of-living adjustment if—

24           “(i) the period during which the  
25 change in the cost-of-living is measured for

1           such adjustment is different than the pe-  
 2           riod used by the Cost-of-Living Board; or  
 3           “(ii) the adjustment is based on a  
 4           component of an index rather than the en-  
 5           tire index.

6           “(2) REJECTION.—If the Cost-of-Living Board  
 7           fails by majority vote to adopt a single percentage  
 8           increase or decrease under subsection (a) for any  
 9           calendar year, then any cost-of-living adjustment to  
 10          take effect during the following calendar year shall  
 11          be determined without regard to this part.

12          “(c) REPORT.—Not later than November 1 of each  
 13          year, the Cost-of-Living Board shall submit a report to  
 14          the President and Congress containing a detailed state-  
 15          ment with respect to—

16               “(1) the percentage (if any) agreed to by the  
 17          Board under subsection (a); and

18               “(2) the decision of the Board on whether or  
 19          not to adopt such a percentage.

20          “(d) JUDICIAL REVIEW.—Any determination by the  
 21          Cost-of Living Board under subsection (a) or (b)(1)(B)  
 22          shall not be subject to judicial review.

23          “(c) DEFINITION OF COST-OF-LIVING ADJUST-  
 24          MENT.—In this part, the term ‘cost-of-living adjustment’  
 25          means any adjustment under any of the following which

1 is determined by reference to any Consumer Price Index  
 2 (or any component thereof):

3 “(1) The Internal Revenue Code of 1986.

4 “(2) Titles II, XVI, XVIII, and XIX of this  
 5 Act.

6 “(3) Any other Federal program.

7 “COST-OF-LIVING BOARD

8 “SEC. 1181. (a) ESTABLISHMENT OF BOARD.—

9 “(1) ESTABLISHMENT.—There is established a  
 10 board to be known as the Cost-of-Living Board (in  
 11 this section referred to as the ‘Board’).

12 “(2) MEMBERSHIP.—

13 “(A) COMPOSITION.—The Board shall be  
 14 composed of 5 members of whom—

15 “(i) 1 shall be the Chairman of the  
 16 Board of Governors of the Federal Reserve  
 17 System;

18 “(ii) 1 shall be the Chairman of the  
 19 President’s Council of Economic Advisers;  
 20 and

21 “(iii) 3 shall be appointed by the  
 22 President, by and with the advice and con-  
 23 sent of the Senate.

24 The President shall consult with the leadership  
 25 of the House of Representatives and the Senate

1 in the appointment of the Board members  
2 under clause (iii).

3 “(B) EXPERTISE.—The members of the  
4 Board appointed under subparagraph (A)(iii)  
5 shall be experts in the field of economics and  
6 should be familiar with the issues related to the  
7 calculation of changes in the cost of living. In  
8 appointing members under subparagraph  
9 (A)(iii), the President shall consider appoint-  
10 ing—

11 “(i) former members of the Presi-  
12 dent’s Council of Economic Advisers;

13 “(ii) former Treasury department offi-  
14 cials;

15 “(iii) former members of the Board of  
16 Governors of the Federal Reserve System;

17 “(iv) other individuals with relevant  
18 prior government experience in positions  
19 requiring appointment by the President  
20 and Senate confirmation; and

21 “(v) academic experts in the field of  
22 price statistics.

23 “(C) DATE.—

24 “(i) NOMINATIONS.—Not later than  
25 30 days after the date of enactment of the

Cost of Living Board Act of 1997, the President shall submit the nominations of the members of the Board described in subparagraph (A)(iii) to the Senate.

“(ii) SENATE ACTION.—Not later than 60 days after the Senate receives the nominations under clause (i), the Senate shall vote on confirmation of the nominations.

“(3) TERMS AND VACANCIES.—

“(A) TERMS.—A member of the Board appointed under paragraph (2)(A)(iii) shall be appointed for a term of 5 years, except that of the members first appointed under that paragraph—

“(i) 1 member shall be appointed for a term of 1 year;

“(ii) 1 member shall be appointed for a term of 3 years; and

“(iii) 1 member shall be appointed for a term of 5 years.

“(B) VACANCIES.—

“(i) IN GENERAL.—A vacancy on the Board shall be filled in the manner in which the original appointment was made

1 and shall be subject to any conditions  
2 which applied with respect to the original  
3 appointment.

4 “(ii) FILLING UNEXPIRED TERM.—An  
5 individual chosen to fill a vacancy shall be  
6 appointed for the unexpired term of the  
7 member replaced.

8 “(C) EXPIRATION OF TERMS.—The term  
9 of any member appointed under paragraph  
10 (2)(A)(iii) shall not expire before the date on  
11 which the member’s successor takes office.

12 “(4) INITIAL MEETING.—Not later than 30  
13 days after the date on which all members of the  
14 Board have been appointed, the Board shall hold its  
15 first meeting. Subsequent meetings shall be deter-  
16 mined by the Board by majority vote.

