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July 25, 2022

## **Indiana General Assembly**

The Honorable House Speaker Todd Huston  
The Honorable Senate President Pro Tempore Rodric Bray

200 W. Washington St.  
Indianapolis, IN 46204

Dear Speaker Huston, Senate President Pro Tempore Bray, and all Indiana legislators:

The Indiana Coalition for Human Services (ICHS) is writing to respectfully ask that during this Special Session the Indiana General Assembly prioritize the best ways to support families who are struggling during this time of high inflation and economic uncertainty. We urge the members of the General Assembly to rely on the wisdom of Hoosiers and the experience of the human service organizations who serve them to guide their decisions.

ICHS is a nonpartisan coalition of more than two dozen organizations that educates Indiana's decision makers and communities on fact-based human service policy. We invest in, protect, and advocate for policies and programs that help all Hoosier families thrive.

ICHS appreciates the earnest desire of the General Assembly to quickly help Hoosiers who are actively struggling with increased costs. Our member organizations are working on the front lines of this issue. Every day we hear from Hoosiers who are struggling now, and have been struggling for some time, with wages too inadequate to cover the costs of food, utilities, health care, child care, and other necessities. The intention behind delivering funds into the hands of Hoosiers is a good one. However, in our estimation, the proposals that have been filed for this special session don't accomplish the goals that you have for them. ICHS has many concerns about both the structure of these supports and the amounts of funding being proposed.

Regarding the structure of these proposals, ICHS is most concerned about the proposed taxpayer refunds. Taxpayer refunds, while presumably simple and quick, have downsides in that they are not targeted to the people who need relief the most. Many Hoosiers suffering most from increased costs, such as those with incomes so low they don't have a filing liability, are also least likely to gain access to this support. This would include many older Hoosiers, including those living on limited and fixed incomes. Furthermore, the wealthiest 5% of households have a mean income of nearly \$330,000. The proposed refund will amount to .07%-.13% of the mean household income for these households. This amounts to a very limited benefit for that group when the funds could instead be invested elsewhere and accomplish much more.

We also suspect that Indiana's Department of Revenue (DOR) does not currently have the resources to deliver new refund checks to all Hoosiers or to create programs for non-filers

to claim the funds. [The fact that only 47% of the last round of refunds have been processed as of late June](#) supports our concern about DOR's capacity to quickly and equitably process refunds.

Another concern of ICHS related to the structure of the Hoosier Families First Fund. The details around the funds implementation, application approval process, the oversight and transparency are all unclear.

Perhaps more troubling to us than these structural concerns is the inadequacy of the funding levels in these proposals. From the perspective of ICHS members, who are the practitioners and advocates working every day to solve Indiana's biggest challenges, Indiana faces systemic hurdles that we can overcome only by working together and putting the state's surplus to strategic use. Hoosier families, especially those with children, endure the most hardship in Indiana. The poverty rate for Hoosier families with children was 14.9% in 2020, while the poverty rate for families without children was only 3.7%. An example of Indiana's especially precarious position is evident in the increased need for food banks. Nationwide, 80% of food banks have reported sustained or increased levels of demand for food assistance to Feeding America, with an average increase of about 10% more people in one month. However, Indiana's Feeding America-affiliated food banks reported an even higher average increase of 15%.

The urgent need for the General Assembly to base its decisions on the needs of the most vulnerable Hoosiers is apparent from these examples of the challenges Indiana faces, all based on our national rankings:

- 36<sup>th</sup> in the % of kids who have 2 or more Adverse Childhood Experiences<sup>1</sup>
- 39<sup>th</sup> in % of Women who are College Graduates
- 40<sup>th</sup> in Women's smoking rates
- 41<sup>st</sup> in Infant Mortality
- 41 other states have lower overall monthly energy costs (9<sup>th</sup> Highest overall monthly energy costs (accounting for more than 25% of the monthly FPG for a family of 3)
- 42<sup>nd</sup> in the Gender Pay Gap
- 42<sup>nd</sup> most unaffordable center based child care for infants and toddlers.
- 43<sup>rd</sup> in overall Health Outcomes for Kids
- 45<sup>th</sup> in Developmental Screenings for Kids
- 45<sup>th</sup> in Publicly Funded Women's Health Services
- 46<sup>th</sup> in Air Pollution
- 50<sup>th</sup> in Kids who are Flourishing<sup>2</sup>

One point that ICHS agrees with are the proposed eight allowable uses for spending from the Hoosier Families First Fund. Each of these are areas of great need for Hoosier families. However, the amount of funds in the introduced legislation is not adequate to substantially improve outcomes in these areas and is simply not proportional to the level of need.

