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# REPAIR ASSISTANCE UPDATE

DEPARTMENT OF CONSUMER AFFAIRS



Bureau of Automotive Repair

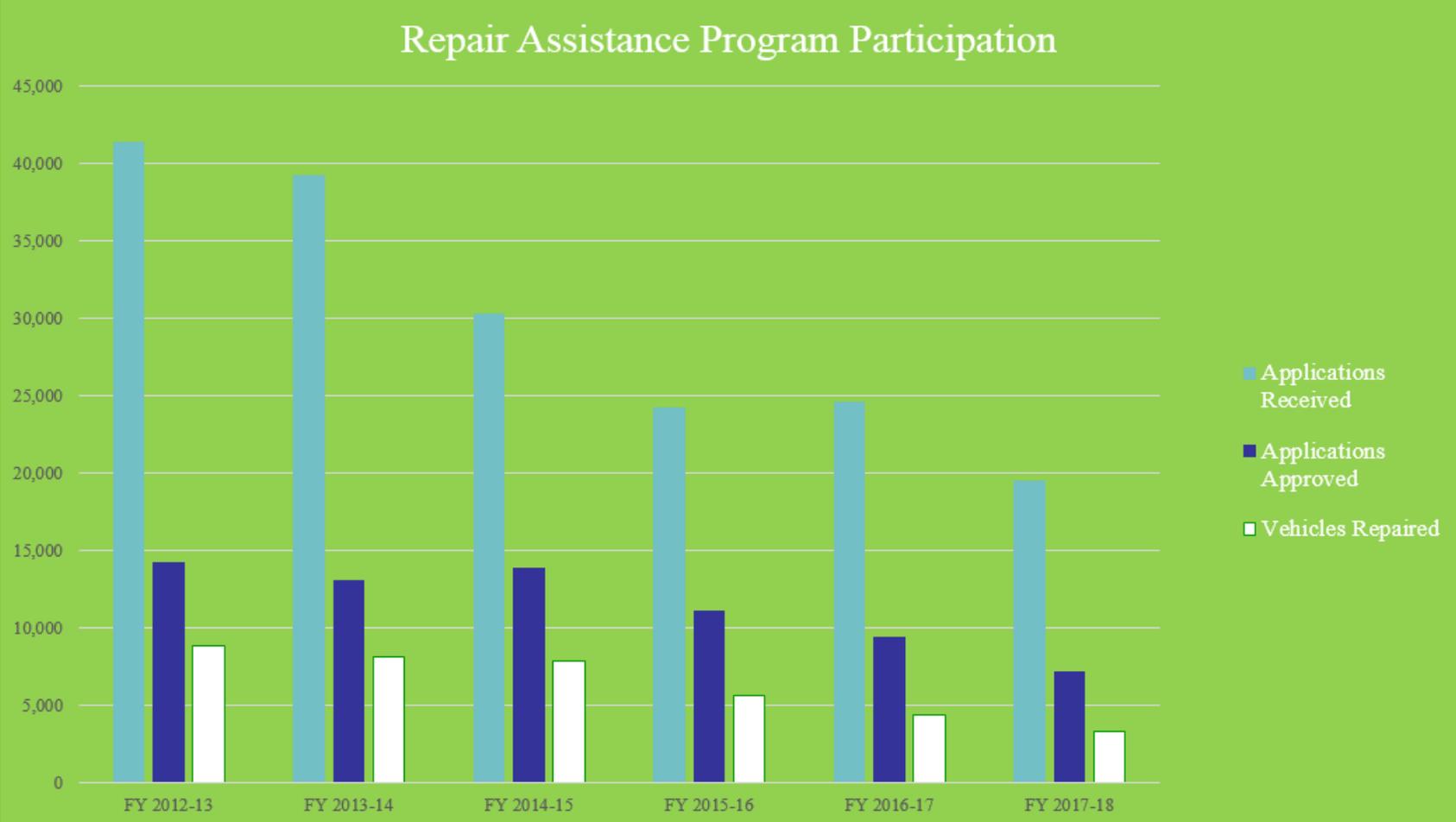
DENISE CUNNINGHAM AND RANDY POWERS  
CONSUMER ASSISTANCE PROGRAM  
BAR ADVISORY GROUP MEETING  
JANUARY 27, 2019

