## **Ohio Senate Finance Committee Testimony**

#### Chairman Cirino

#### May 27, 2025

#### Joree Novotny Executive Director, Ohio Association of Foodbanks

Chairman Cirino, Vice Chairman Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee, thank you for your previous support and for the opportunity to provide testimony today on Amended Substitute 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 experience budget shortfalls.

Historically, approximately 20 percent of the food our statewide charitable hunger relief network distributes is sourced with funding from 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 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>.

provided to local food pantries, soup kitchens, and 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%)<sup>1</sup> are eligible for foodbank services because they live in households with incomes below 200 percent of the Federal Poverty Level (FPL). About 44 percent of those individuals (1.49 million<sup>2</sup>) qualify for and are participating in the

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

<sup>&</sup>lt;sup>1</sup> 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 \$171 per person, or \$5.70 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.

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

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 2024 to March 2025 (Q1 – Q3, SFY 2025), we provided take-home groceries to nearly 11.8 million food pantry visitors, about 1.3 million visitors on average per month. We have provided basic groceries for nearly 400,000 children per month so far this fiscal year, a 64.4% increase compared to the monthly average in 2019. The number of seniors seeking help from our food pantry

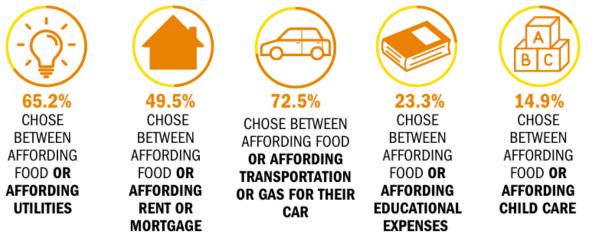
network on average monthly so far this fiscal year has similarly gone up by 68.5% compared to 2019, as older adults struggle to afford rising housing and health care costs.

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 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 is further straining already thinly stretched resources.

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

Am. Sub. HB 96 provides funding for the Ohio Food Program and Agricultural Clearance Program at \$24.55 million per year. We are grateful for this investment in state-funded food purchase programs that help us put fruits, vegetables, protein, dairy, and staple products on the shelves of nearly 2,000 local food pantries and 1,600 soup kitchens, shelters, and supplemental feeding sites. This is equal to the level of core operating funding we received beginning in July 2019 with the passage of the 2020-2021 biennial budget, HB 166. It is \$7.5 million per year less than the funding appropriated for these food purchase programs in the 2024-2025 biennial budget, HB 33.

We respectfully request your support of Amendment 0628, which directs additional funding of \$4.93 million per year for these food purchase programs, for a total investment of \$29.48 million per fiscal year in the 2026-27 state biennial budget.

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 an inflationary adjustment; please see Appendix 2 for more information about this request.

From January through March 2025 (Q3 SFY 2025), Ohio's foodbanks sourced about 27.5 million pounds of donated product and privately purchased another 10 million pounds of food through charitable dollars, for a total of 37.5 million pounds, or 31.2 million meals, in donated and privately purchased foods. This was 4.5 million more pounds, or 3.7 million more meals, than in the same quarter in 2024 (Q3 SFY 2024). We are stretching as far as we can to help keep adequate food on the shelves, but unfortunately we are still providing less food to each food pantry visitor than we have traditionally been able to over the past decade. Main Operating Budget dollars help us buy the healthiest, most wholesome foods we have to offer – nourishing foods we often can't source through other streams.



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 amendment represents a modest request to help us 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 46 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 1.1 to 1.3 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 Cirino and distinguished members of the

Senate 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 Amendment 0628**

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 133<sup>rd</sup> 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 135<sup>th</sup> 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.

Am. Sub. H.B. 96 reduces baseline funding back to \$24.55 million per year, \$7.5 million per year less than the current operating budget, a 23 percent reduction. 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. However, according to the USDA Economic Research Service, the all-food Consumer Price Index (CPI) rose 23.6 percent from 2020 to 2024. Therefore, we are requesting an inflationary adjustment of \$4.93 million per year to our baseline to ensure we can source healthy food and support Ohio families facing budget shortfalls and our agricultural partners.

Amendment 0628 will provide \$4.93 million per year for these food purchase programs for a total of \$29.48 million per year in the 2026-2027 Main Operating Budget. This inflationary adjustment of \$4.93 million per year will not offset all of the inflationary pressure we have been absorbing since 2019 when the \$24.55 million per year funding levels were originally passed, but it will make a meaningful impact on our ability to continue to prevent hunger, promote health, and support agricultural jobs.

We estimate that this appropriation will allow us to procure and distribute at least 46.2 million pounds of fruits, vegetables, protein, dairy, and shelf-stable items, or 38.5 million meals, supporting dozens of Ohio farmers, growers, producers, and manufacturers, at an average all-in cost per pound of \$0.6375.





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### OHIO HOUSE CHILDREN AND HUMAN SERVICES COMMITTEE CHAIRWOMAN WHITE FEBRUARY 27, 2025 PETER DORLEY, PRESIDENT, KEYSTONE MEATS

Chairwoman White, Vice Chairwoman Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for the opportunity to provide testimony today on House Bill 96. My name is Peter Dorley and I serve as the President of Keystone Meats, which is a family owned and operated meat packing business in Lima. We raise cattle and buy livestock from Ohio farmers, we harvest cattle, we process beef, chicken, pork and turkey. The primary output of our operation in Lima is All Natural, All Ohio canned meats. In other words, we make the center-of-the-plate, shelf-stable protein that is so critical to the hunger relief efforts of the Ohio Foodbanks.

