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Ohio House of Representatives
Insurance Committee
House Bill 394

Testimony of Lisa Hamler-Fugitt, Executive Director
Ohio Association of Foodbanks
December 2, 2015

Good afternoon Chairwomen Hackett, Vice Chair LaTourette, Ranking Member Bishoff and members of the Insurance Committee. 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. We represent Ohio's 12 Feeding America foodbanks and 3,300 member hunger relief charities, including food pantries, soup kitchens, and homeless shelters. Our mission is to provide food and other resources to people in need and to pursue areas of common interest for the benefit of people in need.

Last year, our statewide hunger relief network distributed 197 million pounds of food – or about 164 million meals – feeding more than 2 million low-income Ohioans – 1 in 6 of our friends and neighbors. I want to thank each and every one of you for your generous support of our efforts and for the funding you provided in HB 64, in support



of two critical hunger life lines, the Ohio Food and Agricultural Clearance Programs – which provided more than 40 million pounds of the food we distributed.

The association also is the home of [The Ohio Benefit Bank™](#)

(OBB™) and serves as the lead organization for the federal Navigator grant from the Centers for Medicare and Medicaid Services, connecting Ohioans to health insurance through the federally-facilitated Health Insurance Marketplace.

Demand for help from our statewide network has risen 40 percent from 2010 to 2014. That shocking 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. Recent media reports tell the story about how jobs have returned, but hunger remains a problem in Ohio. And in September, the USDA Economic Research Service released the 2014 Household Food Security study that found Ohio's food insecurity rate is now 16.9%, ranking Ohio sixth nationally for the highest rate of food insecurity behind only Mississippi, Arkansas, Louisiana, Kentucky, and Texas.

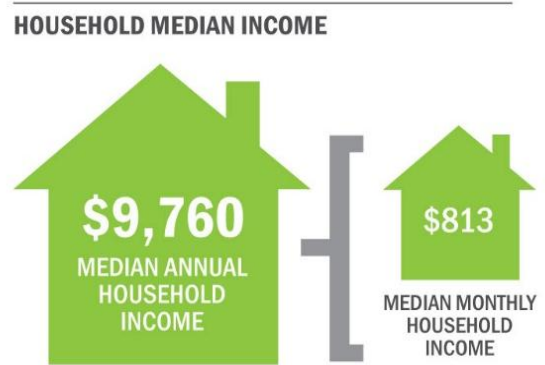
All while the state’s official unemployment rate drops. This official unemployment rate is no longer an indicator of poverty, hunger, or food insecurity. It’s no longer an indicator of the health of our citizens, community, state, or nation.

2014 POVERTY RATE: 15.8%
2014 FOOD INSECURITY RATE: 16.9%
OCTOBER 2015 UNEMPLOYMENT RATE: 4.2%

HB 394 Would Make it Even Harder for Unemployed Workers to Qualify for Unemployment Benefits

These historically significant statistics and grim realities are the reason why I’m here today to present testimony on H.B. 394 and to share with you the concerns that we hear from the low-income Ohioans who stand in our food lines. Their stories are often the same, about how they struggle every day just trying to get by on low wage, part-time, temporary, and contingent employment, dead-end jobs that provide no access to employer sponsored health insurance, no paid sick or vacation time, no paid time off, no opportunity to save for retirement, no job security, and more often than not – empty promises.

When these Ohioans are laid-off their jobs – they often don’t qualify for unemployment compensation. Requiring laid-off workers to have earnings in three quarters, instead of the current 20 weeks, will further hurt Ohio’s unemployed workers who are not employed throughout the year through no fault of their own. Currently, no other state imposes such stringent requirements. In addition, this committee and the entire Ohio General Assembly should thoroughly analyze the consequences and current trends of the increasing numbers of low wage, temporary, part-time, and contingent employment as it will have negative long-term implications for workers, their families, the economy, and Ohio’s state budget.



