Ohio House Finance Committee Testimony

Chairman Stewart

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Chairman Stewart, Vice Chairman Dovilla, Ranking Member Sweeney, and members of the House Finance Committee, thank you for your previous support and for the opportunity to provide testimony today on House Bill 96.

My name is Joree Novotny and I serve as executive director for the Ohio Association of Foodbanks. Our organization has represented Ohio's 12 Feeding America foodbanks and their thousands of local food pantry, soup kitchen, shelter, and supplemental feeding partners across every County in Ohio since they incorporated us as their statewide association in 1991.

We have been honored to partner with the State of Ohio for nearly three decades. We have a proven model for reducing food waste, creating and maintaining agricultural and food supply chain jobs, and ensuring Ohio households have somewhere to turn when they can't afford enough food on their own.

Historically, we source approximately 20 percent of our food from funding in Main Operating Budget appropriations, through two complementary programs: the Ohio Food Program and Agricultural Clearance Program, which provide a market for surplus or unmarketable fruits, vegetables, protein, and dairy items from Ohio farmers and producers, and support the procurement of shelf-stable foods. These resources are provided to local food pantries, soup kitchens, and Independent Economic Impact Analysis of the State-Funded Ohio Food Program and Agricultural Clearance Program (OFPACP)

An analysis prepared by economist Dr. Howard Fleeter estimated that, in addition to the direct benefit provided to families facing hunger, the State of Ohio's investment in OFPACP generated **\$38.4 million in direct and indirect economic output** across Ohio and **created or maintained 292 jobs** in the agricultural and food supply chain sectors. <u>View the analysis here</u>.

feeding programs at no cost to distribute to families facing hunger and make up the most wholesome and healthy foods on our shelves. We are grateful to the five gubernatorial administrations and members of 14 Ohio General Assemblies that have supported our public-private partnership as well as our partners at the Ohio Department of Job and Family Services for the continued opportunity to be in service.

Current challenges in food access & risks of inaction

About 3.4 million Ohioans (29.6%)¹ are eligible for foodbank services because they live in households with incomes below 200 percent of the Federal Poverty Level (FPL). About 43 percent of those individuals (1.475 million²) qualify for and are participating in the

² SNAP Data Map, DataOhio, January 2025; https://data.ohio.gov/wps/portal/gov/data/view/snap-populationmetrics?visualize=true

¹ U.S. Census Bureau American Community Survey, 2023 1-Year Estimates; https://data.census.gov/

Supplemental Nutrition Assistance Program (SNAP). The average monthly SNAP benefit for those poor enough to qualify is \$173 per person, or

Household Size	200% FPL (Monthly, Gross)	200% FPL (Yearly, Gross)
1	\$2,608	\$31,300
2	\$3,525	\$42,300
3	\$4,441	\$53,300
4	\$5,358	\$64,300
5	\$6,275	\$75,300

\$5.76 per day – insufficient to meet their full nutritional needs. And for the remaining 1.9 million Ohioans that have incomes below 200% FPL but don't get any help from SNAP, we are the only place they have to turn to when they have budget shortfalls. Please view Appendix 1 for example profiles of households eligible for our services.

We track every food pantry visit we fulfill and every hot meal we provide in a shelter or congregate setting. We have tracked those visits, which are duplicated counts of the number of times Ohioans sought out our help with food, for nearly 35 years. From July to December 2024, we provided

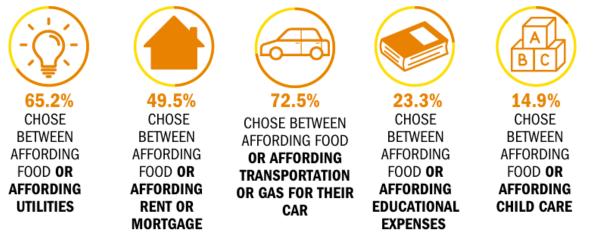
take-home groceries to more than 8.2 million food pantry visitors in six months, or nearly 1.4 million visitors per month. That represents a 64.71% increase in households with children compared to 2019 and a 70.32% increase in the number of seniors compared to 2019. In fact, the number of seniors seeking help from our food pantry network has gone up by 97% since 2016, as older adults continue to enter retirement without adequate savings and resources to afford rising housing and health care costs.

