



VOLUNTARY VEHICLE REPAIR PROGRAM

FY25

JULY 1, 2024 - JUNE 30, 2025



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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 in these counties by providing financial assistance to motorists for emissions related repairs, with the goal of reducing air pollution emitted by vehicles that have failed the required emissions inspection. The program receives funds through a registration fee collected from heavy-duty diesel powered vehicles (A.R.S. §49- 551(B)). By repairing polluting vehicles, VVRP ensures vehicle owners can continue to drive to work and school, and continue supporting the local economy while conforming to emissions requirements.

OUR MISSION AND VISION

TO PROTECT AND ENHANCE PUBLIC HEALTH AND THE ENVIRONMENT IN ARIZONA.

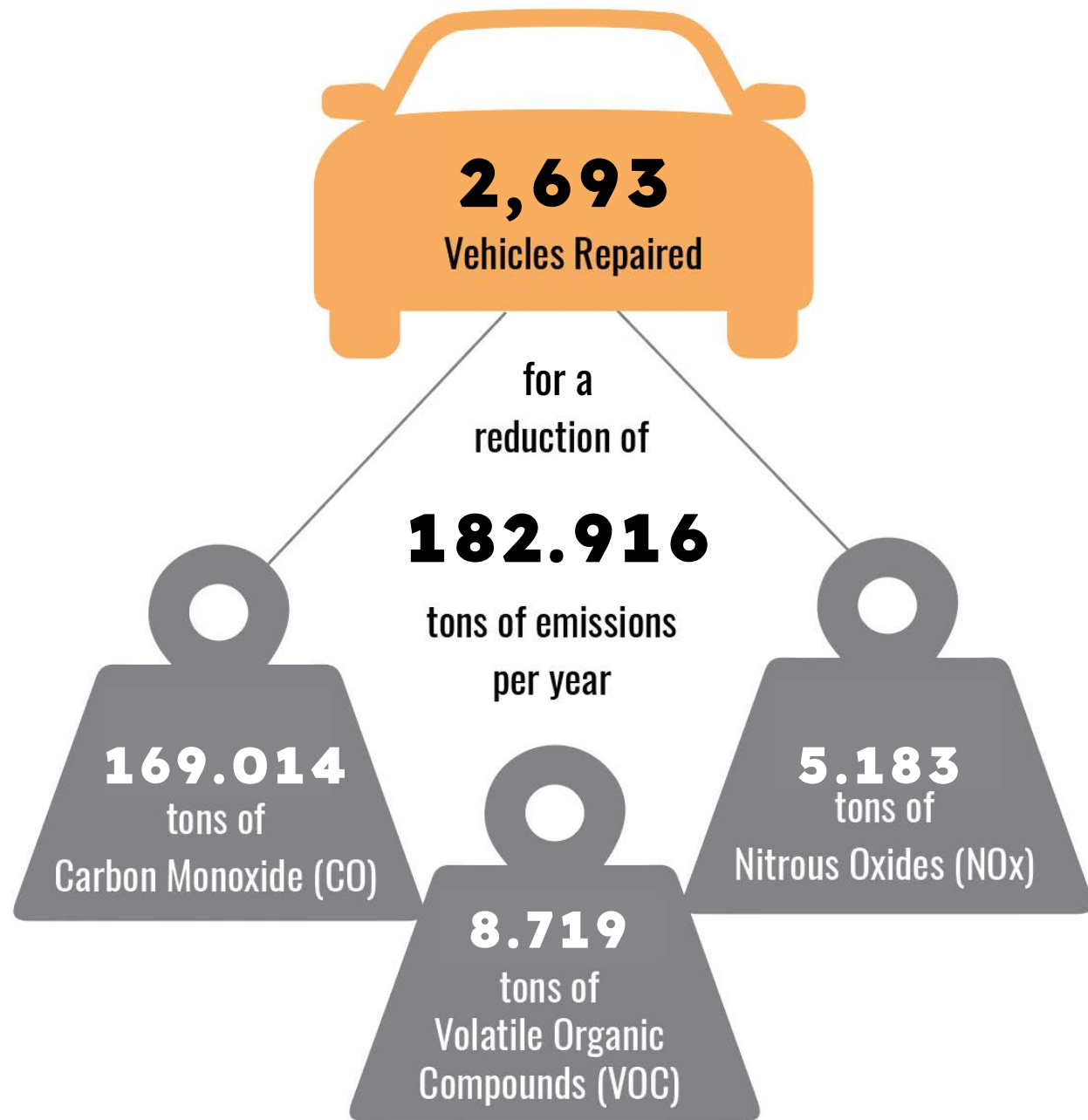
Through consistent, science-based environmental regulation; and clear, equitable engagement and communication;

