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

Repair Assistance Program Participation

- Applications Received
- Applications Approved
- Vehicles Repaired


Applications Received
Applications Approved
Vehicles Repaired
COST INCREASE MOTOR VEHICLE MAINTENANCE AND REPAIR VS. CPI

Cost Increase Motor Vehicle Maintenance and Repair vs. CPI

- CPI (Motor Vehicle Maintenance and Repair)
- CPI (All Items)
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.
• 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).
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…”
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.
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.
• 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.
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.
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.
QUESTIONS AND COMMENTS

Submit questions and/or comments to:

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