



VOLUNTARY VEHICLE REPAIR PROGRAM

FISCAL YEAR 2020
ANNUAL
REPORT

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OUR MISSION and VISION

The Arizona Department of Environmental Quality's (ADEQ's) mission is to protect and enhance public health and the unique environment in Arizona. To achieve this, ADEQ administers the state's environmental laws and delegated federal programs to prevent pollution of the air, water and land, and to ensure cleanup when pollution occurs.

ADEQ's vision is to be the No. 1 state in the nation in:

- Balanced, leading edge environmental protection through
- Technical and operational excellence, and
- Radical simplicity for customers and staff.

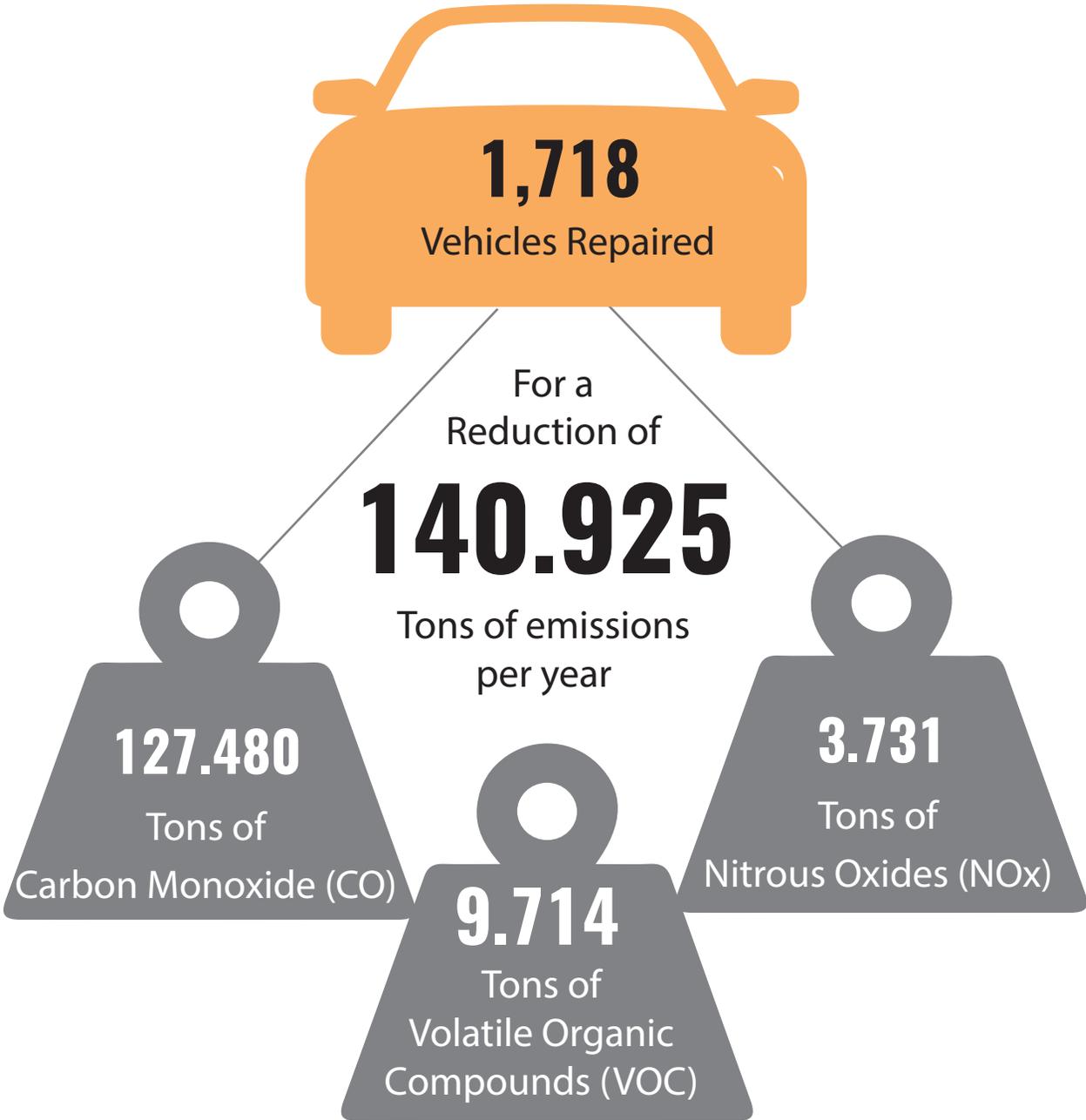


INTRODUCTION

This report has been prepared by the Arizona Department of Environmental Quality (ADEQ) Voluntary Vehicle Repair and Retrofit Program as mandated by Arizona Revised Statutes (A.R.S.) §49-474.03(G). ADEQ refers to this program as the Voluntary Vehicle Repair Program (VVRP).

The Environmental Protection Agency (EPA) requires monitoring of vehicle emissions in major metropolitan areas that are not meeting federal health standards for ozone and/or other pollutants. At present, vehicle emissions testing is only required in parts of Maricopa County and Pima County. Through a strategic partnership with these counties, ADEQ operates and maintains VVRP, which provides financial assistance to motorists in these counties for emissions reduction-related repairs and is funded through a registration fee collected from diesel-powered vehicles (A.R.S. §49-551(B)). The goal of VVRP is to reduce air pollution emitted by older vehicles that have failed the required emissions inspection.

RESULTS



EQUIVALENT TO ELIMINATING POLLUTION FROM 3,390 CARS

BUDGET COST

