



June 19, 2019

The Honorable Mick Mulvaney  
Director  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Director Mulvaney:

On behalf of the State of Washington, we write to express our serious concerns with the Office of Management and Budget's (OMB) request for comment on possible changes to the measurement of poverty ("*Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies*"). This notice makes clear the Trump Administration is considering changes that would leave tens of thousands of Washingtonians and millions of Americans without assistance for their health care, food, housing and child care needs. OMB must reject these changes.

The Census Bureau calculates the federal poverty threshold and makes critical annual cost-of-living updates using the Consumer Price Index (CPI). That's why we are deeply concerned by OMB's notice from May 7, 2019, which indicates the Trump Administration is considering shifting from CPI to the Chained Consumer Price Index ('chained CPI'), which would lower the poverty threshold and make it less reflective of actual economic insecurity over time. We are also troubled by OMB's attempt to limit public engagement on how this change would impact eligibility for a broad swath of federal, state and local programs. As your notice states, "[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."<sup>1</sup> We agree. The data below demonstrates the extensive harm this proposal would cause in our state. If OMB chooses to proceed, we expect this and other data to be considered as part of a comprehensive analysis before moving forward.

There is ample evidence that the federal poverty level is already too low. More than 60 percent of adults living between 100 and 200 percent of the poverty level have reported at least one material hardship — from food insecurity to missed mortgage, medical and home energy bills.

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<sup>1</sup> "Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies," OMB, May 7, 2019.



This level of hardship is not substantially different from those living in poverty.<sup>2</sup> In a separate study from the U.S. Department of Agriculture, nearly 30 percent of households with children living between 100 and 130 percent of poverty could not consistently afford basic food — compared to 40 percent of households living in poverty.<sup>3</sup> This data suggests that the current federal poverty level is failing millions of Americans and that the government should consider changes that would *raise* the threshold over time.

To the contrary, the adoption of chained CPI would lower the poverty level and exclude more low-income families, eroding its credibility and concealing the number of Americans who are struggling. It would also increase hardship across the country. Among the lost benefits under this proposal include: health coverage through Medicaid, the Children’s Health Insurance Program (CHIP) and the Affordable Care Act (ACA); basic food through the Supplemental Nutrition Assistance Program (SNAP) and the National School Breakfast and Lunch Programs; assistance with housing and home energy costs; and child care through programs such as Head Start and the Child Care and Development Block Grant (CCDBG).

Assuming the change would impact benefit eligibility starting in 2020, we project the following reductions in Washingtonians’ access to federal, state and local assistance over ten years:<sup>4</sup>

- More than 60,000 individuals would lose eligibility for health coverage through **Medicaid** and **CHIP**, which means fewer children, adults and seniors would be receiving medically necessary services — including but not limited to: primary care, hospital services, medications, vaccinations, long-term services and supports, treatment for mental illness and substance use disorder, vision and dental services, assistance with Medicare premiums, as well as copays and deductibles for low-income seniors;
- Nearly 5,000 seniors and more than 3,600 people with disabilities would face higher out-of-pocket costs for healthcare in the **Medicaid Medically Needy** program;
- More than 100,000 individuals with health coverage under the **Affordable Care Act** would face higher health insurance premiums on the Washington Health Benefit Exchange due to lost or reduced ACA premium tax credits;
- Nearly 3,500 people would lose eligibility for basic food through **SNAP**;

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<sup>2</sup> “Material Hardship among Nonelderly Adults and Their Families in 2017,” Urban Institute, 2018.

<sup>3</sup> “Household Food Security in the United States in 2017,” Department of Agriculture, 2018; “Reducing Cost-of-Living Adjustment Would Make Poverty Line a Less Accurate Measure of Basic Needs,” Center for Budget and Policy Priorities (CBPP), 2019.

<sup>4</sup> Estimates developed by the Washington State Department of Social and Health Services (DSHS), Research and Data Analysis (RDA), using caseload and eligibility data from multiple state agencies and reflecting anticipated reductions in program eligibility in year 2030, comparing eligibility between the current caseload outlook (using regular CPI-U) and a caseload outlook assuming chained CPI is effective beginning in 2020.

- More than 4,200 parents would lose child care assistance through our state's **Working Connections Child Care** program aimed at helping families achieve self-sufficiency;
- Over 530 children would lose education, health and family support services through our state's preschool program, the **Early Childhood Education and Assistance Program (ECEAP)**;
- More than 5,200 pregnant women, new moms and children under age 5 would lose eligibility for breastfeeding support, nutrition education and monthly checks for nutrition and health screenings and referrals through the **Women, Infants and Children (WIC) Special Supplemental Nutrition Program**;
- Nearly 3,700 women would lose healthcare access through the **Title X Family Planning Program**, including breast and pelvic exams, cancer screenings, HIV testing, pregnancy testing and counseling, and affordable birth control;
- Over 470 individuals would lose preventative healthcare for breast, cervical and colon cancer screenings through the **Breast, Cervical and Colon Health Program**;
- Almost 3,700 households would lose assistance with heating costs, heating system repair and replacement, energy conservation education, temporary shelter assistance, energy crisis intervention, and other emergency services (such as blankets, space heaters and repairs) through the **Low Income Home Energy Assistance Program (LIHEAP)**;
- Over 20,300 residents would lose services through the **Community Services Block Grant (CSBG) Program**, such as housing, energy assistance, nutrition, employment, training, and emergency food and shelter;
- On a daily basis nearly 10,000 students would lose reduced price lunches, while nearly 20,000 students would lose free lunches and be forced to pay more or go hungry, through the **National School Lunch Program**;
- On a daily basis nearly 4,000 students would lose reduced price breakfasts, while nearly 8,000 students would lose free breakfasts and be forced to pay more or go hungry, through the **National School Breakfast Program**; and
- More than 600 students would lose eligibility for college financial aid through our state's **College Bound Scholarship Program**.

As our analysis makes clear, the adoption of chained CPI would do more than further reduce the accuracy of the federal poverty threshold. It would also cause extensive injury to tens of thousands of Washingtonians, while doing nothing to lift low-income people out of poverty. We urge you not to move forward.

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If you have any questions, please contact the Director of Governor Inslee's Washington, D.C. office, Casey Katims, at [Casey.Katims@gov.wa.gov](mailto:Casey.Katims@gov.wa.gov). Thank you for your consideration.

Very truly yours,



Jay Inslee  
Governor



Bob Ferguson  
Attorney General



Mike Kreidler  
Insurance Commissioner



Chris Reykdal  
Superintendent of Public Instruction

CC: Nancy Potok, Chief of Statistical and Science Policy, OIRA  
Members of the Washington Congressional Delegation