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TESTIMONY Amended Substitute HB 64
June 9, 2015

Ohio Association of Foodbanks
Ohio's largest charitable response to hunger

Ohio Senate Finance Committee

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2014 Annual Report

http://www.ohiofoodbanks.org/docs/publications/sfy14_annual_report_web.pdf

2014 Hunger in Ohio Study

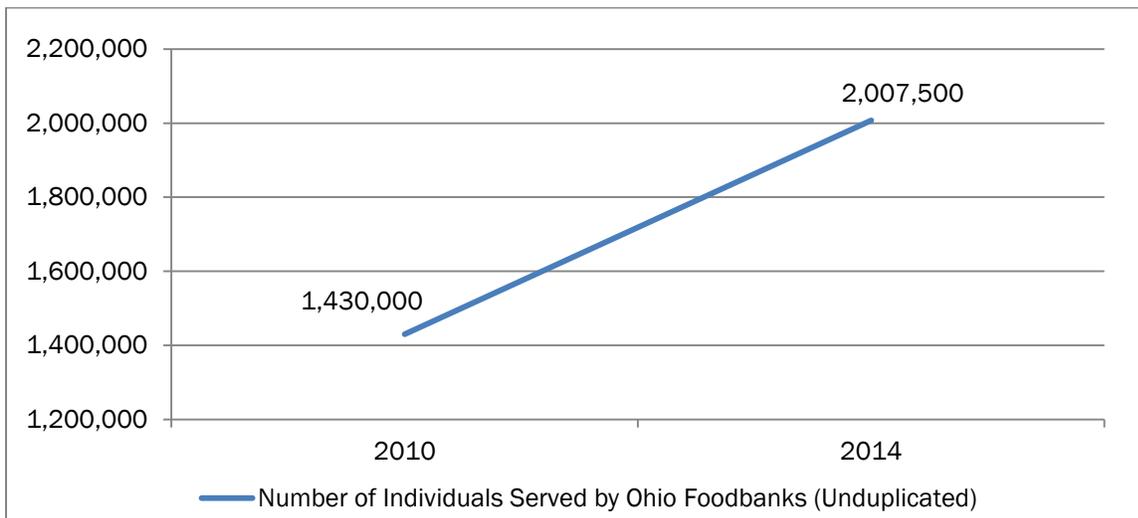
http://ohiofoodbanks.org/docs/publications/hunger_in_OH_2014_summary.pdf

Losing Ground – Research Brief

http://ohiofoodbanks.org/docs/publications/losing_ground.pdf

Good morning and thank you Chairman Oelslager, Vice Chair Coley, Ranking Member Skindell and members of the Finance Committee for the opportunity to testify today on behalf of our network of 12 Feeding America foodbanks and our 3,300 member agencies. My name is Lisa Hamler-Fugitt and I serve as the executive director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger and on the executive committee for Advocates for Ohio's Future.

I'm here representing the more than two million hungry Ohioans we serve last year and the volunteer-driven, charitably based network that is struggling to meet the rising demand since the Great Recession swept through Ohio communities. Hunger in Ohio has risen 40 percent from 2010 to 2014. That startling figure comes from the recent Hunger in Ohio 2014 study, conducted every four years and part of the largest study of its kind in the nation.¹



Hunger relief will be a critical component to the success of many of the issues that are before you. An adult with health insurance but no stable access to healthy food will be sick. A worker with a child in care but no stable access to healthy food will be less productive. A child who attends a school with increased funding but no food at home on the weekends won't be able to learn on Monday morning.

I'd like to briefly share with you five major reasons we are requesting your support of an amendment to provide an additional \$2.75 million per year in funding for the Ohio Food Program and Agricultural Clearance Program to support a funding level of \$20 million a year or \$40 million over the 2016-2017 biennial budget.

1 It is an extraordinary example of good government and a highly efficient and cost effective public-private partnership.

