VOLUNTARY VEHICLE REPAIR PROGRAM

FISCAL YEAR 2022

ANNUAL

REPORT

ADEQ
Arizona Department
of Environmental Quality

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:

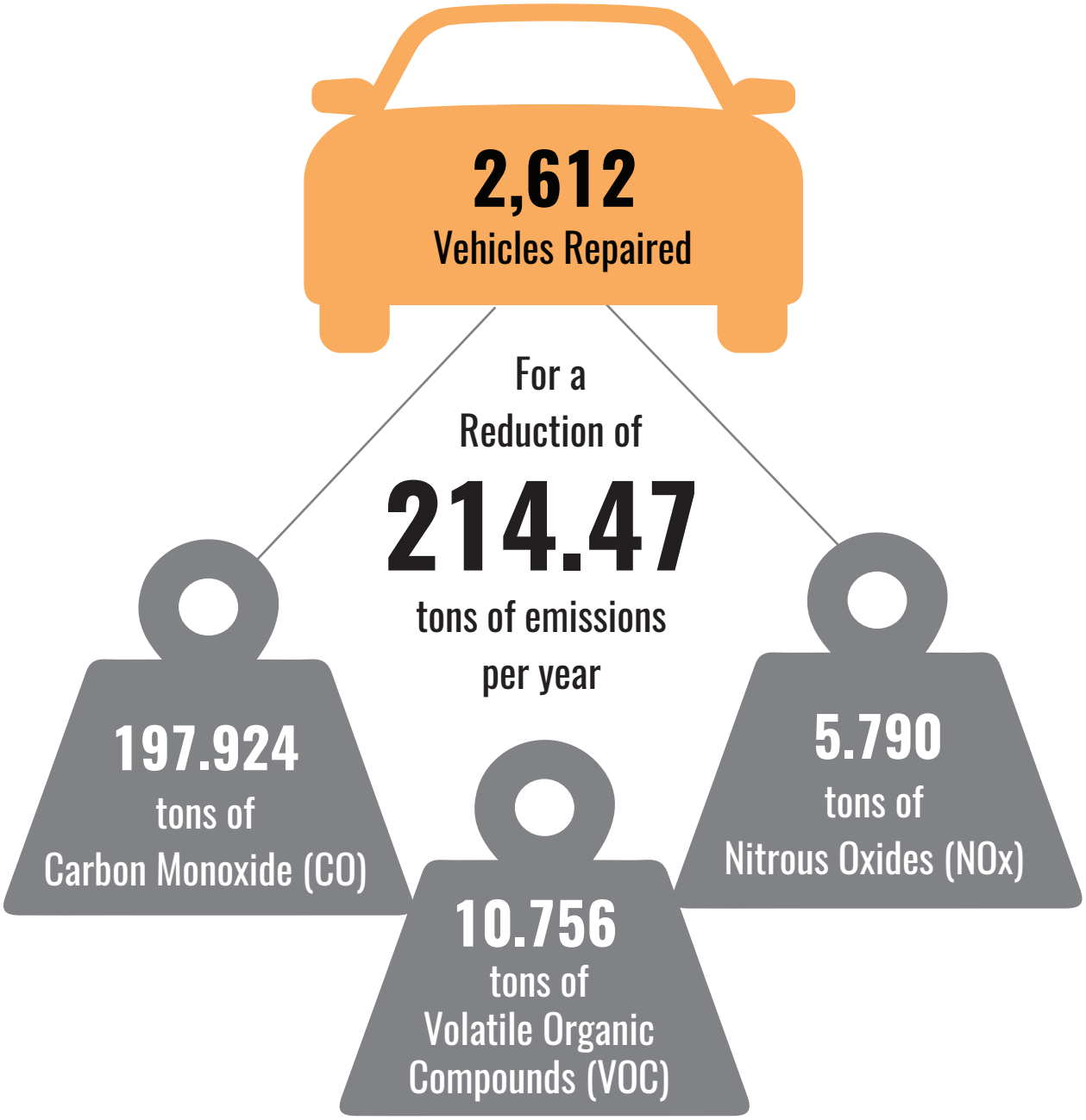
- Balanced, leading edge environmental protection through
- Technical and operational excellence, and
- Radical simplicity for customers and staff.