Our network also provided nearly 18 million prepared meals last year through hot meal sites, shelters, Kids Cafés, and other supplemental feeding sites.

We conducted a survey of 2,301 unique, verified food pantry visitors from 30 percent of all Ohio zip code-areas from April 15 to May 12, 2024. <u>The data collected provides a</u> <u>comprehensive demographic profile of people seeking food assistance from our network</u> and provides insights into the circumstances that led them to seek help from our hunger relief network and the experience they had when seeking help.

Food pantry visitors cite increases in housing costs and utilities, transportation to get to work, and higher costs for food and medical care as some of the top reasons they are facing these budget shortfalls.

AT SOME POINT IN THE PAST YEAR:





Two-thirds told us they had to choose between affording food or utilities in the past year while nearly three in four had to choose between affording food or transportation/gas for their car. Half had to choose between affording food or affording their rent or mortgage, and nearly three in five had to choose between affording food or affording medicine or medical care, including one in four that reported doing so every month or almost every month over the last year.

In addition to using these harmful coping strategies and tradeoffs to get by each month, nearly two-thirds (65.2%) reported that the adults in their households skipped meals in the past year because they did not have enough food, including more than a third (34.9%) that reported doing so every month or almost every month over the past year. These coping strategies and tradeoffs don't just cause immediate hardship – they have downstream consequences, like worsening educational outcomes for children, reduced productivity for workers, and increased health care costs for seniors and disabled Ohioans.

When asked about how often they expected to need to seek help with food from charitable hunger relief programs in the next 12 months, almost all (89.6%) said they would need help as often or more often than in the past 12 months. Unfortunately, that has borne out in the historic levels of demand for help we have continued to experience.

Additionally, more than 34,000 Ohioans that we know of had about \$17 million in federal SNAP benefits stolen between June 2023 and December 20, 2024. These funds, which help vulnerable Ohioans purchase groceries, have been stolen by organized criminals that have skimmed benefits by installing skimmers on point-of-sale devices. This is not a problem unique to Ohio, but it is now an even more pressing problem impacting our hunger relief network, because Congress stopped replacing stolen benefits as of December 20, 2024. County Job and Family Services Departments have been directed by the Ohio Department of Job and Family Services to refer impacted individuals to our foodbanks and food pantries for help. Our network was not built to replace a family's full food needs or their SNAP benefits and while we will of course do our best to provide the immediate relief we can to victimized families, this will further strain already thinly stretched resources.

We are encouraged by the recent introduction of a bipartisan House bill sponsored by Representatives Deeter and Rader that would direct ODJFS to modernize Electronic Benefits Transfer (EBT) cards to chip technology, which would deter future theft. We are also encouraged by Senate Resolution 29, introduced by Senator Schaffer, which urges Congress to restore stolen benefits and invest in modernization of EBT technology. As we await state and federal action, we urge you to help us keep enough food on the shelves to attempt to fill these additional gaps as best we can.

Our state-funded food programs are specifically designed not only to help reduce hunger, but to help support Ohio's number one industry, agriculture. You can view recent testimony before House Children & Human Services by <u>Pete Dorley, president of Keystone Meats</u>, and <u>Alex Buck, president of the Fruit Growers Marketing Association</u>, to learn more about how our public-private partnership bolsters Ohio farmers, growers, producers, and manufacturers.



Opportunity to ensure continued access to basic help with food & continued support for Ohio's agricultural sector

HB 96, as introduced, provides funding for the Ohio Food Program and Agricultural Clearance Program at \$24.55 million per year, a reduction of \$7.5 million per year.

