

106TH CONGRESS  
1ST SESSION

# S. 1247

To develop and apply a Consumer Price Index that accurately reflects the cost-of-living for older Americans who receive social security benefits under title II of the Social Security Act.

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IN THE SENATE OF THE UNITED STATES

JUNE 21, 1999

Mr. GRAMS introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To develop and apply a Consumer Price Index that accurately reflects the cost-of-living for older Americans who receive social security benefits under title II of the Social Security Act.

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 “Fair Cost of Living  
5       Adjustment for Seniors Act of 1999”.

1 **SEC. 2. IMPROVEMENT OF CONSUMER PRICE INDEX FOR**  
2 **THE ELDERLY BY CONGRESSIONALLY AP-**  
3 **POINTED REVIEW COMMITTEE.**

4 (a) ESTABLISHMENT OF CONSUMER PRICE INDEX  
5 REVIEW COMMITTEE.—

6 (1) ESTABLISHMENT.—There is established a  
7 review committee to be known as the Consumer  
8 Price Index Review Committee (in this section re-  
9 ferred to as the “Committee”).

10 (2) MEMBERSHIP.—The Committee shall be  
11 composed of 15 members jointly appointed by the  
12 leadership of the Senate and the House of Rep-  
13 resentatives of whom—

14 (A) 11 shall be leading experts in the field  
15 of economics and, to the extent feasible, famil-  
16 iar with the issues related to the calculation of  
17 changes in the cost of living; and

18 (B) 4 shall be representatives of individ-  
19 uals who have attained age 65.

20 (3) TERMS AND VACANCIES.—

21 (A) TERMS.—A member of the Committee  
22 appointed under paragraph (2) shall be ap-  
23 pointed for the duration of the Committee.

24 (B) VACANCIES.—

25 (i) IN GENERAL.—A vacancy on the  
26 Committee shall be filled in the same man-

ner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

(ii) FILLING UNEXPIRED TERM.—An individual chosen to fill a vacancy shall be appointed for the duration of the Committee.

(4) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Committee have been appointed, the Committee shall hold its first meeting.

(5) QUORUM.—A majority of the members of the Committee shall constitute a quorum, but a lesser number of members may hold hearings.

(6) CHAIRPERSON AND VICE CHAIRPERSON.—The Committee shall select a Chairperson and Vice Chairperson from among the members appointed under paragraph (2).

(b) DUTIES.—

(1) STUDY AND DEVELOPMENT OF IMPLEMENTATION PLAN.—

(A) IN GENERAL.—The Committee shall conduct a study—

1 (i) to improve the method for deter-  
2 mining an index, to be known as the “Con-  
3 sumer Price Index for the Elderly”;

4 (ii) to make recommendations ad-  
5 dressing the limitations of the method for  
6 determining the Experimental Consumer  
7 Price Index for the Elderly calculated by  
8 the Bureau of Labor Statistics to ensure  
9 that the improved index accurately meas-  
10 ures changes over time in expenditures for  
11 consumption that are typical for retirees in  
12 the United States who receive old-age and  
13 survivors insurance benefits under title II  
14 of the Social Security Act (42 U.S.C. 401  
15 et seq.); and

16 (iii) to develop an implementation  
17 plan.

18 (B) STUDY REQUIREMENTS.—The study  
19 described in subparagraph (A) shall include the  
20 following requirements:

21 (i) The Consumer Price Index for the  
22 Elderly shall be based on an accurate mar-  
23 ket basket of goods and services that re-  
24 flect a representative collection of typical  
25 purchases by the total retiree population in

1 the United States who receive old-age and  
2 survivors insurance benefits under title II  
3 of such Act.

4 (ii) The Consumer Expenditure Sur-  
5 vey used by the Bureau of Labor Statistics  
6 to calculate the Experimental Consumer  
7 Price Index for the Elderly shall be re-de-  
8 signed and expanded to collect expenditure  
9 patterns representative of such total retiree  
10 population.