¹ Feeding America, Westat, Urban Institute. 2014. "Hunger in Ohio 2014: Full Technical Report" http://admin.ohiofoodbanks.org/uploads/news/final_state_report.pdf

There is no better example of a highly efficient, cost-effective public-private partnership in Ohio than that of the Ohio Food Program and Agricultural Clearance Program (OFPACP). This statewide partnership directs surplus and unmarketable agricultural products from more than 100 Ohio farmers and producers through the state's network of foodbanks onto the tables of Ohio families, ensuring even our most vulnerable populations have a source of nutritious, Ohio-grown, raised, and produced food.

Operated by the Ohio Association of Foodbanks, the program has thrived within Ohio for 15 years with funding provided by the Ohio General Assembly and administration completed by the Ohio Department of Job and Family Services. The program prevents waste, reduces loss for farmers and growers, increases and sustains employment in Ohio, represents the most nutritious food in foodbank warehouses, and, most importantly, provides the most wholesome of food to Ohio families for pennies on the pound.

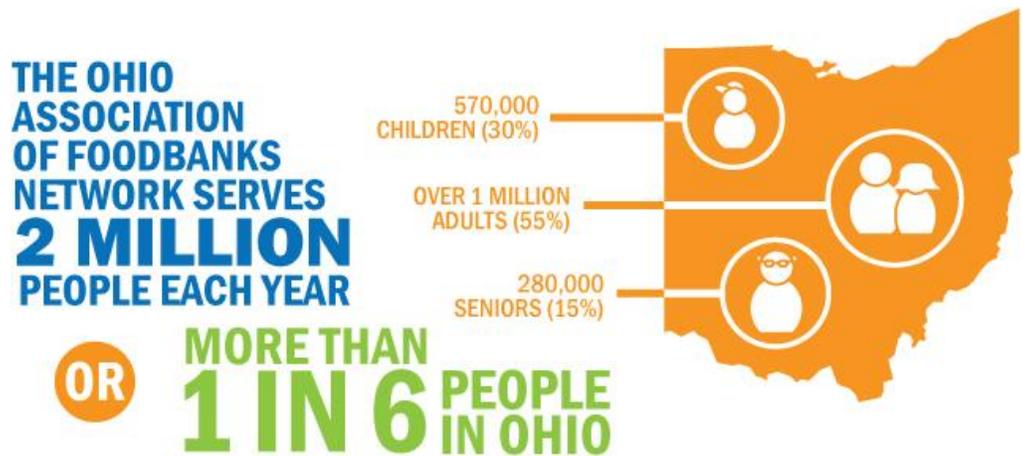
\$20 million a year is less than \$0.83 per person, per month served through our network, yet would deliver over 56 million nutritious meals per year to those in need. Our ability to secure and ship food in bulk and our partnerships with farmers and food producers allow us to achieve dramatic

cost-effectiveness in healthy food purchases. In fact, our average cost of produce last year was \$0.24 a pound. Our average cost for proteins and center-of-the-plate shelf-stable foods was \$0.66 a pound.

An independent analysis of the program by Dr. Howard Fleeter found that these programs and the Governor's Executive Orders for hunger relief added **\$35.2 million in output** across Ohio, **generated \$10 million in income** and led to the **creation of 386 jobs**, in addition to the direct benefit of **providing 32.9 million meals** to needy Ohioans.²

The Ohio farmers we work with are proud of our partnership. A full 86 percent of our farm partners report that this partnership increases worker loyalty to their business. This was both because of the opportunity for additional work and because they feel they are assisting a worthy cause. 77 percent say that they have been able to extend work hours and hire additional workers or extend the work season as a result of their partnership with us.

In the words of Chadd Buurma, a fourth generation farmer at our longstanding partner Buurma Farms: "All farmers hate to leave product in the field. This program helps farmers like us to reduce the amount of un-harvested product left in our fields, while providing locally



² Fleeter, H. 2014. "FY2014 Independent Economic Impact Analysis on Food Programs" http://admin.ohiofoodbanks.org/uploads/news/OFPACP_analysis_2014.pdf

grown foods to needy families. As Ohioans, we can be thankful for the vision of our legislature to provide funding for this innovative food program, and we can be grateful for the many dedicated Ohioans who strive to meet the needs of so many impoverished people.”

