



Ohio Association of Community Action Agencies

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Testimony before the Senate Committee on Finance

June 8, 2023

Philip E. Cole
Executive Director

Ohio Association of Community Action Agencies

Good morning Chair Dolan, Vice Chair Cirino, Ranking Member Sykes, and members of the Senate Committee on Finance. I am Phil Cole, Executive Director of the Ohio Association of Community Action Agencies. I thank you for the opportunity to testify in support of H.B. 33 and to provide a suggestion for an amendment to the legislation.

The Ohio Association of Community Action Agencies represents Ohio's forty-seven Community Action Agencies serving every county in Ohio. Community Action Agencies are the primary providers of services to eliminate poverty and to assist those who suffer its ravages as they work to become self-sufficient. Ohio's Community Action Agencies provide a variety of services to our low-income customers including job training and placement, Head Start, Emergency Rent Assistance, affordable housing, health care, transportation, home weatherization, the Home Energy Assistance Program and many others.

Prior to the COVID epidemic, Community Action Agencies would serve about 600,000 individuals annually and our revenues were between five hundred and six hundred million dollars each year. We also employed then, and now, over 6,500 people. Since COVID, the numbers of people we served and funds we used have dramatically increased, but I am more comfortable stating the annual numbers of pre-COVID times since I believe that will give you a more accurate picture of the numbers of people we will serve during this biennial budget.

The amendment we hope will be included with H.B. 33 will allow Community Action Agencies to work in partnership with automobile dealers and ASE certified car repair businesses and qualified education institutions to establish or expand automotive repair services for our customers.

We request this because the majority of our customers, while low-income, are employed or seeking employment. And, transportation is necessary for most employment and car repairs can be costly, and with the complexity of modern vehicles, they are often beyond the means of many low-income people. With companies like Intel and Amgen coming to Ohio, with Honda expanding and many



other jobs opening, we want to be certain our customers have access to those opportunities. As you know, a good job can be a great way out of poverty.

Also we would require certified mechanics because we believe that ASE certification is the standard of excellence in the industry.

In our Annual Report on Poverty in Ohio a few years ago, we talked about how 40% of employed Ohioans work in a county that is not the one in which they reside. For many people if their car breaks down, they cannot afford a repair and then they face the real possibility of unemployment or continued unemployment. We want them to avoid that.

Fourteen of our agencies serving twenty-seven counties currently have car repair programs and want to expand them because they cannot meet the need. Another twenty-eight agencies serving another fifty-one counties want to start a program because of the need in their communities. This amendment would allow us to cover at least seventy-eight counties.

When I polled these forty-two agencies, they estimated the annual demand to be just under 4,000 repairs per year.

Allow me to explain some of the demand we are seeing and to demonstrate some of the diversity in demand. Please keep in mind that most of our agencies currently with repair programs do not advertise them because of limited funding. This work comes to us by word of mouth.

- Step Forward, our Cuyahoga County agency, arranges repairs for about 100 cars per year at an average cost of about \$3,000. They believe that number would expand to about 300 with dedicated funding.
- Lifeline Community Action, our agency in Lake County, currently has about 70 cars repaired annually, as that is what they can fund. They believe that number would at least double with dedicated funding.
- Erie-Huron-Richland Counties Community Action did 31 repairs from January to April of this year and has 19 on the waiting list.
- Bridges Community Action serving Delaware, Madison, Union, Champaign, Logan and Shelby counties currently has a program and with the number served and requests they receive, they believe they could easily arrange for over 500 repairs per year.
- Impact Community Action in Franklin County does repairs when they have funding. This is a very informal on-demand program. They arranged repairs for 46 customers over a 12 month period, which ended May 1 of this year because of lack of funding. The average cost was \$1,700.
- Our agency in Butler County started a program last September, has repaired 28 cars, had 5 rejected by the mechanics, and they have a waiting list of 32 this week. (These rejections are part of the reason we want to use only certified



mechanics. It has been our experience that the better mechanics will tell us that the repair is not worth the money. We want to ensure that we repair only those which will become reliable vehicles.) Their costs have ranged from \$900-\$2,750.

As an additional benefit, in addition to repairing cars, we hope we would be able to find men and women from low-income backgrounds who would be interested in this work. We know that like so many industries, there is a shortage of automobile mechanics. If people are interested, we would like to get them connected to a location in need of trained mechanics and get them into a program to be trained as ASE certified and eventually get them work.

Some of Ohio's Community Action Agencies have experience in this type of job training and see this as a possible added benefit. However, the primary purpose of the amendment is to repair vehicles to get people to jobs.

As we created the proposal, we calculated costs with a maximum of \$2,500 per car for repairs. There is no magic to this number. We looked at costs in Ohio, including inspections and other charges and decided this was the correct maximum. Anything over that would be the responsibility of the owner.

Also, we did discuss this with the Ohio Automobile Dealers Association. They were very interested in the proposal but could not offer support since they had not seen the language at that time.

We are requesting \$9.5 million per year for each year of the biennium to fund these local programs through our training arm, the Ohio Community Action Training Organization. We suggest that this be funded with the Temporary Assistance to Needy Families grant as Ohio historically has not spent all of this grant. We have discussed this with the Ohio Department of Job and Family Services and they support this program and this request.

I will be happy to answer your questions.

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