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# PURPOSE OF PROPOSAL

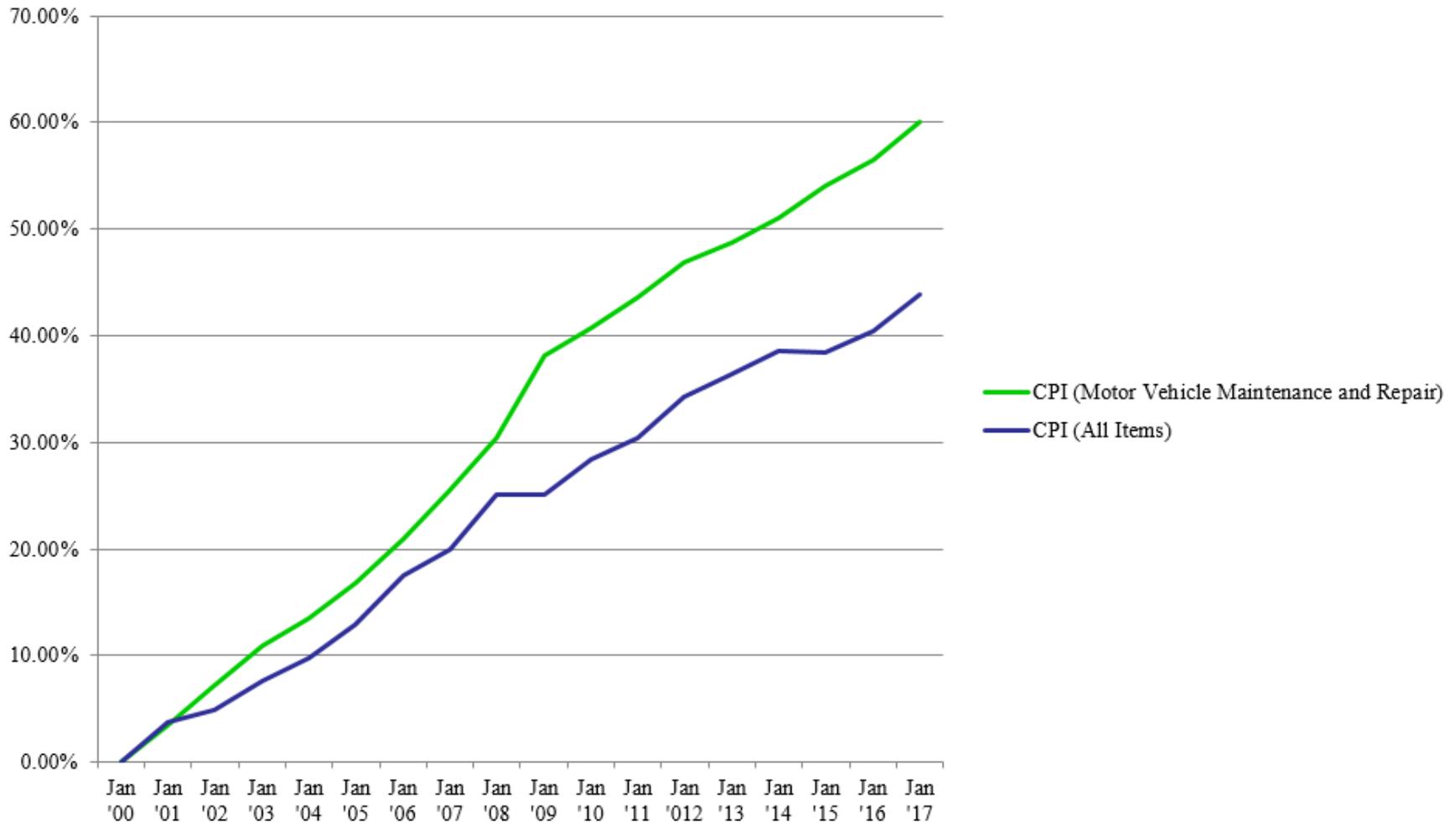
- The proposed regulatory amendments:
  - Provide higher repair contributions based on model year.
  - Reduce high pre-repair expenditures for low-income motorists.
  - Remove unnecessary eligibility restrictions pertaining to vehicle. registration
  - Increase program participation.

