
REPAIR ASSISTANCE UPDATE

DEPARTMENT OF CONSUMER AFFAIRS



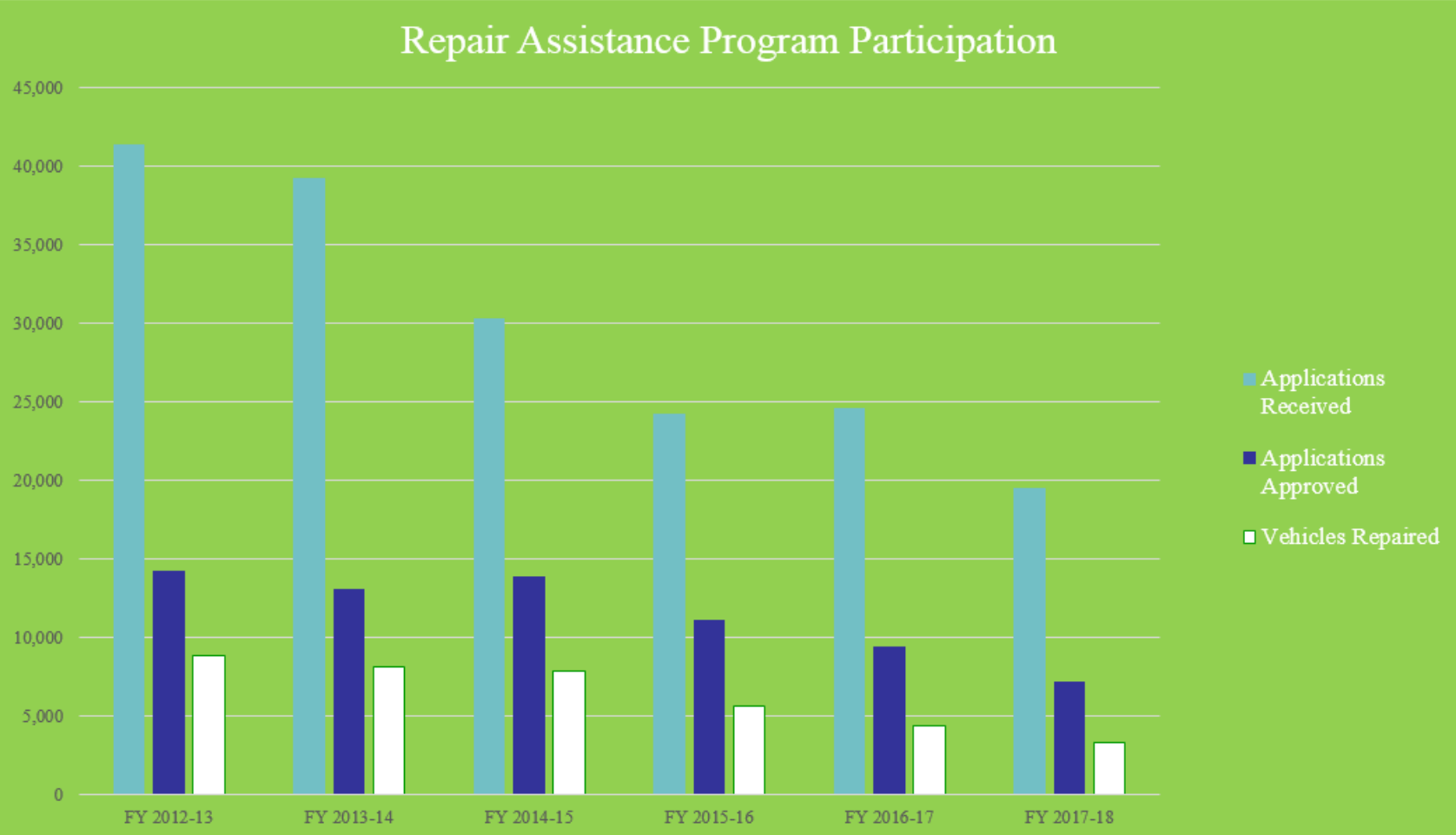
Bureau of Automotive Repair

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

PURPOSE OF PROPOSAL

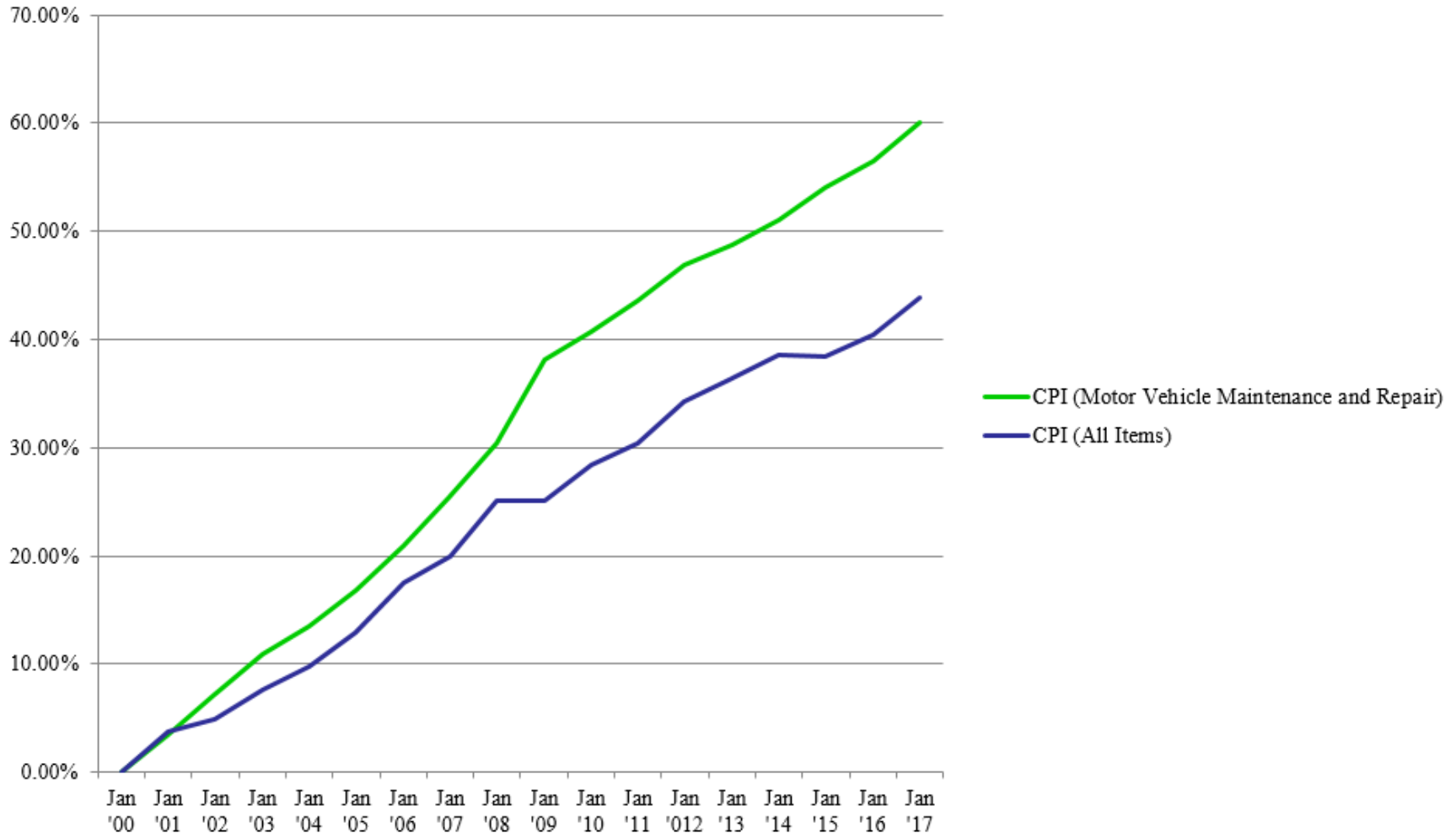
- The proposed regulatory amendments:
 - Provide higher repair contributions based on model year.
 - Reduce high pre-repair expenditures for low-income motorists.
 - Remove unnecessary eligibility restrictions pertaining to vehicle. registration
 - Increase program participation.

REPAIR ASSISTANCE PROGRAM PARTICIPATION



COST INCREASE MOTOR VEHICLE MAINTENANCE AND REPAIR VS. CPI

Cost Increase Motor Vehicle Maintenance and Repair vs. CPI



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.

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).

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.

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.

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:

Denise Cunningham

Bureau of Automotive Repair

10949 N. Mather Boulevard

Rancho Cordova, CA 95670

Phone: 916-403-8759

Email: denise.Cunningham@dca.ca.gov