

Ohio House of Representatives Ways and Means Committee

TESTIMONY OF LISA HAMLER-FUGITT
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HB 614

Thursday, May 28, 2020

Good morning Chairman Merrin, Ranking Member Rogers and members of the House Ways & Means Committee. Thank you for the opportunity to testify on H.B. 614. My name is Lisa Hamler-Fugitt, executive director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger.

First, I want to thank Representatives Frazier and Richardson for introducing H.B. 614 to study and reform the unemployment compensation system. I also want to thank each of you and your staff, for doing the critical work to prioritize the essentials during this pandemic and to work in partnership with one another and Governor DeWine's administration to streamline and expedite the resources Ohioans need and to disseminate important resources and information to your constituents. Before this crisis ever started, you had already coped with a lot of confusion and change, and many critical legislative priorities, and you are surely emotionally and physically exhausted – as well as challenged, like all of us, with the difficulties of remote work, record levels of unemployment and the uncertainty of an economy that appears to be in freefall and budget shortfalls as far as the eye can see.

Before the COVID-19 crisis ever began, in relatively good economic times, more than 1.6 million different Ohioans turned to our food pantries for help with groceries and our soup kitchens served more than 15 million meals to some of the most vulnerable people in our state in 2019. In short, our network was already stretched thin as we worked to meet the needs of food insecure individuals and families in our state.

In Ohio in 2019:

- 1 in 5 children lived in poverty, including nearly 1 in 4 kids under the age of 5.
- Nearly 1.6 million people lived in poverty, and more than 1.75 million were food insecure.

POVERTY RATES 2018	
OHIO	14.0%
U.S.	13.4%
MIDWEST	12.1%

Since the first reported case of COVID-19 in Ohio on March 9, Governor Mike DeWine has taken progressive steps to protect public health and promote slow and limited spread of the virus. As a direct result of those necessary public health and safety measures, an economic crisis developed of unprecedented reach and depth. At the same time, Ohio’s emergency hunger relief network was challenged with the destabilization of its underlying volunteer base, the uncertainty of a food supply chain under duress, increasing food storages and rapidly rising food costs. Many of those challenges are documented in this report, [Rising to the Challenge: Preventing Hunger Before, During, and After the COVID-19 Pandemic](#).

By mid-March, as mass layoffs began throughout Ohio, we immediately saw the lines at our food distributions doubling. They’re now tripling and quadrupling in some parts of the state. Governor DeWine and the Ohio Emergency Management Agency responded swiftly to our

urgent request for Ohio National Guard members to help us maintain critical services.

For many, it’s hard to fathom how so many Ohioans and Americans could be so close to the edge of hunger. But last year the Federal Reserve estimated about 4 in 10 adults didn’t have enough cash or even access to credit to withstand a \$400 emergency.

So it should be no surprise to any of us that so many of our friends and neighbors began struggling immediately to feed themselves and their families; for many others, they already struggled to afford food and other basics such as diapers, personal care, personal hygiene and household cleaning items.

“I have gone to your drive-through distributions a couple of time since hearing about your COVID-19 assistance ... here in Wellington, and a few weeks back in Lorain. And these boxes of food are so excellent! We can't get over the fresh produce. I was trying to figure out a way to use the cabbages from the box two weeks ago, and I ended up making homemade cabbage soup for the first time in my life, and my husband & daughter loved that so much that I made more!! Everything has been wonderful and top notch, thank you so much. The food has been great, and the national guardsmen & -women along with the local police ... they've all been so friendly and helpful. Please be sure to thank them!! We are so pleased & impressed, that when these times pass and things get better, we look forward to donating and giving back ourselves.”

Second Harvest Food Bank of North Central Ohio client

Unemployment Compensation Insurance is a lifeline

A central purpose of unemployment insurance is to stabilize our economy and alleviate personal hardship stemming from involuntary job loss. Unemployment benefits are earned by employment and job loss through no fault of the worker. The state unemployment compensation fund has been teetering on insolvency since the Great Recession. Long-term, the state and federal government must work to modernize the unemployment compensation system, so low-wage workers qualify for benefits when they lose their jobs through no fault of their own, and to ensure this critical poverty-prevention tool remains intact. The Ohio Association of Foodbanks supports a long-term and balanced approach to solvency that protects all of Ohio's workers today and well into the future.

Ohio's April 2020 unemployment rate of 16.8 percent is the highest recorded by the State since it started tracking the figure in 1976.

As we approach the beginning of month four of this pandemic and businesses are beginning to reopen, the cold stark reality is that over 1.2 million Ohioans have lost their jobs or income through no fault of their own and have applied for unemployment. For hundreds of thousands of these Ohioans, they are still waiting for their unemployment claims to be processed, and others are desperate to reach a "live person" that can help them complete their claims or simply answer their questions. For hundreds of thousands of these Ohioans, who have been without any income for nearly 11 weeks, they are beyond desperate for answers, and the anxiety of not knowing whether they will ever qualify for unemployment benefits has left them frantic to figure out how to come up with enough money to pay the rent or mortgage that comes due June 1st, or make their car payments and utility bills and put gas in their cars – so they can go back to work - if and when their employers call them back.

