

100 East Broad Street
Suite 501
Columbus, OH 43215
T 614-221-4336
F 614-221-4338
ohiofoodbanks.org



Ohio House Finance Committee
Lisa Hamler-Fugitt, Executive Director
March 29, 2023
House Bill 33

Chairman Edwards, Vice Chairman LaRe, Ranking Member Rose Sweeney and distinguished members of the House Finance Committee, thank you for the opportunity to testify before this body to discuss the state of hunger in Ohio and to highlight the return on investment of your continuous and ongoing support for Ohio's foodbanks and 3,600 partner hunger relief agencies, including food pantries, soup kitchens, shelters and placed based supplemental food providers located in K-12 school buildings, on colleges and university campuses, clinics, hospitals, low-income housing complexes and pop-up food distribution sites serving all 88 counties. This privilege to provide testimony is not one that I ever take lightly or for granted.

My name is Lisa Hamler-Fugitt, I serve as the Executive Director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger. For more than two decades, the Association has successfully partnered with the State of Ohio to feed hungry Ohioans through the Ohio Food Program and Agricultural Clearance Program (OFPACP). There is no better example of a highly efficient, cost-effective public private partnership in Ohio. Through this partnership we procure highly nutritious center-of-the-plate and shelf-stable foods and direct surplus and unmarketable agricultural products from nearly 100 Ohio farmers and producers through the state's network of foodbanks and onto the tables of Ohio families, ensuring a source of nutritious, Ohio-raised food for Ohioans experiencing food hardship.

The independent *FY 2022 Economic Impact Analysis of Ohio Food Program, Agricultural Clearance Program, Summer Food, and CARES Act Programs* conducted by Dr. Howard Fleeter, is attached at the end of my testimony. To summarize these results of the state investments:

- The cumulative economic impact resulted in \$27.1 million of direct food purchases through the Agricultural Clearance Program, the Ohio Food Program, the Summer Weekend, Rural Food Delivery and Mobile Farmer's Market programs.
- The one-time Federal CARES ACT Food Relief program, included \$11.7 million of food purchases made from Ohio providers.
- These Ohio-sourced food purchases led to an additional \$12.6 million in output produced across the state, for a total increase in output of \$24.3 million.
- These programs added **\$37.8 million in output** across Ohio, generated **\$11.2 million in income**, and led to the creation of **312 jobs**, in addition to the direct benefits of providing **39.3 million meals** to needy Ohioans.

https://ohiofoodbanks.org/site/assets/files/2533/sfy2022_annual_report.pdf



Greater Cleveland
Food Bank



100 East Broad Street
Suite 501
Columbus, OH 43215

T 614-221-4336
F 614-221-4338
ohiofoodbanks.org



These highly effective hunger lifelines provide 1 out of every 4 meals we distribute.

Because hunger, food insecurity, and food hardship have been a persistent challenge made worse by the most widespread public health crisis in our lifetimes and the economic fallout it has created, our statewide hunger relief network has been responding to increasing and unprecedented levels of need for three years and counting. The factors we face in our efforts to meet this unprecedented demand are outside of our control and made worse by pandemic supply chain issues, high inflation, the rising costs for feed, fuel and fertilizer, the multi-faceted employment crisis, product recalls on everything from infant formula to meat, impacts of climate change and drought, global demand and competition, the effects of avian influenza (bird flu) that has results in the loss of 58 million chickens and layers, to the war in Ukraine, are all contributing to higher input cost, shortages of raw materials which drive up the cost of food we need to purchase to meet the demand.

All these factors have resulted in significant cost increases for the food we need to purchase.

H.B. 33, Sections 307.40 and 307.43 OHIO ASSOCIATION OF FOOD BANKS, provides flat funding of \$24.55 million dollars in support of these two critical food programs as food cost are skyrocketing. Funding appropriation items 600410, TANF State Maintenance of Effort, 600658, Public Assistance Activities, and 600689, TANF Block Grant.

Before diving into our budget request, I would like to briefly discuss the status of food insecurity in our state and the impact the end of pandemic era programs and interventions such as the universal free school meals, expanded Child Tax Credits for families with kids, and now the end of the SNAP Emergency Allotments. The end of these highly effective Pandemic Benefits has impacted more than 3 million Ohioans, who have significantly less purchasing power. These Ohioans are now standing in our food lines in ever increasing numbers just trying to make ends meet and get the food they need to feed themselves and their families.

Foodbanks are being called on to fill this food gap. We can't do that alone.

The Supplemental Nutrition Assistance Program (SNAP) formally known as the Food Stamp Program, is the first line of defense against hunger and just two weeks ago, one of the most impactful pandemic-era relief programs - SNAP Emergency Allotments – was ended by Congress. While these benefits were never meant to be permanent, the SNAP program has **never** seen this steep a drop-off in benefits in its entire existence. For most SNAP households, especially those made up of older adults on fixed incomes the cliff will be significant, with monthly SNAP benefits for a single adult falling by as much as \$281 per month to just \$23 per month. This hunger cliff, as we've called it, will see households losing on average \$86 per person, per month, and as a result, the average SNAP benefit will fall to a meager \$2 per meal in a best-case scenario for some SNAP recipients, for seniors that meager benefit will be just \$0.75 per day.



