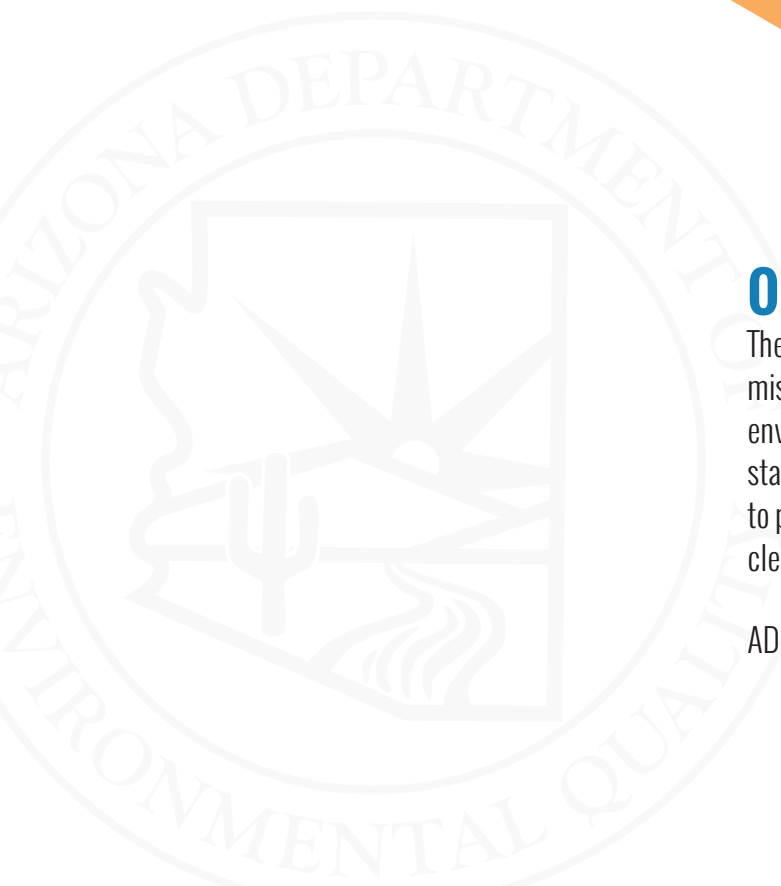


VOLUNTARY VEHICLE REPAIR PROGRAM

FISCAL YEAR 2021
ANNUAL
REPORT



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.

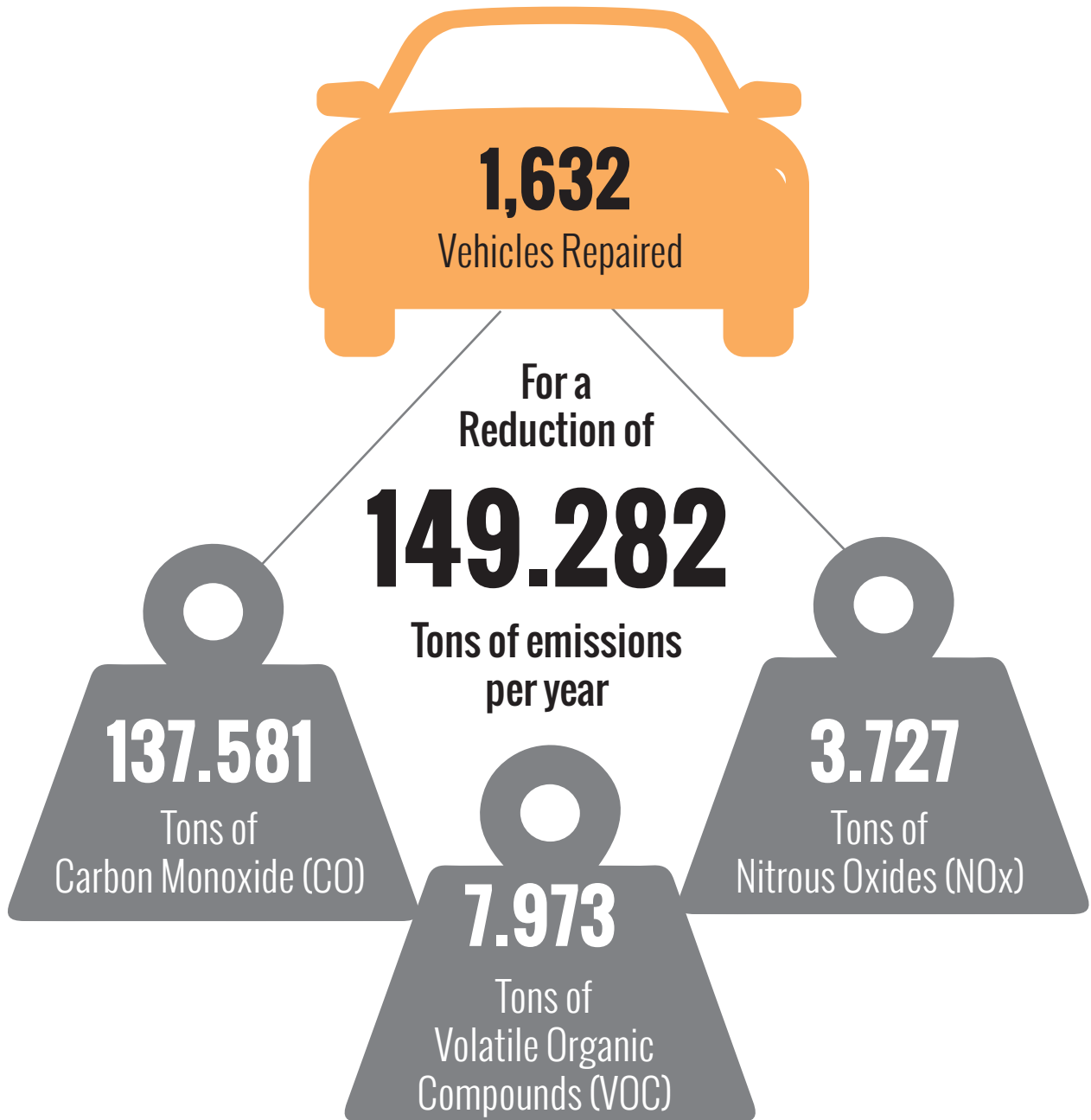


INTRODUCTION

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 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 3,661 CARS