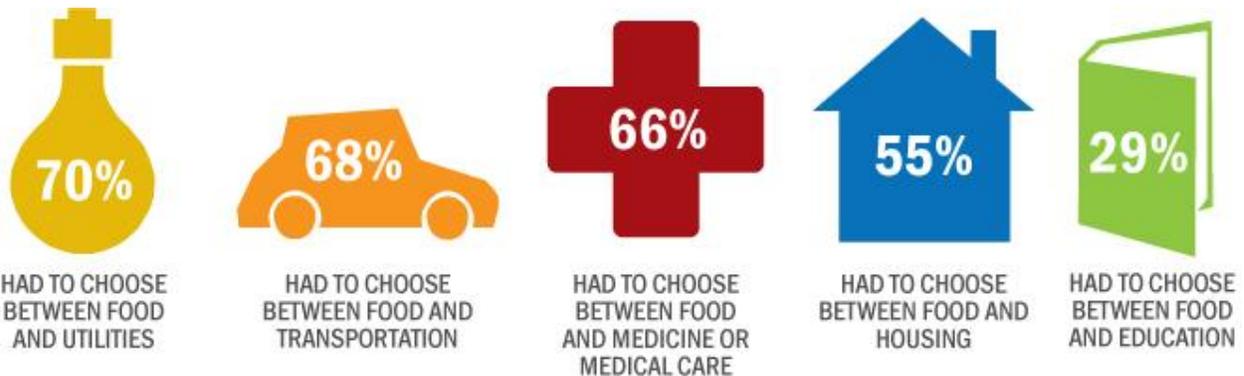
2 We serve more than 1 in 6 people in Ohio, or over two million people every year.

A significant portion of the debate and dialogue within the halls of the Ohio General Assembly and congress, are focused on the rapidly rising cost of health care, and how an increasing percentage of state and federal revenues are being spent to meet the health care needs, but far too often there is little to no acknowledgment of its connection to hunger.

Why is the health status of low-income Ohioans so poor? We have heard for decades, and its’ been backed up by volumes of research about chronic diet related diseases, But here’s all you need to know:

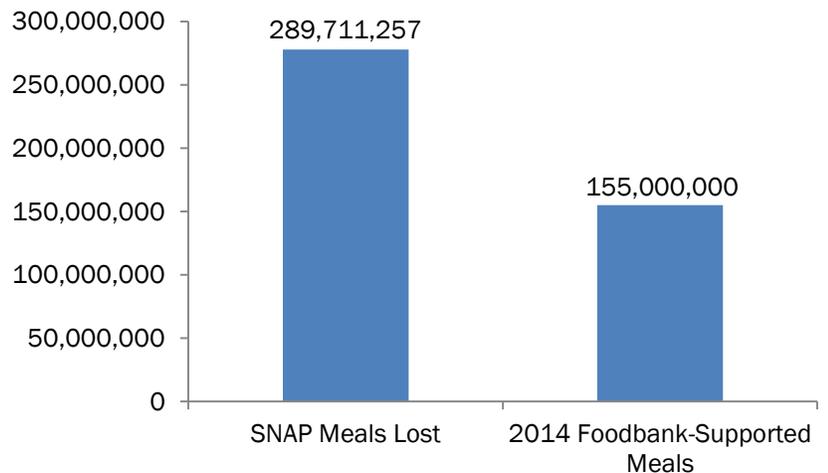
- **81 percent of client survey respondents said they purchase inexpensive, unhealthy food in order to make ends meet and feed themselves and their families.**

Our clients are choosing between paying for food and paying for a variety of other critically essential household expenses every day.



3 The Ohioans we serve have lost over 289.7 million federally-funded meals in the past 16 months...representing a loss of over \$408.8 million dollars.

The Supplemental Nutrition Assistance Program (SNAP), also known as food stamps or food assistance, was designed 50 years ago as the nation’s first line of defense against hunger. Of those households we serve that receive food assistance benefits, half reported exhausting their monthly benefits within two weeks or less, and 85 percent reported exhausting them by the third week of the month.



Our *Hunger in Ohio 2014* study also found that 38 percent of households we serve are not currently receiving food assistance benefits.

