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March 18, 2022

Honorable Nancy Skinner
Chair, Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee
1020 N Street, Room 553
Sacramento, CA 95814

Honorable Philip Ting
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

RE: Bureau of Automotive Repair – Supplemental Report – Consumer Assistance Program

Chair Skinner and Chair Ting:

This correspondence fulfills the requirement of the 2008 Budget Act (Item 1111-001-0582) to report on Consumer Assistance Program (CAP) operations for Fiscal Year 2020-21.

The Bureau of Automotive Repair (Bureau or BAR) offers two CAP options for consumers:

Repair Assistance: Income-eligible consumers receive up to \$1,200¹ in emissions repairs after a vehicle fails a biennially required Smog Check. Repairs must be performed at a STAR-certified Smog Check repair station. There are over 2,100 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. Income verification 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. The Bureau pays 80 percent of diagnostic and repair costs. Participants are responsible for any repair costs that exceed the state contribution limit.

¹ Emergency regulations, adopted and effective on 8/31/2020, provide up to \$900 in emission related repairs for 1995 and older vehicles and \$1,200 in emission related repairs for 1996 and newer vehicles. These regulations also remove unnecessary vehicle registration eligibility requirements and set the consumer copay at 20% of diagnostic and repair costs.

Vehicle Retirement: Vehicle owners can retire a vehicle at a BAR-authorized dismantler. Income-eligible consumers receive \$1,500 for the vehicle. Eligibility also is based on a household income less than or equal to 225 percent of the federal poverty guidelines. The vehicle must have completed a Smog Check and can be retired even if it passes the inspection.² Consumers unable to demonstrate eligibility based on income can retire a vehicle for \$1,000, but only if it fails the inspection.

Consumers are limited to retiring no more than one vehicle every 12 months. The vehicle must be registered as operable with the 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.

There are currently 35 dismantlers under contract with BAR to perform vehicle retirement services. Upon application approval, BAR provides consumers a list of the authorized dismantlers.

CONSUMER PARTICIPATION

The Bureau repaired 3,572 vehicles and retired 47,086 vehicles.

PROGRAM COSTS

The Bureau expended: \$2,665,205 to repair vehicles; \$58,032,040 to retire vehicles; and \$8,353,891 to administer these programs.

EMISSIONS REDUCTION

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

In Fiscal Year 2020-21, CAP reduced an estimated 1,750.8 tons of emissions through these programs.³

SOUTH COAST AND SAN JOAQUIN VALLEY AIR DISTRICTS

The State Implementation Plan focuses on air quality issues affecting the South Coast Air Quality Management District (AQMD) and the San Joaquin Valley Air Pollution Control District (APCD). The Bureau does not have cooperative agreements with air districts, because those agreements are between the California Air Resources Board and the districts. However, as noted, BAR has continued to highlight repair assistance and vehicle retirement statistics for the

² This provision is made available through the Enhanced Fleet Modernization Program (EFMP), developed and managed in partnership with the California Air Resources Board.

³ In consultation with CARB, BAR revised the methodology used to estimate the emissions benefits of these programs. See footnote on attached chart for more detail.

two air districts that are critical to the State Implementation Plan and the South Coast and San Joaquin districts.

The Bureau repaired 1,319 vehicles and retired 23,364 vehicles in the South Coast AQMD, achieving an estimated 857.5 tons of emissions reductions. The Bureau also repaired 560 vehicles and retired 5,944 vehicles in the San Joaquin APCD, achieving an estimated 223.7 tons of emissions reductions.

The air district statistics are included in the statewide figures shown in the attached summary to this report.

Sincerely,

Patrick Dorais

PATRICK DORAIS
Chief, Bureau of Automotive Repair

ATTACHMENTS: Summary of Program Statistics: Fiscal Year 2020-21

cc: Christy Bouma, Legislative Secretary
Erika Contreras, Secretary of the Senate
Sue Parker, Chief Clerk of the Assembly
Cara L. Jenkins, Legislative Counsel
Keely Bosler, Director, Department of Finance
Gabriel Petek, Legislative Analyst, Legislative Analyst's Office
Lourdes M. Castro Ramírez, Secretary, Business, Consumer Services, and Housing Agency
Kimberly Kirchmeyer, Director, Department of Consumer Affairs

**Summary of Program Statistics: Fiscal Year 2020-21
Bureau of Automotive Repair – Consumer Assistance Program**

Program Metric	Repair Assistance	Vehicle Retirement: Income Eligible Option	Vehicle Retirement: General Option	EFMP Vehicle Retirement	Total
Assistance Amount (Per-Vehicle)	Up to \$1,200	\$1,500	\$1,000	\$1,500	-
Vehicles Repaired or Retired	3,572	15,540	12,189	19,357	50,658
Program Disbursements	\$2,665,205	\$20,928,918	\$10,791,853	\$26,311,268	\$60,697,245
Average Disbursement (Per-Vehicle)	\$746	\$1,347	\$885	\$1,359	-

ESTIMATED EMISSIONS REDUCTIONS FROM 2020-21 REPAIRS AND RETIREMENTS (TONS)*

Emission	Repair Assistance	Vehicle Retirement: Income Eligible Option	Vehicle Retirement: General Option	EFMP Vehicle Retirement	Total
Reactive Organic Gases**	35.2	285.1	223.6	355.1	898.9
Oxides of Nitrogen	46.0	235.2	184.5	292.9	758.6
Carbon Monoxide***	7.6	28.3	22.2	35.3	93.3
Total	88.8	548.5	430.3	683.3	1,750.8

* In consultation with CARB, BAR revised the methodology used to estimate emission reductions of ozone forming chemicals resulting from the vehicle retirement and repair assistance programs. This significantly reduces estimated emission benefits for these programs. The new methodology better accounts for the decreased emission benefits of retiring newer (less polluting) vehicles.

**Reactive Organic Gases (ROG) estimates have replaced Hydrocarbon (HC) estimates from prior reports. ROG is a defined set of carbon compounds that participate in ozone formation. The California Air Resources Board (CARB) prefers using ROG for emission modeling.

*** Carbon monoxide (CO) reductions are still divided by 56 to reflect CARB estimates of the reactivity of CO relative to other compounds contributing to ozone formation.