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<sup>1</sup> Percentage of children ages 0-17 who experienced two or more of the following: parental divorce or separation; living with someone who had an alcohol or drug problem; neighborhood violence victim or witness; living with someone who was mentally ill, suicidal or severely depressed; domestic violence witness; parent served jail time; being treated or judged unfairly due to race/ethnicity; or death of parent.

<sup>2</sup> Percentage of children ages 6 months-5 years who show affection, resilience, interest and curiosity in learning, and smile and laugh a lot; and children ages 6-17 who show self-regulation, interest and curiosity in learning, and work to finish tasks from the American Health Rankings, United Health Foundation (HHS, HRSA, MCHB, National Survey of Children's Health)

The broad range of Hoosiers' most urgent challenges indicates that the General Assembly's time during this special session would be best spent focusing on addressing these issues and the quality of life of the Hoosiers that are most directly impacted by them, and not divisive policies, such as restricting reproductive rights, that can only exacerbate these issues. Additionally, a handful of days is certainly not enough time to make drastic legal changes to pre-existing rights while producing thoughtful solutions to the challenges facing Hoosiers today. Hoosiers' challenges require proposals that have been fully, publicly, and transparently studied, and with impacts vetted by the human services organizations with the most experience working with the most-affected populations.

For all of the concerns and reasons above, our Coalition implores you to take a different approach this Special Session and in the future. Here are some targeted ways that ICHS believes the General Assembly can invest state funding to support families in this moment:

- **Food Access and Affordability: Allow FSSA to re-implement SNAP Emergency Allotments.**

Twenty-eight states (plus DC & Guam) continue to pull down federal dollars in SNAP benefits that are vital to enabling Hoosiers to access enough food for their families in the midst of staggering inflation.

- **Childcare Access and Affordability: Spend surplus dollars to:**
  - **reduce or remove co-pays for families already receiving vouchers,**
  - **expand entrance eligibility above 127% of FPL,**
  - **add slots to reduce waitlists.**

Child care is expensive even for moderate income families. The official (HHS) measure of affordability is no more than 7% of a family's income. Currently the average infant care in Indiana was 27% of Indiana's median income in 2019.

Our CCDF voucher program is helpful but has limitations. Hoosier families aren't eligible if they make more than 127% of the FPL (\$27,889 family of 3 in 2021), AND many families still have unaffordable co-pays and overages due to their providers. Finally, because CCDF is a block grant, when funds run out families have to go on a waitlist. As of May 2021, there were 727 families on waitlists in Indiana.

- **Relief from utility costs: Allocate state surplus funds for Summer Cooling through LIHEAP.**

Significant increases in the cost of fuels are causing hardship for many low-income households as electric bills are skyrocketing to unaffordable levels for many. LIHEAP funds are exhausted and therefore, funds are not available to provide a summer cooling benefit to assist low-income households experiencing payment difficulties.

- **Maintaining Medicaid eligibility for hundreds of thousands of Hoosiers at risk of losing coverage following the end of the federal Public Health Emergency (PHE):**

The Indiana Family and Social Services Administration (FSSA) estimates that 500,000 Hoosiers will need to take action to keep their Medicaid/Healthy Indiana Plan eligibility following the end of the Public Health Emergency. Additionally, a portion of this members may no longer be eligible for their current program and may

need assistance transitioning to a different type over healthcare coverage. While FSSA has seen dramatic growth in health coverage program membership, it has not seen a correspondent scaling of staffing or other member supports. Maintaining access to healthcare for Hoosiers must be a priority as we recover from the pandemic and aim to make Indiana a healthier state. Financial support proportional to the membership growth of Indiana health coverage programs is needed to facilitate this goal, as is additional support for health coverage Navigator services to ensure appropriate member coverage transitions.

- **Promote Housing Affordability and Stability: Align recovery and surplus dollars in the state Housing Trust Fund, Low-Income Housing Tax Credits, and in the enforcement of habitability standards.**

Housing is now the top reason for calls to Indiana 211 as well as the top unmet need for Hoosiers. 41.9% of Hoosier households are currently at risk of eviction or foreclosure as of June 2022. The General Assembly can ensure that remaining recovery funds (including READI grants) and surplus funds are coordinated to reflect the priority to prevent homelessness and eviction, support housing providers and service organizations stretched thin by inflated costs, and increase housing stability services so families can secure long-term housing security.

Through their combined efforts, ICHS members regularly engage with the Hoosiers who are most affected by rising costs and disruptions to the economy. This gives the Coalition the expertise to help inform the choices you are about to make to help families during this crucial moment. We urge you to apply the guidance above during this Special Session and to include the input of the human services community when crafting solutions to help Hoosiers - both now and in the future.

Thank you for your time and consideration,

**The Indiana Coalition for Human Services**