



NASCSP

NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

Nancy Potok
Chief Statistician of the United States
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: OMB-2019-0002, “Consumer Inflation Measures Produced by Federal Statistical Agencies”

Dear Ms. Potok:

I am writing on behalf of the National Association for State Community Services Programs (NASCSP) in response to the Office of Management and Budget’s (OMB) May 7th, 2019 Federal Register notice seeking comments on “Consumer Inflation Measures Produced by Federal Statistical Agencies.”

NASCSP is the member association for the State Directors of the Community Services Block Grant (CSBG) and Weatherization Assistance Program (WAP). CSBG and WAP are model examples of successful Federal-State-Local partnerships which empower states and local communities to take the lead on tackling poverty. These programs help individuals, families, and communities move out of poverty and achieve economic security.

As administrators of CSBG and WAP, our State Directors depend on accurate poverty data to ensure that programs are tailored to meet the unique needs of states and local communities. Furthermore, poverty data is key to measuring and demonstrating the impact of our programs. CSBG, WAP, and a host of other critical programs rely on the federal government’s Official Poverty Measure (OPM) to determine eligibility for services.

We are deeply concerned about the changes proposed in the May 7th Federal Register notice, as we view these changes to be far reaching and harmful to the 39.7 million Americans currently living in poverty. We believe that the Administration’s proposal would result in:

- An inaccurate and incomplete measure of Americans living in poverty.
- Unnecessary and harmful decreases in enrollment due to restricted eligibility.
- Chronic underfunding of programs that State governments rely on to fight poverty.

Misrepresenting Poverty by Changing the Consumer Price Index

The Administration is seeking to substitute a different measure of inflation when calculating the OPM, substituting the “Chained Consumer Price Index” (Chained CPI) for the “Consumer Price Index for Urban Consumers” (CPI-U) that is currently being used. The Chained CPI shows a slower rate of inflation and would push poverty thresholds further and further down over time in comparison to the CPI-U. Because low-income households experience more inflation in the goods they purchase than households with higher incomes, the Chained CPI is not an appropriate means of calculating poverty thresholds.

As a result, this change would reduce the total number of people counted as poor and falsely imply that there has been a decrease in poverty. It would inaccurately define many low-income, working

LEADERSHIP

Jenae Bjelland, Executive Director
Willie Fobbs, President, VA
Beverly Buchanan, Vice President, AR
Bill Brand, Past President, IA

LEADERSHIP

Melanie Sanford, Secretary, MI
Matt Fitzgerald, Treasurer, VA
Ditzah Wooden-Wade, CSBG Program Chair, MA
Bruce Hagen, WAP Program Chair, ND

ADDRESS AND PHONE

111 K ST NE, Suite 300
Washington, D.C. 20002
(202) 370-3657
www.nascsp.org



households as “not poor”, when in reality they do not earn enough money to pay for necessities. Furthermore, State governments rely on accurate poverty data to effectively and efficiently distribute federal funding and resources. The Administration’s proposed changes would prevent analysis of long-term trends and distort critical data, undermining the work of State governments.

Slowing Enrollment and Pushing People Off the Eligibility Cliff

Researchers have long pointed to the limitations of the OPM. This poverty measure is a financial calculation – it does not directly capture the physical, mental, or social effects of being poor. Each year, the Department of Health and Human Services (HHS) publishes its poverty guidelines, based on the thresholds determined by the Official Poverty Measure. The 2019 HHS poverty guideline of just \$25,750 for a family of four does not reflect the resources that a family needs to be economically secure. Implementing the Administration’s proposed changes would greatly exacerbate the existing inadequacy of the Official Poverty Measure. With no actual change in their financial circumstances or well-being, people would become ineligible for needed programs because of a change in statistical calculation. Furthermore, due to the use of the Chained CPI, the enrollment reductions in critical programs would compound over time.

Although the current solicitation only requests comments on adjustments to the poverty thresholds, it acknowledges that a change in the thresholds could affect eligibility for programs that use the poverty guidelines. Millions of low-income individuals and families would become automatically ineligible for critical programs overnight. Not only would CSBG and WAP be impacted, but also Medicaid, LIHEAP, SNAP, Head Start, and more. Denying vulnerable Americans eligibility for benefits such as health coverage, heating or cooling assistance, or nutrition assistance will increase hardship and threaten family stability, contrary to the intent of Congress in establishing these programs. Because the proposed changes would likely affect the poverty guidelines, it is imperative that OMB conduct in-depth research and solicit additional public comments regarding impacts such as the number of individuals losing assistance and a demographic profile of those individuals and families, how service providers would be affected, potential effects on the workforce, and how the impacts would change over time.

Depleting States of Critical Resources

As discussed above, the Administration’s proposed changes would result in an artificially low count of the total number of people living in poverty and arbitrarily reduce eligibility and enrollment for established human services programs. We fear that this will be used as justification for funding cuts and other harmful policies aimed at vulnerable Americans living in poverty. State and local governments simply do not have the resources to make up for a lapse in federal support that would be a direct result of changes to the poverty measure.

State CSBG and WAP offices work in partnership with the federal government and local providers to serve low-income Americans efficiently and effectively. Both programs successfully leverage millions of dollars from private entities to supplement federal funding. Without federal leadership, States would have difficulty bringing private partners to the table and low-income individuals and families will suffer the consequences. In-depth research must also be conducted by OMB to determine how the

LEADERSHIP

Jenae Bjelland, Executive Director
Willie Fobbs, President, VA
Beverly Buchanan, Vice President, AR
Bill Brand, Past President, IA

LEADERSHIP

Melanie Sanford, Secretary, MI
Matt Fitzgerald, Treasurer, VA
Ditzah Wooden-Wade, CSBG Program Chair, MA
Bruce Hagen, WAP Program Chair, ND

ADDRESS AND PHONE

111 K ST NE, Suite 300
Washington, D.C. 20002
(202) 370-3657
www.nascsp.org



N A S C S P

NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

proposed changes would impact State governments and their private partners.

Based on the concerns that we have presented, the State CSBG and WAP Directors represented by NASCS strongly oppose the statistical changes as presented in the May 7th Federal Register notice and feel that further analysis is needed. The solicitation by OMB discusses consumer inflation measures in great detail but ignores the larger problems with the Official Poverty Measure that are well documented in research. Furthermore, there is no acknowledgement of the potential impact that these changes would have on individuals and families who are currently poor or may become poor in the future.

We urge the Administration to abandon the proposed changes and to conduct further research on the matter. We believe that at this time the public does not have enough information to adequately assess the impacts of the OMB proposal. It is critical that the Administration solicit further comments and sufficiently address these comments before implementing such a significant change.

As State leaders, we are eager to work with you to build policies that support low-income individuals as healthy, productive, and successful members of America's communities. Please do not hesitate to contact NASCS to provide further information.

Sincerely,

Jenae Bjelland, Executive Director
National Association for State Community Services Programs (NASCS)

LEADERSHIP

Jenae Bjelland, Executive Director
Willie Fobbs, President, VA
Beverly Buchanan, Vice President, AR
Bill Brand, Past President, IA

LEADERSHIP

Melanie Sanford, Secretary, MI
Matt Fitzgerald, Treasurer, VA
Ditzah Wooden-Wade, CSBG Program Chair, MA
Bruce Hagen, WAP Program Chair, ND

ADDRESS AND PHONE

111 K ST NE, Suite 300
Washington, D.C. 20002
(202) 370-3657
www.nascsp.org