Greater Cleveland
Food Bank



100 East Broad Street
 Suite 501
 Columbus, OH 43215
 T 614-221-4336
 F 614-221-4338
 ohiofoodbanks.org



This benefit cliff will exacerbate hunger, food insecurity and poverty for the 1,466,608 million low-income Ohioans who are poor enough to qualify for the SNAP program. It's important to note, that nearly 60% of the Ohioans most impacted will be children (616,737) and seniors (245,749). Meaning children, no doubt will fall further behind academically, experience higher rates of absenteeism, suffer from higher rates of illness, depression, and anxiety and seniors will be at increased risk of impairments, ranging from loss of cognitive functions, malnutrition, limitations in activities of daily living, thus placing them at higher risk of losing their independence and being forced in to assisted living facilities or nursing homes.

The economic hardship will significantly impact Ohio's grocers and retailers, with the state losing \$126 million in 100% federally funded benefits **per month, or more than \$1.44 billion over the next 12 months.** Our emergency food providers can't fill this gap. Even before Congress announced the end of these enhanced food assistance benefits, our food banks, and member charities were experiencing record high demand for assistance.

Ohio's Foodbanks have been Serving as a Bucket Brigade on a Five Alarm Fire Since COVID shutdown Ohio's Economy

In fact, our statewide network served more than 3.1 million Ohioans in the 4th quarter of 2022, the highest number of people we have ever served in one quarter in 25 years of collecting data. That broke the record set just the quarter before, from July to September, when our network served 38 percent more households than it did just one year prior. Surging well beyond the record-breaking demand at the height of the pandemic.

| People served: | 1st quarter 2022 07/01 to 09/31/21 | 1st quarter 2023 07/01/ to 09/30/22 | Increase in People Served | % change |
|----------------------------|---------------------------------------|--|------------------------------|--------------|
| Seniors | 515,604 | 678,098 | 162,494 | 31.5% |
| Children | 549,241 | 829,010 | 279,769 | 50.9% |
| Adults | 988,112 | 1,507,108 | 518,996 | 52.5% |
| Total People Served | 2,052,957 | 3,014,216 | 961,259 | 46.8% |

Despite having recovered 85% of jobs lost during the COVID-19 pandemic, high inflation has wiped out many gains Ohioans had made. Many of the households we serve report they are living on fixed incomes and others report their modest wages just aren't keeping up with their increased cost of living. **All report they are unable to meet their basic food needs because they are spending most of their limited incomes for utilities, housing, transportation, health care, medicine, childcare, education, and other debts.**



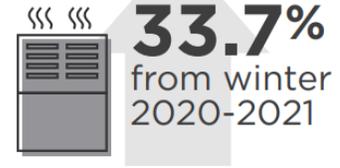
100 East Broad Street
Suite 501
Columbus, OH 43215
T 614-221-4336
F 614-221-4338
ohiofoodbanks.org



Meat, fish, and egg prices



2-bedroom unit in Ohio



The cost to heat homes

Ohio foodbanks are mandated to serve all Ohioans living at or below 200% FPL
More than 1 in 3 Ohioans today

What does living at 200 percent of the federal poverty level (FPL) mean? In 2023, for a family of three, it means earning an annual household income of less than \$46,060, or \$22.40 an hour for a full-time job, most economist agree that 200% of the FPL is the minimum level of income one must earn to reach self-sufficiency. A family of three in extreme poverty (below 50% of the FPL) earns less than \$11,515 per year. When families live anywhere near the FPL, they often cannot afford safe, stable, or quality housing, healthy food, and other ***necessities that all Ohioans need to thrive.***

As the demand for more food has increased significantly, the traditional sources of donated foods have declined, while the cost of food we have had to purchase to keep up with the demand has skyrocketed.

The reality is, foodbanks have been responding to elevated need, in partnership with local, state and federal governments, private donors and funders, and generous community members, for three years and our job is far from over. Unfortunately, private sector food donations that foodbanks have relied on for decades from manufacturers, wholesalers and retailers have declined significantly due to the pandemic. These once generous donors report they have had to cut their production and output, due to higher cost of food commodities and ingredients, record increases in their input and labor cost, and market volatility. USDA food commodities that Foodbanks have relied on for decades through The Emergency Food Assistance Program (TEFAP) have also declined due to these same supply chain impacts.

At the same time the Association and our member food banks are forced to purchase more food at record high prices in an attempt to keep up with this record demand. Foodbanks are also absorbing sharp increases in our own operational costs, from transportation to increased food storage space to supply and packaging expenses to additional staffing. Many of my foodbanks are in deficit spending and are on a path that is not sustainable.



