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Ohio House Health Committee
House Bill 200 Interested Party Testimony

June 4, 2019

Chairman Merrin, Vice Chair Manning, Ranking Member Boyd, and members of the Health Committee, thank you for the opportunity to provide interested party testimony on HB 200. My name is Joel Potts and I am the executive director of the Ohio Job and Family Services Directors' Association (OJFSDA).

OJFSDA represents county department of job and family service (CDJFS) agencies who administer one of the largest health, human service and workforce systems in the nation, with one in four Ohioans receiving assistance from the local office at any point in time. The CDJFS is responsible for administering programs to the state's most economically vulnerable citizens.

Systems operated through the local agencies include cash assistance, food assistance/SNAP, childcare, Medicaid (including long-term care, children's health insurance and services to aged, blind and disabled), and adult protective services, as well as in many instances, child protective services (sixty five counties), child support enforcement (sixty-eight counties) and workforce development programs (including seventy-three of the state's OhioMeansJobs centers which deliver federal workforce programs at the local level).

It is the county's primary duty to ensure clients receive the services they need and are entitled to, as well as ensure program integrity.

I would like to thank the sponsors for a recent interested party meeting that included the various groups potentially impacted by the legislation to help everyone gain a better understanding of the goals of the bill as well as provide an opportunity for organizations like ours to raise issues and concerns. We also appreciate the committee holding this hearing and allowing OJFSDA the chance to discuss our views on the pending bill.

Confidence in our public assistance program is paramount to successful administration of programs. Open dialog is both necessary and meaningful to develop programs that meet the desires of the state and ensure our residents receive the services they need and are entitled to receive. County agencies welcome the opportunity to work with the sponsors and committee to develop legislation that help ensure public trust in the system.

House Bill 200 would make numerous, significant changes to the eligibility determination process and potentially impact several programs within the JFS system. These changes include prohibiting the Ohio Department of Job and Family Services (ODJFS) from seeking an exemption from the Supplemental Nutrition Assistance Program (SNAP) benefit time limits that apply to some able-bodied adults without dependents. The bill would prohibit ODJFS from exercising state options regarding household SNAP income and asset calculation beyond the type and allowable amounts permitted by the Secretary of the United States Department of Agriculture. The legislation would also require that, as a condition of SNAP eligibility, certain individuals cooperate with ODJFS regarding the establishment of paternity and establishment, modification, and enforcement of a child support order.

As an interested party my comments are intended to highlight implementation questions and issues, including necessary system changes, funding concerns and staffing challenges, which would need to be addressed for successful implementation of this legislation. County agencies are responsible for administering the bureaucracy created by state and federal laws and therefore have a unique and vested interest in the development of policies that directly impact the delivery of public assistance benefits in the state and the residents we serve.

A quick review of the LSC fiscal analysis points to many of the concerns county agencies have with some of the changes included in House Bill 200. It states, "County departments of job and family services (CDJFSs) could realize a significant increase in administrative costs to carry out additional Supplemental Nutrition Assistance Program (SNAP) determinations." Furthermore, "Reducing disbursements will not result in savings to the state" and "The changes discussed in the sections below will likely result in a reduction in benefits disbursed in Ohio and, in many cases, increased administrative costs." The analysis also states, "The changes to asset and income determination, categorical eligibility, and child support payments will likely pose a significant increase in administrative costs to county departments of job and family services (CDJFS)". Regarding asset and income determination, "This change will result in CDJFSs conducting additional determinations."

In 2014 the state of Utah performed a nationwide analysis of similar legislation requiring child support cooperation as a condition of SNAP eligibility. They found that the policy is very expensive to implement but unlikely to boost child support collections. Seven of the ten states that had initially adopted this option rescinded it when it failed to be cost effective. Furthermore, the study concluded that like Ohio, implementation of this measure would require child support agencies to create new bureaucratic infrastructures to identify SNAP recipients and to manage, track and monitor these types of cases. As a result of the thorough review in Utah, the state opted not to move forward with this requirement.

The federal Congressional Budget Office estimated a cost of nearly \$11 billion nationwide (in state and federal funds) to implement this measure. The GRF costs to Ohio for the child support provision requiring cooperation as a condition of SNAP eligibility would be an estimated \$16 million per year in general revenue funds. These reviews were only regarding the impact of the child support system. There will be corresponding costs to the public assistance program as well. Proponents have highlighted a potential savings by reducing caseloads. While reduced SNAP caseloads would reduce benefit issuance, SNAP benefits are 100 percent federally funded. Administrative costs are shared 50/50 with the state. If SNAP caseloads decline as a result of this legislation, these reductions would be to the federal coffers, not state. Increased administrative costs to implement and enforce these changes would impact the state and county budgets.

The two main computer systems utilized to administer the child support program (SETS) and public assistance (Ohio Benefits) are separate and distinct operating systems. The ability to share information between the two systems would require time and funding. Currently, for counties to share information between the systems require manual processes and significant case work. This new mandate would dramatically increase our caseload and moving forward with a manual, instead of automated, process would be more costly, time consuming and likely decrease our capacity to serve our entire child support caseload.

County resources are already spread thin with the need for overtime, hiring of new staff, and ongoing training to maintain existing system requirements with Ohio Benefits. The administration of programs with intense case management like the Comprehensive Case Management and Employment Program, expanded responsibilities and requirements for the Adult Protective System, the impacts of the opiate

crisis on children and families in our care, and other employment and training programs continue to stretch these resources.

