

DEPARTMENT OF THE ATTORNEY GENERAL

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For Immediate Release June 25, 2019

News Release 2019-34

Hawaii Attorney General Opposes Changes to Calculation of Federal Poverty Threshold

HONOLULU – Attorney General Clare E. Connors announced her office has joined a multistate coalition of 21 attorneys general, led by Illinois Attorney General Kwame Raoul and New York Attorney General Letitia James, in submitting a comment letter to the federal Office of Management and Budget (OMB), opposing a proposal to change the way the federal poverty threshold is calculated. According to the attorneys general, an adjustment could result in millions of Americans becoming ineligible for, or entitled to less, government-funded benefits.

A wide range of federal and state programs, including those that provide food stamps and health care assistance, rely on federal poverty thresholds to set eligibility standards. In their comments, the attorneys general argue that OMB's proposal to alter the way the poverty thresholds are updated over time could result in denying millions of people the assistance they deserve.

"OMB has not sufficiently justified these proposed changes," said Attorney General Connors. "If enacted, the proposed changes would negatively impact members of our community who rely the most upon a wide range of federal and state programs."

On May 7, the OMB announced that it would consider lowering the measure of inflation that is used when adjusting the federal poverty threshold. According to the attorneys general, while the current formula is outdated and does not accurately reflect the spending patterns of people living close to the poverty threshold, a change OMB is considering could only worsen flaws in the existing methodology. Additionally, the attorneys general argue that OMB has not provided any evidence or reasoning to support lowering the measure of inflation.

For the purposes of calculating the federal poverty threshold, OMB defines inflation as a rise in the general level of prices and represents a decline in the purchasing power of money. In the comments, the attorneys general highlight research that shows low-income populations experience inflation at rates higher than other populations, and argue that lowering the measure of inflation will lower the poverty threshold and reduce

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the number of people who are deemed to be living in poverty and who are therefore eligible for federal benefits.

Joining Attorneys General Raoul and James in submitting the comments were the attorneys general of California, Connecticut, Delaware, the District of Columbia, Hawaii, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New Mexico, North Carolina, Oregon, Rhode Island, Virginia, Vermont, and Washington.

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