All SNAP recipients in Ohio and across the nation saw reductions in their benefits beginning November 1, 2013, when Congress prematurely ended a modest increase to SNAP benefits made as part of the 2009 American Recovery and Reinvestment Act.

“In late 2013, many of our customers faced a 7% reduction in food stamp benefits, generally resulting in a similar decline in sales, in these challenging neighborhoods. The very poorest among us do not have another pocket to reach into when their food stamp are reduced. This is not meant to be a political statement, but simply the sales economic of what my company has faced.”

Dave Saltzman, Dave’s Markets a family owned business located in Cleveland and

In Ohio, this deeply affected the 44 percent of households receiving SNAP that include children, the more than 15 percent of households that include someone who is elderly, and the nearly 29 percent of households that include someone who is nonelderly and disabled.³ A family of three lost an estimated \$29 per month from their food budget because of these changes. About 1.8 million Ohioans were receiving federal SNAP/food stamp benefits in October 2013.⁴ As of February 2015 enrollment had declined to 1,680,198).⁵

Compounding this loss in federal benefits, the State of Ohio chose to pass up a statewide federal waiver offered by the United States Department of Agriculture beginning January 1, 2014. The waiver would have allowed unemployed, able-bodied, childless adults between 18 and 50 years of age to continue to receive modest SNAP benefits— 100 percent federally-funded benefits— while seeking employment. The result has been a drastic decrease in the food budgets of those we serve and a corresponding increase in need and visits to our network.

Our largely faith-based, volunteer driven network cannot make up these cuts. Over 61 percent of all food distributed by our network in Ohio is already coming from individual donations, food drives, corporate donations and retail pick-ups.



³ Characteristics of SNAP Households: 2012, United States Department of Agriculture Food and Nutrition Service. <http://www.fns.usda.gov/sites/default/files/2012Characteristics.pdf>

⁴ Ohio Association of Foodbanks analysis of Ohio Department of Job and Family Services Public Assistance Monthly Statistics <http://jfs.ohio.gov/pams/index.stm>

⁵ “Statement on the November 1st Cuts to the SNAP Program,” Food Research and Action Center. <http://frac.org/statement-on-the-november-1st-cuts-to-the-snap-program/>

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Today - Ohio's unemployment rate is 5.1%, yet our state's poverty rate and food insecurity rates are 16% - more than triple the official unemployment rate

We have worked with Dr. Howard Fleeter for several years to develop an index tracking why food insecurity in Ohio continues to be severe despite recent economic improvements. Three key economic variables, median household income, rate of poverty and unemployment, were analyzed by Dr. Fleeter. An index value of zero would represent no poverty, no unemployment, and an Ohio median income equal to that of the 2007 national average.⁶

In 2013, Ohio's Hunger Factors Index value was 13.02. The index value in 2007, prior to the recession, was 8.96. Comparing 2007 to 2013 with data from the year 2000 shows that even in 2007 (the year prior to the recession) underlying economic conditions in Ohio had not recovered to pre-2001 recession levels. The 2001 recession ended the longest expansionary period in U.S. history (of 10 years).

Ohio's median income tells its own startling story. Ohio's inflation-adjusted 2013 median income of \$42,794 is 15.66 percent below the 2007 national average, compared to Ohio's 2007 inflation-adjusted median income of \$46,597 at only 8.17 percent below the national average. The 2007 national average is used as the consistent point of comparison because it is an absolute change in income levels not a relative one that influences food insecurity (this means that a family whose income decreases 20 percent will still have a harder time putting food on the table even if the national average income also falls 20 percent). The increase in this income gap from 8.17 percent to 15.66 percent indicates the extent to which the purchasing power of the typical Ohioan has eroded since the recession. By way of comparison, Ohio's inflation-adjusted median income in 2000 was only 5.69 percent below the 2007 national average.