As we move towards the next calendar year, county agencies are also faced with the loss of \$20 million dollars annually in federal funds as the result of a change in reimbursement rates announced at the end of the last administration. Without an influx of GRF funds, the loss of funding at the county will negatively impact our existing programs, and further complicate implementing new program requirements such as these.

The bill prohibits the state from seeking an exemption from time limits for able-bodied adults without dependents both 1) in areas deemed to have insufficient jobs, and 2) in areas with an unemployment rate of over 10 percent. Operating a SNAP Employment and Training program that will allow ABAWDs to meet eligibility requirements of 20 hours per week of participation in counties with a high unemployment rate – particularly one over 10 percent – will require the resources necessary to provide opportunities for employment and training in a saturated job market.

For the first time in Ohio history, we are serving more working poor individuals in our system than non-working poor. A job is the best strategy to reduce poverty and Ohio should be commended for this significant achievement. However, this change in the makeup of our client population, which brings more working Ohioans on the rolls, also brings new challenges and our policy changes should be designed to continually support work.

When Ohio embarked on our welfare reform journey more than twenty years ago it included the explicit expectation that we should make work pay and that working should be a better alternative for the residents of the state. No longer would Ohio maintain a system of dependency over employment.

We wanted our local agency employees to focus on casework, not paperwork. Less bureaucracy, added work supports, breaking down employment barriers, focusing on outcomes, stabilizing lives and reducing caseloads by reducing the need for benefits were the over-arching goals of Ohio's programs. For over sixty years the state and nation operated public assistance programs designed to assist individuals with nothing – no incomes, no assets and no family supports. By the 1980's we found countless third and fourth generations of families that were dependent on our public assistance program with a diminished likelihood of breaking from the cycle of poverty. Even when we were successful at helping individuals enter the workforce, they rarely broke free from the cycle of dependency.

The new "work first" strategy meant a new way of looking at the mechanisms that needed to be in place to support work and independence. Policies had to be in place that helped achieve our desired outcomes. One of the biggest challenges was addressing the issue of assets.

Families on assistance often are not just cash poor, they are asset poor. They likely have no credit, or bad credit, meaning they need substantial resources to move up the economic scale and garner the financial power to change their circumstances. This often means the need to relocate, including funds for cash deposits for housing, reliable transportation and work supports such as clothing.

Prior to the mid-1990's, residents had to give up everything (cars, homes, family support, income of any kind and sometimes even their spouses) to access government aid. Once they were in the system, the public assistance system attempted to help these same individuals stabilize their lives by helping them gain employment, secure suitable housing and transportation – the same things they had before entering the system but had to give up in order to get help.

Barriers to clients were also created by various program requirements. SNAP, TANF and Medicaid are overseen by three different Federal departments. Each program requires different verifications, has

different mechanisms for determining eligibility, looks at resources differently and counts assets in various manners. To reduce as much redundancy and bureaucracy as possible, when allowed, Ohio embarked on a philosophy of streamlining and simplifying our eligibility systems to more easily serve our clients, reduce administrative costs and focus our efforts on helping families stabilize their lives and gain employment.

We often hear of the challenges of the benefit cliff, which in some instances may unintentionally deter low-wage workers from accepting raises or more hours for fear of losing important work supports such as child care and healthcare. We should be cautious to not also create an asset cliff where individuals are trying to work their way out of poverty but risk losing work supports due to their efforts to build assets to better serve their families.

The results of Ohio's programs have far exceeded expectations and allowed a foundation to reinvest Ohio's Temporary Assistance to Needy Families (TANF) to support work and family stability in ways never imagined, and on a scale truly noteworthy.

In the early years of TANF, Ohio led the nation in our work programs and took advantage of the new flexibility of the program to make work pay. Instead of losing support, clients moving from welfare to work could count on services to make the transition easier and improve their ability to provide for their families. We also took the opportunity to utilize TANF dollars to invest in families prior to them coming onto the program. The creation of the Prevention, Retention and Contingency Program (PRC) was the first of its kind in the country. Over the past 20 years counties have heavily invested in prevention and retention strategies which have helped countless families avoid public assistance or successfully transition from welfare to work.

Since the TANF program is a block grant, as our caseloads decrease, the funding remains in Ohio. Thanks to successful welfare to work strategies we are able to heavily invest in other Ohio programs to better serve our low-income and needy families including work and training programs, education, prevention strategies, emergency services, work retention strategies, faith-based programming, fatherhood initiatives, family formation programs and counseling, child protection services and child care.

Ohio's system needs to continue to support and encourage work. Increased incomes, added assets, and job advancement should be our goal. We must be very careful in how we approach cases with income and assets and not automatically assume that assets mean a family does not require assistance. Based on my three decades of experience with welfare reform, increased income AND asset accumulation are going to be necessary for individuals to ultimately break from the cycle of generational poverty and decrease dependency on government benefits.

The goals of this legislation (to expand cooperation with child support, increase confidence in the system by ensuring residents are not taking advantage of it, and support work and training) are all laudable. The capacity to implement the various mandates, including providing the necessary funds and making certain the needed computer system changes are in place, along with a thorough understanding of both the intended, as well as the potential unintended, consequences of the legislation need to be thoroughly vetted through the committee process.

Mr. Chairman and members of the committee, thank you for your time. I would be happy to answer any questions and look forward to working with you to address county concerns and develop legislation which meets the needs of the citizens we serve.