

**EXECUTIVE OFFICE**

10949 North Mather Boulevard, Rancho Cordova, CA 95670

P (916) 403-8600 F (916) 464-3424 | www.bar.ca.gov

February 10, 2016

Honorable Mark Leno
Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814
Attn: Ms. Peggy Collins

Dear Honorable Mark Leno:

Pursuant to the supplemental reporting requirements of the 2008 Budget Act for FY 2014-15 (Item 1111-001-0582), the Bureau of Automotive Repair is submitting a report regarding its Consumer Assistance Program. The report is due to the Legislature by February 15, 2016.

If you wish to receive additional printed copies of this report, or if you have any questions, please contact Gil DeLuna with the Consumer Assistance Program at (916) 403-8761.

Sincerely,

A handwritten signature in blue ink that reads 'Patrick Dorais'.

Patrick Dorais
Chief, Bureau of Automotive Repair

cc: See Attached Distribution List



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MEMORANDUM

DATE	February 10, 2016
TO:	Honorable Mark Leno, Chair Joint Legislative Budget Committee Senate Budget and Fiscal Review Committee Honorable Shirley N. Weber, Chair Assembly Budget Committee
VIA:	Awet Kidane, Director Department of Consumer Affairs
FROM:	Patrick Dorais, Chief Bureau of Automotive Repair 
SUBJECT:	Supplemental Report - Consumer Assistance Program (Item 1111-001-0582)

Purpose

As required by the Supplemental Report to the 2008 Budget Act, the Bureau of Automotive Repair (BAR) is submitting this report on the Consumer Assistance Program (CAP) operations for Fiscal Year 2014-15.

Program Description

CAP offers two options to consumers:

Repair Assistance: Income eligible consumers may receive up to \$500 in emissions-related repair work after a vehicle fails its biennially required Smog Check inspection. Repairs must be performed at a STAR certified station pursuant to regulations implementing Assembly Bill 2289 (Eng, Chapter 258, Statutes of 2010). There are currently over 2,470 STAR stations authorized to perform repair assistance services throughout the State. To be eligible for the CAP Repair Assistance option, a consumer's household income must be less than or equal to 225 percent of the federal poverty guidelines, as published by the United States Department of Health and Human Services. The applicant must submit one of several acceptable documents to verify their income level. As co-payment for participation, the participant is responsible for the total cost associated with the testing and diagnosis of the emissions-related failure.

Vehicle Retirement: Vehicle owners that meet income eligibility requirements may receive either \$1,000 or \$1,500 to retire their vehicle at a BAR-contracted dismantler. A consumer's household income must be less than or equal to 225 percent of the federal poverty guidelines, as published

by the United States Department of Health and Human Services, in order to be eligible for the higher vehicle retirement incentive. The vehicle does not need to fail the biennially required Smog Check inspection to qualify. Consumer participation is limited to no more than once every 12 months. In order to prevent the retirement of out-of-state vehicles, the vehicle must have been registered as operable with the California Department of Motor Vehicles or have proof that it has been primarily operated in California for the past two years. The vehicle must be a passenger car or truck with a gross vehicle weight rating of 10,000 pounds or less. Finally, the vehicle must pass a visual and operational inspection at the dismantler site.

Consumer Participation

CAP repaired 7,883 vehicles and retired 50,870 vehicles in Fiscal Year 2014-15. During Fiscal Year 2013-14, CAP repaired 8,165 vehicles and retired 44,999 vehicles. In Fiscal Year 2012-13, CAP repaired 8,819 vehicles and retired 36,894 vehicles.

Program Costs

BAR expended \$3,126,782 to repair vehicles, \$60,091,611 to retire vehicles, and incurred \$7,018,458 in administrative costs to operate both programs in Fiscal Year 2014-15.

Emissions Reduction

BAR uses formulas developed in conjunction with the Air Resources Board to estimate emissions reduction achieved through CAP.

BAR reduced an estimated 7,304 tons of emissions through these programs in Fiscal Year 2014-15.

South Coast and San Joaquin Valley Air Districts

Because of the special attention given in the State Implementation Plan to air quality issues affecting the San Joaquin Valley Air Pollution Control District and the South Coast Air Quality Management District, BAR has included participation statistics for these two regions. The following statistics are included in the statewide figures shown in the *Consumer Participation* section of this report.

In the South Coast Air Quality Management District, CAP repaired 2,955 vehicles and retired 22,384 vehicles, achieving 3,199.3 tons of emissions reduction in Fiscal Year 2014-15. During Fiscal Year 2013-14, CAP repaired 3,403 vehicles and retired 20,052 vehicles in the district. In Fiscal Year 2012-13, CAP repaired 2,860 vehicles and retired 13,330 vehicles in the district.

