

June 21, 2019

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

RE: Directive No. 14: Consumer Inflation Measures Produced by Federal Statistical Agencies

Dear Dr. Potok:

On behalf of The Jewish Federations of North America, the Network of Jewish Human Service Agencies, and the Jewish Council for Public Affairs, thank you for the opportunity to comment in response to the Office of Management and Budget's (OMB) Request for Comment on the Consumer Inflation Measures Produced by Federal Statistical Agencies. We are concerned that the proposal to move away from the current consumer price index used to determine the Official Poverty Measure (OPM) could have a significantly negative affect on the assessment of eligibility for many basic federal safety net programs including health coverage and nutrition assistance. This would cause serious harm to millions of Americans reliant on these benefits, as well to the financial stability of non-profit, communal health and social services safety net providers and overall public health. We urge you to perform extensive analysis prior to making any methodological change to the inflation measure, as such a change could have a profound impact on the community and service providers.

The Jewish Federations of North America (JFNA) is the umbrella organization for 147 Jewish Federations and 300 independent communities across North America. Our network of thousands of hospitals, aging and assisted living facilities, group homes, family service and vocational training agencies, kosher food banks and supplemental meal programs, and community centers and camps provide a full continuum of care for our nation's most vulnerable citizens – older adults, persons with disabilities, children and at-risk youth, and immigrants and refugees. Through our philanthropic prowess and with the assistance of government support in a true public-private partnership, we serve more than one million clients in every state of the country, in Israel and more than 60 countries around the world.

The Network of Jewish Human Service Agencies (NJHSA) represents 140 non-profit organizations in the United States, Canada and Israel. NJHSA's members provide a full range of human services for the Jewish community and beyond, including supplemental food assistance, healthcare, career, and employment and mental health services, as well as programs for youth, family and seniors, Holocaust survivors, immigrants and refugees, people with disabilities and caregivers.

The Jewish Council for Public Affairs (JCPA) is the national hub of the Jewish community relations network. Made up of 125 local community relations councils and 17 national Jewish agencies, JCPA serves as the national representative of the network's public policy platform. JCPA's mandate is to advance the interests of the Jewish people; to promote a just and pluralistic America; support Israel's quest for peace and security; and advocate for human rights around the world in common cause with civic, racial, ethnic, and faith-based leaders. Key among JCPA's policy priorities are combating poverty, expanding access to health care, fighting hunger. JCPA is committed to supporting social safety net programs and has fought for these priorities on the state and federal levels, partnering with other faith communities in this critical work.

The Jewish community is particularly invested in the poverty guidelines because the federal safety net programs for which they determine eligibility play a critical role in addressing the needs of the most vulnerable in our communities and among those we serve. Approximately 25% of the Jewish community lives in at or near poverty, with a high proportion of those households including older adults, individuals with disabilities, and citizen and non-citizen immigrants. Further, Jewish text and tradition compel us to honor the humanity of every person, especially those who are struggling. Deuteronomy states that "there shall be no needy among you;" a clear expression of our collective responsibility for each other. As Jewish organizations, we believe that no matter a person's circumstance, every individual is entitled to live in dignity.

The Chained CPI or Similar Measure will not Accurately Measure Inflation as Applied to Low- and Moderate-Income Americans

We are concerned that a methodological shift away from the current index, the Consumer Price Index for All Urban Consumers (CPI-U), to the Chained CPI for all Urban Consumers (C-CPI-U) or similar index will over time lead to an increasingly inaccurate measure of the OPM. Since the poverty threshold is used by the Department of Health and Human Services (HHS) to assess eligibility for a significant number of federal safety net programs, any inaccuracy could result in far-reaching effects on low- and moderate-income individuals' access to critical benefits, including Medicaid, the Children's Health Insurance Program (CHIP), the Medicare Part D Low Income Subsidy (LIS), and the Supplemental Nutrition Assistance Program (SNAP).

The C-CPI-U is not an appropriate measure of inflation for low- and moderate-income individuals. This index assumes that as prices of goods rise, individuals substitute less expensive items and are therefore able to reduce their overall expenses. However, there is evidence that these populations cannot as readily take advantage of such substitutions since they are already purchasing the lowest-priced item in any given category. Additionally, these communities may also be limited by geography or narrow grocery options, and are therefore unable to make substitutions.

Use of the C-CPI-U would slow the rate of inflation over time and result in a poverty threshold that is too low to accurately measure true societal need. The Congressional Budget Office (CBO) estimates that the C-CPI-U rises 0.25 percent more slowly than the CPI-U.¹ According to the Bureau of Labor Statistics, between 2000 and 2017, the average C-CPI-U was 1.89 percent, whereas the CPI-U was 2.16 percent.² The difference between the two rates might seem relatively small, but over time the difference grows substantially. By slowing the rate of inflation, use of this or a similar index would inaccurately define low-income working or retiree individuals or households as out of poverty when they are in fact, struggling to pay for necessities. Denying them eligibility for benefits such as health coverage, prescription drugs, heating or cooling assistance, or nutrition assistance will increase hardship and threaten health, child development, and family stability, contrary to the intent of Congress in establishing these programs.