We respectfully request the restoration of this \$7.5 million per year cut and additional funding of \$4.93 million per year, for a total investment of \$36.98 million per fiscal year in the 2026-27 state biennial budget.

Foodbanks saw an average year-over-year increase in utilization of about 10% from 2020 to 2023, and then this rate accelerated significantly in the 2024-2025 biennium. While many sectors of the economy have recovered from the pandemic, foodbanks are experiencing record high utilization, in large part due to national inflation, which has reduced purchasing power for Ohio consumers. This request is based on a restoration of cuts, an adjustment for the Congressional Budget Office (CBO) inflation projections for 2026, and a modest increase to the inflation-adjusted amount of 9.75%, based on the average increase in need in recent years. While the CBO projects inflation in 2027 at an additional 2 percent, we are not seeking an increase in funding in year two of the biennium, in recognition of our shared hope that need for help with food will have begun to subside. Please see Appendix 2 for more information about this request.

We were the grateful stewards of \$40 million in one-time American Rescue Plan Act (ARPA) funds that were directed to acquire and distribute Ohio-raised, Ohio-produced protein and dairy items as well as produce, shelf-stable items, and personal care and hygiene products. Those funds and the food they procured were fully expended and distributed in 2023 and 2024. This one-time ARPA funding is not included in our baseline number of \$32.05 million appropriated to us this fiscal year. Despite sourcing 150 million pounds of food from donated, privately purchased, state, and federal sources from July to December 2024, we were able to provide less food per food pantry visit than in any year in the past decade, because of increased food pantry visits and reduced purchasing power due to inflation.





Click to view our most recent detailed annual report to learn more about our food programs.

We want to continue to serve as responsible stewards of public resources, which is why this request represents our most conservative estimates for how we can stretch resources as efficiently and effectively as possible and still provide comparable support to Ohio's farmers, growers, producers, and consumers. It will allow us to source at least 58 million pounds of wholesome foods and distribute them to Ohioans facing hunger in all of Ohio's 88 counties.

In addition to creating and maintaining nearly 300 jobs in Ohio's food supply chain, rescuing food that would have otherwise been wasted, and putting nourishing food on the table for 1.33 million food pantry visitors per month, we will stretch that investment by leveraging an estimated 85,000 unduplicated volunteers that will contribute 360,000 volunteer hours valued at about \$10.5 million each year of the biennium and sourcing an estimated 140 million pounds of donated and privately purchased foods valued at about \$220 million each year of the biennium.

In closing, Chairman Stewart and distinguished members of the House Finance Committee, thank you again for the opportunity to testify. On behalf of the Ohio Association of Foodbanks, I would be pleased to answer any questions that members may have at this time.

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What changed with Supplemental Nutrition Assistance Program (SNAP) eligibility in Ohio on October 1, 2024?

The State of Ohio joined 25 other states in implementing a state option that allows *gross*, or *initial*, eligibility for SNAP to be set at 200% of the Federal Poverty Level (FPL). Households still have to also have *net* incomes below 100%

Households still have to also have *net* incomes below 100% FPL to qualify for SNAP, as calculated based on SNAP gross income deductions.

What is the estimated impact of these changes to SNAP gross income eligibility?

The Ohio Department of Job and Family Services estimates that Ohio's SNAP caseload could grow by up to 5%, or about 60,000 beneficiaries. Other current SNAP participants will be able to attain modest wage increases or work more hours without losing their entire SNAP benefit immediately.

How many Ohioans are eligible for help from foodbanks?

Ohioans with incomes below 200% FPL are eligible for help from the Ohio Association of Foodbanks network. 2023 American Community Survey 1-Year estimates found that 3.4 million Ohioans (29.6%) live in households with incomes below 200% FPL. Based on ODJFS estimates and current SNAP caseloads in Ohio, only about 41% of households below 200% FPL will receive any help from SNAP, even with this positive change.

Please take a look at these sample profiles of Ohio households that turn to Ohio's foodbanks for help.