In the San Joaquin Valley Air Pollution Control District, CAP repaired 1,828 vehicles and retired 6,609 vehicles, achieving 972.2 tons of emissions reduction in Fiscal Year 2014-15. During Fiscal Year 2013-14, CAP repaired 1,794 vehicles and retired 5,595 vehicles in the district. In Fiscal Year 2012-13, CAP repaired 1,503 vehicles and retired 4,510 vehicles in the district.

Attachment: Summary of Program Statistics: Fiscal Year 2014-15, Fiscal Year 2013-14,
Fiscal Year 2012-13

CC: Mac Taylor, Legislative Analyst, Legislative Analyst's Office
Diane F. Boyer-Vine, Legislative Counsel
Daniel Alvarez, Secretary of the Senate
E. Dotson Wilson, Chief Clerk of the Assembly
Michael Cohen, Director, Department of Finance
Alexis Podesta, Acting Secretary, Business, Consumer Services, and
Housing Agency

Summary of Program Statistics
Bureau of Automotive Repair - Consumer Assistance Program
July 1, 2014 - June 30, 2015

Program Element	Program Component	Repair Assistance	Vehicle Retirement: On-Cycle		Vehicle Retirement: Off-Cycle Enhanced Fleet Modernization Program (EFMP)		Total
			Income Eligible Option	General Option	EFMP: Income Eligible Option	EFMP: General Option	
State Disbursement Amounts	Maximum State Disbursement	\$500	\$1,500	\$1,000	\$1,500	\$1,000	-
Consumer Participation	Vehicles Repaired or Retired	7,883	15,327	4,639	24,295	6,609	58,753
Program Disbursements	Program Disbursements	\$3,126,782	\$19,535,341	\$3,889,660	\$31,053,488	\$5,613,122	\$63,218,393
	Average Disbursement	\$397	\$1,275	\$838	\$1,278	\$849	-
Estimated Emissions Reduction	Hydrocarbons	97.8	1,396.8		2,162.1		3,657
	Oxides of Nitrogen	111.9	1,157.4		1,791.4		3,061
	Carbon Monoxide	17.7	223.5		345.9		587
	Total	227.4	2,777.7		4,299.4		7,304

Summary of Program Statistics
Bureau of Automotive Repair - Consumer Assistance Program
July 1, 2013 - June 30, 2014

Program Element	Program Component	Repair Assistance	Vehicle Retirement: On-Cycle		Vehicle Retirement: Off-Cycle Enhanced Fleet Modernization Program (EFMP)		Total
			Income Eligible Option	General Option	EFMP: Income Eligible Option	EFMP: General Option	
State Disbursement Amounts	Maximum State Disbursement	\$500	\$1,500	\$1,000	\$1,500	\$1,000	-
Consumer Participation	Vehicles Repaired or Retired	8,165	11,600	3,430	23,735	6,234	53,164
Program Disbursements	Program Disbursements	\$3,743,989	\$14,726,905	\$2,864,526	\$30,382,403	\$5,288,510	\$57,006,333
	Average Disbursement	\$459	\$1,270	\$835	\$1,280	\$848	-
Estimated Emissions Reduction	Hydrocarbons	101.3	1,051.5		2,096.7		3,250
	Oxides of Nitrogen	115.9	871.2		1,737.2		2,724
	Carbon Monoxide	18.3	168.2		335.4		522
	Total	235.5	2,090.9		4,169.3		6,496

Summary of Program Statistics
Bureau of Automotive Repair - Consumer Assistance Program
July 1, 2012 - June 30, 2013

Program Element	Program Component	Repair Assistance	Vehicle Retirement: On-Cycle		Vehicle Retirement: Off-Cycle Enhanced Fleet Modernization Program (EFMP)		Total
			Income Eligible Option	General Option	EFMP: Income Eligible Option	EFMP: General Option	
State Disbursement Amounts	Maximum State Disbursement	\$500	\$1,500	\$1,000	\$1,500	\$1,000	-
Consumer Participation	Vehicles Repaired or Retired	8,819	8,798	3,200	16,043	8,853	45,713
Program Disbursements	Program Disbursements	\$4,081,678	\$12,912,014	\$3,200,470	\$23,729,534	\$8,928,441	\$52,852,137
	Average Disbursement	\$463	\$1,468	\$1,000	\$1,479	\$1,009	-
Estimated Annual Emissions Reductions (tons per year)	Hydrocarbons	109.4	839.4		1,741.8		2,691
	Oxides of Nitrogen	125.2	695.5		1,443.1		2,264
	Carbon Monoxide	19.8	134.3		278.6		433
	Total	254.4	1,669.2		3,463.5		5,387