

Testimony of David Hansen

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**Before the U.S. House of Representatives Committee on Ways and Means,
Subcommittee on Work and Welfare**

**“Measuring Poverty: How the Biden Administration Plans to Redraw the Poverty Line and
Rob Resources from Rural America”
October 24th, 2023**

Thank you, Chairman Smith, Chairman LaHood, Ranking Member Davis, and Members of the Committee for the opportunity to share my views and experience working in rural America with some of our most vulnerable citizens and how adjusting the current poverty line would impact our community and the services we provide.

My name is David Hansen, and I am the Director of Educational Opportunities and Investments for Perry County, Ohio, Job and Family Services. I lead Perry County’s workforce development activities and focus my work on guiding individuals out of government dependence through work, and toward economic independence and security. An important strategy I apply in these programs is to link the Agency’s income support activities to successful efforts by individuals to acquire meaningful job- and career-training.

The mission of Perry County Job and Family services is to build a stronger community by providing an effective support system that empowers children, adults, and families with the resources they need to achieve economic stability and success. With our county-wide reach and the resources we administer, our Agency engages and often leads many community and economic development activities aligned with our mission, including in employer retention and expansion, housing remediation, older adult protection and more.

There are about 36,000 residents in our rural Appalachian community which lies to the southeast of Columbus. The cultural and economic heritage of Perry County is deeply rooted in coal. However, the last Perry County mine closed in 2019, laying off some 200 workers. Perry County ranks 76th out of 88 Ohio counties in terms of poverty, with just under 1 in 5 adults, and little over 1 in 4 children, living in poverty.

I urge you to consider in your conversations in Washington how this move would impact rural communities across the country such as Perry County. To complement the research perspective, here are some observations I hope will help you understand its impact.

1. Replacing the Official Poverty Measure with the new Supplemental Poverty Measure would impact programs our agency relies on to support low-income families across Perry County.

To help our families we rely on funding from Temporary Assistance for Needy Families (TANF), Medicaid, as well as subsidies and direct support for childcare subsidies.

It could impact eligibility for those programs and others including Supplemental Assistance for Needy Families (SNAP) and the National School Lunch program.

All these are vital to food security, health and childcare, which are three of our four prerequisites for any attempt to lift someone out of poverty through training and work.

The proposal would impact parts of our Workforce Innovation and Opportunity Act (WIOA)- funded efforts.

In Ohio, TANF and WIOA can be braided together and targeted to career development for youth ages 14 through 24. This particular Ohio program is critical to our objective of increasing investment in skills and learning on the part of individuals -and so help them prosper in the economy. Changing the poverty level as proposed would impact large parts of this program as well.

Under the Supplemental Poverty Measure, Ohio's poverty rate determined by the Census Bureau would go down by 2.3 percentage points – solely by changing the definition.

Our county is allocated resources by both the state and federal government based on poverty – so the state would receive less funding from federal programs that distribute dollars based on proportional poverty rates across all the states. Less money to Ohio, with its significant rural population compared to east and west coast states, will mean less support for our community.

But even within Ohio itself, the impact on rural Perry County would be far, far greater. My guess is perhaps a decrease in poverty rate of 5 to 6 percentage points, or 25% of the current estimate. Yet none of the newly “unpoor” would actually be any better prepared for work-based independence.

2. Second, rural areas face important, disproportionate net costs not captured by the Supplemental Poverty Measure.

In particular, our community does not have access to the same funding streams that urban and higher-cost-of-living communities have. Without these funding streams many problems addressed by local government in urban areas – especially those related to fighting poverty – cannot be addressed by our local governments.

This adds very significant costs in ways not captured by the Supplemental Poverty Measure.

The assessed property tax base in Perry County on a per person basis is about one-fiftieth of that of a typical Ohio urban county. That is, our local governments have only 2% of

the funding per resident for services important to disadvantaged people than does a big city county. As a result, we have no community centers for youth drug prevention activities; no year-round recreational facilities for adults for their health and engagement in supportive programs such as weight loss.