Greater Cleveland
Food Bank





Ohio is facing a catastrophic hunger crisis in 2023. With the skyrocketing cost of groceries and a stumbling economy, reducing people's ability to purchase food will not only cause hunger but place enormous pressure on Ohio's food banks – which have already been stretched thin since the onset of the COVID-19 pandemic.

Before March of 2020, and for more than a century, the deadly 1918 flu had been the [benchmark for pandemics](#) in the US. Unfortunately, as of September 2022, the COVID-19 pandemic is officially the worst pandemic in American history. It's hard for me to believe that it's been almost three years ago to the day that our foodbank board of directors called an emergency meeting to prepare our request for help from the State of Ohio: Governor Mike DeWine, Adjutant Major General John C. Harris, and the Ohio National Guard and Ohio Military Reserve were one of the first in the country to be deployed as part of pandemic response. We were grateful witnesses to the power of government, advocacy and private-public partnerships. And then again, at the end of 2022 this body recognized what was at stake with the end of the pandemic-era programming and that the flat funding provided in the previous biennial budget would not suffice during these unpredictable and unprecedented times.

The \$25 million appropriated in HB 45 in the year-end budget demonstrates that you, our elected leaders believe food security is an essential ingredient for a strong and resilient workforce, thriving children and students and an older generation that can age in place, with dignity.

Support for a Comprehensive Approach to Hunger and Health in HB 33

Now, more than ever, it is imperative that we work collaboratively to invest in food and economic security and ensure an equitable recovery for all Ohioans. The FY 2024-2025 Budget is an important opportunity for the to continue the strong, bipartisan support for hunger relief and to support our most vulnerable neighbors.

In closing, the Association respectfully request support for **amendment 135HB33-HC0288** that will provide an additional \$25.45 million, GRF ALI 600551, per year over the as introduced budget, **to support the purchases another 100 million pounds of food through the Ohio Food and Agricultural Clearance programs to help feed our hungry friends and neighbors.**

- Capacity Building Resources for Charitable Organizations (\$1 million per year): To provide refrigeration and freezer units and other necessary equipment for food pantries to handle more perishable protein, dairy, and produce.





Support a State Supplemental SNAP benefit for Seniors: by providing a modest minimum monthly benefit of just \$50 in food assistance to the 70,000 seniors whose benefits dropped from \$281 per month to \$23.00 per month.

Amendment 135HB33-HC0305, Appropriates \$21,415,000 in each fiscal year in GRF ALI 600564, SNAP State Supplement. Requires these funds be used to provide a supplemental benefit allotment to eligible households. This benefit is estimated to cost the state \$42 million dollars over the biennium and assist nearly 70,000 older Ohioans currently below the benefit level of \$50/month.

- **How would this work?**
 - If a 1 or 2 person SNAP unit (household) is headed by an Ohioan who is 60 or older and receives less than \$50/month in benefits, the state would utilize state dollars to make that household whole to \$50 as long as that household remains eligible for SNAP. E.g., a person receives the minimum benefit of \$23/month.
 - The state would provide this person with \$27/month ensuring they have \$50 a month or \$1.66/day to eat. If a person receives \$42/month in benefits the state would provide \$8 a month in state funds to bring this person's food assistance benefit to \$50 a month.
 - **If this supplemental state food assistance benefit keeps 329 seniors aging in place and at home, instead of going into a nursing home at a cost of \$65,000 per person, per year the program becomes cost neutral.**

Provide support for community-based navigators: Provide community-based health care navigation support and services to Ohioans who lose Medicaid coverage due to the public health emergency unwind. **Amendment G135-0222**, provides up to \$2.5 million per year to support Health Care Navigators who work at foodbanks, CBOs, and other trusted community organizations, specifically the Association and federally qualified health centers, are health insurance enrollment assister entities. These entities provide free, unbiased help navigating health insurance options. Throughout the unwinding, these groups will ensure that people who are still eligible for Medicaid stay on the program. For the estimated 220,000 people who will lose Medicaid coverage, these groups will facilitate a smooth transition to other coverage, such as employer-sponsored insurance or coverage through the federal health insurance Marketplace. These statewide community-based services will ensure that Ohioans who lose Medicaid can get the help they need to enroll in health insurance through the federal marketplace or other possible employer health care options.

Navigators are licensed by the Ohio Department of Insurance.



100 East Broad Street
Suite 501
Columbus, OH 43215

T 614-221-4336
F 614-221-4338
ohiofoodbanks.org



This funding will allow the Ohio Association of Foodbanks to direct the maximum amount of state dollars available to Ohioans who need it most, putting food on the tables of Ohio families, positioning our children to be healthy and ready to learn, protecting the welfare and ensuring food security for our senior citizens and assisting vulnerable populations to locate the help they need to secure health insurance, while investing in and setting the anti-hunger, pro-agriculture standard among states.

Thank you again for the opportunity to not only testify before you but partner with you over so many years.

I would be to answer any questions you may have.

