

June 11, 2019

President Trump The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear President Trump:

We write to express our opposition to your administration's numerous and ongoing efforts to undermine the health, well-being and quality of life of low-income Americans. You and your administration have already attempted to take away health care coverage by sabotaging the Affordable Care Act (ACA), to decimate Medicaid, to impose additional work requirements for Supplemental Nutrition Assistance Program (SNAP) benefits and to make draconian cuts to federal housing programs. Now, it appears your Office of Management and Budget (OMB) is poised to take another damaging step to undermine the economic security of our country's most at-risk citizens by proposing a change to how poverty is measured. The change would result in decreases in eligibility for vital assistance, less support for those in need and, ultimately, greater poverty and hardship for millions of children and families.

On May 7, 2019, OMB issued a request for comment on a potential change to how the federal government measures poverty in the United States.¹ Under the Official Poverty Measure (OPM), the poverty thresholds are calculated by the U.S. Census Bureau and updated each year to account for inflation. While the OPM is primarily used for statistical purposes, the Department of Health and Human Services (HHS) bases its annually issued poverty guidelines on the OPM thresholds. The poverty guidelines are in turn used to determine eligibility for a number of government programs, including Medicaid, the Children's Health Insurance Program (CHIP), the Maternal and Child Health Block Grant, the Community Service Block Grant, Head Start, the School Breakfast Program, HOME Investment Partnership and Community Development Block Grants, among others.²

The HHS poverty guidelines for 2019 are \$25,750 for a family of four,³ and there is evidence to suggest that even these guidelines are far too low and that they do not capture the true financial struggles of millions of Americans. This includes the 12.8 million children, 4.7 million seniors and 3.8 million individuals ages 18 to 64 with a disability who live below the current poverty line, as well as the millions of people living just above it.⁴ These Americans and their families rely on the aforementioned

² Office of the Assistant Secretary for Planning and Evaluation, "Frequently Asked Questions Related to the Poverty Guidelines and Poverty." Online at: <u>https://aspe.hhs.gov/frequently-asked-questions-related-poverty-guidelines-and-poverty</u>; Karen Spar and Gene Falk, Congressional Research Service, "Federal Benefits and Services for People with Low Income: Overview of Spending Trends, FY2008-FY2015" (July 29, 2016). Online at: <u>https://www.crs.gov/reports/pdf/R44574</u>, Accessed May 8, 2019.
³ Federal Register 84 FR 1167, "Annual Update of the HHS Poverty Guidelines." Online at:

¹ Federal Register 84 FR 19961, "Request for Common on the Consumer Inflation Measures Produced by Federal Statistical Agencies" (May 7, 2019) Online at: <u>https://www.federalregister.gov/documents/2019/05/07/2019-09106/request-for-comment-on-the-consumer-inflation-measures-produced-by-federal-statistical-agencies</u>. Accessed May 8, 2019,

https://www.federalregister.gov/documents/2019/02/01/2019-00621/annual-update-of-the-hhs-poverty-guidelines. Accessed May 8, 2019. ⁴ Kayla Fontenot, Jessica Semega and Melissa Kollar, United States Census Bureau, "Income and Poverty in the United States: 2017" (September, 2018). Online at https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf.

programs, among many others, in order to survive. If any one congress and your administration should be doing more to lift them out of poverty. Every child should have the freedom to grow up in a safe, financially secure and healthy environment. Every senior should have the peace of mind that a secure retirement is achievable. Every person with a disability should be able to fully participate in all aspects of society.

However, instead of ensuring the OPM more fully captures the financial hardships of low-income Americans and helping programs better serve them. OMB is looking for ways to shrink the services these individuals can access. According to the May 7 Request for Comment, it appears that your administration would like to change the inflation measure currently used to set the OPM each year from the Consumer Price Index for All Urban Consumers (CPI-U) to the Chained Consumer Price Index for All Urban Consumers (C-CPI-U or 'chained CPI'). Making this change while failing to address the ways in which the current poverty line underestimates hardship could decrease the accuracy of the OPM. Further, because chained CPI shows slower inflation over time, fewer Americans would fall below the poverty line in the future, and programs that serve low- and moderate-income people would see major funding cuts.5

OMB itself acknowledges this when it says, "[C]hanges to the poverty thresholds, including how they are updated for inflation over time, may affect eligibility for programs that use the poverty guidelines." Meanwhile, your 2017 tax law included hundreds of billions of dollars in giveaways to the wealthiest Americans, while over 50 million households making under \$100,000 a year will see a tax increase or a tax cut of less than \$9 a month this year. This OPM action only doubles down on these inequitable tax policies. Instead of giving \$1.5 trillion in tax breaks to wealthy Americans and large, multi-national companies, you should be focusing on ensuring a safer, more equitable and more supportive foundation for low-income Americans, especially for our kids, seniors and people with disabilities.

While we would welcome a careful, well-researched and evidence-based discussion about how to measure poverty for statistical purposes, the OMB notice ignores many of the well-known limitations of the current measure; a 45-day comment period to consider these issues is woefully insufficient. Moreover. Congress has repeatedly enacted program eligibility standards based on the HHS guidelines. always assuming that these guidelines would continue to be updated using the current methodology. OMB should not unilaterally lower the guidelines and take health coverage and other basic assistance away from people Congress intended to have it, thereby increasing hardship for American children and families.

Sincerely.

Robert P. Casey, Jr.

Sherrod Brown

^{*} Sharon Pariott, Center on Budget and Policy Priorities, "Trump Administration Floating Changes to Poverty Measure That Would Reduce or Eliminate Assistance to Millions of Lower-Income Americans" (May 7: 2019) Online at: https://www.cbpp.org/press/statements/trumpadministration-floating-changes-to-poverty-measure-that-would-reduce-or. Accessed May 8, 2019. 6 Federal Register 84 FR 19961 supra.

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