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**Senate Government Oversight & Reform Committee**  
**Senate Bill 17—Sponsor Testimony**  
**Wednesday February 3, 2021**

Chairwoman Roegner, Vice Chair McColley, Ranking Member Craig, and members of the Senate Government Oversight & Reform Committee, thank you for the opportunity to present sponsor testimony on Senate Bill 17.

For the last ten months, Ohioans have been tested. They have tightened their budgets, set priorities, identified vulnerabilities, helped their neighbors, and will come out stronger for it.

Today, we, Ohio's leaders, are doing the same thing. With this legislation, we will strengthen our budget, prioritize and protect the truly needy and close loopholes that open to fraud and waste. And our state will come out stronger for it.

As tough as this time has been for our state, it has given us an opportunity to reassess what is and isn't working in our unemployment and welfare programs. And there's no way to sugarcoat it—there's plenty that's not working. And when those programs aren't working—it's not just the taxpayers who pay for it—it's the truly needy who are denied their appropriate benefits.

This bill takes a comprehensive approach, and the long list of reforms each are a long-time coming. But all the reforms have a common theme: repairing our safety net so that it's strong enough to catch the needy, the folks eligible to receive--and need--public assistance.

Most of these reforms are just common-sense approaches to increasing program integrity and have already been implemented by many other states. The implementation of these reforms will move Ohio from the back of the line to the front. Just by taking good reforms working in other states, we can move ahead and be a national leader—a leader in protecting tax-dollars and a leader in focusing our resources on the truly needy.

How does this bill get us there? It begins with making sure our state is using what it already has—specifically the data we already have. Across unemployment, food stamps, and Medicaid, this bill ensures that before programs distribute benefits,

and regularly after that, they cross-check applicants and enrollees against state data sets like prison records, new hire records, wage records, lottery winnings and death records.

Our constituents would be surprised to learn that this kind of common sense data-sharing and eligibility checking isn't already happening. But it isn't. This bill changes that and will help state agencies share information so that waste and fraud can be identified more quickly and people actually *eligible* for benefits can continue getting them.

### **Unemployment**

We all understand how important **unemployment** has been to Ohioans during the pandemic. Now is the time to take serious steps to protect it. Our trust fund was overstressed well before the pandemic, and the explosion of unemployment fraud and increase in caseloads during the pandemic has only made the problem worse. We must protect the trust fund for the truly needy, those who have lost jobs through no fault of their own and need a bridge to hold them over between jobs. It is simply unacceptable to not do everything in our power to make sure only the truly eligible continue to collect unemployment benefits.

Every fraudulent claim is paid for by taxes on our businesses, which these days are scraping by just to keep their doors open. Can we look our small businesses in the eye and tell them that they had to accept more tax increases to pay for unemployment benefits for identify thieves, incarcerated felons, people who already have jobs, or people who refuse suitable work and leave their own employers without workers? Can we look our truly needy in the eye and say that paying for fraud is a higher priority than paying for legitimate claims?

This bill offers straightforward, common-sense solutions for our system. It will protect eligible people. This should not be controversial, and these unemployment program integrity reforms are the first step to a proper recovery, and to getting our unemployment trust fund on truly solid footing for the first time in decades. Our agency works hard, but it is clear that these federally-recommended solutions are appropriate, if not overdue. Our people, and our small businesses, deserve these protections.

### **Medicaid**

In **Medicaid**, we all understand how important Medicaid benefits have been to vulnerable populations, and protecting those benefits is a major part of this bill. We know that we can only protect them if we can increase program integrity

among able-bodied adults and get folks out of welfare and back to work. This bill will clean up the rolls so that benefits are preserved for the truly needy by requiring specific audits and ensuring full eligibility verification before and after enrollment.

This bill also pushes Ohio forward by asking the federal government for authority to implement modest work requirements among able-bodied adults and more thorough eligibility application and checks. We know that work—and the increased incomes and community engagement that go with it—is the best path out of dependency. We may not know, with absolute certainty, the outcome of these waiver requests. But we do know, with certainty, that if we don't ask, we'll be stuck with the broken status quo.

### **Food Stamps**

Other parts of this bill simply ensure that Ohio is taking advantage of state flexibility in the **food stamp program**. For example, we'll join the states that use 'change reporting' instead of 'simplified reporting,' which means our JFS department will be empowered to review changes in income and eligibility when they actually occur, not just the lax honor system we've been relying on, so that ineligible enrollees aren't on for months and months. Eligibility errors drive the vast majority of improper payments. This will reduce eligibility errors and save money.

We'll also join the states that have closed the broad-based categorical eligibility loophole, or BBCE loophole. This means the department can't fast-track enrollment onto food stamps just because they give an applicant a brochure printed with money from the cash welfare program and call it a benefit so they don't have to check an applicant's assets. And yes, even millionaires have gotten food stamps through this loophole, because assets and bank accounts simply aren't checked at all. It's a loophole big enough to drive a tank through, and we're closing it so food stamp dollars can be preserved for the truly needy.

We'll join the states that require food stamp enrollees to cooperate with child support enforcement so that single-parents can get the support payments they need and that they're owed under the law. This is a powerful tool to increase child support collection, support law enforcement, and lift families out of generational poverty and dependency.

And we'll take other measures, like requiring photo ID on food stamp EBT cards, to increase program integrity and crack down on waste and fraud that the Obama Administration estimated at \$750 million nationwide. Ohio's share of that by my

calculations is approximately \$26.5 million, enough to stretch a single line of apples from Cleveland to Cincinnati 9.9 times on I-71 – nearly 5 round trips!

In all, this bill will do what Ohioans expect us to do in this moment. They know there are needs. So do we. For the truly needy Ohioans out there, folks with disabilities, folks laid off through no fault of their own, single parents trying to get back on their feet, vulnerable seniors—this is their bill. This is the bill that protects their safety net.

For people who see increased welfare dependency as a good thing without any downsides—this may have less appeal and they will be critical of this bill. This bill is about reducing dependency, saving money, and helping families build *themselves* up.

As someone who has pushed for welfare reforms over several general assemblies, I am well versed in the opposition to these reforms. You will no doubt hear that this is a hurtful bill that will keep needy people from accessing benefits and services. Please don't listen to those hysterics; don't take the bait. Simply ask, "Will you show me the evidence?"

The opposition has been hysterically fear mongering with no basis in fact. Under these proposals, no one needing benefits will lose access to them. No one. If you ever see evidence to the contrary, I want to see it so I can fix it.

We will continue to care for those in need, not those who victimize needy Ohioans or those who are gaming the system and gaming our taxpayers. I challenge any Ohioan who is truly concerned about this to contact my office so we can show them the truth. I will be waiting for their calls and emails.

Thank you once again Chairwoman Roegner and members of the committee for the opportunity to present this legislation to you today. I will be glad to answer any questions at this time.