



Ohio House Finance Committee Subcommittee on Health and Human Services Lisa Hamler-Fugitt, Executive Director March 15, 2023 House Bill 33

Chairwoman Carruthers, Ranking Member Liston and distinguished members of the Health and Human Services Subcommittee, 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 impact of state's fiscal year 2022 investments can be reviewed at the link included in my testimony. <u>https://ohiofoodbanks.org/site/assets/files/2533/sfy2022_annual_report.pdf</u>

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 in 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. 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 current 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.

FIGURE 2

Families With Low Incomes Spent Expanded Child Tax Credit on Most Basic Needs, Education



Percent of households with incomes below \$35,000 who spent their credit payments on:

*Percent of households with child(ren) under age 5.

Note: Education costs include school books and supplies, school tuition, tutoring services, after-school programs, and transportation for school. Household income is in 2020. Figures are for households who reported receiving a Child Tax Credit payment in the last 30 days in data collected July 21–September 27, 2021.

Source: CBPP analysis of U.S. Census Bureau Household Pulse Survey public use files for survey weeks $34\mathchar`-38$

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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.

This hunger cliff will exacerbate hunger, food insecurity and poverty for the 1,466,608 million lowincome 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.

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, when 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	1st quarter 2023	Increase in	% change
	07/01 to 09/31/21	07/01/ to 09/30/22	People Served	
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%



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Despite having recovered 85% of jobs lost during the COVID-19 pandemic, high inflation has wiped out many gains Ohioans had made. Many of these households 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.



Meat, fish, and egg prices

2-bedroom unit in Ohio



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. 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 foodbanks 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.

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

Before March of 2020, and for more than a century, the deadly 1918 flu had been the <u>benchmark</u> <u>for pandemics</u> 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 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.

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 Governor and you as our elected leaders to continue the strong, bipartisan support for hunger relief and to support our most vulnerable neighbors.

In closing, the Association respectfully request \$50 million per year (an increase of \$25.45 million per year over the as introduced level of funding), over the FY 2024-2025 biennium (\$100 million total) to be allocated for the following:

• Ohio Food Program and Agricultural Clearance Program (\$49 million per year): To secure and distribute at least 100 million pounds, or 83 million meals, of nutritious, wholesome foods across the state. This money will also be used for essential non-food household items, such as shampoo, toothpaste, baby wipes, diapers, and toilet paper.





• 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.

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 of our senior citizens and other vulnerable populations, 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.

My colleagues and I would be happy to answer any questions you may have.

Respectfully submitted,

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