



Ohio Senate Finance Committee
Interested Party Testimony on House Bill 49
Kristin Mullins, President and CEO, Ohio Grocers Association
June 14, 2017

Chairman Oelslager, Vice Chair Manning, and members of the Senate Finance Committee – thank you for allowing me the opportunity to provide testimony on House Bill 49.

As President of the Ohio Grocers Association, I proudly represent over 300 food retail, wholesale and supply companies across the Buckeye state. My members range from the largest chain stores to the smallest “mom and pop” independent grocers as well as some convenience stores and of course the food wholesalers who supply these stores.

I am here today in strong support of continued funding for the Healthy Food for Ohio (HFFO) program. This program was launched in the last biennial budget, thanks to your support, but has been defunded in the current Senate version of H.B. 49. **OGA respectfully requests that the Senate consider restoring the House version’s funding of \$500,000 across the biennium to the HFFO program (Line Item 600546).** While we all know this is a lean budget cycle, HFFO has proven to provide return on investment to the state in a number of ways.

At our last market study, Ohio’s grocery industry employs over 110,000 people in full- and part-time jobs. Ohio grocers generated over \$18.5 billion in sales, paid over \$2.3 billion in wages, and paid \$1.1 billion in state and federal taxes. I give you these numbers to illustrate that Ohioans not only depend on grocers as distributors of their food supply, but as employers and taxpayers, as well.

While it is clear that the grocery industry is a critical economic driver in Ohio, it is also important to note that there are locations in which it is difficult for communities to attract our proprietors. Profit margins for grocers are razor thin - just 1-1.5% - and our membership faces unique challenges in incorporating and expanding businesses.

The HFFO program offers flexible grant and loan dollars to grocers that they might not otherwise be able to find through traditional lending means. The state’s seed grant funding last biennial budget, which was leveraged by program administrator and non-profit Finance Fund Capital Corporation at a rate of over 1:5, provides a critical one-time injection of funds for grocers to establish or expand in areas of critical need around Ohio. Grocers face a number of regulations in growing their businesses; having a

single, streamlined point of contact for this programming makes it easier for our businesses to flourish. Through HFFO, Finance Fund becomes a one-stop resource for technical questions and advice related to sustainable financing for grocers of all sizes looking to provide fresh food in Ohio's most underserved communities.

On behalf of the Ohio Grocers Association and our 300+ members, in addition to the over two million Ohioans who lack access to fresh and affordable food options, I respectfully urge you to restore funding to the Healthy Food for Ohio program.

Thank you for your time, and I would be happy to answer any questions. Please feel free to contact me at Kristin@OhioGrocers.org or 614-448-1622.