MEMORANDUM

DATE  February 14, 2019

TO:  Honorable Holly J. Mitchell, Chair
      Joint Legislative Budget Committee
      Senate Budget and Fiscal Review Committee

      Honorable Philip Ting, Chair
      Assembly Budget Committee

THROUGH:  Alexis Podesta, Secretary
           Business, Consumer Services, and Housing Agency

VIA:  Dean R. Grafilo, Director
       Department of Consumer Affairs

FROM:  ORIGINAL SIGNATURE ON FILE
        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 Consumer Assistance Program (CAP) operations for Fiscal Year 2017-18.

Program Description

CAP offers two options for consumers:

Repair Assistance: Income-eligible consumers may receive up to $500 in emissions-related repairs 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 2,500 STAR stations authorized to perform repair assistance services throughout the state.

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. Verification of income, as established in regulation, shall be based on at least one form of documentation, including, but not limited to: (A) an income tax return; (B) an employment
warrant; or (C) a form of public assistance. As co-payment for participation, the participant is responsible for the costs associated with the diagnosis of the emissions-related failure and any post-repair tests of the vehicle.

Vehicle Retirement: Vehicle owners who meet income eligibility requirements may receive $1,500 to retire their vehicle at a BAR-contracted dismantler. A list of dismantlers is sent to qualified consumers and available on BAR’s website or by calling CAP’s toll-free number. There are currently 33 dismantlers authorized by BAR to perform vehicle retirement services throughout the state. This option allows the vehicle to be retired without failing a Smog Check through the Enhanced Fleet Modernization Program (EFMP), developed and managed in partnership with the California Air Resources Board. As with the Repair Assistance option, a consumer’s household income must be less than or equal to 225 percent of the federal poverty guidelines. Consumers unable to meet the income eligibility criteria can retire their vehicle for $1,000 only if it fails Smog Check.

Consumers are limited to retiring no more than one vehicle every 12 months. 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.

**Consumer Participation**

In Fiscal Year 2017-18, CAP repaired 3,351 vehicles and retired 50,959 vehicles.

**Program Costs**

In Fiscal Year 2017-18, CAP expended: $1,363,516 to repair vehicles; $66,021,198 to retire vehicles; and $7,805,901* to administer these programs.

**Emissions Reduction**

BAR uses formulas developed in conjunction with the California Air Resources Board to estimate emissions reductions achieved through these programs.

In Fiscal Year 2017-18, CAP reduced an estimated 7,186 tons of emissions through these programs.

**South Coast and San Joaquin Valley Air Districts**

The State Implementation Plan is particularly focused on air quality issues affecting the South Coast Air Quality Management District (AQMD) and the San Joaquin Valley Air Pollution Control District (APCD).

In Fiscal Year 2017-18, CAP repaired 1,255 vehicles and retired 21,378 vehicles, achieving 3,010.3 tons of emissions reductions in the South Coast AQMD. CAP also repaired 812

*Figures are estimated. Official year-end figures expected to be available in March 2019 due to the Department’s transition to the Fi$Cal.
vehicles and retired 6,060 vehicles, achieving 866.5 tons of emissions reductions in the San Joaquin APCD.

BAR included the air district statistics in the statewide figures shown in the Consumer Participation section of the attached summary to this report.

**ATTACHMENTS:** Summary of Program Statistics: Fiscal Year 2017-18

CC: Anthony Williams, Legislative Secretary  
Erika Contreras, Secretary of the Senate  
E. Dotson Wilson, Chief Clerk of the Assembly  
Diane F. Boyer-Vine, Legislative Counsel  
Keely Bosler, Director, Department of Finance  
Gabriel Petek, Legislative Analyst, Legislative Analyst’s Office  
Alexis Podesta, Secretary, Business, Consumer Services, and Housing Agency
### Summary of Program Statistics: Fiscal Year 2017-18

**Bureau of Automotive Repair – Consumer Assistance Program**

<table>
<thead>
<tr>
<th>Program Element</th>
<th>Program Component</th>
<th>Repair Assistance</th>
<th>Vehicle Retirement Income Eligible Option</th>
<th>Vehicle Retirement General Option</th>
<th>Vehicle Retirement EFMP: Income Eligible Option</th>
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<td>Program Disbursements</td>
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