With integrity, respect, and the highest standards of effectiveness and efficiency;

Because Arizonans treasure the unique environment of our state and its essential role in sustaining well-being and economic vitality, today and for future generations.



FISCAL YEAR 2025 RESULTS



EQUIVALENT TO ELIMINATING POLLUTION FROM 4,497 CARS

FISCAL YEAR 2025 BUDGET

The Fiscal Year 2025 (FY25) VVRP budget was \$2,307,646. For this fiscal year, the executive budget included a one-time appropriation from the Air Quality Fee (AQF) Fund to ADEQ for VVRP. 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	\$2,076,126
Administrative	\$231,520
Total	\$2,307,646

FUNDING SOURCES

AQF Fund	Air Quality research, experiments, and implementation of programs in Area A and Area B (the general Maricopa and Pima County regions) to reduce pollutants.
Vehicle Emissions Inspection (VEI) Fund	ADEQ leverages the experience of existing VEI staff to assist in overseeing VVRP. These ADEQ staff members perform various tasks to administer and encourage participation in the program. The administrative cost of VEI staff time is supported by the VEI fund.

COST-EFFECTIVENESS

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

\$12,616 spent per ton of vehicle emission reductions*

**A list by model year of vehicles repaired can be found in Appendix B*

RECOMMENDATIONS FOR IMPROVING THE EFFECTIVENESS OF VVRP

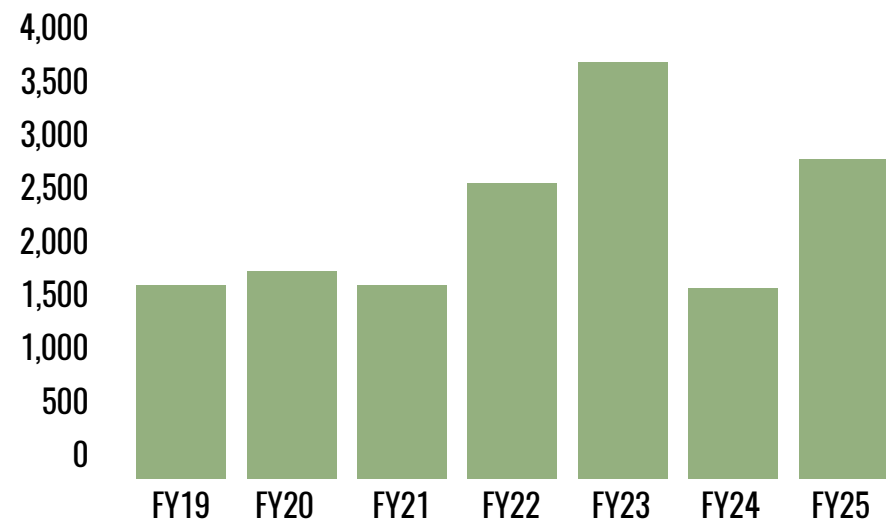
ADEQ has been administering the VVRP since late 2017, primarily by utilizing the VVRP fund, which is generated through a registration fee collected from heavy-duty diesel-powered vehicles. Legislative changes and program improvements led to record-breaking participation numbers in FY23 (see Graph 1), which depleted the fund’s cash balance. In response to diminishing funding during FY24, ADEQ ran the program on a first-come, first-served basis to limit participation in order to continue operating VVRP in a financially sustainable manner.