I am here today to share our experience with the Ohio Food Program, a long time public/private partnership between Ohio's foodbank network, Ohio's agricultural and business community and the State of Ohio. As one engaged with agricultural and business in Ohio, my purpose is to share our experience as an example of the benefits of this program to so many in our community. The Ohio Food Program has become a key facet to our overall business strategy and company culture over the past roughly 10 years.

The typical volume we produce for the Foodbanks in a year is: 30,000 cases / 360,000 cans / 18 full truckloads / 650,000 lbs of meat / 900 cattle from OH farmers.

We do this for the Foodbanks at cost, no profit, in order to maximize production and maximize the volume of food going to those in need. "No profit" does not mean no benefit to our company, our supply chain, and the Ohio farmer. There are many benefits and I would like to highlight just a few:

 Benefit to our Workforce: Fulfilling Foodbank orders has kept our workforce more fully employed. We have 65 employees and growing. We have a 3% turnover rate. We have never laid anyone off. In part, we can thank the Ohio Food Program for all of these things.



- Benefit to our Supply Chain: Our #1 raw material is livestock from Ohio Farmers. There is a direct line from the Foodbank supply to the Ohio Farmer in our case. The more supply we buy, the more cost effective we are. For example, it benefits all parties if the farmer is delivering a full truckload of cattle rather than a partial truckload, and it benefits the farmer to deliver their livestock nearby within the state.
- Benefit to Expanding our Production Capacity: The Ohio Food Program, in part, has provided the volume we need in order to expand our production thus improving our readiness for future growth.

In summary, the Ohio Food Program is an economic development program that provides many benefits to the people of Ohio: 1) it provides center-of-the-plate shelf-stable protein to Ohioans in need, 2) it promotes growth of Ohio food manufacturers like us, 3) it supports full employment in manufacturing and agriculture sectors, 4) it provides a large local outlet to Ohio farmers.

My ask is that the legislature use every tool at your disposal to support this partnership that directly connects Ohio's food manufacturers and farmers to Ohio families in need of hunger relief.

Chairwoman White and distinguished members of the House Children and Human Services Committee, thank you again for the opportunity to testify. On behalf of Keystone Meats, I am happy to answer any questions members may have at this time.

# OHIO HOUSE CHILDREN AND HUMAN SERVICES COMMITTEE CHAIRWOMAN WHITE FEBRUARY 27, 2025

#### Alex Buck, President, Fruit Growers Marketing Association

Chairwoman White, Vice Chairwoman Salvo, Ranking Member Lett, and members of the House Children and Human Services Committee, thank you for the opportunity to provide testimony today on House Bill 96. My name is Alex Buck and I serve as the President with Fruit Growers Marketing Association which is a cooperative of over 40 Ohio farms that grow apples, peaches, corn, tomatoes, and potatoes for the Ohio Foodbanks.

I am here today to share my experience with the Ohio Food Program a long time public/private partnership between Ohio's foodbank network, Ohio's agricultural community and the State of Ohio. Fruit Growers Marketing Association has participated in the program for 29 years and the relationship has been instrumental to our operations.

Our farms grow and distribute over 5 million pounds of fresh fruits and vegetables to the Ohio Foodbanks every year. This partnership ensures that the foodbanks have access to healthy and affordable food grown in their own communities. Having this partnership can give the farmer an opportunity to receive compensation for imperfect produce that may have a cosmetic flaw or may be too big/small for a retail chain.

Our farmers do not discriminate against whom they want to feed. We want to feed everyone in the community, not just those that can afford to shop at the big box retailers. Local farms in Ohio do not have a robust distribution system and are unable to service by ourselves the 3600 food pantries, churches, soup kitchens, and other hunger relief agencies so we rely on the 12 Ohio Feeding America foodbanks to supply them for us.

Supporting the state budget request not only helps those going through economic hardships but also helps the Ohio farmers.

The Ohio Food program allows foodbanks to purchase produce at an affordable price from the farms. Since March 2020, farming costs have increased by 40% on expenses like labor, crop insurance, fuel, raw materials, chemicals, and packaging. Budget cuts on the program will result in farmers leaving crops in fields and not harvesting if the returns do not offset the labor expenses. This will lead to less product for the foodbanks, less income for the local farms, and increase cost in products being sourced out of state and freight associated with procurement.

I am the husband of a loving and patient wife and father 2 wonderful children who are 9 and 8 years old. My hometown located in Stark County is Marlboro township where 48% of families live below the poverty line and are eligible for foodbank services. Almost half of my children's classmates struggle with food insecurities. Our family donates whatever we can to the community but its not enough and I know there are many other towns like ours all around Ohio. From a farmer and a family living in an economically stressed community we are asking for your help.

Chairwoman White and distinguished members of the House Children and Human Services Committee, thank you again for the opportunity to testify. On behalf of Fruit Growers Marketing Association, I am happy to answer any questions members may have at this time.