The Fiscal Year (FY) 2020 VVRP budget was \$2,788,800. A majority of VVRP funds are allocated to vehicle repairs, but there are necessary administrative costs to operate and maintain the program. See Appendix A for a complete list of administrative functions and costs.

VVRP Costs

Repairs	\$829,082.54
Administrative	\$318,664.55
Total	\$1,147,747.09

Funding Sources

VVRP Fund	Monies in the VVRP Fund are: <ul style="list-style-type: none">• Appropriated by the legislature• Appropriated by political subdivisions• Deposited pursuant to A.R.S. §49-551(B)• Gifts, grants and donations	\$992,005.98
VEI Fund	ADEQ leverages the experience of existing Vehicle Emissions Inspection (VEI) staff to assist in overseeing the VVRP. These ADEQ staff members perform various tasks to reduce fraud and encourage participation in the program. The administrative cost of VEI staff time is supported by the VEI fund.	\$155,741.11
Total		\$1,147,747.09

Cost-Effectiveness

Cost-effectiveness is calculated from the cost of repairing the vehicles and the tons per year of emissions reduced. \$8,148.60 spent per ton of vehicle emission reductions*

*A list by model year of vehicles repaired, repair costs and emissions reductions can be found in Appendix B.

RECOMMENDATIONS FOR IMPROVING THE EFFECTIVENESS OF VVRP

GIS maps for participating repair facilities locations on the ADEQ website

Recommendation: Update ADEQ's webpage to include GIS maps for participating repair facilities in Maricopa and Pima Counties that are accessible on azdeq.gov/CarHelp.

Promote VVRP on participating repair facilities' websites

Recommendation: Develop and implement standard and consistent messaging for participating repair facilities to promote the program on their website.

Online self-qualification application

Recommendation: Create an online process whereby potential VVRP customers can automatically register into VVRP to reduce processing times and administrative costs.

