



Presentation to House Transportation

Committee Room 43

3/13/2025, 10am

Will Eberle, Weatherization Program Director; weberle@capstonevt.org

Philip Cecchini, Weatherization Business Manager; pcecchini@capstonevt.org

Program Overview

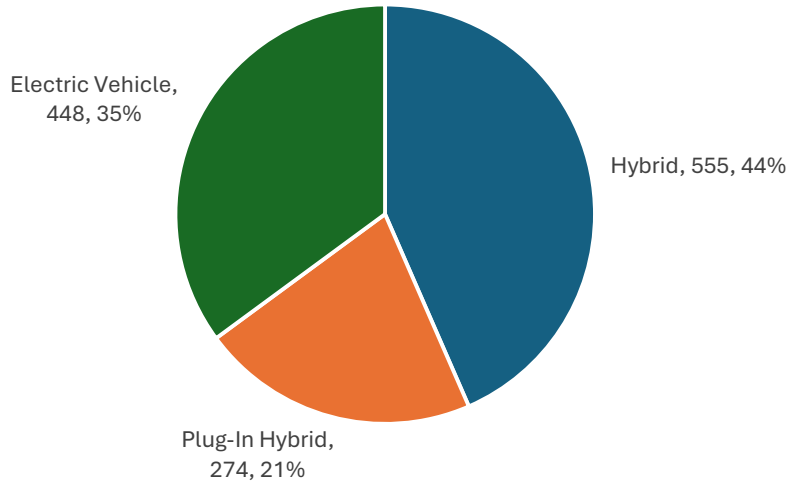
- Incentive of 25% of the cost of a used electric vehicle (EV) capped at \$2,500 for income eligible Vermonters
- SNAP recipients can receive \$5,000 toward a used EV

Program Activity

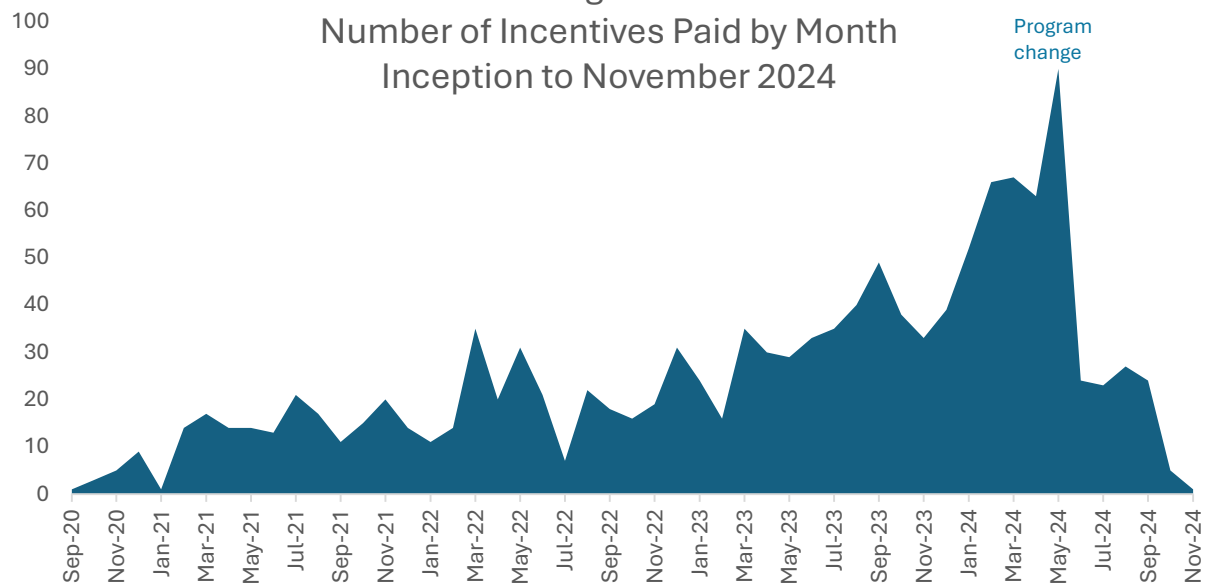
Since October 2020:

- 4,716 applications were processed
- 3,420 approved (73% of applications)
- 1,277 incentives paid (37% of approved applications)
- \$5,685,300 of incentives paid (\$4,452 average)

MileageSmart - Types of Vehicles Incentivised



MileageSmart
Number of Incentives Paid by Month
Inception to November 2024



Overview

Transportation remains Vermont's largest contributor to greenhouse gas emissions and a significant barrier to economic mobility for low-income residents. Many Vermonters face high costs of operating inefficient vehicles or lack reliable transportation, limiting access to jobs, healthcare, and childcare. In response, the Vermont State Legislature created the MileageSmart program (Act 59 of 2019, Sec. 34) to provide low-income residents with incentives to purchase affordable, energy-efficient used vehicles. The program's dual mission is to reduce emissions and improve economic mobility for vulnerable populations.

Since its inception in October 2020, MileageSmart has:

- Provided 1,277 Vermonters with incentives totaling \$5.69 million.
- Enabled the purchase of high-efficiency vehicles valued at \$28.45 million.
- Directly reduced transportation costs and emissions for program participants.
- Provided low-income Vermonters with inspected, mechanically sound vehicles.