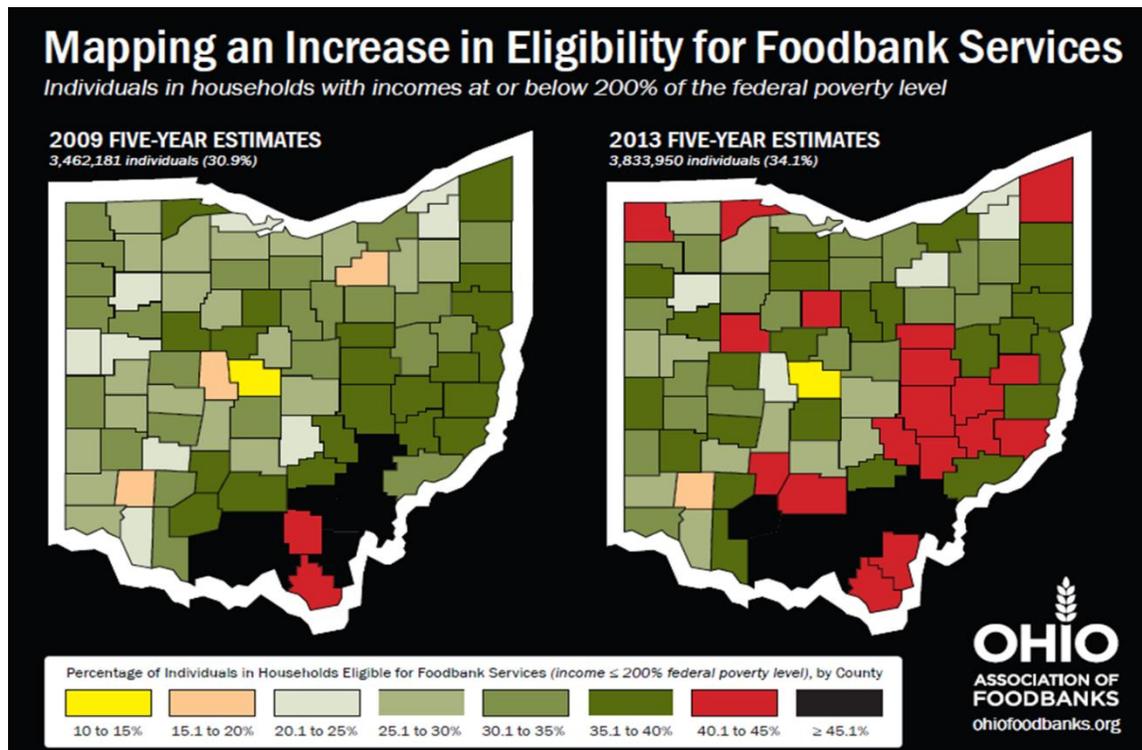
Ohio Hunger Factors Index
Economic Indicators Influencing Hunger, 2007-2013

	2000	2007	2008	2009	2010	2011	2012	2013
Hunger Factors Index †	7.06	8.96	9.64	12.98	13.77	14.00	13.45	13.02
Median Income*	\$47,854	\$46,597	\$46,214	\$43,873	\$42,875	\$42,170	\$42,290	\$42,794
% Poverty	11.1%	13.1%	13.4%	15.2%	15.8%	16.4%	16.3%	16.0%
% Unemployment	4.0%	5.6%	6.6%	10.2%	10.0%	8.7%	7.4%	7.4%

⁶ Fleeter, H. (2015). 2007-2013 Hunger Factors Index.
http://admin.ohiofoodbanks.org/uploads/news/Press_Release_-_Hunger_Factors_Index_Released.pdf

The households we serve are trapped in a state of poverty, through no fault of their own. We learned from our statewide hunger study that seventy-one percent of households have annual incomes at or below the federal poverty level. Most households—80 percent—have annual household incomes of less than \$20,000. And the median annual household income for those we serve is just \$9,760. That’s just \$813 per month.

Your constituents are relying on us regularly for help because their incomes are not keeping up with rising costs of living.



Half of the households we serve have at least one member that has been employed in the past year, although 46 percent of those households report that the longest-employed person in their household worked part-time. And it certainly can’t all be blamed on lack of training or skills. Forty-one percent of households we serve have at least one adult member with education beyond high school, including those with a business, trade, or technical license or certificate, some college, and those with two or four-year college degrees. The full-time jobs that paid living wages and provided benefits have been replaced by part-time, low-wage jobs that just aren’t cutting it for Ohio families.

