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February 16, 2023

Honorable Nancy Skinner
Chair, Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee
1020 N Street, Room 502
Sacramento, CA 95814

Honorable Philip Ting
Chair, Assembly Budget Committee
1021 O Street, Room 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 provide a report on the Consumer Assistance Program (CAP) operations for Fiscal Year 2021-22.

The Bureau of Automotive Repair offers two CAP options for consumers:

Repair Assistance: In Fiscal Year 2021-22, income-eligible consumers received up to \$1,200 in emissions repairs after a vehicle failed its 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.

To be eligible for repair assistance, 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.

Vehicle Retirement: Vehicle owners can retire a vehicle at a BAR-authorized dismantler. Income-eligible consumers receive \$1,500 for the vehicle. As with repair assistance, eligibility is based on a household income less than or equal to 225 percent of the federal poverty guidelines. The vehicle also can be retired without failing a Smog Check.¹ Consumers unable to demonstrate eligibility based on income can retire a vehicle for \$1,000, but only if it fails a 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 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

In Fiscal Year 2021-22, CAP repaired 3,698 vehicles and retired 25,542² vehicles.

PROGRAM COSTS

In Fiscal Year 2021-22, CAP expended: \$2,986,798 to repair vehicles; \$31,605,859 to retire vehicles; and \$8,732,224 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 2021-22, CAP reduced an estimated 1,008.3 tons of emissions through these programs.

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

¹ This provision is made available through the Enhanced Fleet Modernization Program (EFMP), developed and managed in partnership with the California Air Resources Board.

² There was a significant decrease in vehicle retirement participation during 2021-22. This is likely attributable to a forty (40) percent increase in average used vehicle prices that occurred between July 2020 and July 2021, while the maximum retirement incentive remained static at \$1500. BAR and CARB staff are currently evaluating the need for incentive increases.

Pollution Control District (APCD).

In Fiscal Year 2021-22, CAP repaired 1,528 vehicles and retired 14,074 vehicles in the South Coast AQMD, achieving an estimated 543.1 tons of emissions reductions. CAP also repaired 716 vehicles and retired 3,792 vehicles in the San Joaquin APCD, achieving an estimated 153.8 tons of emissions reductions.

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

Sincerely,



Patrick Dorais
Chief, Bureau of Automotive Repair

ATTACHMENTS: Summary of Program Statistics: Fiscal Year 2021-22

cc: Christy Bouma, Legislative Secretary
Erika Contreras, Secretary of the Senate
Sue Parker, Chief Clerk of the Assembly
Cara L. Jenkins, Legislative Counsel
Joe Stephenshaw, Director, Department of Finance
Jared Sippel, 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 2021-22
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 ¹	3,698	7,968	6,462	11,112	29,240
Program Disbursements	\$2,986,798	\$10,757,029	\$5,708,785	\$15,140,045	\$34,592,657
Average Disbursement (Per-Vehicle)	\$807	\$1,350	\$883	\$1,362	-

ESTIMATED ANNUAL EMISSIONS REDUCTIONS (TONS)

Emission	Repair Assistance	Vehicle Retirement: Income Eligible Option	Vehicle Retirement: General Option	EFMP Vehicle Retirement	Total
Reactive Organic Gases	36.9	152.2	123.4	212.2	524.7
Oxides of Nitrogen	46.3	119.8	97.1	167.0	430.2
Carbon Monoxide	7.5	14.3	11.6	20.0	53.4
Total	90.8	286.2	232.1	399.2	1,008.3

¹ There was a significant decrease in vehicle retirement participation during 2021-22. This is likely attributable to a forty (40) percent increase in average used vehicle prices that occurred between July 2020 and July 2021, while the maximum retirement incentive remained static at \$1500. BAR and CARB staff are currently evaluating the need for incentive increases.