17 “(5) OPEN MEETINGS.—Notwithstanding sec-  
18 tion 552b of title 5, United States Code, or section  
19 10 of the Federal Advisory Committee Act (5 U.S.C.  
20 App.), the Board may, by majority vote, close any  
21 meeting of the Board to the public otherwise re-  
22 quired to be open under that section. The Board  
23 shall make the records of any such closed meeting  
24 available to the public not later than 30 days of that  
25 meeting.

1           “(6) QUORUM.—A majority of the members of  
2           the Board shall constitute a quorum, but a lesser  
3           number of members may hold hearings.

4           “(7) CHAIRPERSON AND VICE CHAIRPERSON.—  
5           The Board shall select a Chairperson and Vice  
6           Chairperson from among the members appointed  
7           under paragraph (2)(A)(iii).

8           “(b) POWERS OF THE BOARD.—

9           “(1) HEARINGS.—The Board may hold such  
10          hearings, sit and act at such times and places, take  
11          such testimony, and receive such evidence as the  
12          Board considers advisable to carry out the purposes  
13          of this part.

14          “(2) INFORMATION FROM FEDERAL AGEN-  
15          CIES.—The Board may secure directly from any  
16          Federal department or agency such information as  
17          the Board considers necessary to carry out the pro-  
18          visions of this part, including the published and  
19          unpublished data and analytical products of the Bu-  
20          reau of Labor Statistics. Upon request of the Chair-  
21          person of the Board, the head of such department  
22          or agency shall furnish such information to the  
23          Board.

24          “(3) POSTAL SERVICES.—The Board may use  
25          the United States mails in the same manner and



1 under the same conditions as other departments and  
 2 agencies of the Federal Government.

3 “(4) GIFTS.—The Board may accept, use, and  
 4 dispose of gifts or donations of services or property.

5 “(c) BOARD PERSONNEL MATTERS.—

6 “(1) COMPENSATION OF MEMBERS.—Each  
 7 member of the Board who is not otherwise an officer  
 8 or employee of the Federal Government shall be  
 9 compensated at a rate equal to the daily equivalent  
 10 of the annual rate of basic pay prescribed for level  
 11 III of the Executive Schedule under section 5315 of  
 12 title 5, United States Code, for each day (including  
 13 travel time) during which such member is engaged  
 14 in the performance of the duties of the Board. All  
 15 members of the Board who otherwise are officers or  
 16 employees of the United States shall serve without  
 17 compensation in addition to that received for their  
 18 services as officers or employees of the United  
 19 States.

20 “(2) TRAVEL EXPENSES.—The members of the  
 21 Board shall be allowed travel expenses, including per  
 22 diem in lieu of subsistence, at rates authorized for  
 23 employees of agencies under subchapter I of chapter  
 24 57 of title 5, United States Code, while away from

1       their homes or regular places of business in the per-  
2       formance of services for the Board.

3               “(3) STAFF.—

4               “(A) IN GENERAL.—The Chairperson of  
5       the Board may, without regard to the civil serv-  
6       ice laws and regulations, appoint and terminate  
7       an executive director and such other additional  
8       personnel as may be necessary to enable the  
9       Board to perform its duties. The employment of  
10      an executive director shall be subject to con-  
11      firmation by the Board.

12              “(B) COMPENSATION.—The Chairperson  
13      of the Board may fix the compensation of the  
14      executive director and other personnel without  
15      regard to the provisions of chapter 51 and sub-  
16      chapter III of chapter 53 of title 5, United  
17      States Code, relating to classification of posi-  
18      tions and General Schedule pay rates, except  
19      that the rate of pay for the executive director  
20      and other personnel may not exceed the rate  
21      payable for level IV of the Executive Schedule  
22      under section 5316 of such title.

23              “(4) DETAIL OF GOVERNMENT EMPLOYEES.—

24      Any Federal Government employee may be detailed  
25      to the Board without additional reimbursement

1 (other than the employee's regular compensation),  
2 and such detail shall be without interruption or loss  
3 of civil service status or privilege.

4 “(5) PROCUREMENT OF TEMPORARY AND  
5 INTERMITTENT SERVICES.—The Chairperson of the  
6 Board may procure temporary and intermittent serv-  
7 ices under section 3109(b) of title 5, United States  
8 Code, at rates for individuals which do not exceed  
9 the daily equivalent of the annual rate of basic pay  
10 prescribed for level V of the Executive Schedule  
11 under section 5316 of such title.

12 “(d) TERMINATION.—Section 14 of the Federal Advi-  
13 sory Committee Act (5 U.S.C. App.) shall not apply to  
14 the Board.

15 “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
16 are authorized to be appropriated to the Board such sums  
17 as are necessary to carry out the purposes of this part.”.

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