In fact, 3.8 million Ohioans live in households with incomes below 200 percent of the federal poverty level, a marker of self-sufficiency. These Ohioans are now income eligible for emergency food supports from our network. In looking at the map of Ohio counties from 2009 to 2013 you can clearly see the changes in income taking their toll on traditionally stable, affluent communities across the state.

5 Investing in direct food relief has a tremendous impact on lowering health care costs, and increasing educational achievement, and worker productivity.

Health care costs: Over 66 percent of everyone we served last year is choosing between paying for food and medicine or medical care. These limited resources lead to tough choices and serious consequences.

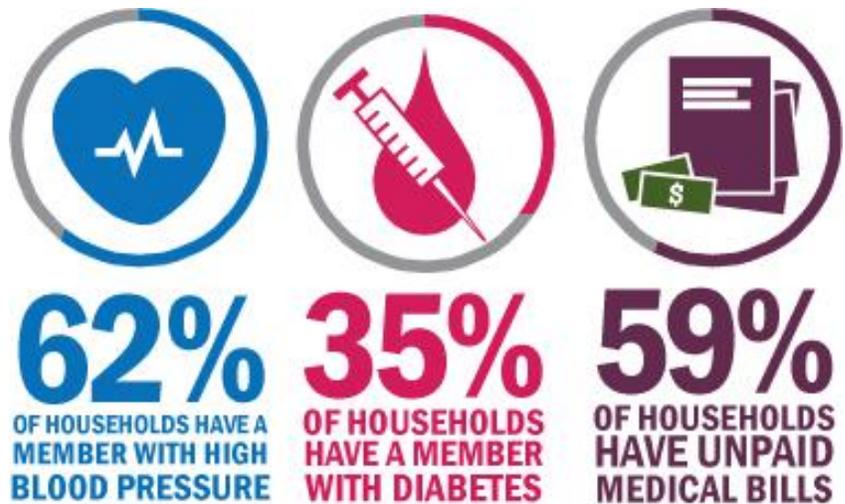
A survey published in the American Journal of Medicine last year found that individuals with difficulty affording food were almost four times more likely to skip their medications because of cost.⁷

This tradeoff has extraordinary implications for our entire health care system and future health care costs. One study estimated that, nationwide, as many as one in three patients enter the hospital malnourished⁸, while another determined that the cost of treating patients with nutrition-related risks is 20 percent higher than that of treating well-nourished patients with the same disease.

A 2010 national report found that Ohio was spending \$6.7 billion a year because hunger continues to exist. The majority of hunger-related expenditures were health-related and included hospitalizations, upper GI disorders, colds, migraines, iron deficiency, anxiety, suicide, depression, and overall poor health. We also know now that people with diabetes who have difficulty paying for food, medicine, and other basic needs also have trouble managing their diabetes and other chronic needs.⁹ Considering that, according to the CDC, 75 percent of health care costs are due to chronic conditions, utilizing food as medicine to improve health and reduce costs should be an obvious intervention.¹⁰

Educational achievement: Not only does hunger relief result in lower health care costs but the educational achievement of our children is deeply affected.

788,000 Ohio youngsters — 43 percent of all students — received subsidized meals this school year, according to the Ohio Department of Education. This is the fifth year in a row that the rate has hovered above 42 percent. A decade ago, less than a third qualified for the lunch program. These children could fill Ohio stadium over seven times. We know these children go hungry when school is not in session. When snow or calamity days cause schools to close, our network is overwhelmed by requests for supplemental meals. When spring and summer break roll around our soup kitchens see a spike in the number of kids who arrive for a meal. We have decades of research exploring the connection between hunger and missed



⁷ <http://consumer.healthday.com/vitamins-and-nutrition-information-27/food-and-nutrition-news-316/briefs-emb-3-21-00-00et-chronic-illness-hunger-medicine-use-ajm-release-batch-1185-685973.html>

⁸ Coats KG et al. Hospital-associated malnutrition (a reevaluation 12 years later). *J Am Diet Assoc.* 1993; 93:27–33. Giner M et al. In 1995 a correlation between malnutrition and poor outcome in critically ill patients still exists. *Nutrition* 1996; 12:23-29.