# REPAIR ASSISTANCE PROGRAM PARTICIPATION



# COST INCREASE MOTOR VEHICLE MAINTENANCE AND REPAIR VS. CPI

**Cost Increase Motor Vehicle Maintenance and Repair vs. CPI**



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# REPAIR ASSISTANCE CONTRIBUTION LIMITS

- The Consumer Price Index for Vehicle Maintenance and Repair increased over 60% in last 18 years.
  - A repair that cost \$500 in the year 2000 now costs over \$800.
- Smog Check repairs can be more expensive on 1996 and newer OBD II vehicles. Proper repair of these newer vehicles can yield more significant long term emission reductions.
- Health and Safety Code section 44062.1 allows the Department to increase repair assistance contributions provided it determines the repairs are cost-effective.
  - Pre-approval is BAR's means of ensuring cost-effectiveness on a case-by-case basis.

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# REPAIR ASSISTANCE CONTRIBUTION LIMITS (CONTINUED)

- Under the current regulation
  - BAR contributes up to \$500 in emission related repair services at STAR stations.
- Under the proposed regulation
  - BAR may authorize up to an additional \$300 contribution for 1995 and older vehicles (max contribution \$800).
  - BAR may authorize up to an additional \$700 contribution for 1996 and newer vehicles (max contribution \$1200).

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# CONSUMER COPAYMENT

- Consumer and STAR station surveys show that up-front diagnostic charges discourage participation among those with lower incomes. Consumers view paying for a diagnosis as a risk with uncertain returns for the following reasons: 1) consumers may be unable to afford recommended repairs; and 2) diagnosis may determine the vehicle is not repairable.
- If the program shares the cost of diagnosis with the consumer, the risk and uncertainty associated with program participation will be reduced.
- Health and Safety Code section 44094(b)(1) specifies that BAR may pay “up to 80% of the total cost of the repair, as determined by the department...”

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# CONSUMER COPAYMENT (CONTINUED)

- Under the current regulation
  - Consumers pay all testing and diagnostic fees as copayment.
- Under the proposed regulation
  - Consumers will pay 20% of diagnostic and repair fees.
  - BAR will contribute 80% of diagnostic and repair fees.

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# EXPIRED REGISTRATIONS

- It is counterproductive to deny repair assistance to applicants with vehicle registrations expired for more than 120 days.
  - Although some limit must be set to avoid paying for resurrection of vehicles in long-term storage, the current limit is unnecessarily restrictive.
  - Many motorists drive vehicles that are unregistered for several months due to a failed Smog Check before applying to CAP.
  - Over 2,500 applicants were denied in FY 2017-18 for registrations expired between 120 and 365 days.
  - Denying repair assistance to low-income applicants who are actively driving their vehicles increases pollution.

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# EXPIRED REGISTRATIONS (CONTINUED)

- Under the current regulation
  - An applicant's vehicle registration must be current or expired for no more than 120 days at the time of application.
- Under the proposed regulation
  - An applicant's vehicle registration must be current or expired for no more than 365 days at the time of application.

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# LAPSES IN REGISTRATION

- There is no reason to deny repair assistance applications based upon lapses during prior registration periods.
  - Statute does not require continuous registration as a requirement for repair assistance.
  - Over 3,000 applicants were denied in FY 2017-18 because of registration lapses.
  - Many of these applicants were denied because of lapses that occurred under a previous owner.
  - Denying repair assistance to low-income applicants who are actively driving their vehicles increases air pollution.

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# LAPSES IN REGISTRATION (CONTINUED)

- Under the current regulation
  - An applicant's vehicle must have been continuously registered without lapses exceeding 120 days during the two years prior to the expiration of the current registration.
- Under the proposed regulation
  - Requirements will be deleted; lapses in years prior to the current registration will not affect eligibility.

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# QUESTIONS AND COMMENTS

Submit questions and/or comments to:

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