11 (iii) The areas and outlets priced by  
12 the Bureau of Labor Statistics to calculate  
13 the Experimental Consumer Price Index  
14 for the Elderly shall be modified to reflect  
15 a representation of the places of purchase  
16 for such total retiree population.

17 (iv) The categories of items to be  
18 priced shall be selected to represent such  
19 total retiree population.

20 (v) The prices collected shall ade-  
21 quately reflect the availability of discount  
22 prices for such total retiree population.

23 (vi) Any other limitations otherwise  
24 found to affect the accuracy of the Con-

1           sumer Price Index for the Elderly shall be  
2           removed.

3           (C) ADDITIONAL STUDY.—The Committee  
4           shall also study the method for determining an  
5           accurate consumer price index for individuals  
6           who receive disability insurance benefits under  
7           title II of such Act.

8           (2) REPORT.—

9           (A) IN GENERAL.—Subject to subpara-  
10          graph (B), not later than 1 year after the ini-  
11          tial meeting of the Committee under subsection  
12          (a)(4), the Committee shall submit a report to  
13          Congress on the study conducted in accordance  
14          with paragraph (1).

15          (B) REQUIRED APPROVAL.—The Com-  
16          mittee shall not submit a report under subpara-  
17          graph (A) unless the report has the approval of  
18          at least 9 members of the Committee.

19          (c) POWERS.—

20          (1) HEARINGS.—The Committee may hold such  
21          hearings, sit and act at such times and places, take  
22          such testimony, and receive such evidence as the  
23          Committee considers advisable to carry out the pur-  
24          poses of this section.

1           (2) INFORMATION FROM FEDERAL AGENCIES.—

2       The Committee may secure directly from any Fed-  
3       eral department or agency such information as the  
4       Committee considers necessary to carry out this sec-  
5       tion, including the published and unpublished data  
6       and analytical products of the Bureau of Labor Sta-  
7       tistics. Upon request of the Chairperson of the Com-  
8       mittee, the head of such department or agency shall  
9       furnish such information to the Committee in a  
10      timely manner.

11          (3) POSTAL SERVICES.—The Committee may  
12      use the United States mails in the same manner and  
13      under the same conditions as other departments and  
14      agencies of the Federal Government.

15          (4) GIFTS.—The Committee may accept, use,  
16      and dispose of gifts or donations of services or prop-  
17      erty.

18      (d) PERSONNEL MATTERS.—

19          (1) COMPENSATION OF MEMBERS.—Each mem-  
20      ber of the Committee who is not otherwise an officer  
21      or employee of the Federal Government shall be  
22      compensated at a rate equal to the daily equivalent  
23      of the annual rate of basic pay prescribed for level  
24      III of the Executive Schedule under section 5315 of  
25      title 5, United States Code, for each day (including

1 travel time) during which such member is engaged  
2 in the performance of the duties of the Committee.  
3 All members of the Committee who otherwise are of-  
4 ficers or employees of the United States shall serve  
5 without compensation in addition to that received for  
6 their services as officers or employees of the United  
7 States.

8 (2) TRAVEL EXPENSES.—The members of the  
9 Committee shall be allowed travel expenses, includ-  
10 ing per diem in lieu of subsistence, at rates author-  
11 ized for employees of agencies under subchapter I of  
12 chapter 57 of title 5, United States Code, while  
13 away from their homes or regular places of business  
14 in the performance of services for the Committee.

15 (3) STAFF.—

16 (A) IN GENERAL.—The Chairperson of the  
17 Committee may, without regard to the civil  
18 service laws and regulations, appoint and termi-  
19 nate an executive director and such other addi-  
20 tional personnel as may be necessary to enable  
21 the Committee to perform its duties. The em-  
22 ployment of an executive director shall be sub-  
23 ject to confirmation by the Committee.

24 (B) COMPENSATION.—The Chairperson of  
25 the Committee may fix the compensation of the



1 executive director and other personnel without  
2 regard to the provisions of chapter 51 and sub-  
3 chapter III of chapter 53 of title 5, United  
4 States Code, relating to classification of posi-  
5 tions and General Schedule pay rates, except  
6 that the rate of pay for the executive director  
7 and other personnel may not exceed the rate  
8 payable for level IV of the Executive Schedule  
9 under section 5316 of such title.