Respectfully submitted,

Lisa Hamler-Fugitt, Executive Director
Ohio Association of Foodbanks
100 East Broad Street, Suite 501
Columbus, Ohio 43215
614-271-4803 cell

Lisa@ohiofoodbanks.org

www.ohiofoodbanks.org



Greater Cleveland
Food Bank



_____ moved to amend as follows:

In line _____ of the title, after "_____" insert "to support in- 1
person health insurance enrollment assistance services, and to make an 2
appropriation" 3

After line _____, insert: 4

"Section 1. All items in this act are hereby appropriated 5
as designated out of any moneys in the state treasury to the 6
credit of the designated fund. For all operating appropriations 7
made in this act, those in the first column are for fiscal year 8
2024 and those in the second column are for fiscal year 2025. 9
The operating appropriations made in this act are in addition to 10
any other operating appropriations made for these fiscal years." 11

After line _____, insert: 12

"Section 2. 13

14

| | 1 | 2 | 3 | 4 | 5 |
|---|---|--------|-------------------------|-------------|-------------|
| A | JFS DEPARTMENT OF JOB AND FAMILY SERVICES | | | | |
| B | General Revenue Fund | | | | |
| C | GRF | 600551 | Job and Family Services | \$2,500,000 | \$2,500,000 |

Program Support

| | | | |
|---|--------------------------------|-------------|-------------|
| D | TOTAL GRF General Revenue Fund | \$2,500,000 | \$2,500,000 |
| E | TOTAL ALL BUDGET FUND GROUPS | \$2,500,000 | \$2,500,000 |

JOB AND FAMILY SERVICES PROGRAM SUPPORT 15

The foregoing appropriation item 600551, Job and Family Services Program Support, shall be used to provide grants to community-based organizations to provide in-person health insurance enrollment assistance services to individuals who become ineligible for the Medicaid program due to increased income." 16
17
18
19
20
21

After line _____, insert: 22

"Section 3. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the manner in which appropriation accounts shall be maintained. Expenditures from operating appropriations contained in this act shall be accounted for as though made in, and are subject to all applicable provisions of, the main operating appropriations act of the 135th General Assembly." 23
24
25
26
27
28
29
30
31

The motion was _____ agreed to.

SYNOPSIS 32

Department of Job and Family Services 33

| | |
|---|----|
| Sections 1, 2, and 3 | 34 |
| Appropriates \$2,500,000 in FY 2024 and FY 2025 to GRF ALI | 35 |
| 600551, Job and Family Services Program Support. Earmarks the | 36 |
| funds for grants to provide in-person health insurance | 37 |
| enrollment assistance services to individuals who become | 38 |
| ineligible for the Medicaid program due to increased income. | 39 |

_____ moved to amend as follows:

1 After line 123868a, insert:

2 "GRF 600551 Job and Family Services Program Support \$25,450,000
3 \$25,450,000"

4 In line 123874, add \$25,450,000 to each fiscal year

5 In line 123914, add \$25,450,000 to each fiscal year

6 In line 123953, after "year" insert ", and the foregoing
7 appropriation item 600551, Job and Family Services Program
8 Support,"

9 In line 123956, delete "free tax filing services" and
10 insert "support in-person health and nutrition program
11 enrollment assistance services"

12 In line 123961, delete "\$24,550,000" and insert
13 "\$50,000,000"

14 The motion was _____ agreed to.

15 SYNOPSIS

16 **Department of Job and Family Services**

17 **Sections 307.10 and 307.40**

HC0288

18 Appropriates \$25,450,000 in each fiscal year in GRF ALI
19 600551, Job and Family Services Program Support. Requires these
20 funds be provided to the Ohio Association of Food Banks.

21 Modifies the requirements regarding the uses of funds
22 provided to the Ohio Association of Food Banks by eliminating
23 one requirement that funds be used to "provide free tax filing
24 services" and instead requiring funds be used to "support in-
25 person health and nutrition program enrollment assistance
26 services."

27 Increases the total amount provided to the Ohio Association
28 of Food Banks in each fiscal year from \$24,550,000 to
29 \$50,000,000.

H.B. 33
As Introduced

_____ moved to amend as follows:

In line 152 of the title, after "5101.137," insert
"5101.546,"

In line 463, after "5101.137," insert "5101.546,"

After line 58501, insert:

"Sec. 5101.546. (A) The department of job and family services shall provide a supplemental benefit allotment to households participating in the supplemental nutrition assistance program in accordance with this section.

(B) To be eligible to receive a supplemental benefit allotment under this section, a participating household shall meet both of the following requirements:

(1) Include an individual who is sixty years of age or older;

(2) Receive a monthly supplemental nutrition assistance program benefit allotment that is less than fifty dollars.

(C) The department shall provide eligible households with a supplemental benefit allotment in an amount that equals the amount necessary to provide the household with a total monthly benefit amount of fifty dollars."

