



BUDGET BITE

October 30, 2017

BUDGET BITE: FOOD AND SHELTER WENDY PATTON

INTRODUCTION

Forty percent of Ohio households struggle to pay for necessities, but lawmakers failed to provide support in the 2018-19 budget for growing needs identified by the state's food pantries and affordable housing advocates. After years of [tax cutting](#), state revenue collections plunged during last spring's budget deliberations. Lawmakers did not eliminate tax breaks or restore tax cuts to meet Ohio's needs. While lawmakers were right to maintain food aid and the Ohio Housing Trust Fund, they did not address the growing demand for help with food and shelter.

WHO IS STRUGGLING

A new [report](#) of Ohio's United Ways found that 14 percent of Ohio's households are in poverty and an additional 26 percent struggle to meet daily needs. United Way labels these households "Asset Limited, Income Constrained, Employed" (ALICE). People in these households work and earn income, but not enough to afford a basic budget that includes housing, child care, food, transportation and health care.

Why are there so many ALICE households in Ohio? The United Way report highlights four primary reasons: 1) Low wage jobs dominate, with far too many paying below \$15.00 per hour; 2) The cost of living is rising faster than wages; 3) It is difficult to find affordable housing, job opportunities, and community resources in the same county, and 4) An increasing share of public assistance is in health care, which is necessary but does not address other essentials, like housing and food.

FOOD AID

People who struggled to afford food over the past year are considered to live with food hardship. Too many Ohioans fall into this category. [All Ohio's large metro areas](#) – including Youngstown-Warren-Boardman, Dayton, Toledo, Cincinnati, Cleveland-Elyria, Columbus, and Akron – had higher than average food hardship rates, according to the Ohio Association of Foodbanks. Youngstown and Dayton made it onto the "top 20" list of U.S. cities with the worst food hardship rates in 2015.

Ohio's network of food banks serves the ALICE households (those earning less than 200 percent of the poverty level). They serve more than [2 million](#) Ohioans each year. They report that need has grown since the recession.

In part, this is because federal policymakers have cut funding for federal food aid. Nationally, 500,000 federal food aid recipients lost assistance in 2016 as waivers of time limits in the federal Supplemental Nutritional Assistance Program (SNAP) expired. Ohio lost this aid too, which harmed thousands of people, yet Kasich Administration did not seek renewal in all eligible places.

The state has provided \$20 million a year from a combination of state and federal resources for food banks and pantries across the state. This year, one in four foodbanks reported that they strain to meet demand. The Ohio Association of Foodbanks requested a \$10 million annual increase in funding to meet the growing demand for food aid. The legislature did not address this need.

THE HOUSING TRUST FUND

In 2015 more than 33,500 Ohioans were homeless and 400,000 spent more than half their income on rent. The 2018-2019 state budget doesn't do enough to meet housing needs.

Ohio's Housing Trust Fund has helped 1.8 million people obtain affordable housing over the past 25 years. Resources for the Fund mainly come from a share of non-state fees levied by County Recorders' offices. These fees have declined. In the 2004-05 fiscal year, \$73 million was collected. In the 2015-2016 fiscal year, only \$43.6 million was collected.

A coalition of more than 300 nonprofits and companies asked for additional funding in the state budget to restore aid for affordable housing and homelessness in the state. As the coalition noted, decent, stable housing is a basic necessity, but it also helps ensure family health and supports children so they can achieve in school. However, the executive budget did not increase this fund and neither did lawmakers. The coalition then sought an increase in the primary funding source: mortgage transfer fees. Lawmakers also turned down that request.

RECOMMENDATIONS

As federal aid shrinks, state investment of about \$20 million a year in food aid does not meet Ohio's needs. The \$40 million decline in the Housing Trust Fund means fewer affordable housing and rehabilitation projects and diminished ability to help homeless households.

This is a bad outcome for a state where 40 percent of households struggle to meet basic needs. The Kasich Administration and the General Assembly have prioritized tax cuts, which have not created jobs at even the national average. The wealthiest 1 percent of Ohioans are now wealthier as a result of the Kasich tax cuts. Struggling families face a bleaker future, as hunger rises and affordable shelter is harder to find.

Ohio needs lawmakers to close unnecessary and uneconomical tax breaks, restore tax cuts on the wealthiest Ohioans, and make needed investments to help ALICE families move toward greater opportunity and stability.