

# Memorandum

Date: February 6, 2014

**To:** Honorable Mark Leno, Chair  
Joint Legislative Budget Committee  
Senate Budget and Fiscal Review Committee  
Honorable Nancy Skinner, Chair  
Assembly Budget Committee

**Via:** Denise Brown, Director  
Department of Consumer Affairs

**From:** Patrick Dorais, Chief   
Bureau of Automotive Repair

**Subject:** Supplemental Report - Consumer Assistance Program (Item 1111-001-0582)

---

**Purpose** As required by the Supplemental Report to the 2008 Budget Act, the Bureau of Automotive Repair (BAR) is submitting this report on the Consumer Assistance Program (CAP) operations for Fiscal Year 2012-13.

---

CAP offers two options to consumers:

**Program  
Description**

- Repair Assistance: Eligible consumers may receive up to \$500 in emissions-related repair work after a vehicle fails its biennially required Smog Check inspection. Through December 31, 2012, the repairs were performed at a Gold Shield certified station under a standard agreement with BAR. Beginning January 1, 2013, the repairs must be performed at a STAR certified station pursuant to regulations implementing Assembly Bill 2289 (Eng, Chapter 258, Statutes of 2010). There are currently over 2,000 STAR stations authorized to perform repair assistance services for BAR. To be eligible, a consumer's household income must be less than or equal to 225 percent of federal poverty guidelines, as published by the United States Department of Health and Human Services. The applicant must submit one of several alternative documents to verify income level. Effective July 1, 2012, the participant is responsible for the cost to diagnose the emission-related failure and re-inspect the vehicle.
- Vehicle Retirement: Eligible consumers receive either \$1,000, or \$1,500 if income eligible, to retire their vehicle at a BAR-contracted dismantler. A consumer's household income must be less than or equal to 225 percent of federal poverty guidelines, as published by the United States Department of Health and Human Services, in order to be eligible for the higher vehicle retirement incentive. The vehicle does not need to fail the biennially required Smog Check inspection to qualify. Consumer participation is limited to no more than once every 12 months. In order to prevent the retirement of out-of-state vehicles, the vehicle must have been registered as operable with the California 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 site.

**Consumer Participation**

CAP repaired 8,819 vehicles and retired 36,894 vehicles in Fiscal Year 2012-13. Repair assistance declined from the prior year total of 23,507 vehicles repaired statewide as a result of a regulation change that requires vehicles to be currently registered with DMV. BAR is currently pursuing a regulation change to allow for acceptable instances of registration lapse, which should increase participation.

---

**Program Costs**

BAR expended \$4,081,678 to repair vehicles, \$48,770,459 to retire vehicles, and incurred \$10,249,830 in administrative costs to operate both programs.

---

**Emissions Reductions**

BAR uses formulas developed in conjunction with the Air Resources Board to estimate emissions reductions achieved through CAP.

BAR reduced an estimated 5,387 tons of emissions through these programs in Fiscal Year 2012-13.

---

**San Joaquin Valley and South Coast Air Districts**

Because of the special attention given in the State Implementation Plan to air quality issues affecting the San Joaquin Valley and South Coast air districts, BAR has included participation statistics for these two regions. The following statistics are included in the statewide figures shown in the *Consumer Participation* section of this report.

In the San Joaquin Valley Air Pollution Control District, CAP repaired 1,503 vehicles and retired 4,510 vehicles, achieving 671 tons of emissions reductions in Fiscal Year 2012-13. During the prior year, 4,843 vehicles were repaired and 5,653 vehicles were retired in the district.

In the South Coast Air Quality Management District, CAP repaired 2,860 vehicles and retired 13,330 vehicles, achieving 1,937 tons of emissions reductions in Fiscal Year 2012-13. During the prior year, 8,154 vehicles were repaired and 13,647 vehicles were retired in the district.

---

**Attachment**

Summary of Program Statistics: Fiscal Year 2012-13

---

**Copies to:**

Honorable Kevin De León, Chair, Senate Appropriations Committee  
Honorable Mike Gatto, Chair, Assembly Appropriations Committee  
Honorable Jeff Gorell, Vice Chair, Assembly Budget Committee  
Mac Taylor, Legislative Analyst, Legislative Analyst's Office  
Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee  
Mark McKenzie, Staff Director, Senate Appropriations Committee  
Christian Griffith, Chief Consultant, Assembly Budget Committee  
Geoff Long, Chief Consultant, Assembly Appropriations Committee  
Diane F. Boyer-Vine, Legislative Counsel  
Gregory Schmidt, Secretary of the Senate  
E. Dotson Wilson, Chief Clerk of the Assembly  
Michael Cohen, Director, Department of Finance  
Anna Caballero, Secretary, Business, Consumer Services, and Housing Agency

**Summary of Program Statistics**  
**Bureau of Automotive Repair - Consumer Assistance Program**  
**July 1, 2012 - June 30, 2013**

Program Element	Program Component	Repair Assistance	Vehicle Retirement: On-Cycle		Vehicle Retirement: Off-Cycle Enhanced Fleet Modernization Program (EFMP)		Total
			Income Eligible Option	General Option	EFMP: Income Eligible Option	EFMP: General Option	
State Disbursement Amounts	Maximum State Disbursement	\$500	\$1,500	\$1,000	\$1,500	\$1,000	-
Consumer Participation	Vehicles Repaired or Retired	8,819	8,798	3,200	16,043	8,853	45,713
Program Disbursements	Program Disbursements	\$4,081,678	\$12,912,014	\$3,200,470	\$23,729,534	\$8,928,441	\$52,852,137
	Average Disbursement	\$463	\$1,468	\$1,000	\$1,479	\$1,009	-
Estimated Emissions Reductions	Hydrocarbons	109.4	839.4		1,741.8		2,691
	Oxides of Nitrogen	125.2	695.5		1,443.1		2,264
	Carbon Monoxide	19.8	134.3		278.6		433
	<b>Total</b>	<b>254.4</b>	<b>1,669.2</b>		<b>3,463.5</b>		<b>5,387</b>