

SENATE TRANSPORTATION COMMITTEE

Friday, February 8, 2019

Eileen Hughes Nooney, Director, Family and Community Support Services, formerly Director, Transportation Programs, Capstone Community Action

- 30 years in the retail automotive industry (Sales, Parts, Service, Service Manager)
- 10 years on Vermont's Motor Vehicle Arbitration Board (Technical Alternate)
- 11 years on "Wheels for Warmth"
- 9 years working with Reach Up and Voc-Rehab consumers as Capstone's Transportation Project.
- 4 years on Governor Shumlin's Pathways from Poverty Council

I've spent the better part of my life talking about cars. Although I came into the car business through the luxury market door, my experience as Director of Capstone's Transportation Programs was more educational for me than I could have imagined. Never had I heard such stories of struggling to navigate educational opportunities, employment, family obligations, and social or medical services. Without a reliable vehicle, thousands of Vermonters are trapped in poverty, without access to success. In survey after survey Reach Up participants in Vermont report lack of transportation being their first or second greatest barrier to self-sufficiency.

A 2018 Wisconsin study states the average American spends \$.19 of every dollar on transportation. However, the poorest US residents may pay as much as \$.40 of every dollar to get around. According to their research, "Possession of a driver's license and a car was a stronger predictor of leaving public assistance than even a high school diploma."ⁱ (Link to complete study below.ⁱⁱ)

Vermont's natural rural beauty and rugged landscape are a double-edged sword for Vermonters struggling for financial stability. Few parts of the country experience the automotive wear and tear that Vermont does. Snow, salt, huge temperature swings, road conditions, unpaved roads, and long commutes are facts of life here. Some parts of the country pride themselves on clean, rust-free, low mileage cars. We consider high mileage vehicles that still qualify for an inspection sticker a badge of honor.

As a result of these factors, Vermonters pay a higher percentage of their income on getting around. According to The Housing and Transportation Affordability Indexⁱⁱⁱ in some regions of Vermont, residents pay nearly 30% of median income to support their transportation needs. Public transportation is simply not practical in Vermont's rural communities and does not address the needs of, perhaps, a young mother who must get children to school or child care on their way to work or college. Neither can public buses adequately address the needs of our growing elder population.

Vermont's legislature has made some headway in addressing transportation issues. The Driver Restoration Program brought many drivers out of the shadows and back on the road legally. Providing waivers for vehicles with emissions problems gave many the opportunity to save for a major repair. Fifty-nine thousand vehicles, over 10%, qualified for the emissions waiver in 2018.

Proposed legislation to roll back On Board Diagnostic (OBD II) testing for vehicles 10 years old or older, will keep many on the road with no effect on safety and little effect on the environment.

What else can be done?

Often low income Vermonters drive the oldest cars around, limping them from inspection to inspection. As a group these cars get worse mileage than today's gasoline engine cars and far worse mileage than any hybrid or EV. (See attached comparison.)

When a low income Vermonter finds it necessary to replace their older car budget constraints keep them in the market for older, inefficient, high mileage cars. Without assistance they cannot take advantage of newer technology that would effectively reduce their ongoing transportation costs. Many states have created programs to fund that gap and offer incentives to low income residents seeking affordable, environmentally conscious vehicles. California's Clean Vehicle Rebate Program^{iv} surveyed over 91,000 participants and found well over 50% had very high satisfaction with the process and their "new" car. Including used cars in the possibilities offered many additional households the opportunity to upgrade.

For its last two years, Governor Shumlin's Pathways from Poverty recommended the state fund a comprehensive study of transportation needs and assets in Vermont. To date that has not occurred. There are multiple studies on transportation but nearly all of them cover more metropolitan regions without Vermont's unique challenges. We strongly encourage the Transportation Committee to consider performing this study. Without it, many of the issues being discussed are little more than speculation.

Vermont's state inspection requirement is critical to the safety of its citizens. However, emissions requirements that force a vehicle owner "under the radar" to drive illegally or to replace an otherwise roadworthy car, disproportionately affects low income Vermonters. I am happy Bill S.84 will be moving through the session.

Capstone provided automotive workshops, estimate review, purchase assistance, a donated car program, and a loan guarantee program to Reach Up and Voc-Rehab participants for over 20 years. All of these services were reduced, little by little, until, at the end of September, 2018, they were gone altogether. In the past Reach Up Case managers and Voc-Rehab counselors had access to Capstone staff to brainstorm transportation problems. Staff covered all districts, meeting with clients, budgeting, reviewing credit and sustainability concerns. Clients who received vehicles from Good News Garage or other sources were knowledgeable about their vehicle and able to take care of it in the long run. Case managers overwhelmingly reported having Capstone available to provide advice in these difficult matters resulted in better outcomes. Restoring funding to Capstone or similar agency to provide these services is critical.

Education is the missing link. No American, rich or poor, urban or rural, young or old, is born with the skills necessary to navigate the car world. When Americans go into the fray to purchase a car they forget everything they know about being an educated consumer..

While there are far more good dealers than bad, consumer protection can always be improved. Capstone’s transportation staff, and credit and budget counselors, often speak to people saddled with car loans they cannot support. “Yo-yo deals,” “Buy Here, Pay Here,” “spot” deliveries, and other tactics can result in repossession, bankruptcy, or unmanageable debt. While these tactics are all legal, many are unethical, and afford little protection to a naïve or desperate consumer.

ⁱ Federal Transit Administration, 2014, *Belle Urban System—Racine (The Bus): 2014 Annual Agency Profile*

ⁱⁱ <https://www.sierraclub.org/sites/www.sierraclub.org/files/sce-authors/u2196/Arrive%20Together%20Transportation%20Access%20and%20Equity%20in%20Wisconsin.pdf>

ⁱⁱⁱ <https://htaindex.cnt.org/>

^{iv} <https://insideevs.com/california-breaks-new-ground-plug-electric-car-incentive-program-low-income-families/>

Handout:

<https://www.fueleconomy.gov/feg/Find.do?action=sbs&id=26379&id=26425&id=29498>