BUDGET COST

The Fiscal Year (FY) 2021 VVRP budget was \$1,200,000. 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	\$804,764
Administrative	\$173,479
Total	\$978,243

Funding Sources

VVRP Fund	<p>Monies in the VVRP Fund are:</p> <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 	\$ 883,720
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.	\$94,523
Total		\$978,243

Cost-Effectiveness

Cost-effectiveness is calculated from the cost of repairing the vehicles and the tons per year of emissions reduced.

\$6,553.03 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

Promote VVRP on participating repair facilities website

Recommendation: Develop and implement standard and consistent messaging for participating repair facilities to promote the program on their website. The continued outreach activities provide information about VVRP on various sources.

Online qualification application

Recommendation: Create an online process whereby potential VVRP customers can become automatically registered into VVRP to reduce process time 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 (Effective 9/29/2021)

During the 2020 legislative session, Representative Griffin introduced HB2455, which included changes to VVRP based on recommendations from previous reports. 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 is pleased to announce that during the 2021 legislative session, Representative Griffin reintroduced the bill as HB2329 with the following changes to the VVRP:

- ADEQ is statutorily responsible for program administration
- VVRP eligibility is expanded to include all non-attainment areas where a VEIP is required in a State Implementation Plan (SIP)
- 12 years or older model year restriction for VVRP participation is removed
- Customer co-pay is reduced from \$150 to \$100
- The repair cap is increased to \$1,000, for qualified vehicles, unless its owners choose to pay additional costs.
- The VVRP advisory committee is repealed.

HB2329 also continued to receive unanimous approval in every legislative hearing and was signed by the Governor on February 18, 2021, with a general effective date. As of September 29, 2021, the changes to the VVRP listed above became effective and their impacts will be reported on in the next annual report (December 2022).



APPENDIX A: ADMINISTRATIVE FUNCTIONS AND COSTS

Function	Number	Cost Per Function	Total Cost
Vehicle Verification	1632	\$3.15	\$5,145.32
Invoicing Verification	1611	\$11.82	\$19,046.67
Data Entry	1632	\$15.76	\$25,726.60
Site Visits	5	\$47.29	\$236.46
Outreach/Marketing	150	\$329.10	\$49,364.89
Report/Summaries	8	\$126.11	\$1,008.88
Questions/Externals	947	\$7.88	\$7,464.18
Repair Facility Application Verification	19	\$23.65	\$449.27
Accounting/Payment	12	\$19.71	\$236.46
GDAT Invoices	1632	\$40.00	\$64,800.00
Indirect Costs	0	\$0.00	\$0.00
Total	7648	\$22.68	\$173,478.73

* Total Cost divided by the Number equals the Cost per Function.

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. ADEQ submitted the last quarterly report to Maricopa and Pima Counties on November 15, 2021. ADEQ is now statutorily responsible for program administration per Legislative Program Changes (Effective 9/29/2021) and no longer will be required to submit the quarterly reports.
- 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	\$390.48	0.167
1969	2	\$26.02	0.335
1970	3	\$1,650.00	0.502
1971	1	\$550.00	0.167
1972	1	\$264.48	0.167
1973	1	\$544.16	0.167
1974	1	\$550.00	0.167
1975	1	\$550.00	0.167
1976	1	\$550.00	0.167
1977	2	\$686.78	0.335
1978	5	\$2,750.00	0.837
1979	6	\$3,250.45	1.004
1980	2	\$560.89	0.335
1981	2	\$1,069.25	0.198
1982	6	\$3,292.53	0.662
1983	4	\$1,811.67	0.533
1984	5	\$2,395.47	0.632
1985	6	\$2,603.64	0.731
1986	6	\$2,649.64	0.662
1987	7	\$3,818.03	0.830
1988	16	\$7,380.88	1.789
1989	20	\$9,468.50	2.458

APPENDIX B CONTINUED:

Model Year	# of Vehicles	Repair Costs	Emission Reductions (tons)
1990	26	\$12,887.48	3.257
1991	25	\$12,885.61	2.679
1992	40	\$18,511.11	4.574
1993	41	\$20,960.49	4.452
1994	43	\$21,454.88	4.734
1995	85	\$43,310.25	9.506
1996	24	\$12,468.59	2.172
1997	28	\$14,174.70	2.338
1998	45	\$21,398.57	3.926
1999	53	\$26,836.93	4.426
2000	90	\$44,314.44	7.600
2001	111	\$55,248.55	9.354
2002	116	\$56,509.61	9.688
2003	148	\$73,114.87	12.444
2004	124	\$58,655.45	10.356
2005	140	\$69,318.87	11.692
2006	153	\$73,649.83	12.946
2007	125	\$63,651.29	10.439
2008	102	\$50,357.29	8.518
2009	14	\$7,560.73	1.169
Grand Total	1632	\$804,764.39	149.282



November 2021

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For translations or other communications aids, please email the Title VI Coordinator, Leonard Drago, at Drago.Leonard@azdeq.gov or call 602-771-2288.

Para traducciones u otras ayudas de comunicación, envíe un correo electrónico al Coordinador del Título VI, Leonard Drago, a Drago. Leonard@azdeq.gov o llame al 602-771-2288.