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.) §49-558.02(F). 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, Pinal, Yavapai and Pima counties. ADEQ administers 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 the VVRP is to reduce air pollution emitted by older vehicles that have failed the required emissions inspection.

FISCAL YEAR 2022 RESULTS



EQUIVALENT TO ELIMINATING POLLUTION FROM 3,209 CARS

FISCAL YEAR 2022 BUDGET

The Fiscal Year (FY) 2022 VVRP budget was $2,025,695. 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	$1,825,865
Administrative	$199,830
Total	$2,025,695

Funding Sources

VVRP Fund	Monies in the VVRP Fund are: • Appropriated by the legislature • Appropriated by political subdivisions • Deposited pursuant to A.R.S. §49-551(B) • Gifts, grants and donations	$1,833,693
VEI Fund	ADEQ leverages the experience of existing 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.	$146,547
PPG	EPA provides financial assistance to help develop and implement environmental programs.	$44,984
AQFF	Air Quality research, experiments, and implement programs in Area A and Area B (the general Maricopa and Pima County regions) to reduce pollutants.	$471
TOTAL		**$2,025,695**

Cost-Effectiveness

Cost-effectiveness is measured by dividing the VVRP total costs by the total tons of emissions reduced.

$9,445 spent per ton of vehicle emissions 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

- Improve the online application process whereby potential VVRP customers can become automatically registered into VVRP to reduce process time and administrative costs.
- Recruit additional repair facilities in areas where limited facilities exist to provide more convenient options for customers.
- Develop and implement a business strategy to create standard messaging for approved repair facilities to promote the program at their physical locations.
- Promote customer testimonials on social media platforms.

Legislative Program Changes (Effective Sept. 29, 2021)

During the 2021 Arizona Legislative Session, Representative Griffin introduced HB2329—Air Quality Omnibus, to make changes, in part, to the VVRP based on recommendations made in previous VVRP annual reports. The bill received unanimous approval in every legislative hearing and was signed by the Governor on February 18, 2021, with the general effective date for that session.

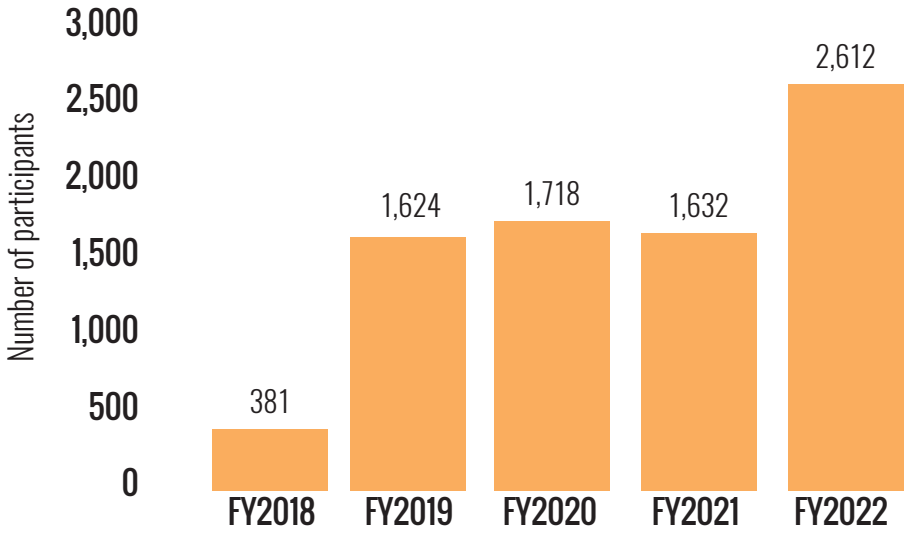
On September 29, 2021, the following changes to the VVRP became effective:

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

The impacts of the program changes were immediate, with FY2022 having the following record-breaking results:

- 318 cars repaired in June 2022 (highest monthly total since program inception)
- 2,612 vehicles participated in the program, a 60% increase from FY2021:

VVRP Participants by Fiscal Year



APPENDIX A: ADMINISTRATIVE FUNCTIONS AND COSTS

Function	Number	Cost Per Function	Total Cost
Vehicle Verification	2,612	$3.15	$8,235.03
Invoicing Verification	2,612	$11.82	$30,881.37
Data Entry	2,612	$15.76	$41,175.17
Site Visits	4	$47.29	$189.16
Outreach/Marketing	15	$3,599.45	$53,991.75
Report/Summaries	2	$126.11	$252.22
Questions/Externals	1,581	$7.88	$12,461.32
Repair Facility Application Verification	13	$23.65	$307.40
Accounting/Payment	12	$19.71	$236.46
GDAT Invoices	2,612	$20.00	$52,100.00
Total Costs			$199,829.88

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 are on display at emissions stations and videos about the program process are shared and promoted through social media. Collateral is in both English and Spanish.

- **Report:** Prior to FY2022, ADEQ submitted quarterly reports to Maricopa and Pima Counties, with the final quarterly reports submitted in November 2021. ADEQ is now statutorily responsible for program administration, per legislative program changes made effective Sept. 29, 2021, and no longer submits 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 $20 per vehicle, which covers:

  - Explanation of the program and other prequalification labor efforts to customers at emissions testing stations

  - 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)
1967	1	$860.73	0.167
1968	0	$0	0
1969	1	$601.64	0.167
1970	2	$1,370.31	0.335
1971	5	$3,265.28	0.837
1972	4	$1,806.24	0.669
1973	2	$295.18	0.335
1974	3	$1,196.54	0.502
1975	1	$550.00	0.167
1976	4	$2,826.77	0.669
1977	4	$1,958.95	0.669
1978	7	$4,665.34	1.171
1979	2	$1,135.71	0.335
1980	3	$1,510.55	0.502
1981	3	$2,694.52	0.365
1982	0	$0	0
1983	4	$2,539.88	0.464
1984	7	$4,182.13	0.966
1985	13	$6,826.32	1.56
1986	10	$5,458.89	1.263
1987	12	$7,544.68	1.393
1988	8	$5,435.15	0.86
1989	16	$10,950.09	2.131
1990	21	$13,845.03	2.353

Model Year	# of Vehicles	Repair Costs	Emission Reductions (tons)
1991	17	$10,696.87	1.957
1992	16	$8,950.72	1.79
1993	30	$21,241.99	3.381
1994	83	$56,366.50	9.245
1995	72	$48,475.10	8.155
1996	29	$21,552.46	2.388
1997	34	$22,213.19	2.585
1998	54	$34,426.23	4.105
1999	66	$44,823.57	5.018
2000	82	$59,710.79	6.234
2001	143	$104,319.25	11.054
2002	137	$99,102.65	10.506
2003	129	$93,143.65	9.898
2004	150	$99,085.21	11.328
2005	149	$107,529.91	11.252
2006	211	$144,440.31	16.041
2007	173	$115,293.89	13.152
2008	169	$115,841.88	12.772
2009	90	$61,957.14	6.842
2010	69	$53,253.98	5.246
2011	85	$64,258.94	6.462
2012	81	$58,206.87	6.158
2013	117	$88,988.15	8.896
2014	77	$55,830.44	5.778
2015	100	$73,613.06	7.526
2016	45	$31,214.38	3.422
2017	71	$49,808.25	5.399
Grand Total	2,612	$1,825,865.31	214.47

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

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