Program Highlights

Structure and Function:

- MileageSmart provides up to 25% of the cost of a used, high-efficiency (40+ MPG/MPGe) vehicle, capped at \$5,000 prior to May 2024 and reduced to \$2,500 thereafter for most participants.
- Special provisions allow SNAP recipients and individuals affected by the 2024 flooding to access the full \$5,000 incentive.
- Participants apply online, select vehicles from Vermont dealerships, and secure financing as needed, often through green loan programs.

Performance:

- Incentives distributed: \$5.685 million for 1,277 vehicles.
- Total vehicle value: \$28.454 million.
- Average incentive: \$4,452 (20% of vehicle cost).
- Consistent growth in monthly volume prior to the June 2024 incentive reduction, with May marking the highest monthly participation (90 incentives).

Key Outcomes:

- 44% of incentivized vehicles were hybrids, 21% plug-in hybrids, and 35% fully electric vehicles.
- Popular models included the Toyota Prius (25%), Chevrolet Bolt (15%), Toyota RAV4 (12%), and Nissan Leaf (12%).
- 56% of applicants were approved; common reasons for denial included exceeding income limits, incomplete applications, or failure to comply with program guidelines.

Economic and Environmental Impact

- Reduced greenhouse gas emissions by transitioning low-income Vermonters to cleaner vehicles.
- Supported economic mobility by lowering transportation costs for low-income households.
- Partnered with 121 Vermont auto dealerships to ensure statewide access to the program, with 38% of transactions facilitated by six key dealerships.

Program Challenges and Observations

- **Funding Exhaustion:** All allocated funds were used by September 2024, limiting program reach in the final months of the year.
- **Program Awareness:** Some participants learned of the program only upon visiting dealerships, suggesting opportunities for enhanced outreach.
- **Eligibility Constraints:** 28% of applications were denied, often due to income limits or non-compliance with program rules.
- **Financing Barriers:** Many participants struggled to secure loans under the program's maximum interest rate cap of 12%, restricting access for the most vulnerable households.

Future Considerations

1. **Expand Funding:** Additional resources are necessary to meet demand and sustain the program's environmental and economic benefits.
2. **Adjust Eligibility Criteria:** Consider incorporating a means test or other measures to ensure equitable access while addressing financing challenges for the most vulnerable participants.
3. **Enhance Outreach:** Increase marketing efforts, especially through digital channels and community partners, to ensure eligible Vermonters are aware of the program.
4. **Strengthen Partnerships:** Continue working with Vermont's Community Action network and Vermont Auto Dealers Association to train dealerships and streamline the application process.
5. **Support Administrative Capacity:** Additional staff may be required to manage increasing demand, particularly as tiered incentives for the lowest-income participants are implemented. Utilization of streamlined software to reduce administrative costs.

Conclusion

MileageSmart has demonstrated its value as a critical tool for reducing emissions and supporting economic mobility in Vermont. By addressing current funding and eligibility challenges, the program can expand its reach and further its impact. Continued legislative support will ensure this initiative remains a cornerstone of Vermont's efforts to combat climate change and lift residents out of poverty.

For further details, please contact the MileageSmart program administrator at Capstone Community Action (802) 479-1053.



It will require an annual budget of \$2,060,276 to Support 2 FTE: 350 Incentives paid at \$5,000 each will support 2 FTE as part of a 15% admin CAP.

Per Incentive Amount	\$ 5,000			
Number of Incentives	350		Vs prior year:	88%
Incentives Paid	\$ 1,750,000			
Program Manager	\$ 70,000	1 FTE		
Program Assistant	\$ 60,000	1 FTE		
Supervision	0.1 \$ 12,000			
Staff Incentives	10% \$ 14,200			completed per FTE 175
SubTotal Wages	\$ 156,200	2		per week (40 weeks) 4.38
				over 40 weeks
Fringe	35% \$ 54,670			
Indirect	33% \$ 51,546			
Other Overheads	10% \$ 15,620			
One-time System Improvements	\$ 25,000			
Software	\$ 7,240			
Sub Total	\$ 154,076			
Total Administrative	\$ 310,276	15%		
Total	\$ 2,060,276			

A \$1,000,000 annual budet will provide for 170 incentives at \$5,000 each requiring 1 FTE as part of the 15% Admin cap

Per Incentive Amount	\$ 5,000			
Number of Incentives	170		Vs prior year:	43%
Incentives Paid	\$ 850,000			
Program Manager	\$ 70,000	1 FTE		
Program Assistant	\$ -	0 FTE		
Supervision	0 \$ -			
Staff Incentives	10% \$ 7,000			completed per FTE 170
SubTotal Wages	\$ 77,000	1		per week (40 weeks) 4.25
				over 40 weeks
Fringe	35% \$ 26,950			
Indirect	33% \$ 7,700			
Other Overheads	10% \$ 7,700			
One-time System Improvements	\$ 25,000			
Software	\$ 7,240			
Sub Total	\$ 74,590			
Total Administrative Costs	\$ 151,590	15%		
Total	\$ 1,001,590			