



WELFARE PROGRAMS THAT WORK FOR  
OHIO AND THE TRULY NEEDY:  
TESTIMONY REGARDING OHIO SB 240

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Thank you very much for the opportunity to provide testimony on a critical package of reforms for Ohio, SB 240. On behalf of Opportunity Solutions Project, which promotes the power of work and protecting welfare programs for the truly needy, I wholeheartedly encourage this committee to support the bill.

In short, if this bill passes, Ohio will be a much stronger state. On some very important metrics regarding the sustainability of state welfare programs, workforce participation, child poverty and child support collection, and building a safety net designed to be a temporary place for able-bodied adults while they get back on their feet, rather than a way of life, this bill and the reforms therein will move Ohio from the back of the pack to the front of the pack.

For all of Ohio's natural, competitive advantages, it has fallen behind on these fronts.

The state's seasonally adjusted labor force participation rate—61.8 percent—is far lower than what it was just 15 years ago.<sup>1</sup> Only 28 percent of single-parent families in Ohio on food stamps receive any child support payments.<sup>2</sup>

And I know every member of this committee is well aware of the state's improper payment rate in the Medicaid program, as high as 44 percent recently.<sup>3</sup> That plays no small role in the total cost of Ohio's Medicaid program which now exceeds \$30 billion per year. And it's important to note that Medicaid's growth in this state is not a recent COVID phenomenon—Medicaid consumed almost 40 percent of the state's budget in 2018, before COVID-19.<sup>4</sup>

This is not just about crowding out other state budget priorities and wasting tax dollars. The program has become unsustainable for the truly needy. The 40 percent of the program's enrollees who are able-bodied, with no time limit or work requirement, can access other health insurance. But the truly needy often have nowhere else to go. They need Medicaid to work in Ohio. I know cuts and conversations about cuts have already occurred in this building. Without reform, those will become more and more painful as the members of this legislature need to answer: Will all optional Medicaid services be cut? Dental services? Physical therapy? Speech disorder services? Prosthetics?

SB 240 will begin to turn these metrics around by empowering this body, increasing program integrity, supporting low-income single moms, and getting more able-bodied Ohioans back to work. Each of the bill's four categories of reforms will make Ohio more competitive and stronger.

First, the bill will put the legislature—this body—back in control of a broken bureaucracy by requiring more regular reports on program performance and your approval before any significant changes are made that could increase spending or dependency. This legislature sets the policy of this state. But for years now, state agencies have made enormous changes to Ohio's programs without this body's involvement. This bill changes that and will begin to bring these programs and state policy back under your control.

Second, the bill will reduce Ohio's waste and fraud, particularly in Medicaid, by requiring eligibility verification before enrollment, regular eligibility reviews, and stopping so-called "self-attestation," by which applicants simply affirm they are eligible on certain conditions and the department does not check.

It is no surprise that 98 percent of the improper payments made in Ohio's Medicaid program are caused by eligibility errors.<sup>5</sup>

It cannot help that, today, Ohio enrolls, then verifies eligibility and, rather than check available state data, Ohio accepts "self-attestation" for Medicaid eligibility when it comes to residency, age, household composition, and parent/caretaker status.<sup>6</sup> This means that Ohio accepts an applicant's statement at face value without any additional verification, even on vital conditions of eligibility.

Many other states, including Ohio's neighbors, do not leave the door so wide open. Kentucky and Indiana, for instance, do not accept self-attestation for residency. Indiana does not for household composition. Not even Illinois accepts self-attestation for state residency or household composition.<sup>7</sup>

Third, the bill will support single parents on food stamps and decrease childhood poverty by requiring food stamp recipients who do not have custody over their children—mostly dads—to cooperate with child support enforcement efforts. Ohio does not require child support cooperation as a condition of eligibility for food stamp benefits.

Instead, Ohio's policy mirrors New York and California's, not Florida or even midwestern neighbors like Michigan's.<sup>8</sup> This bill changes that and will put thousands of dollars into the pockets of low-income single moms across Ohio.<sup>9</sup>

And, fourth, it will move able-bodied adults out of welfare dependency and into self-sufficiency by making the work requirement for able-bodied adults without dependents statewide.

The growth of Ohio's welfare programs has coincided with a workforce shortage. Ohio has more than 240,000 open jobs across the state waiting to be filled.<sup>10</sup> Yes, this means more businesses that want to invest and expand in their communities but can't. Yes, this means less tax revenue for the state. More importantly, it means 240,000 missed opportunities for individuals and families to lift themselves up.

Yet, at the same time, there are more than one hundred thousand able-bodied adults with no dependents on food stamps in Ohio.<sup>11</sup> And three-quarters of these able-bodied adults do not work at all.<sup>12</sup>

This is, in part, because Ohio has a history of waiving the work requirement across wide swaths of the state.<sup>13</sup> Federal food stamps law requires that able-bodied adults ages 18-49 with no dependents in the house (ABAWD) work at least 20 hours per week, be in training, or volunteer to receive their food stamps benefit.

