

From: Maxine Grad [Mgrad@leg.state.vt.us]
Sent: Wednesday, January 13, 2016 9:31 PM
To: Schickner, Neil
CC: Gardner, Helena; Thomson, Sean; London, Sarah; willem.jewett@gmail.com
Subject: Re: DSL

Thank you.

Sent using OWA for iPhone

From: Neil Schickner
Sent: Wednesday, January 13, 2016 7:16:49 PM
To: Maxine Grad
Cc: Helena Gardner; Thomson, Sean (Sean.Thomson@vermont.gov)
Subject: DSL

I was working on the attached when Helena emailed me about going to Judiciary Thur morning. It is a What-If analysis of the conceivable range of the surcharge based on the solid information I have to date – namely:

(1) that DMV's estimate of License Renewal revenue is \$955,000 a year and
(2) that over the past 5 fiscal years per the Schedule 2, Transportation Fund "Civil Fine Traffic" revenue has averaged \$4.2 million.

The analysis is also based on:

(1) a Rand report that 19% of Vermont households are within 138% of federal poverty and
(2) the average Judicial Bureau waiver penalty on 475 traffic offenses (which exclude Motor Carrier Safety, Commercial Driver's license and School Bus violations) is \$208.

The values assigned to the other variables are speculative. The key weakness of the analysis is that while the average waiver penalty for all the offenses within the defined universe is \$208, I am sure that the relative frequency of the different offenses greatly varies – i.e. what we really need is the average fine paid weighed by relative frequency. On the assumption that minor offenses with lower fines are more frequent, the What-If scenarios plug in lower values for the average fine. The result shows a range of surcharge values from \$52 to \$35. I also suspect, however, that there is a significant difference between the weighted average fine paid by the Medicaid-Indigent class compared to the Other class which would impact the analysis but without a number count of actual fines paid and traffic citation frequency data from the Judicial Bureau, the level of speculation in any What-If analysis just mushrooms. I have made copies of this and will bring them to Judiciary tomorrow in case you want to review the status of the inquiry with the committee.

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