⁹ <https://www.ivanhoepharmacy.com/article.php?id=695034&category=DIAG>

¹⁰ <http://www.cdc.gov/chronicdisease/pdf/2009-power-of-prevention.pdf>

educational opportunities. Children from households experiencing hunger and low food security are more likely to miss school days, require special education, or have to repeat a grade, and they are vulnerable to long-term deficiencies in social interaction, attention spans, and overall learning ability.¹¹ Children who are hungry are at higher risk of not completing high school and are less likely to go on to higher education which is linked to limited employability and lower lifetime earnings.¹²

Worker productivity: On top of these significant outcomes, Ohio workers who are also worrying about how they will make sure they and their family can get that next meal are less productive. Put yourself in the mindset of a married couple with one child. Let's say one spouse works full-time for minimum wage, bringing in about \$1,300 per month, gross. The other spouse cares full-time for their child. They can just squeeze by paying rent, utilities, and putting enough gas in the car to get to work and go to wellness check-ups. Their food assistance benefits help, but they usually run out halfway through the month.

Would you consider watering down the infant formula for your son or daughter to keep their belly full? Would you buy less expensive, unhealthy foods to keep your grocery bill down? What would you do if you got a flat tire? Or worse yet, one of you got sick and had to miss just 1 day of work, resulting in the loss of 20 percent of your paycheck for the week? What if you only had enough gas in your car to take your sick child to the doctor, or pick up food from a local food pantry or get to work? Living on the edge month after month, always facing the reality of too much month left at the end of the money?

You might say that higher education could help, but this is a household in constant crisis.

Like almost a third of our clients, they are forced to make a choice between affording basic necessities, like food, or pursuing further education or training.

Take the story of a young father we met this year standing in line at a pantry for the first time in his life. His family of four, two young boys age 5 and 11 and his wife, were down to their last little bit of food. He's been eating his only meal of the day right before his job working second shift at a



¹¹ Kleinman, R. et. al. (1998). Hunger in children in the United States: Potential behavioral and emotional correlates. *Pediatrics* 101(1):e3. Murphy, J.M. et. al. (1998). Relationship between hunger and psychosocial functioning in low-income American children. *Journal of the American Academy of Child and Adolescent Psychiatry* 37(2):163-170.

¹² Frongillo, E. et. al. (2006). Food Stamp Program participation is associated with better academic learning among school children. *J. Nutr.* 136:1077-1080. Alaimo, K. et. al. (2001). Food insufficiency and American school-aged children's cognitive, academic, and psychosocial development. *Pediatrics* 108(1):44-53.

company that recycles computer systems. He has found that he's more tired at work, his mind is drifting. He's worried at work and then is worried that his employer will notice.

His wife also works. She used to be paid weekly and now she's paid twice a month and that timing has really affected their ability to budget. He makes \$13 an hour. Before the recession he was working in the same field for a different company for \$16.50 an hour. His wife was earning \$14 an hour then and they were in better shape. Now they've had to get into borrowing against the bank to make ends meet and are losing about \$300 to \$400 a month. The bank takes 10 percent back. They don't have other options. They have basic expenses that must be paid, like gas to get to work. The bank is not like a credit card, the young father told us, they take directly out of your paycheck, and now they're into garnishment. And then his kids need things like shoes and school supplies. His wife works north of the city and he works in Gahanna so there's a lot of gas. His dad retired last year and so they can't ask for help from his family like in the past. They are trying now to find a place with lower rent. When they moved in they had more money.

They've been able to find people at church to watch their kids or have a sitter that they would pay \$60 a week. Latchkey is too much money a month. He's grateful he and his wife both own their cars. They wouldn't be able to make a car payment. He's very worried about what they'll do if one of the cars breaks down. They don't drink, don't smoke, nothing extra. They go to church every week.