When in force, the ABAWD work requirement is the most effective welfare-to-work policy tool a state has.<sup>14</sup> More workers get off the sidelines, incomes are increased, and communities—especially rural communities—are strengthened where the ABAWD work requirement is in place.<sup>15</sup>

This work requirement has all the exemptions anyone could reasonably expect—it doesn't apply if you are a minor, have any dependents in the home, are over the age of 52, have a disability that keeps you from working, or are in a drug or alcohol treatment program, and the requirement even features a catch-all good-cause exemption if you can't meet the work requirement for any other reason beyond your control.<sup>16</sup>

And, because training and volunteering count toward compliance, the work requirement is flexible enough to accommodate individuals in any economic climate and in any region, including areas with fewer open jobs.<sup>17</sup>

These reforms will all benefit the state in many ways. But, most of all, these reforms will benefit the individuals enrolled in food stamps and Medicaid.

The power of work is not just the power of self-sufficiency and a better lifestyle for a family. The power of work is the purpose and dignity it brings. It is part of who we are and what we are meant to do. It is no coincidence that the Hebrew word for work used in the Old Testament, *avoda*, is the same word used for worship. There is dignity in all work because there is dignity in all people.

To protect the truly needy, save money by preventing waste and fraud, and promote the power of work across Ohio, I encourage the members of this committee and every member of the legislature to support SB 240.

Thank you very much for the opportunity to testify.

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- <sup>1</sup> “Labor Force Participation Rate for Ohio,” Federal Reserve Bank of St. Louis (2024), <https://fred.stlouisfed.org/series/LBSSA39>.
- <sup>2</sup> Jonathan Ingram, “Child Support Cooperation: Ending the Cycle of Dependency,” Foundation for Government Accountability (2018), <https://thefga.org/research/child-support-cooperation-ending-cycle-dependency/>.
- <sup>3</sup> Hayden Dublois, Jonathan Ingram, “Ineligible Medicaid Enrollees are Costing Taxpayers Billions,” Foundation for Government Accountability (2022), <https://thefga.org/research/ineligible-medicaid-enrollees-costing-taxpayers-billions/>.
- <sup>4</sup> Nicholas Horton, “The Medicaid Pac-Man: How Medicaid is Consuming State Budgets,” Foundation for Government Accountability (2019), <https://thefga.org/research/medicaid-pac-man/>.
- <sup>5</sup> Hayden Dublois, Jonathan Ingram, “Ineligible Medicaid Enrollees are Costing Taxpayers Billions,” Foundation for Government Accountability (2022), <https://thefga.org/research/ineligible-medicaid-enrollees-costing-taxpayers-billions/>.
- <sup>6</sup> Centers for Medicare and Medicaid Services, “MAGI-based eligibility verification plan,” United States Department of Health and Human Services (2020), <https://www.medicaid.gov/sites/default/files/2019-12/ohio-verification-plan-template-final.pdf>.
- <sup>7</sup> Centers for Medicare and Medicaid Services, “Medicaid/CHIP Eligibility Verification Plans,” US Department of Health and Human Services (2024), <https://www.medicaid.gov/medicaid/eligibility/medicaidchip-eligibility-verification-plans/index.html>.
- <sup>8</sup> “Child Support Cooperation,” Foundation for Government Accountability (2018), <https://thefga.org/one-pagers/how-to-reduce-childhood-poverty/>.
- <sup>9</sup> Ibid.
- <sup>10</sup> “State job openings rates, seasonally adjusted,” US Bureau of Labor Statistics (2024), <https://www.bls.gov/charts/state-job-openings-and-labor-turnover/state-job-openings-rates.htm#>.
- <sup>11</sup> Alli Fick and Scott Centorino, “The Missing Tool: How Work Requirements can Reduce Dependency and Help Find Absent Workers,” Foundation for Government Accountability (2021), <https://thefga.org/wp-content/uploads/2021/10/ABAWD-v-General-WR-in-food-stamps-paper-10-19-21.pdf>.
- <sup>12</sup> Jonathan Bain and Jonathan Ingram, “Waivers Gone Wild: Congress Must Crack Down on Food Stamp Loopholes,” Foundation for Government Accountability (2023), <https://thefga.org/research/waivers-gone-wild-food-stamp-loopholes/>.
- <sup>13</sup> Jonathan Bain and Jonathan Ingram, “Waivers Gone Wild: Congress Must Crack Down on Food Stamp Loopholes,” Foundation for Government Accountability (2023), <https://thefga.org/research/waivers-gone-wild-food-stamp-loopholes/>.
- <sup>14</sup> Scott Centorino, “States in control: Ten opportunities for welfare reform states can pursue no matter who is in the White House,” Foundation for Government Accountability (2021), <https://thefga.org/paper/ten-opportunities-welfare-reform/>.
- <sup>15</sup> Nicholas Horton and Jonathan Ingram, “Work requirements are working in Arkansas: How commonsense welfare reform is improving Arkansans’ lives,” Foundation for Government Accountability (2019), <https://thefga.org/research/work-requirements-arkansas/>.
- <sup>16</sup> 7 USCS § 2015(o).
- <sup>17</sup> Ibid.