Single Parent

Income: Parent has two children and a full-time customer service job, \$22/hour, averages 40 hours/week; Child support, \$225/month (~187% FPL)

SNAP Gross Income Deductions: Standard deduction (\$204); earned income deduction (\$757); dependent care deduction for after school care

(\$350); excess shelter deduction (\$496)

SNAP Eligibility and Net Income: Will not qualify for SNAP because their net income is still above 100% FPL

Why households like this are coming to the foodbank network for help more often: They would have to spend about 1/4 of their gross income on food to afford the average cost of a month's worth of meals for a family of three in Ohio. Even if everything is going right, they are regularly forced to make tradeoffs and skip meals if not for help with food from local hunger relief providers.



Family with Multiple Children

Income: One parent works full-time, 40 hours/week, in a fulfillment warehouse at \$22/hour; other parent stays home to provide caregiving to two young children (~145% FPL)

SNAP Gross Income Deductions: Standard deduction (\$217); earned income deduction (\$757); shelter deduction (\$100 – utilities besides water are included in their rent)

SNAP Eligibility and Net Income: Will not qualify for SNAP because their net income is still above 100% FPL

Why households like this are coming to the foodbank network for help more often: In addition to other rising household expenses, grocery prices have increased significantly; to keep up with rent, diapers, and transportation to get to work, often there isn't enough left to afford the food they need on their own.



Retired Older Adult

Income: Receives \$1,400 in Social Security benefit monthly and a \$400/month retirement distribution (~143% FPL)

SNAP Gross Income Deductions: Standard deduction (\$204); excess medical deduction (\$65); shelter deduction (\$630)

SNAP Eligibility and Net Income: Already qualified for SNAP under previous income tests; receives minimum benefit of

\$23/month

Why households like this will still need help from the foodbank network: Households living on fixed incomes often struggle to keep up with rising household costs, such as increasing property taxes and higher grocery prices; help from local hunger relief providers helps older adults stay healthier in their own homes and less isolated. An estimated 70,000 or more older adults receive less than \$50/month in SNAP benefits, or four days or less of groceries.



Single Parent

Income: Parent has one child and a fulltime job as a nursing aide, \$18/hour, averages 40 hours/week; Child support, \$175/month (~193% FPL)

SNAP Gross Income Deductions: Standard deduction (\$204); earned income deduction (\$619); dependent care deduction (\$750); shelter deduction (\$712)

SNAP Eligibility and Net Income: Can

newly qualify for SNAP because their net income is below 100% FPL; monthly benefit ~ \$240/month (\$1.33 per meal, per person)

Why households like this will still need help from the foodbank network: Rent has increased, utilities have gone up, and they can't always afford enough food with what they have left; sometimes, if their child is sick and they have to stay home and miss wages, or if they need to pay for a car repair, they can get even further behind. If everything else is going right, they would still need as much as \$440/month to afford their own food.



Two Adults, Mid-50s

Income: One adult works full-time, 40 hours/week, as a pharmacy technician at \$19/hour; one adult recently had to stop working to care for an elderly parent and help provide babysitting for young grandchildren (~193% FPL)

SNAP Gross Income Deductions: Standard deduction (\$204); earned income deduction (\$653); shelter deduction (\$712)

SNAP Eligibility and Net Income: Will not qualify for SNAP due to work requirements for adults without dependents, because caregiving for loved ones does not qualify as meeting a work requirement

Why households like this are coming to the foodbank network for help more often: For older workers that have yet to reach retirement age, there are often no good options when they are forced to step back and care for an elderly loved one. They struggle to try to plan for their own retirements and manage their own health while sacrificing to provide support to aging parents and grandchildren. Often, they need foodbanks to help them keep up with other bills.



