

Shrinking the Poverty Line: The Latest Plan to Deny Assistance

National Community Action Foundation

Wednesday, May 29, 2019

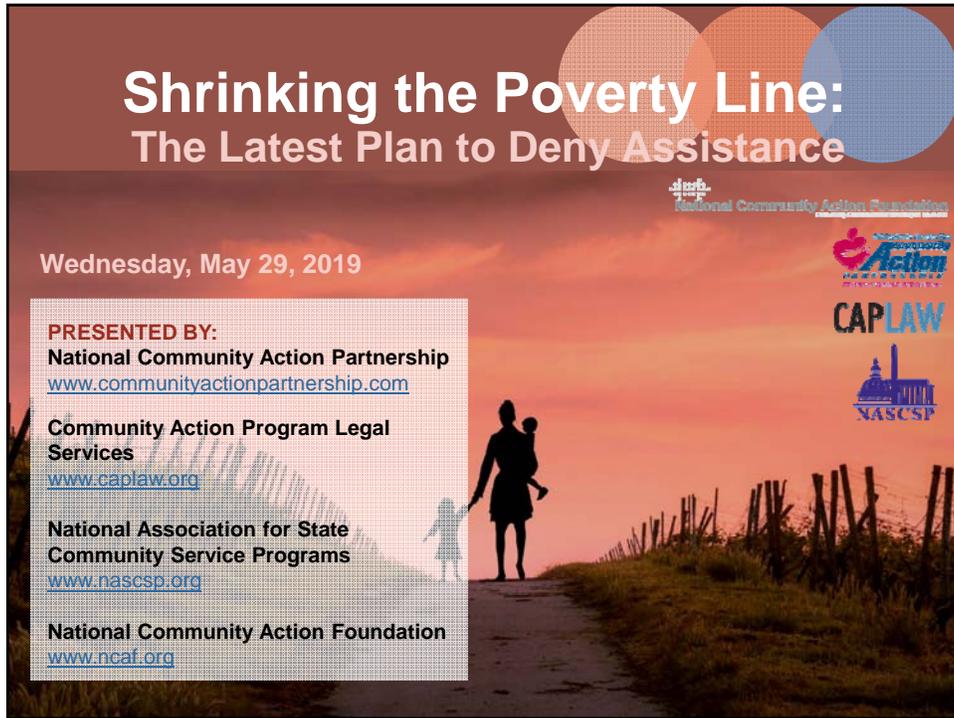
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Thank You

to the **Center on Budget and Policy Priorities** and the **Coalition on Human Needs** for developing and sharing the resources related to this Notice, including this presentation.











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Administration's Proposal to Redefine Poverty Thresholds

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Notice

Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies

A Notice by the **Management and Budget Office** on 05/07/2019

Comments on this document are being accepted at Regulations.gov. [SUBMIT A FORMAL COMMENT](#)

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The Proposal the Administration Is Considering

- OMB's notice seeks comment on **changing how the Census poverty thresholds are updated each year for inflation**
- Instead of the "standard" CPI-U, the poverty thresholds would be updated using the **chained CPI** (or another, even slower-growing measure)
- The **end result would be lower poverty thresholds**; the gap between the proposal and the current method would start small, but get bigger each year
- Because the poverty thresholds are the basis for the HHS poverty guidelines, **the change would affect eligibility and benefits** across a broad range of programs (e.g. 100%, 125%, 133%, 175%)

Proposal Would Have Broad Impacts Across Health and Other Basic Assistance Programs

Administration's Proposal to Lower Federal Poverty Line Would Lower Eligibility Cut-Offs or Cut Benefits for Many Health, Nutrition, and Other Basic Assistance Programs



The Medicare Low-Income Subsidy Program, which helps low-income seniors and people with disabilities afford prescription drugs



Premium tax credits for ACA marketplace coverage



Medicaid programs that help low-income seniors and people with disabilities afford Medicare premiums and cost sharing



Cost-sharing assistance that lowers deductibles and other out-of-pocket costs for ACA marketplace coverage



Medicaid and CHIP coverage for children and pregnant women



The Supplemental Nutrition Assistance Program (SNAP)



Medicaid coverage for adults, including eligibility for ACA Medicaid expansion



The school breakfast and school lunch programs



Medicaid family planning coverage



Head Start

ACA = Affordable Care Act, CHIP = Children's Health Insurance Program

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Cuts Under the Proposal Would Increase Each Year

- For example, by the 10th year, updating the poverty line using the chained CPI would mean:
 - More than 250,000 seniors and people with disabilities would lose or get less help paying prescription drug costs
 - More than 300,000 children would lose Medicaid/CHIP coverage
 - More than 250,000 adults would lose coverage through Medicaid expansion
 - More than 150,000 marketplace consumers would lose cost-sharing assistance and see higher deductibles; tens of thousands would lose premium tax credits



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Answering the Administration's Claim That the Change Would Improve Accuracy

The poverty line is already less than what families need to make ends meet, so lowering it won't make it more accurate

- Researchers have identified a range of problems that make the poverty line too low
- People just above the poverty line have high rates of hardship

The chained CPI may not be a more accurate measure of inflation for *low-income* households

- Low-income households spend more of their budgets on housing, for which costs have grown rapidly
- Several studies find low-income households have experienced higher inflation than others in recent years

What Can We Do

- Get engaged and submit a comment!
- NCAF has submitted comments that you can review and use
 - <http://bit.ly/NCAFpovertythresholdcomments>
- National Partners are working to develop a set of comments that CAAs and State Associations can use to submit comment by the due date, Friday, June 21, 2019