Ohio Department of Job and Family Services (ODJFS) - Monetary Ineligibility¹

Initial Unemployment Compensation (UC) claims filed with ODJFS in 2009, 2010, 2011, 2012, 2013, 2014 and through the first 3 quarters of 2015 that were denied by the department due to a lack of earnings/wages in the base period of at least 20 weeks.

Year	Total Filed	Mon Ineligible ¹	Percentage
2009	758,274	110,782	14.61%
2010	601,966	137,195	22.79%
2011	508,914	105,771	20.78%
2012	465,319	83,994	18.05%
2013	429,783	75,277	17.52%
2014	359,293	52,301	14.56%
2015	237,922	27,168	11.42%

Findings of Ohio Association of Foodbanks - Work Experience Program (WEP)

The Ohio Association of Foodbanks has been assisting able-bodied adults without dependents (ABAWDs) receiving Supplemental Nutrition Assistance Program (SNAP) benefits in Franklin County with meeting the federal work requirement to maintain their Food Stamp/SNAP benefits as part of an ongoing partnership with the Franklin County Department of Job and Family Services. The association has been able to grow this Work Experience Program (WEP), offering more services and resources to ABAWDs in need. WEP provides work experience and job training for participants who are currently unemployed or underemployed, as a means to enhance their ability to secure sustainable employment.

To date, we have assessed close to 5,000 individuals. Of these individuals, nearly 8 in 10 clients (78.3%) reported that they have never received unemployment compensation benefits. The data we have collected through these assessments continue to reinforce what we have been able to identify as key barriers for many of our clients as they seek gainful employment.

A post participant follow-up study of a random sample of 247 clients that exited the program during a 6-month period found that 1 in 3 clients reported having taxable income. The second highest employment source for participants who exited our work experience program after securing paid employment was work from Temporary Agencies. The average length of employment was 79 days or 11.3 weeks, working an average of 29.49 hours per week at an average wage of \$10.23 per hour, representing income of just \$3,409.00.

It is clear from this study that Ohio's low participation in Unemployment Compensation stems from the program's current less than favorable structure, which keeps involuntarily unemployed workers from participating in the program.

HB 394 Would Further Harm Unemployed Workers and Unemployed Workers with Disabilities

Make no mistake, we support work and know that the best way to keep someone out of our food lines is with a good, secure, full-time job that pays enough to support a household at a basic level. Yet 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.

In addition, many of the households we serve face additional barriers to employment yet are struggling to supplement their modest retirement benefits and/or Social Security benefits. In fact, 16 percent of the client households we served included grandparents who are responsible for raising their grandchildren, such as Lorna, who is a retired teacher raising six grandchildren. Nearly 70 years old, Lorna has gone back to work in her retirement as a teacher's aide and still struggles to keep up with the costs of raising her grandkids while managing her diabetes. She and her grandchildren don't qualify for Food Stamps, so she relies on one of our local food pantries.

Food Stamp Changes and Losses		
	Enrollment	Monthly Issuance
October 2013	1,799,402	\$237,484,957
August 2015	1,638,695	\$205,404,960
Change/Loss	(160,707)	(\$32,079,997)

HB 394 Would Hurt Families and their children, further increasing poverty, hunger, and homelessness by eliminating the 3-tier benefit for recipients who have dependents

We know from first-hand experience that Unemployment Compensation provides a critical lifeline to dislocated and laid-off workers and their families and children. For the last 12 years, our association has tracked the WARN notices issued by ODJFS. WARN is the Worker Adjustment and Retraining Notification Act, U.S. Department of Labor, which is meant to protect workers, their families, and communities by requiring most employers with 100 or more employees to provide notification 60 calendar days in advance of plant closings and mass layoffs. Between SFY 2005 to November 2015, 1,140 companies in Ohio filed WARN notices with ODJFS affecting 175,393 Ohio workers who were laid off. I have provided each of you with a [copy of these WARN notices](#), 70 pages detailing job losses across our great state. So you might ask, why do we track these notices? It's simple. We use this information to provide advance notice to our foodbanks and their agencies in the communities where the lay-offs are happening and helping them to prepare for the pending onslaught and increasing demand for emergency food assistance they may face as these dislocated workers and their families struggle to keep a roof over their heads, to pay the rent or mortgage, pay the utility bills and car payment, and put food on their tables as their paychecks are replaced by Unemployment checks. We call it from paycheck to food pantry. We urge this committee to reject this provision and pledge to protect Ohio's unemployed workers and their children.