So, with each passing week – more and more of these Ohioans find themselves joining our food lines trying to get enough food to feed themselves and their families. **Many Ohioans who were foodbank donors a few months ago are this week's foodbank clients.**

We know that the Ohio Department of Job and Family Services is stretched beyond what anyone could have imagined. The Department has stepped up time and time again to do the important, often thankless work that's required to make sure Ohio families have access to

the food and resources they need, including the work they're doing this week to issue Pandemic-EBT benefits to eligible families with kids who missed out on free or reduced-price school meals. We know they've been dealt an impossible hand, but ***we hope there are opportunities in this crisis to learn and to improve and adapt our systems and policies to better serve Ohio workers and Ohio families.***

Recommendations

With that in mind, to avoid any further harm to unemployed or underemployed Ohioans and their families, the Ohio Association of Foodbanks recommends:

- Immediately increase the staffing levels at the Ohio Department of Job and Family Services and local County Department of Job and Family Services and provide Supplemental Food Assistance Program (SNAP, or food stamp) benefits, Ohio Works First, and Prevention Retention and Contingency assistance to families in need.
- Immediately reconvene the Ohio Unemployment Compensation Board and examine all operations and Information Technology systems to determine surge capacities and long-term viability to operate in increased surge and/or future disaster scenarios.
- Clear and issue all back-Unemployment Claims and issue benefits on claims that are pending due to the failure of the employer to provide information on the claimant's application. Err on the side of issuing critical benefits to desperate Ohioans.
- Examine the data sharing limitations and capabilities between Ohio Benefits and the Unemployment Compensation systems and work to integrate these systems and programs into a single platform or by building a communication bridge.
- Expand the unemployment compensation call center to provide 24/7 staffing levels and fix the system to eliminate the call termination.
- Add recorded messages on the unemployment call center hotline and information on the Ohio Unemployment website about work supports and critical health, human services, and food assistance programs and benefits that are available to assist unemployed workers and their families.

- Provide opt-in functionalities on the Ohio Unemployment Benefit mail-in and online applications and call center to auto-enroll Ohioans into SNAP and Ohio Works First, Prevention Retention and Contingency assistance for families that have zero income and little to no assets.
- Modernize and modify Unemployment Compensation eligibility standards to ensure that minimum-wage workers employed 29 hours a week year-round, self-employed individuals, and independent contractors are eligible for benefits if they lose their job/income through no fault of their own. Improving UC eligibility so that more low-wage workers can qualify would be a key improvement to Ohio's system.
- Provide ODJFS additional funding to hire staff that process appeals and hearings for Employment Claims challenges.
- Work to modernize the Ohio Department of Taxation wage match data systems, including 1099 workers; earnings are accessible and being utilized to streamline eligibility determination for UC.
- Increase funding for Ohio Means Jobs and provide additional support for education training and work supports to ensure we can train people for the jobs in a new economy.
- Consider launching and funding a new Ohio Jobs Program to provide paid employment for public works initiatives to employ Ohioans to help meet the needs of vulnerable communities and to rebuild the infrastructure. Ohio Jobs Program – modeled on the Civilian Conservation Corps and other national service programs – would deploy government resources to put people back to work and gain new professional skills.
- Raise the share of wages that employers pay taxes on from \$9,000 to at least \$14,000 and index the base rate annually.
- Consider creating a new employee tax of 15 cents on each \$100 in wages after the first \$8,400, creating a truly shared system, one that is supported by both employees and employers.

There is no doubt and no debating that Ohio's unemployment compensation system has been neglected for more than 20 years and is woefully out of step with the changing labor market. We want to thank each of you and this committee as you undertake a thorough, thoughtful, and strategic approach to solving the operational challenges, and ultimately the solvency issues, and strive to achieve a balanced approach that maintains benefits that keep unemployed workers and their families out of poverty. In addition, we recommend that this committee convene a study group and hold additional hearings to examine the impact of temporary and day labor employment services on low-income Ohio workers who are forced to rely on Medicaid, SNAP, and child care assistance in order to meet their basic needs.

In the aftermath of the Great Recession, as Ohio's economy slowly recovered, I stood before similar committees, urging balanced, sometimes politically difficult, but necessary action to address Ohio's Unemployment Compensation insolvency. Ultimately, after many, many hours of debate, discussion, and efforts at compromise, the issue was left for another day. Unfortunately, as Governor DeWine has said, it's raining now in Ohio. Ohio's workers and families are counting on all of you, as well as Ohio's employers, to come together to do the difficult work.

Thank you again for this opportunity to provide testimony and I would be pleased to answer any questions you may have at this time.

Respectively submitted,

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