In June 2024, the State’s FY25 budget was approved and it included a one-time increase in the appropriation of the AQF Fund to support VVRP. Beginning in July 2024, the program returned to full operations and continues to provide financial assistance for necessary vehicle emissions repairs to Arizona motorists, utilizing the one-time appropriation. The VVRP fund meanwhile remained untouched, building a balance for the program to utilize in FY26.

Recommendations for FY26 include:

- Promote the program at all emissions testing stations and online platforms including the program website (azdeq.gov/carhelp) and social media. The program promotion will be focused on continuous improvement of the customer experience, implementing marketing strategies and customer support across all emissions testing stations.
- Since the program did not receive additional funds for FY26, monitoring will need to be conducted in order to ensure that there are sufficient funds to sustain operations. If monitoring indicates that funds may be depleted by the end of the year, the program will need to be minimized including implementing a “first come, first served” process.
- Seek ongoing sustainable funding to enable the program to continue to operate at its optimal capacity and reach its full potential.

Graph 1 VVRP Participants by Fiscal Year



APPENDIX A: ADMINISTRATIVE FUNCTIONS AND COSTS

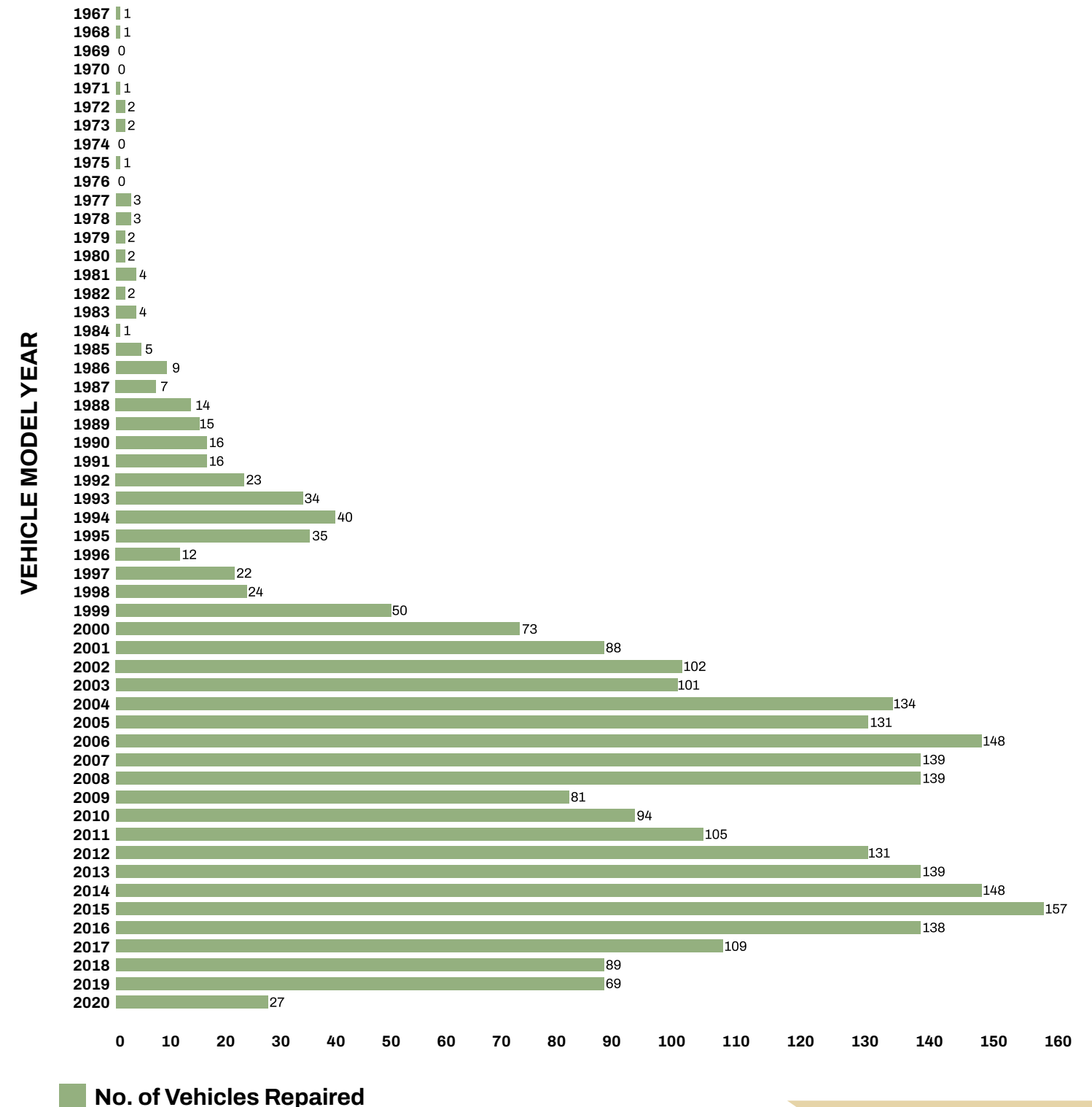
Function	Cost
Vehicle Verification	\$14,112
Invoicing Verification	\$31,839
Data Entry	\$70,559
Site Visits	\$47
Outreach/Marketing	\$24,654
Reporting	\$126
Questions/Externals	\$21,549
Repair Facility Application Verification	\$236
Accounting/Payment	\$236
Appealable Agency Actions	\$1,517
Denial Letters	\$3,027
Gordon Darby Invoices	\$53,620
Attorney General VVRP Administrative Appeal Costs	\$9,998
Total	\$231,520