Ohio Department of Job and Family Services (ODJFS) - Dependency Statistics

For the following two tables:

- Dependency class A = No qualified Dependents
- Dependency class B = One or two dependents
- Dependency class C = Three or more dependents

Claimants receiving UC benefits paid out based on the current 3-tier payment system.

Year	Dependency	# of Claimants
2009	A	386,034
	B	66,698
	C	23,742
2010	A	257,613
	B	39,377
	C	14,338
2011	A	227,240
	B	31,298
	C	11,145
2012	A	210,098
	B	32,432
	C	10,889
2013	A	192,030
	B	27,753
	C	9,335
2014	A	168,001
	B	25,088
	C	7,987
2015 ⁵	A	106,808
	B	17,332
	C	5,483

The average weekly benefit paid out and the duration of the benefit paid to claimants by dependency type.

Year	Dependency	Avg Weekly \$ ²	Avg Duration ³
2009	A	\$300.76	16.83
	B	\$441.78	15.93
	C	\$480.50	15.58
2010	A	\$294.88	15.94
	B	\$445.55	15.47
	C	\$484.93	15.12
2011	A	\$292.71	14.81
	B	\$458.89	14.32
	C	\$498.47	13.73
2012	A	\$303.82	14.05
	B	\$475.73	13.87
	C	\$516.76	13.44
2013	A	\$312.95	13.71
	B	\$491.19	14.03
	C	\$533.18	13.39
2014	A	\$325.22	13.02
	B	\$497.82	13.27
	C	\$541.22	12.67
2015 ⁴	A	\$335.53	9.02
	B	\$505.96	9.29
	C	\$552.95	9.13

In closing, we urge this committee to reject HB 394, a bill that would harm unemployed and dislocated workers and their families. There is no doubt and no debating that Ohio's unemployment compensation system has been neglected for more than 20 years, and is woefully out of step with the changing labor market. We urge this committee to undertake a thorough, thoughtful, and strategic approach to resolving the solvency issue, and one that is balanced in its approach and maintains benefits that keep unemployed workers and their families out of poverty. In addition, we recommend that this committee convene a study group and hold additional hearings to examine the impact of temporary and day labor employment services on low-income Ohio workers who are forced to rely on Medicaid, Food Stamps, and child care assistance in order to meet their basic needs.

Thank you again for this opportunity to provide testimony and I would be pleased to answer any questions you may have at this time.

Respectively submitted,

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¹ Claim denied due to insufficient weeks [<20], insufficient wages [AWW $<$ required minimum], or both. Email data request Daniel Fitzpatrick, Ohio Department of Job and family Services, November 23, 2015.

² http://admin.ohiofoodbanks.org/uploads/news/final_state_report.pdf

³ [Worker Adjustment and Retraining Notification Act \(WARN\) \(29 USC §2101 et seq. ; 20 CFR Part 639 http://www.dol.gov/cgi-bin/leave-dol.asp?exiturl=http://s.dol.gov/4W&exitTitle=www.ecfr.gov&fedpage=yes\)](#)

² Excludes seasonal and athletic claims. High level computation based upon monetary weekly benefit amount, total benefits payable, and amount paid. Other factors not used could marginally increase or decrease this value.

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⁴ First 3 calendar quarters

⁵ First 3 calendar quarters

Additional Notes

-Yearly computations based on claim application date.

-All data utilized reflects the current status of the claim (at the time of query execution).

-Criteria used on other sources of this information (e.g. ETA reports, LMI data, etcetera) will vary. Information provided here is accurate but does not encompass the level of details as other OJI-produced sources.