After line 123870, insert:

"GRF 600564 SNAP State Supplement \$21,415,000 \$21,415,000"

In line 123874, add \$21,415,000 to each fiscal year

In line 123914, add \$21,415,000 to each fiscal year

After line 123971, insert:

"**Section 307.____.** SNAP STATE SUPPLEMENT

The foregoing appropriation item 600564, SNAP State Supplement, shall be used, in accordance with section 5101.546 of the Revised Code, to provide supplemental benefit allotments to eligible households participating in the Supplemental Nutrition Assistance Program."

The motion was _____ agreed to.

SYNOPSIS

SNAP supplemental benefit allotments

R.C. 5101.546

Requires the Ohio Department of Job and Family Services (ODJFS) to provide supplemental benefit allotments to households receiving Supplemental Nutrition Assistance Program (SNAP) benefits if the household (1) includes a member who is 60 years of age or older and (2) receives a monthly SNAP benefit allotment that is less than \$50.

Specifies that amount of the supplemental allotment must result in increasing an eligible household's monthly allotment to \$50.

Department of Job and Family Services

Sections 307.10 and __. __

Appropriates \$21,415,000 in each fiscal year in GRF ALI 600564, SNAP State Supplement. Requires these funds be used to provide supplemental benefit allotments to eligible households.

Independent Economic Impact of FY 2022 Ohio Food Program, Agricultural Clearance Program, Summer Food, and CARES Act Programs

Prepared for the Ohio Association of Foodbanks by Howard Fleeter | March 17, 2023

I. Overview

In state fiscal year 2022, funding was provided for a series of programs to enhance the availability of fresh fruits, vegetables, protein items and shelf staple items to Ohio's 12 Feeding America foodbanks. The two largest programs are the Ohio Food Program which focuses on protein and shelf staple items, and the Agricultural Clearance Program which directs agricultural surplus items from Ohio farmers and growers to the foodbanks. Each of these programs were funded at a combined \$24.55 million in FY22. An additional \$2.8 million in state funding was provided to supplement the availability of food supplies to Ohio families over the summer. The Summer Weekend Meal "Backpack" program (which provides weekend meals for children attending summer school), the Summer Rural Delivery Meals Program (which provided eligible families in rural communities with home-delivered meal boxes), and the Mobile Farmers Market Program (which provided fresh fruits and vegetables and popular protein items such as peanut butter to families in the Summer Weekend and Rural Delivery programs).

In FY 2022, \$12 million in Federal funding in Coronavirus Relief Support was provided through the CARES Act. \$6.1 million of this funding was used to purchase emergency food supplies to be distributed through Ohio's foodbanks network in the areas hit hardest by the COVID-19 pandemic and its fallout. Inclusion of this funding brings **total funding for all of Ohio's food programs in FY 2022 to \$33.3 million**. In addition to this amount, \$426,000 in CARES Act funding was used for non-food items to be distributed through Ohio's foodbanks along with \$5.5 million in one-time frontline responder operating costs that were funded through pass-through CARES dollars.

Not only do these programs play a vital role in providing much-needed support to Ohio families struggling with the impact of poverty and the continued slow recovery from the recession, but these programs also provide an additional benefit to the state in terms of supporting Ohio's agricultural sector. This report provides a summary of the economic impact of these programs on the state economy.

II. Direct Economic Impact of Ohio Food Support Programs

Table 1 on the following page provides an overview of expenditures, food purchased, and meals provided through each of the four Ohio food support programs in fiscal year 2022.

The data in Table 1 (provided by the Ohio Association of Foodbanks) summarizes the **direct economic impact** of the four food support programs in place in Ohio in FY22. 45.5 million pounds of food was purchased at a total cost of \$27 million – a roughly 48% increase compared to FY 2019 (the last year prior to the pandemic). This food is sufficient to provide 39.3 million meals to needy families through Ohio's network of foodbanks (note that based on calculations made by the U.S. Dept. of Agriculture, 1.20 lbs. of food is considered to constitute 1 meal). When storage, packing, distribution, and administrative costs are included, total food support program expenditures total over \$33.3 million in FY 2022. The direct economic impact of the food support programs includes the meals provided as well as the income received by the food producers, storage, packing and distribution providers, and administrators of the programs.

Table 1: Summary of Ohio Food Support Programs, FY 2022

| Measure | FY 22 Ohio Food Program | FY22 Agricultural Clearance Program | FY22 Summer Meal & Food Programs | FY22 Coronavirus Relief Food Support | FY22 Total State Food Support Programs |
|---------------------------------------|-------------------------|-------------------------------------|----------------------------------|--------------------------------------|--|
| Total Cost of Food Purchased | \$12,680,535 | \$7,293,395 | \$1,968,351 | \$5,072,556* | \$27,014,837 |
| Total Pounds of Food Purchased | 14,018,132 | 25,848,055 | 1,032,500 | 4,625,839 | 45,524,526 |
| # of Meals Provided | 13,023,534 | 21,540,046 | 860,400 | 3,854,900 | 39,278,880 |
| Storage, Packing & Distribution Costs | \$1,473,000 | \$1,473,000 | \$421,793 | \$406,670 | \$3,774,463 |
| Administrative Costs | \$736,150 | \$736,150 | \$421,621 | \$600,000 | \$2,493,921 |
| Total Program Costs | \$14,578,042 | \$9,502,545 | \$2,811,765 | \$6,079,226 | \$33,283,221 |

* Federal Coronavirus Relief Support also included **\$426,251 for non-food support items** distributed through Ohio's foodbanks network. In addition, the \$12 million In Federal Coronavirus Relief Support also included **\$5.5 million in one-time frontline responder operating costs** that were funded through pass-through CARES dollars.