Family with Multiple Children

Income: One parent works full-time, 40 hours/week, as a retail store manager at \$25/hour; other parent stays home to provide caregiving to three young children (~142% FPL)

SNAP Gross Income Deductions: Standard deduction (\$254); earned income deduction (\$860); shelter deduction (\$653 – they pay for their utilities separately from their rent)

SNAP Eligibility and Net Income: Can newly qualify for SNAP because their net income is below 100% FPL; monthly benefit ~ \$398 (\$0.88 per meal, per person)

Why households like this will still need help from the foodbank network: Most SNAP participants report that their benefits last less than two weeks; the average cost per meal in Ohio is \$3.78, meaning this family would still have as much as a \$1,300/month gap in affording their own food.



Parent and Disabled Adult Child

Income: Parent works full-time as a receptionist at \$17/hour, averages 35 hours/week; adult child receives \$700 per month in SSI benefits (~192% FPL)

SNAP Gross Income Deductions: Standard deduction (\$204); earned income deduction (\$511); excess medical deduction (\$115); dependent care deduction (\$850); shelter

deduction (\$488)

SNAP Eligibility and Net Income: Already qualified for SNAP under previous income tests; monthly benefit ~\$209/month (\$1.16 per meal, per person)

Why households like this still need help from the foodbank network: Caregivers juggling work and responsibilities at home often make impossible tradeoffs – do they pay for the medication they need or gas for the car to get to work? Sometimes they can't come up with the money to buy the healthy foods they know their doctors want them to eat to manage their chronic conditions. But SNAP benefits are supplemental – in this family's case, they still need \$471/month to afford basic food needs on their own.

APPENDIX 2: Methodology for Main Operating Budget Funding Request

The Ohio Association of Foodbanks received \$24.55 million per year in Main Operating Budget appropriations in state fiscal years 2020, 2021, 2022, and 2023. The 133rd Ohio General Assembly appropriated this baseline funding level when it passed HB 166 in July 2019. This appropriation level was the baseline for funding prior to the onset of COVID-19.

Governor DeWine and members of the Ohio General Assembly separately appropriated onetime federal pass-through funding of \$4.97 million in state fiscal year 2020, \$12 million in state fiscal year 2022, and \$40 million across state fiscal years 2023 and 2024 to support our frontline response to historic levels of utilization of our hunger relief services and to bolster Ohio's agricultural sector as it was similarly hard-hit by supply chain and inflationary pressure.

The 135th Ohio General Assembly appropriated baseline funding in HB 33 of \$32.05 million per year in its Main Operating Budget in recognition of the year-over-year increase in utilization of our hunger relief services and the year-over-year inflationary pressure on our purchasing power up to its passage in June 2023.

We are first seeking restoration of this baseline funding, which was cut by \$7.5 million per year in the Governor's as-introduced Executive budget, HB 96. Had we received an increase in baseline funding in the last biennium proportionate with actual CPI inflation and actual compounded increase in utilization of our services in HB 33, our baseline appropriation would have been \$40.74 million in 2024 and \$42.78 million in 2025. However, we gratefully acknowledge that separately appropriated one-time federal pass-through funds helped us to maintain adequate services and access to food over the past two budget cycles. Therefore, rather than request an increase to our baseline based on the unprecedented average increase in food pantry visits we experienced year-over-year in 2023 and 2024, we are requesting a more modest adjustment to our baseline based on year-over-year average increases prior to historically high levels of utilization in 2024 and the first half of 2025. Similarly, rather than request an increase to our baseline based on historical rates of year-over-year inflation, we are requesting a modest adjustment of 2.1%, based on Congressional Budget Office (CBO) projections for 2026. The CBO projects inflation in 2027 of an additional 2%, but we are not requesting an increase in year two of the biennium. Our total request, including restoration of cuts and a needs-based, inflationbased increase, is \$36.98 million per fiscal year in the 2026-2027 Main Operating Budget.

We estimate that this appropriation will allow us to procure and distribute 58 million pounds of fruits, vegetables, protein, dairy, and shelf-stable items, supporting dozens of Ohio farmers, growers, producers, and manufacturers, at an average cost per pound of \$0.6375.



OAF Member Foodbank Service Area



Second Harvest Food Bank of the Mahoning Valley

West Ohio Food Bank