They are \$100 over income for food stamps. His children are on state Medicaid. A while ago his was able to get a temp job and they've put her on permanently. They thought she would be better off with the now permanent work but that's not happening. He's worried about what happens if one of their cars goes or needs work. They're not able to do any maintenance now. They haven't touched their student loans. "We're just trying to keep our head above water."

The answers to the crisis facing 2 million Ohioans each year are not easy, and there is much to debate. But one truth is not up for debate, and that truth is that every human has the right to adequate amounts of nutritious food. We believe in that truth and fight to fulfill it every day, but we cannot do it alone. We need your continued leadership and support for our modest budget request of \$20 million a year or \$40 million over the 2016-2017 biennium. It's a cost effective investment our state can well afford, **representing just .83 cents per person, per month served by our emergency food assistance network.**

In closing, we humbly request your support for an amendment for an additional \$2.75 million per year in line item 600540. Thank you for your consideration. I would be pleased to answer any questions you may have at this time.

Letters from our Member Foodbanks urging your support for this modest and humble request, representing just .83 cents per person, per month served by our emergency food assistance network.

Testimony from Amber May of Wadsworth, Ohio

My name is Amber May. I am 26 years old, a single mother of two, and a life-long resident of Medina County. And I'm here today to share a little bit of my story with you.

My life is a constant battle of trying to find ways to better my life and the lives of my children. Unfortunately, so far, it seems like no matter what I do, I can't get ahead. Each decision I make leaves me feeling like I took one step forward only to take five steps back.

For example, last May I graduated from the University of Akron with a bachelor's degree in sociology, criminology, and law enforcement. I made the decision to go to college because I thought it would help me get ahead, but since graduation I've been unsuccessful in finding work in my field.

So now I am stuck continuing to work at the Society for Handicapped Citizens where I have been for five years, earning \$9.98 an hour. Only now, on top of that, I also have the burden of paying back my student loans.

In another effort to move forward, this past fall I picked up some extra hours at work. Although the 80 hour weeks were wearing, I was excited about the possibility of being able to provide a really special Christmas for my two children. Unfortunately, the temporary extra hours caused all \$462 in my SNAP benefits to be cut. Now I have no choice but to continue working 70-80 hours a week to try to make up for that loss. But instead of this extra time helping me get ahead, I'm still only barely making ends meet. And I'm tired. My hours are inconsistent and it's not uncommon for me to go 5 or 6 weeks without having a single day off.

All of this causes me to live in constant fear.

I fear what will happen if an emergency comes up. Though I try to budget as best as I can, I still am left with very little savings each month after paying for food, making my car payment, insurance payment, rent, phone, and medical bills. I fear the day that my car breaks down, and I am stuck without the funds I'd need to be able to get it fixed.

I fear what effect all of this has on my children. In my efforts to provide for them, I am missing out on so much time with them. Even when I am home it's hard, after working so much, to have the energy to be as engaged with them as I'd like to be.

I even fear what will happen if I am offered one of the positions I've applied for. Though I certainly want a different job, preferably one in my field, I know that with each offer I have to be very cautious and consider whether or not the little bit of extra pay and extra sleep will be worth the cuts in benefits. Even now, I just started receiving \$300 a month in child support for my two children. And while this is certainly helpful, I'm still bringing in \$162 less than I was with my SNAP benefits. And I'm afraid that the \$300 a month will mean that my rent or daycare assistance will decrease.

Being a motivated person, this is all especially hard because I strive to do better. I want to work hard. I want to be able to support my family by myself. But I'm afraid of striving too hard because I'm afraid that if I do, too much of my assistance will be taken away too soon. And so I feel trapped.

I don't know how things will work themselves out, but I'm thankful for the government assistance I do receive. I'm thankful for the support I receive from my family. And I'm thankful for food programs and pantries that support my aunt and my grandparents and that supplement my income and make it possible for me to provide nutritional meals for my children as I continue to press on.

Though I often feel like this struggle will never end, I continue to hold on to the hope of a better Ohio. Thank you for the opportunity to be here today and to share my story. Please know that this story isn't just mine—that there are millions of Ohioans working tirelessly to make ends meet, to do better.

I urge you to consider our stories as you move forward in your work. Thank you.