

## Public Assistance Initiatives in 2014 Ohio Budget Bill Will they help Ohio families?

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House Bill 483 of the Mid Biennium Review (MBR) included five new initiatives aimed at requiring or helping recipients of public assistance get jobs and reduce reliance on public assistance programs. Many who get public assistance already have a job, but they don't make enough money to support themselves and their families. Those who are not working struggle because their basic human needs – for food, shelter, clothing and health care - are not met.

It would be a great accomplishment if the MBR initiatives allow families to get good jobs that fully meet needs, eliminating the need for public assistance. A different outcome – one that further reduces public assistance without finding a way to get families to self-sufficiency – is also a possibility; one that could harm the most vulnerable families of the state.

In this policy brief, we provide an in-depth description of the five initiatives of the MBR that focus on reducing reliance on public assistance and moving people into jobs. We examine eligibility, enrollment and requirements of four core programs of public assistance: Ohio Works First (cash assistance), food aid, public childcare assistance and Medicaid. We review the wages of Ohio's largest occupational groups; at median annual earnings, all but one do not allow a family of three to be self sufficient and in fact, they pay so little many families are eligible for public assistance. Deep poverty has been on the rise in Ohio and in the nation, yet programs that support Ohio's neediest families – other than health care – have reduced caseloads and narrowed eligibility during this slow and difficult recovery.

### The five initiatives of the MBR:

1. The Office of Human Service Innovation will coordinate programs, standardize eligibility and compile recommendations to move people into jobs and reduce use of public assistance;
2. County job and family departments and caseworkers will be evaluated on their ability to move people into jobs and off public assistance;
3. Incentives will be provided for caseworkers and contractors to move public assistance recipients into jobs in pilot projects in five counties;
4. A workgroup of local government officials will be convened to discuss how to move people off public assistance and into jobs;
5. The 'Healthier Buckeye Advisory Council,' will be convened to oversee work of the 'Healthier Buckeye Councils,' which are to help move people into jobs, reduce reliance on public assistance, and coordinate local aid programs and services.

### Key findings

- Cost of self-sufficiency in most Ohio counties is more than twice the federal poverty level.
- Ohio's largest job categories pay so little many workers and their families are eligible for, and need, public assistance.
- Share of Ohio kids living at half the poverty level jumped by a third over the recession.
- Ohio's core public assistance and work support programs other than Medicaid have been reduced.

### **What is public assistance?**

Public assistance programs are primarily federally funded, with state matching funds. Families are eligible if income is close to or less than the federal poverty level. Some forms of public assistance are explicitly “work supports” in that workers would be unable to retain their job without them. Childcare assistance and help with transit fall in that category. Other programs simply help low-wage families get by in jobs that don’t fully meet needs. Medicaid is a good example. Access to care allows people to better control chronic disease and lead healthier, more productive lives. Medical crises that can lead to job loss and economic disaster may be prevented by consistent health care.

### **Why do people rely on public assistance?**

The cost of self-sufficiency for a family of three (a working parent, an infant and a preschooler) can be more than twice the poverty level. Yet of the 12 largest occupational categories in Ohio, just one pays a wage that allows self-sufficiency for a family with a single parent and two children..

Poverty has been on the rise. A family of a single parent with two children earning less than \$10,000 a year (working 23 hours per week at minimum wage) is living at 50 percent of the poverty level, in deep poverty. The share of Ohioans this poor grew from 4.6 percent in 2000 to 7.6 percent in 2012, the third greatest jump among states. Yet with the exception of Medicaid expansion, Ohio’s aid to the poorest households has fallen. More than a quarter of participants in ‘Ohio Works First,’ the state’s cash assistance program, were dropped from the program because they couldn’t fulfill work requirements. Eligibility for public childcare assistance in Ohio is now one of the lowest in the nation. The federal government offered to waive work rules in food aid because of Ohio’s sluggish economy, but Ohio policymakers refused the waiver for most counties.

Ohio has too few jobs and too few good jobs. This is compounded by federal, state and local rules that limit the effectiveness of public assistance programs in making up for the gap. If the five initiatives in House Bill 483 successfully coordinate, streamline, standardize and improve programs, it could be helpful. But this administration’s track record has included reducing eligibility and cutting people off from help even though they haven’t found work. These initiatives assume that aid recipients need more incentive to get jobs and that caseworkers need more incentive to place them in jobs. But people need to be extremely poor to qualify for aid and already face time limits and work requirements, so a strong incentive to work already exists. If the participants could find and keep good jobs, they would not have sought public assistance in the first place.

These initiatives could lead to positive outcomes. But the track record in Ohio makes such outcomes seem elusive – we have too few good jobs and we have been too quick to slash the safety net that helps families survive in this economy.