Use of the Chained CPI or Similar Measure would Drastically Affect Medicaid & Children's Health Insurance Program Enrollment

Programs like Medicaid and the Children's Health Insurance Program (CHIP) significantly support the Jewish community's non-profit network's efforts to serve Jewish and non-Jewish clients who come to our doors seeking help. Our network of thousands of non-profit hospitals, aging and assisted living facilities, group homes, and family service and vocational training agencies, serve hundreds of thousands of clients who rely on these insurance programs to maintain healthy lives.

With smaller annual adjustments to the federal poverty line as a result of moving away from the traditional Consumer Price Index, OMB is effectively proposing to impose an automatic cut to eligibility, adversely affecting our network's clients, including low-income children as well as parents, pregnant women, seniors, and people with disabilities, with the size of the cut becoming greater each year. It is estimated that after 10 years, more than 300,000 children would lose Medicaid or CHIP coverage if the poverty measure's inflation adjustment shrinks. More than 250,000 adults would lose coverage in the states that have implemented Medicaid expansion.

Use of the C-CPI-U or similar index would reduce the number of eligible federal health insurance program enrollees, and therefore drastically reduce the number of Americans who are uninsured. This would not only have a significant impact on public health, but also affect the financial stability of our non-profit network, as agencies will be forced to stretch to continue to provide services with decreased support from the federal government.

¹ <https://www.cbo.gov/publication/44088>

² <https://www.bls.gov/cpi/additional-resources/chained-cpi.htm>

Use of the Chained CPI or Similar Measure would Leave Significant Numbers of Americans without a Defense against Hunger

The Supplemental Nutrition Assistance Program (SNAP) plays a critical role in addressing hunger and food insecurity in our community. It is the first line of defense against hunger for hundreds of thousands of our Jewish agencies' lowest income clients, and our kosher food banks and supplemental meal programs work hard to fill in the gaps. *Leviticus* commands us to leave the corners of our fields and the gleanings of our harvest and vineyards for the poor and the stranger. This commandment is a clear expression of our collective responsibility for each other. As Jewish organizations, we believe that no matter a person's circumstance, no one deserves to be hungry.

Households are ineligible for SNAP if their gross income exceeds 130 percent of the federal poverty guidelines. For example, for a household of four people, the current gross monthly income cannot exceed \$2,720. Each year, that figure is adjusted for inflation. If the adjustment shrinks, over time fewer households will qualify for assistance. The U.S. Department of Agriculture found that 15 million households with 40 million people faced food insecurity in 2017. For people below 185 percent of the poverty line, more than 30 percent were food insecure. We should not be increasing the number of households that do not qualify for SNAP assistance when so many beyond even the current guidelines find it difficult to afford an adequate diet.

Seventy-eight percent of SNAP households include a child, an elderly person, or a person with disabilities, significant subpopulations within the Jewish community and groups receiving a high level of services from our agencies. SNAP relieves pressure on already-overwhelmed food banks, pantries, religious congregations, and other emergency food providers across the country. A reduction in SNAP enrolment due to use of the C-CPI-U or similar measure would put additional strain on this system and leave more vulnerable Americans hungry.

OMB Should Conduct Extensive Analysis before Making Policy Changes

We strongly oppose the use of the C-CPI-U or similar index to assess the poverty threshold and are extremely concerned about OMB undertaking a significant policy change that could harm large numbers of people without extensive research and analysis. Before pursuing any change to the inflation measure, OMB should solicit public comments regarding specific impacts such as the number of individuals losing assistance and a demographic profile of those individuals and families, how service providers would be affected, and how the impacts would change over time.

An update to the OPM would be welcome, although any adjustments should seek to correct the existing formula's deficiencies. The current OPM is incomplete and outdated, with households just above the official poverty line reporting higher

than average rates of food insecurity and difficulty paying rent and utilities, and more likely to be uninsured. These facts suggest that shrinking the annual rate of increase in the OPM will artificially push people over the poverty line even though they struggle to make ends meet. Such a change would be unsupported by the evidence, and would have unfortunate impact of increasing hardships for those with low- and moderate-income. An accurate measure of poverty cannot narrowly focus on inflation and requires a thorough analysis to assess the true level of the community's needs.

The proposed change would result in harmful effects to vulnerable populations including children, single mothers, people of color, people with disabilities, and low-income retirees who need programs such as Medicaid, CHIP, and SNAP. These are members of the Jewish community, and non-Jewish clients and staff of our non-profit agencies. This change would cause serious harm to them and all Americans reliant on these benefits, as well as the non-profit, communal health and social services safety net providers we represent. It is critical that the poverty measure be accurate as possible.

We strongly oppose the proposed methodology that would harm the community by artificially disqualifying people from public programs and urge OMB to conduct extensive analysis before making any policy change.

Sincerely,

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Senior Vice President for Public Policy &
Director, Washington Office
Jewish Federations of North America

Reuben D. Rotman
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