III. Economic Multiplier Effects

In addition to direct impact, all economic activity also produces indirect and induced effects that are the result of "economic multiplier effects". Multiplier effects are the result of additional expenditures made by those who are suppliers for the food support programs, as well as from purchases made by those who derive income directly or indirectly from the food support programs in Ohio. For example, when a farmer purchases fertilizers for his crops from an Ohio crop nutrient supplier, this supplier will earn profits, make investments in his or her business, and hire employees. These types of effects are termed **indirect economic impact**. In addition, the supplier's employees in turn spend the money they have earned on other items in the local economy, providing additional economic impact, which is termed **induced economic impact**. Finally, the merchants whose goods are purchased by these employees also enjoy an increase in their income, which begins another round of economic "ripple effects".

The economic ripple effects created by the three Ohio food support programs can be measured by using standard economic multiplier models. Multiplier models allow researchers to compute the indirect and total economic impact resulting from a particular economic initiative or industry based upon the inputting of the initial data reflecting the direct economic benefits of the initiative or industry in question. This analysis uses the RIMS II Multiplier Model developed by the U.S.

Department of Commerce Bureau of Economic Analysis (BEA). This model is based on national and regional economic data, which is periodically updated by the BEA. The RIMS II model is the most widely used model of its type in the country. The most current RIMS II multipliers available are based upon 2012 national data and 2020 regional data.

A. Agricultural Clearance Program

Table 2 provides a slightly more detailed overview of the direct economic impact of the Agricultural Clearance Program (ACP). The BEA economic multiplier model utilizes different multipliers for different categories of farm products. Table 2 also shows that 21.7 million pounds of the total 25.85 million pounds in produce purchased through the ACP was from Ohio farms in FY 2022 at an expenditure of \$6.1 million, which was 84% of the total \$7.3 million in ACP food purchases in FY 2022.

Table 2: Agricultural Clearance Program Total and Ohio-Sourced FY 2022 Fruit, Vegetable, and Other Food Purchases

| Commodity | Total Pounds Purchased | Total Cost | Ohio Pounds Purchased* | Ohio ACP Cost* |
|---------------------------------|------------------------|----------------------|------------------------|----------------------|
| Vegetables & Melons | 22.15 million | \$5.75 million | 18.6 million | \$4.8 million |
| Fruit & Berries, Eggs & Protein | 3.70 million | \$1.55 million | 3.1 million | \$1.3 million |
| Total | 25.85 million | \$7.3 million | 21.7 million | \$6.1 million |

* Ohio Association of Foodbanks data shows that the ACP Ohio food purchase amount and cost estimated is 84% of total ACP expenditures.

The data in Tables 1 and 2 can be used with the RIMS II multiplier model in order to compute the total (direct + indirect) economic of the Agricultural Clearance Program on Ohio’s economy in FY 2022. In order to compute the economic impact, the economic multipliers will only be applied to the \$6.1 million in Ohio-based ACP purchases. Table 3 provides a summary of this impact, showing the direct and indirect economic impact on output in the state of Ohio as well as the income generated, and number of jobs created.

Table 3: FY 2022 Economic Impact of the Ohio Agricultural Clearance Program

| Agricultural Clearance Program | Direct Economic Impact | Indirect Economic Impact | Total Economic Impact |
|---|-------------------------------|---------------------------------|------------------------------|
| Food Purchases | | | |
| Total Value of Output | \$7.3 Million | | |
| Value of Ohio Output | \$6.1 Million | \$5.3 Million | \$11.4 Million |
| | | | |
| Income | | | \$3.2 Million |
| Employment | | | 108 Jobs |
| Storage, Distribution & Administration | | | |
| Value of Output | \$2.2 million | \$2.6 million | \$4.8 million |
| Income | | | \$1.4 million |
| Employment | | | 28 Jobs |
| Ag Clearance Total | | | |
| Value of Output | \$8.3 million | \$7.9 million | \$16.2 million |
| Income | | | \$4.6 million |
| Employment | | | 136 Jobs |

The data in Table 3 show that the \$6.1 million of direct food purchases from Ohio providers through the Agricultural Clearance Program in FY 2022 led to an additional \$5.3 million in output produced across the state, for a total increase in output of \$11.4 million. \$3.2 million in additional income was generated across the state, and 108 jobs were created. In addition, \$2.2 million of expenditures on storage, packing, distribution, and administration resulted in an additional \$2.5 million in output across the state, along with \$1.4 million in additional income and 28 additional jobs. In sum, in addition to providing 13 million meals to needy Ohioans in FY 2022, the Agricultural Clearance Program also added a total of **\$16.2 million in output** across Ohio, generated **\$4.6 million in income**, and led to the creation of **136 jobs**.