Assist vehicle emissions contractor to increase VVRP qualification

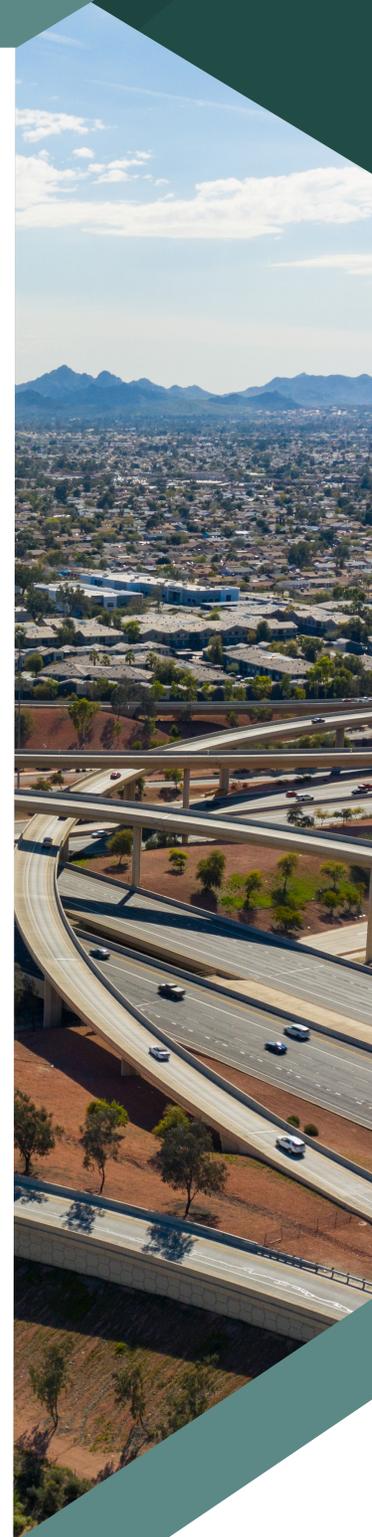
Recommendation: Provide vehicle emissions testing contractor with weekly program performance data to identify areas of improvement and increase the number of qualifications across testing stations.

Legislative Program Changes

During the 2020 legislative session, Representative Griffin introduced HB2455, which included the following provisions:

- Expand the VVRP to include all non-attainment areas where a Vehicle Emissions Inspection Program (VEIP) is required in a State Implementation Plan (SIP)
- Remove 12 years or older model year restriction for VVRP participation
- Reduce customer co-pay from \$150 to \$100
- Increase the repair cap to \$1,000, for qualified vehicles, unless its owners choose to pay additional costs
- Repeal the VVRP advisory committee

Although HB2455 received unanimous approval in every legislative hearing, the bill was not transmitted to the Governor for action due to the early COVID-19-related adjournment of the 2020 legislative session. ADEQ intends to seek a sponsor to reintroduce the bill during the 2021 legislative session.



APPENDIX A: ADMINISTRATIVE FUNCTIONS AND COSTS

Function	Number	Cost Per Function	Total Cost
Vehicle Verification	3061	\$3.15	\$9,650.63
Invoicing Verification	1715	\$11.82	\$20,276.25
Data Entry	3061	\$15.76	\$48,253.13
Site Visits	15	\$47.29	\$709.37
Outreach/Marketing	7	\$18,908.98	\$132,362.85
Report/Summaries	8	\$126.11	\$1,008.89
Questions/Externals	996	\$7.88	\$7,850.40
Repair Facility Application Verification	17	\$23.65	\$401.98
Accounting/Payment	12	\$19.71	\$236.46
GDAT Invoices	1718	\$40.00	\$68,280.00
Indirect Costs	1	\$29,634.59	\$29,634.59
Total	10611	\$30.03	\$318,664.55

Administrative Function Description

- Vehicle Verification: ADEQ staff compares the reported VIN number to MVD registration records to verify that the vehicle meets VVRP requirements.
- Invoicing Verification: ADEQ staff reviews submissions from VVRP Approved Repair Facilities for remittance of payment; staff verifies that repairs are consistent with the automotive industry's parts and labor guide; any discrepancies on invoices are immediately addressed.
- Data Entry: ADEQ staff enters customer agreements, invoices with balance noted, copies of MVD registration and failed/passing vehicle inspection reports.
- Site Visits: ADEQ performs a site visit for all potential repair facilities to verify that all equipment and certified personnel are in place to be a VVRP Approved Repair Facility; when warranted, ADEQ may conduct unannounced site visits of any facility ADEQ suspects may not be adhering to VVRP guidelines, required certifications and computer software.

