Congress of the United States
Washington, DC 20515

June 18, 2019

Acting Director Russ Vought
The White House
Office of Management and Budget
Washington, DC

Dear Director Vought:

We write to express our strong opposition to the Administration's proposal to alter the methodology utilized by the federal government to calculate the Census poverty thresholds and how poverty is measured. If implemented, such a change would undermine the economic security and well-being of millions of Americans and would make the official poverty thresholds less accurate as a measure of the income families need to afford the basics.

The proposal, published in the Federal Register on May 7th, would direct the Census Bureau to use a lower, alternative measure, such as the "chained" Consumer Price Index or the Personal Consumption Expenditures Price Index, to update the annual poverty thresholds, rather than continuing to use the traditional Consumer Price Index, referred to as the CPI-U. The impact of such a change would initially be small but would grow substantially over time. As you know, the poverty thresholds are utilized by the US Department of Health and Human Services (HHS) to set the "poverty guidelines" that are used to determine eligibility and benefit levels for many key health care, nutrition and other basic assistance programs. If the Administration lowers the Census thresholds by using a lower measure of inflation, the income-eligibility thresholds for important programs will also be lowered, causing millions of Americans to lose eligibility for, or receive smaller benefits from, programs that help put food on the table and provide access to critical health care.

As the Administration's proposal notes "Congress sometimes requires agencies to use a specific inflation measure for specific programs." In fact, over the last several decades, Congress has passed multiple pieces of legislation related to programs such as Medicaid, the Affordable Care Act's premium tax credits, the Children's Health Insurance Program (CHIP), the Maternal and Child Health Block Grant, the Community Service Block Grant, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); the Supplemental Nutrition Assistance Program (SNAP), National School Lunch Program, Head Start and others that either specifically direct the Administration to calculate eligibility or benefits using the federal poverty line (or a multiple of the poverty line). These and other pieces of legislation were enacted based on the assumption that the current poverty line methodology would remain in place. In each of

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these instances, consequential Congressional decisions have been based upon Congressional Budget Office (CBO) analyses of how legislative proposals would affect costs, eligibility and other outcomes – analyses that assumed the continuation of the current federal poverty line methodology. Unilaterally changing this methodology would reduce or take away health coverage, nutrition benefits and other essential assistance from low-income people that Congress intended to assist when it enacted the rules for the programs.

Moreover, the proposed change would not increase the accuracy of the poverty thresholds. First, such a move ignores significant evidence that low-income households may experience *higher* rates of inflation than average or high-income households. As such, indexing the poverty threshold to an inflation measure, such as chained CPI or the Personal Consumption Expenditures Price Index, that grows less rapidly, could make the poverty measure less accurate. More broadly, the poverty thresholds are well below the level of income that families need to afford the basics. The poverty thresholds were set some 50 years ago based on consumption patterns and basic needs in that era but are out of touch with the reality of millions of families struggling to make ends meet. For example, millions of Americans with incomes just above the poverty threshold struggle to put food on the table, pay the rent or utilities, and have trouble paying medical bills.

The ramifications of the proposal to lower the poverty threshold are widespread, but the process laid out by this Administration to consider such a monumental change is deeply flawed and inadequate. If there were to be changes to the Census poverty thresholds, the administration should consider more robust research that would explore all of the issues – including all of the ways that the current poverty thresholds understate the income needed for families to afford the basics, and the evidence that low-income households can face higher rates of inflation than the economy overall– and far more input from experts, policymakers, and the public than allowed for by a paltry 45-day comment window provided in the May 7th notice.

Moreover, despite the link between the HHS poverty guidelines used to determine program eligibility and the Census poverty thresholds, the Request for Comment states explicitly that the Administration is not seeking comment on the impact of changing the way the Census poverty thresholds are updated each year on families' access to needed assistance, which negates the impact the changes would have on millions of families across the nation. Furthermore, the Request for Comment lacks any analysis of what the proposed changes would mean for families' access to assistance to help commenters understand the implications of these potential policy changes.

In 2017, the official poverty rate was 12.3 percent, with 39.7 million Americans living below the poverty line. Another 56.0 million Americans had incomes between the poverty line and twice the poverty line, with many in this income range facing real difficulties making ends meet. The Administration, working in tandem with Congress, should be doing more to improve the lives of the lowest income Americans, rather than making unilateral changes that would merely define poverty away and take help away from struggling families.

That is why we are deeply opposed to this unilateral change and request that the Office of Management and Budget immediately suspend any plans to move forward with this, or any other similar proposal, which would eliminate critical, basic assistance for millions of individuals and families.

Sincerely,

Barbara Lee
Chair, Majority Leader Task Force
on Poverty and Opportunity

Steny H. Hoyer
Majority Leader

TJ Cox
Vice Chair on Rural Poverty

Sylvia Garcia
Vice Chair on Urban Poverty

Deb Haaland
Vice Chair on Families and
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Ben McAdams
Vice Chair on Economic Opportunity,
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Joe Neguse
Vice Chair on Housing and Transportation