B. Ohio Food Program

Table 4 shows the results of applying the RIMS II economic multiplier models to the data in Table 1 relating to the Ohio Food Program. The multipliers for the BEA economic category “Community food, housing, and other relief services” were used to compute the economic impact of the Ohio Food Program as these commodities were not purchased from farmers, as is the case with the Agricultural Clearance Program. In addition, not all food purchased under the Ohio Food Program is from Ohio providers. FY 2022 Ohio Association of Foodbanks data showed that \$5,590,453 (44.1%) of OFP food purchases were from Ohio providers. Economic multiplier effects will be computed based on the Ohio-sourced purchases only. Note that the economic impact from storage, packing, distribution, and program administration activities was the same as in the ACP program. The economic impact of the Ohio Food Program in FY 2022 is shown in Table 4.

Table 4: FY 2022 Economic Impact of the Ohio Food Program

| Ohio Food Program | Direct Economic Impact | Indirect Economic Impact | Total Economic Impact |
|---|------------------------|--------------------------|-----------------------|
| Food Purchases | | | |
| Total Value of Output | \$12.7 Million | | |
| Value of Ohio Output* | \$5.6 Million | \$7.3 Million | \$12.9 Million |
| Income | | | \$3.9 Million |
| Employment | | | 126 Jobs |
| Storage, Distribution & Administration | | | |
| Value of Output | \$2.2 million | \$2.6 million | \$4.8 million |
| Income | | | \$1.4 million |
| Employment | | | 28 Jobs |
| OH Food Program Total | | | |
| Value of Output | \$7.8 million | \$9.9 million | \$17.7 million |
| Income | | | \$5.3 million |
| Employment | | | 154 Jobs |

* The FY22 cost of \$5.6 million in OFP Ohio-sourced food purchases is based on data from the Ohio Association of Foodbanks.

The data in Table 4 show that the \$5.6 million of direct food purchases from Ohio providers through the Ohio Food Program in FY 2022 led to an additional \$7.3 million in output produced across the state, for a total increase in output of \$12.9 million. \$3.9 million in additional income was generated across the state, and 126 jobs were created. In addition, \$2.2 million of expenditures on storage, packing, distribution, and administration resulted in an additional \$2.6 million in output across the state, along with \$1.4 million in additional income and 28 additional jobs. In sum, in addition to providing 21.5 million meals to needy Ohioans in FY 2022, the Ohio Food Program added **\$17.7 million in output** across Ohio, generated **\$5.3 million in income**, and led to the creation of **154 jobs**.

C. Summer Food Assistance Programs

Table 5 shows the results of applying the RIMS II economic multiplier models to the data in Table 1 relating to the additional Summer Food Assistance Programs provided in FY 2022. These additional food programs include the Weekend, Rural Delivery, and Summer Farmer's Market programs. The analysis of these supplemental food assistance programs used the same multipliers as were used to estimate the impact of the Ohio Food Program. Note that because of pricing and supply chain issues in 2022 almost all of the \$1,968,351 in additional food assistance purchased for these programs were acquired from out-of-state suppliers. Economic multiplier effects are computed based on the Ohio-sourced purchases only, which for FY22 includes only the \$850,00 that was spent on packing & distribution and summer program administration.

The data in Table 5 show that because the vast majority of the \$2.0 million of direct food purchases from Ohio providers through the Summer Weekend, Rural Delivery and Farmer's Market programs in FY 2022 were not acquired through Ohio vendors, there was no direct or indirect economic impact beyond the alleviation of hunger provided by the food itself. However, when the \$850,000 in operational and program administration expenditures are included, the **FY 2022 Summer Weekend**,

Rural Delivery and Mobile Farmer's Market programs added a total of \$1.8 million in output across Ohio, generated \$0.6 million in income, and led to the creation of 10 jobs.

Table 5: FY 2022 Economic Impact of Summer Food Assistance Programs

| Weekend, Rural Delivery, and Farmer's Market | Direct Economic Impact | Indirect Economic Impact | Total Economic Impact |
|---|------------------------|--------------------------|-----------------------|
| Food Purchases | | | |
| Value of Output | \$2.0 Million | | |
| Value of Ohio Output* | Negligible* | -- | -- |
| Income | | | -- |
| Employment | | | -- |
| Packaging, Distribution & Administration | | | |
| Value of Output | \$0.85 million | \$0.9 million | \$1.8 million |
| Income | | | \$0.6 million |
| Employment | | | 10 Jobs |
| Summer Programs Total | | | |
| Value of Output | \$0.85 million | \$0.9 million | \$1.8 million |
| Income | | | \$0.6 million |
| Employment | | | 10 Jobs |

* Due to supply and pricing issues the vast majority of the \$2.0 million total for 2022 summer food program purchases was acquired from out-of-state vendors.