10 (4) DETAIL OF GOVERNMENT EMPLOYEES.—

11 Any Federal Government employee may be detailed  
12 to the Committee without additional reimbursement  
13 (other than the employee's regular compensation),  
14 and such detail shall be without interruption or loss  
15 of civil service status or privilege.

16 (5) PROCUREMENT OF TEMPORARY AND INTER-

17 MITTENT SERVICES.—The Chairperson of the Com-  
18 mittee may procure temporary and intermittent serv-  
19 ices under section 3109(b) of title 5, United States  
20 Code, at rates for individuals which do not exceed  
21 the daily equivalent of the annual rate of basic pay  
22 prescribed for level V of the Executive Schedule  
23 under section 5316 of such title.

1 (e) TERMINATION.—The Committee shall terminate  
 2 1 year after the date of the initial meeting of the Com-  
 3 mittee under subsection (a)(4).

4 (f) AUTHORIZATION OF APPROPRIATIONS.—There  
 5 are authorized to be appropriated to the Committee such  
 6 sums as are necessary to carry out the purposes of this  
 7 section.

8 **SEC. 3. BUREAU OF LABOR STATISTICS PILOT PROGRAM**  
 9 **TO TEST CONSUMER PRICE INDEX FOR THE**  
 10 **ELDERLY.**

11 (a) PILOT PROGRAM.—The Commissioner of the Bu-  
 12 reau of Labor Statistics shall establish a pilot program  
 13 to test the accuracy of an operational index to be rec-  
 14 ommended by the Consumer Price Index Review Com-  
 15 mittee under section 2 and to be known as the “Consumer  
 16 Price Index for the Elderly”, which indicates changes over  
 17 time in expenditures for consumption which are typical for  
 18 retirees in the United States who receive old-age and sur-  
 19 vivors insurance benefits under title II of the Social Secu-  
 20 rity Act (42 U.S.C. 401 et seq.).

21 (b) DURATION OF PILOT PROGRAM.—The pilot pro-  
 22 gram shall commence with the first month that begins  
 23 after the date of the submission of the report under sec-  
 24 tion 2(b)(2) and shall continue through December 2002.

1 **SEC. 4. INTERIM APPLICATION OF CONSUMER PRICE**  
 2 **INDEX FOR ALL URBAN CONSUMERS.**

3 For cost-of-living computation quarters (as defined in  
 4 section 215(i)(1)(B) of the Social Security Act (42 U.S.C.  
 5 415(i)(1)(B)) occurring during the period that begins on  
 6 January 1, 2000, and ends with the implementation of  
 7 the Official Consumer Price Index for the Elderly under  
 8 section 5(b), the Commissioner of Social Security, not-  
 9 withstanding section 215(i) of the Social Security Act (42  
 10 U.S.C. 415(i)) and any regulations promulgated there-  
 11 under, shall use the Consumer Price Index for All Urban  
 12 Consumers to calculate cost-of-living adjustments for ben-  
 13 efits described in section 5(b)(1).

14 **SEC. 5. APPLICATION OF CONSUMER PRICE INDEX FOR**  
 15 **THE ELDERLY.**

16 (a) IMPLEMENTATION.—

17 (1) COMMISSIONER OF BUREAU OF LABOR STA-  
 18 TISTICS.—

19 (A) IN GENERAL.—Subject to subpara-  
 20 graph (B), not later than the fourth year that  
 21 begins after the Consumer Price Index Review  
 22 Committee submits the report required under  
 23 section 2(b)(2), the Commissioner of the Bu-  
 24 reau of Labor Statistics shall prepare and pub-  
 25 lish monthly the Official Consumer Price Index  
 26 for the Elderly based on the implementation

1 plan and recommendations included in that re-  
 2 port.

