



**Families, Aging and Human Services Committee
House Bill 410 Sponsor Testimony
Representatives Dontavius Jarrells & Gary Click
Actionable Help And New Dignity for Upward Progression Act**

November 17th, 2022

Chairwoman Manchester, Vice-Chair Cutrona, Ranking Member Denson, and members of the Families, Aging, and Human Services Committee. Thank you for the opportunity to provide sponsor testimony on House Bill 410, known as The Actionable Help and New Dignity for Upward Progression Act, aka “A HAND UP.”

I want to begin by telling the story of Brenda, a mom of two outgoing, school-aged children living in a small town outside Lima, Ohio. Brenda works in retail and struggles to make ends meet, earning **\$11.50/hour**. Due to low wages, she qualifies for and receives food assistance, Medicaid, and childcare support. These lifelines mean that Brenda and her children get the support they need to be healthy, fed, and housed. Due to her fantastic work ethic, Brenda has recently been offered a job promotion. The **\$3** increase in hourly pay is appreciated; however, there’s a problem. This increase means that Brenda loses her benefits for food assistance, Medicaid, and now has a co-pay for child care. Before the raise, Ana could save \$192 per month, but after the raise, she would only save \$70 per month. The experience of Brenda is too often an everyday reality for so many Ohioans. This is what we call the *benefits cliff*.

The *benefits cliff* occurs when benefits phase out at too fast a rate with each dollar increase in earned income, resulting in an individual like Brenda losing benefits and being worse off financially. In other words, as individuals increase their earnings, they lose benefits that may be more valuable than the slight increase in earned income, meaning that higher wages do not automatically equate with higher incomes. This disincentive keeps individuals and families from improving their economic circumstances and achieving financial stability. It significantly harms parents of color, who are disproportionately concentrated in low-wage jobs, and barriers.

Here's the reality. Working parents often have to choose what is best for their families in terms of income and, given their knowledge of their finances, may decide to forego a pay raise or promotion to maintain benefits that put them further ahead. A study by the Ohio Chamber of Commerce Research Foundation estimated that 1 in 5 businesses experienced issues with hiring, promoting, or increasing wages because employees were worried extra income would result in drops in public assistance.

That's why **House Bill 410** is an important step in the right direction. As we work to eliminate barriers individuals face in transitioning from public assistance to work, our A HAND UP legislation replaces the benefits cliff with a bridge to opportunity by :

1. Creating a three-year pilot program known as "A Hand Up" to be administered by the Ohio Department of Jobs and Family Services.
2. Working with ODJFS to (1) provide program participants with a stipend that the participants may use to pay for health care insurance premiums and deductibles or child care expenses and (2) provide employers participating in the program with subsidies for employing program participants.
3. Developing in partnership with InnovateOhio a digital application to assist with the administration and operation of the program, including:

1. Calculates a participant's income based on benefits received and income earned;
2. Connects program participants with program resources
4. Appropriating \$10 million to ODJFS in FY 2023 and FY 2024 for the administration of the pilot program.

Before I turn it over to Representative Click for additional remarks, I want to close by simply saying this—we must set up our most vulnerable Ohioans for long-term economic independence. **This is how we build a better Ohio for all of us.**