Process and Next Steps

- Comments are due **Friday, June 21st**
- Unclear whether OMB would undertake any additional process (e.g. rulemaking) or just issue guidance making the change
- Things to think about when commenting:
 - **Give OMB reasons** not to change how we measure poverty – for example, explain why the poverty line is already too low
 - Tell OMB about all the **additional analysis and issues it would need to consider** before making any change that impacts program eligibility

Three-Pronged Strategy

1. Comments from a diverse set of stakeholders
2. Press/communications strategy
3. Educating/engaging key policymakers on both sides of the aisle

Commenting to Oppose a Shrinking Poverty Measure

- Submit a comment by **Friday, June 21st** at Regulations.gov
- **Stay tuned for template comment letter** from the National Partners
- Use the **Coalition on Human Needs' guide** for crafting detailed, high-quality comments
 - <https://www.chn.org/wp-content/uploads/2019/05/Poverty-Measure-Points-for-Comments.pdf>
- **Send NCAF a copy** of submitted comments (info@ncaf.org)



Nancy Potok
Chief Statistician
Office of Management and Budget

May 13, 2019

Dear Ms. Potok, Chief Statistician of the United States,

Thank you for considering this response on behalf of the National Community Action Foundation (NCAF) to the solicitation published in the May 7 Federal Register seeking comments on "Consumer Inflation Measures Produced by Federal Statistical Agencies."

NCAF represents the nationwide network of more than 1,000 Community Action Agencies. These local agencies exist in virtually every county in the U.S. and address the varied needs of low-income people and communities, helping individuals and families achieve independence and self-sufficiency and revitalizing low-income communities. Our agencies are authorized by and receive core funding from the federal Community Services Block Grant (CSBG) and administer and coordinate numerous federal, state, local and private resources on behalf of low-income people.

Anchoring the Community Action approach to a comprehensive assessment of local community needs. As part of this assessment, each Community Action Agency uses data based on official poverty thresholds to develop a profile of the community's low-income population and track changes in this population from year to year. Moreover, many of the programs administered by Community Action Agencies (such as CSBG, Head Start, LIHEAP, home weatherization, job training, food assistance, legal services and more), rely on the federal poverty guidelines (based on the poverty thresholds) to determine eligibility. The guidelines also are used to produce annual data on participating households in agency, state, and national reports.

We are greatly alarmed by the implications of the Administration's May 7 solicitation. Our concerns are threefold:

- **Changing the index to a measure that would yield a lower estimate of inflation would reduce the number of people otherwise counted as poor and suggest a reduction in poverty that did not actually occur.** An artificial and misleading reduction in the size of the poverty population, and by extension the poverty rate, could be used to justify harmful policies.

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Coalition on Human Needs Guide to Submitting Comments



- **Program-specific arguments relevant to CAAs**
 - Head Start
 - LIHEAP
 - Weatherization
 - WIOA Youth Training
 - SNAP
- **Arguments about different inflation measures**
- **Arguments about needing better measures of poverty**

Points and facts for commenting on OMB Directive No. 14: "Consumer Inflation Measures Produced by Federal Statistical Agencies"

The following guide consists of a list of programs that use poverty guidelines for determining eligibility, and by extension programs that would be affected by any change in how inflation is calculated for the poverty measure. Next, you will find program-by-program descriptions of how this change would affect coverage and eligibility. At the end of the document, you will find points about inflation measures as well as points about better measures of poverty that can be used to determine eligibility.

We recommend you structure your comment this way:

1. Begin with information about who you are and why you are commenting; for example, if you're an expert in the field, or someone who would be affected by a change in how poverty is measured.
2. Copy and paste the sample text we have provided for the program or programs we have cited that are of greatest concern for you or your community. Feel free to elaborate based on your own experience or provide your own evidence. If not a list of these programs in the table of contents below.
3. Copy and paste sample text about the inflation measures as well as points about better measures of poverty.

If you use the Coalition on Human Needs comment portal, drop this text into the box used for writing your letter. Your comment will be submitted to the email address provided by OMB. It is critical you do not change the subject of the email we have provided. Important note: By using the portal, your name and email address will become part of the public record. If you would like to comment anonymously, use this link [here](#).

Regardless of how you submit your comment, the text of all comments, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Proprietary information or sensitive personal information, such as account numbers, Social Security numbers, or names of other individuals, should not be included. Comments will not be edited to remove any identifying or contact information by the government.

If you have difficulty with submitting a comment, contact Nicole Haidar: ghaidar@chn.org or by calling 202-232-2332 x115.

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<https://www.chn.org/wp-content/uploads/2019/05/Poverty-Measure-Points-for-Comments.pdf>



Who should comment:

- Community Action Agencies
- State Associations of Community Action Agencies
- State CSBG Offices
- Researchers
- Business leaders
- Faith leaders
- Labor
- Civil rights leaders/organizations
- Anti-poverty advocates
- You!

The screenshot shows the 'regulations.gov' website interface. At the top, there is a navigation bar with 'Home', 'Help', 'Resources', and 'Contact Us'. Below this is a search bar. The main content area displays 'You are commenting on:' followed by the regulation title: 'The Office of Management and Budget (OMB) Notice: Consumer Inflation Measures Produced by Federal Statistical Agencies'. Below the title is a 'Your Information' section with a 'Comment' text box and an 'Upload files' button. A large blue URL is overlaid on the page: <https://www.regulations.gov/comment?D=OMB-2019-0002-0001>. The Windows taskbar at the bottom shows the time as 3:44 PM on 5/28/2019.

Questions?



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