Our Agency holds an annual “back to school bash” for TANF-eligible families with school age children where we share with them the basic needs for a new school year: backpacks, tennis shoes, school supplies, their school spirit sweatshirts. In many other places schools get this organized and financed, but in Perry County it falls on us.

I can’t see how the 200 families who could be dropped from the back to school bash under the proposed new poverty measure would be better off for it.

The fourth prerequisite for getting into a job is transportation. Nearly 80% of our w-2 workforce leaves for jobs in neighboring metro counties. In-county jobs are not plentiful and due to our geography they aren’t likely to arrive soon. But Perry County and other rural communities lack workforce-oriented public transportation that can address this challenge.

Federal and state funding streams have generously supported urban transit systems providing exactly the kind of workforce transportation a lower-wage worker needs to get to a job or a training program. This cost and subsidy disparity won’t be included in the new poverty measure.

State and federal programs often attempt to mitigate these urban/rural public funding disparities, but the problem is so deeply ingrained that it remains largely in place.

3. Private resources within a community that help to lessen costs and provide unmeasured resources to the disadvantaged are depleted in rural areas while they remain active in urban areas. The Supplemental Poverty Measure will not capture this disparity.

The literal wealth of Perry County has withered away with the loss of the coal industry and legacy manufacturing. Without such wealth, the social wealth of community activity in Perry County is similarly depleted. This is an even greater cost borne by the rural poor that the proposed poverty measure won’t capture than is the public expenditure dynamic.

Social clubs, fraternal orders, union halls, parochial schools and even churches with all that can do to help people in need are in steep decline in the community. The private solutions to social challenges that once characterized life in rural America, and which can still be found in urban communities even if diminished, are largely gone, and this is another uncaptured cost.

Much of modern commercial activity doesn’t find it profitable to be in Perry County. We do not have a Walmart in the county, and only one full-service grocery store. Small businesses fill some of the gap, but their higher hidden costs, such as less selection and older inventory, will not be captured.

The perniciousness of diminished commercial activity can be seen in the absence of any private drivers’ education school in Perry County. These are very common in urban Ohio but, unless you are a select student in only one of our four school districts, you will have

to leave the county to get at least the behind-the-wheel training for a license. This added cost of fuel, vehicle access, time and more is beyond so many of our customers. Lack of the drivers' license is a major barrier in getting many of our customers to work and training.

4. The housing cost component of the Supplemental Poverty Measure could work against accurate capture of rural housing value.

In 2017 I launched the Perry County Land Bank. Based on the experience of helping to dispose of a portfolio of some 130 abandoned and unsafe houses in the County, I would argue that a poverty measure that includes housing costs in its calculation will be making an apples-to-oranges comparison between rural and urban regions. It will overstate the apparent quality of rural housing in ways that aren't captured by market prices and valuations.

This is because the lack of zoning or zoning enforcement, and the lack of land banks in rural areas until very recently, at least in Ohio. Without these two measures common to urban areas the lower end of the housing market is far worse in quality and livability per dollar of value in rural areas than it is in cities and older suburbs. This is just my impression, but I would encourage the researchers to look into the possible impact.

If the Administration were to adopt this new measure, Ohio and communities like Perry County would suffer. I am here today to ask our Representatives to act and ensure that unilateral adjustments about how we measure poverty are not made without consideration of the disproportionate impact those changes would have on rural communities.

Because there are value judgements to be made about the quality of life in rural America and in fairness and equity between rural and urban communities, I think Congress, not researchers and scientists, as much as I respect and learn from their work, should have the responsibility for establishing funding and eligibility limits for federal benefit programs.

Chairman LaHood and Members of the Committee, on behalf of the Perry County Job and Family Services Agency and all the citizens of our County, thank you for the opportunity to testify today and I look forward to your questions.