Description of administrative functions are provided on page 8.

ADMINISTRATIVE FUNCTION DESCRIPTION

- **Vehicle Verification:** ADEQ staff compares the reported vehicle identification number (VIN) number to Motor Vehicle Division (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 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 designs, prints, and distributes informational flyers, which are handed out at emissions stations when a vehicle fails the testing process. Additionally, ADEQ displays posters and signs at all stations, and provides informative videos outlining the program process for customers at the waiting booths. ADEQ's outreach extends to social media channels ensuring broad coverage. Program collateral is made available in English and Spanish.
- **Reporting:** An annual report is prepared by ADEQ per statute.
- **Questions/Externals:** ADEQ staff answers calls and provides information to Approved Repair Facilities and vehicle owners who inquire about the program; ADEQ also assists VVRP Approved Repair Facilities with questions about the payment process.
- **Repair Facility 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.
- **Appealable Agency Actions:** ADEQ staff conduct necessary research for appeal requests received from customers who were denied enrollment into the program.
- **Denial Letters:** The program sends denial letters via postal mail to vehicle owners who do not provide an email address in their application and do not meet the statutory requirements to participate in the program.
- **GDAT Invoices:** ADEQ contracts with Gordon-Darby Arizona Testing (GDAT) to manage emissions testing stations and operations in Arizona; GDAT performs a portion of the administrative work for VVRP at an estimated cost of \$20 per vehicle, which covers:
 - Informing customers of the program at emissions testing stations
 - Validation of repair invoices
 - Processing and payment of VVRP Approved Repair Facility invoices
 - Monthly invoicing to ADEQ
 - Daily reporting
- **Attorney General VVRP Administrative Appeal Costs:** This includes legal counsel fees by the State of Arizona's Office of the Attorney General to assist with appeals.

APPENDIX B: VEHICLE REPAIRS BY MODEL YEAR





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For translations or other communications aids, please email the Title VI Coordinator, Joaquin Marruffo Ruiz, at Marruffo.Joaquin@azdeq.gov or call 520-628-6744.

Para traducciones u otras ayudas de comunicación, envíe un correo electrónico al Coordinador del Título VI, Joaquin Marruffo Ruiz, a Marruffo.Joaquin@azdeq.gov o llame al 520-628-6744.