- Outreach/Marketing: ADEQ develops, displays and distributes collateral for outreach to potential eligible vehicle owners, including printing fliers to hand out at emissions stations when a vehicle fails the testing process, posters on display at emissions stations, billboards in communities, and videos shared or boosted through social media; collateral is in both English and Spanish.
- Reports/Summaries: Statute requires ADEQ to submit an annual progress report to the legislature by December 1 of each year; ADEQ also submits quarterly reports to Maricopa and Pima Counties.
- Questions/Externals: ADEQ staff answers calls and provides information to repair facilities and vehicle owners who inquire about the program; ADEQ also assists VVRP Approved Repair Facilities with questions about the payment process.
- Application Verification: ADEQ staff reviews applications for completeness and verifies that all requirements are met for a vehicle owner to qualify for VVRP or a repair facility to qualify as a VVRP Approved Repair Facility.
- Accounting/Payment: To ensure the integrity of the program and prevent fraudulent use of the program, ADEQ staff reviews invoices for accuracy.
- GDAT Invoices: ADEQ contracts with Gordon-Darby Arizona Testing (GDAT) to manage emissions testing facilities and operations in Arizona; GDAT performs a portion of the administrative work for VVRP at an estimated cost of \$40 per vehicle, which covers:
 - Explanation of the program and other prequalification labor efforts to customers at emissions testing stations.
 - Additional tailpipe tests at emissions testing stations for vehicles with an onboard diagnostic (OBD) system.
 - Validation of repair invoices.
 - Processing and payment of VVRP Approved Repair Facility invoices.
 - Monthly invoicing to ADEQ.
 - Daily reporting.

APPENDIX B: VEHICLES REPAIRED FOR MODEL YEAR, REPAIR COSTS AND EMISSIONS REDUCTIONS

Model Year	# of Vehicles	Repair Costs	Emission Reductions (tons)
1968	1	\$527.95	0.168
1972	2	\$991.07	0.336
1974	3	\$1,406.97	0.504
1975	1	\$550.00	0.168
1977	5	\$2,344.75	0.840
1978	3	\$1,051.99	0.504
1979	1	\$437.67	0.168
1980	3	\$1,272.02	0.504
1981	4	\$2,114.47	0.396
1983	4	\$1,623.32	0.465
1984	5	\$2,502.99	0.771
1985	14	\$5,370.51	2.007
1986	8	\$2,979.53	0.792
1987	18	\$8,243.31	2.126
1988	18	\$6,990.35	2.057
1989	21	\$10,281.81	2.492
1990	17	\$8,469.66	1.889
1991	29	\$13,346.35	3.422
1992	34	\$14,701.26	3.917
1993	36	\$17,802.00	4.598
1994	67	\$31,613.71	7.596

APPENDIX B CONTINUED:

Model Year	# of Vehicles	Repair Costs	Emission Reductions (tons)
1995	56	\$29,041.20	5.886
1996	23	\$10,803.51	1.703
1997	52	\$26,773.61	3.923
1998	56	\$25,541.06	3.838
1999	62	\$30,047.79	4.326
2000	80	\$38,996.30	5.877
2001	133	\$67,716.42	9.378
2002	150	\$74,089.69	10.634
2003	139	\$64,513.13	9.867
2004	182	\$89,012.12	12.867
2005	129	\$63,743.07	9.099
2006	195	\$94,589.06	13.704
2007	128	\$61,046.88	9.099
2008	39	\$18,547.01	2.889
Grand Total	1718	\$829,082.54	140.852



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For translations or other communication aids, please email the
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