



OHIO JOB AND FAMILY SERVICES DIRECTORS' ASSOCIATION

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Ohio Senate Finance Committee Interested Party Testimony – HB 96

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Good morning, Chairman Cirino, Vice Chair Chavez, Ranking Member Hicks-Hudson, and members of the Senate Finance Committee. My name is Jon Honeck, and I am the Executive Director of the Ohio Job and Family Services Directors' Association. Thank you for allowing me the opportunity to provide interested party testimony on HB 96 from the county perspective.

We are deeply concerned about the changes that HB 96 makes to the reporting requirements for non-elderly SNAP recipients (see RC 5101.546, JFSCD36). These changes create a significant unfunded mandate on counties and would require additional county caseworkers to administer. Under the bill, we can no longer use our current practice, called simplified reporting, which establishes a six-month recertification process. Currently, between six-month recertifications, recipients are mandated to report to the county JFS within 10 days when a change in circumstance affects eligibility. If they do not, counties will learn of the change through system alerts or at their six-month recertification, at which time the individual will have an overpayment which they must pay back, and they will lose eligibility. Clients are well-educated on these requirements and work proactively to avoid overpayments.

The bill prevents Ohio from using either simplified reporting or quarterly reporting, and instead mandates **monthly** reporting by non-elderly SNAP recipients. This means a monthly recalculation of benefits and reverification of eligibility by the county JFS. Non-elderly SNAP recipients would have to report all sources of income and changes in household expenses each month. Reporting must occur even with minor changes or no changes. Ohio has not operated its program in this manner for roughly two decades, when it changed to the current simplified reporting method. Simplified reporting is used by the majority of states.

This provision requires substantial extra administrative work without improvements to program integrity, and counties will need additional caseworkers to process this high volume of changes. Using a best case scenario assumption that a monthly interaction would only take 20 minutes of the caseworker's time, we estimate it will require an

additional 1.4 million hours of work annually. Nearly 900 county caseworkers would have to be hired at a cost of over \$66 million (\$33M state, \$33M federal).¹

Separately, ODJFS has estimated that mailing costs associated with this burdensome and administratively complex reporting requirement would total \$1.3M/month (\$15.6M/year). System updates to Ohio Benefits will also be a cost to the state.

These costs have to be considered in light of proposed changes to the way the SNAP program will be financed at the federal level. H.R. 1, now being considered in the U.S. Senate, lowers the federal match for SNAP administration and eligibility determination from 50% to 25%. This change will cost an extra \$65 million annually. Under current law these costs would be shared by the state and counties. The bill also requires that states share in the cost of recipient benefits based on a redefined measurement of error rates. States that have an error rate of 10% or higher would pay 25% of the total costs of benefits. Ohio's error rate was 9.2% in Federal Fiscal Year 2024 – below the national average of 9.6%. Yet, at a 10% level, the new formula would cost the state over \$800 million per year.

We respectfully request that this provision impacting reporting requirements be removed from the bill, or be fully funded. Through our system alerts and current recertifications, the system already addresses the intended outcomes of the proposed changes in HB 96, and monthly reporting would have a large negative impact on Ohio's error rates. With major federal changes possible in the coming months, Ohio should wait before investing in the implementation of drastic changes of its own.

Separately, we also respectfully request that the Senate restore a \$5 million/year reduction in a line item to support counties' Medicaid eligibility determination work (GRF ALI 655522). These funds, which were part of a larger line item in the introduced budget, were to be used by the Department of Medicaid for performance incentives for counties that meet standards for timely processing of new applications and redeterminations. ODM is using performance incentives in the current FY 2024-2025 budget, as well. Most counties use them to pay for staff overtime to address unexpected surges in applications. (Note: The line item is in the ODJFS budget, but ODM controls the performance incentive process. HB 96 appropriated \$49 million/year in this line item, and the House reduced the appropriation to \$44/year.)

We also respectfully request that the Senate maintain two changes that were made by the House:

- Keep the House-added language specifically denoting \$46 million per year provided to county JFS departments for SNAP eligibility and program integrity. This is part of a

¹ Our assumption is that a monthly interaction with each SNAP case will take 20 minutes. Our mid-range estimate for a county worker's annual combined total salary, benefits and overhead is \$75,000. This does not include any cost associated with caseworker training, appeals and state hearings, or additional investigations for overpayments. If the average case processing time is 30 minutes, the estimated annual cost rises to \$99.5 million.

larger ODJFS line item, shared with the department, which has a similar earmark in the current biennium (ALI GRF 600521). In FY 2024-2025, the earmark is set at \$43.9 million/year. The increase for FY 2026-2027 reflects the impacts of inflation on county budgets. Counties also use a portion of this allocation to fund SNAP Employment and Training programs.

- Keep the increase of \$2 million/year for the Adult Protective Services line item in order to help counties better serve senior citizens who have been abused, neglected, or exploited. This will bring the total annual appropriation to \$11.72 million for statewide services (ALI GRF 600534).

Thank you for allowing me to testify. I would be pleased to answer any questions you may have.

About the Ohio Job and Family Services Directors' Association:

County department of job and family service (CDJFS) agencies administer one of the largest health, human service, and workforce systems in the nation, with one in four Ohioans receiving assistance from the local office at any point in time. The CDJFS is responsible for administering programs to the state's most economically vulnerable citizens. Systems operated through the local agencies include cash assistance, food assistance, childcare, Medicaid (including long-term care, children's health insurance and services to aged, blind and disabled), adoption, adult protective services, child protective services, foster care, local workforce initiatives and child support programs. It is the county's primary duty to ensure clients receive the services they need and are entitled to, as well as to ensure program integrity. The blending and braiding of these programs at the local level helps reduce bureaucracy and streamline services for the people we serve.