3 (B) NO IMPLEMENTATION IF CONGRES-  
 4 SIONAL DISAPPROVAL OF COMMITTEE RE-  
 5 PORT.—Subparagraph (A) shall not apply if a  
 6 joint resolution is enacted, in accordance with  
 7 paragraph (2), disapproving the report sub-  
 8 mitted by the Consumer Price Index Review  
 9 Committee before the end of the 90-day period  
 10 that begins on the date on which the Review  
 11 Committee submits the report.

12 (C) EXCLUSION OF CERTAIN DAYS.—For  
 13 purposes of subparagraph (B) and paragraph  
 14 (2), the days on which either House of Con-  
 15 gress is not in session because of an adjourn-  
 16 ment of more than 3 days to a day certain shall  
 17 be excluded from the computation of the period.

18 (2) CONGRESSIONAL CONSIDERATION.—

19 (A) TERMS OF THE RESOLUTION.—For  
 20 purposes of paragraph (1)(A), the term “joint  
 21 resolution” means only a joint resolution that is  
 22 introduced within the period described in that  
 23 paragraph and—

24 (i) that does not have a preamble;

1           (ii) the matter after the resolving  
2           clause of which is as follows: “That Con-  
3           gress disapproves the report of the Con-  
4           sumer Price Index Review Committee re-  
5           garding the implementation of the Con-  
6           sumer Price Index for the Elderly sub-  
7           mitted on \_\_\_\_\_.”, the blank space  
8           being filled in with the appropriate date;  
9           and

10          (iii) the title of which is as follows:  
11          “Joint resolution disapproving the report  
12          of the Consumer Price Index Review Com-  
13          mittee regarding the implementation of the  
14          Consumer Price Index for the Elderly.”.

15          (B) REFERRAL.—A resolution described in  
16          subparagraph (A) that is introduced—

17               (i) in the House of Representatives,  
18               shall be referred to the Committee on  
19               Ways and Means; and

20               (ii) in the Senate, shall be referred to  
21               the Committee on Finance.

22          (C) DISCHARGE.—If a committee to which  
23          a resolution described in subparagraph (A) is  
24          referred has not reported such resolution by the  
25          end of the 60-day period beginning on the date

1 on which the Consumer Price Index Review  
2 Committee submits the report required under  
3 section 2(b)(2), such committee shall be, at the  
4 end of such period, discharged from further  
5 consideration of such resolution, and such reso-  
6 lution shall be placed on the appropriate cal-  
7 endar of the House involved.

8 (D) CONSIDERATION.—On or after the  
9 third day after the date on which the committee  
10 to which a resolution described in subparagraph  
11 (A) has reported, or has been discharged from  
12 further consideration of such resolution, such  
13 resolution shall be considered in the same man-  
14 ner as a resolution is considered under sub-  
15 sections (d), (e), and (f) of section 2908 of the  
16 Defense Base Closure and Realignment Act of  
17 1990 (10 U.S.C. 2687 note).

18 (b) USE OF INDEX.—For cost-of-living computation  
19 quarters (as defined in section 215(i)(1)(B) of the Social  
20 Security Act (42 U.S.C. 415(i)(1)(B))) beginning on or  
21 after January 1 of the calendar year that begins after the  
22 Commissioner of the Bureau of Labor Statistics first pre-  
23 pares and publishes the Official Consumer Price Index for  
24 the Elderly in accordance with subsection (a)(1), the Com-  
25 missioner of Social Security shall—

1           (1) cease using the Consumer Price Index for  
2       All Urban Consumers to calculate cost-of-living ad-  
3       justments for old-age and survivors insurance bene-  
4       fits payable under title II of the Social Security Act  
5       (42 U.S.C. 401 et seq.) to any retiree or individual  
6       who has attained age 62; and

7           (2) notwithstanding section 215(i) of the Social  
8       Security Act (42 U.S.C. 415(i)) and any regulations  
9       promulgated thereunder, use the Official Consumer  
10      Price Index for the Elderly to calculate such adjust-  
11      ments.

12      (c) AUTHORIZATION OF APPROPRIATIONS.—There  
13      are authorized to be appropriated to the Bureau of Labor  
14      Statistics such sums as are necessary to carry out the pur-  
15      poses of this section.

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