D. FY22 CARES Act Food Assistance Programs

Table 6 shows the results of applying the RIMS II economic multiplier models to the data in Table 1 relating to the FY 2022 CARES Act Coronavirus Relief Support program. \$6.5 million of this funding was used to purchase, pack and distribute emergency food and non-food supplies to be distributed through Ohio's foodbanks network in the areas hit hardest by the COVID-19 pandemic and its fallout. The analysis of the CARES Act food assistance programs used the same multipliers as were used to estimate the impact of the Ohio Food Program. A total of \$5,072,556 in additional food assistance and \$406,670 in non-food assistance was purchased with the CARES Act funding. However, again because of supply and pricing issues, the vast majority of this \$5.5 million in food and non-food items were acquired from out-of-state vendors. As a result, the economic multipliers will only be applied to the \$1,006,700 spent on packing & distribution CARES ACT food relief program administration. In addition, \$5.5 million in "one-time" salaries, benefits, equipment, maintenance and repairs, and indirect costs were incurred to administer the CARES Act relief program. These expenditures are also not included in the economic multiplier analysis summarized in Table 6.

The data in Table 6 show that when the direct and indirect economic impact of the \$1 million in operational and program administration expenditures are included, the *FY 2022 CARES Act Food Assistance programs added a total of \$2.1 million in output across Ohio, generated \$0.7 million in income, and led to the creation of 12 jobs.*

Table 6: FY 2022 Economic Impact of CARES Act Food Programs

| All Ohio Food Assistance Programs | Direct Economic Impact | Indirect Economic Impact | Total Economic Impact |
|---|------------------------|--------------------------|-----------------------|
| Food Purchases | | | |
| Value of Output | \$5.1 Million | | |
| Values of Non-Food Output | \$0.4 Million | | |
| Value of Ohio Output | Negligible* | -- | -- |
| Income | | | -- |
| Employment | | | -- |
| Transportation, Storage & Administration | | | |
| Value of Output | \$1.0 Million | \$1.1 Million | \$2.1 Million |
| Income | | | \$0.7 Million |
| Employment | | | 12 Jobs |
| CARES Act Food Prog. Totals | | | |
| Value of Ohio Output | \$1.0 Million | \$1.1 Million | \$2.1 Million |
| Income | | | \$0.7 Million |
| Employment | | | 12 Jobs |

* Due to supply and pricing issues the vast majority of the \$5.5 million total for 2022 CARES Act food and Non-food assistance was acquired from out-of-state vendors.

E. FY 2022 Ohio Food Assistance Program Summary

Table 7 below shows the cumulative economic impact when all of the State's FY 2022 food assistance programs shown in Tables 3, 4, 5 and 6 are added together. Table 7 includes the Ohio-based purchases from:

- 1) The Agricultural Clearance Program
- 2) The Ohio Food Program
- 3) The Summer Weekend, Rural Delivery & Farmer's Market Programs
- 4) The CARES Act Emergency Food Purchases relating to the COVID-19 pandemic

The data in Table 7 show that the \$27.1 million of direct food purchases through the Agricultural Clearance Program, the Ohio Food Program, the Summer Weekend, Rural Food Delivery and Mobile Farmer's Market programs, and the Federal CARES ACT Food Relief program, in FY 2022 included \$11.7 million of food purchases made from Ohio providers. These Ohio-sourced food purchases led to an additional \$12.6 million in output produced across the state, for a total increase in output of \$24.3million. Additionally, \$7.1 million in additional income was generated across the state, and 234 jobs were created. When expenditures on storage, packing, distribution, and program administration are included, the FY 2022 Agricultural Clearance Program, Ohio Food Program, Summer Weekend, Rural Delivery, and Mobile Farmer's Market Programs and CARES Act funding added **\$37.8 million in output** across Ohio, generated **\$11.2 million in income**, and led to the

creation of **312 jobs**, in addition to the direct benefits of providing **39.3 million meals** to needy Ohioans.

Table 7: FY 2022 Total Economic Impact of All Ohio Food Assistance Programs

| All Ohio Food Assistance Programs | Direct Economic Impact | Indirect Economic Impact | Total Economic Impact |
|---|------------------------|--------------------------|-----------------------|
| Food Purchases | | | |
| Total Value of Output | \$27.1 Million | | |
| Value of Ohio Output | \$11.7 Million | \$12.6 Million | \$24.3 Million |
| Income | | | \$7.1 Million |
| Employment | | | 234 Jobs |
| Transportation, Storage & Administration | | | |
| Value of Output | \$6.3 Million | \$7.2 Million | \$13.5 Million |
| Income | | | \$4.1 Million |
| Employment | | | 78 Jobs |
| Food Assistance Totals | | | |
| Total Value of Output | \$33.4 Million | | |
| Value of Ohio Output | \$18.0 Million | \$19.8 Million | \$37.8 Million |
| Income | | | \$11.2 Million |
| Employment | | | 312 Jobs |