



Neil Schickner

From: Riven, Matt <Matt.Riven@vermont.gov>
Sent: Thursday, January 28, 2016 9:27 AM
To: Neil Schickner
Subject: RE: House Judiciary H.571

From: Riven, Matt [<mailto:Matt.Riven@vermont.gov>]
Sent: Thursday, January 28, 2016 8:00 AM
To: Neil Schickner
Cc: Grearson, Brian; Gabel, Patricia; Scott, Theresa; Loewer, Jeffery
Subject: FW: House Judiciary H.571

Neil –

Thanks for sharing this information, which I'm circulating to others in the Judiciary:

Couple reactions:

- I'm not entirely following the math of your spreadsheet, but....
- The license reinstatement fee I believe is a DMV collected fee, so we have no info here to verify your analysis. If I'm understanding the proposal, a surcharge would be added to the T-fund related violations to make up for lost revenue from eliminating the reinstatement fee.
 - The challenge with that is that in our experience, the myriad of surcharges that get added to underlying violations has the effect of lowering payment compliance behavior. We have seen that dramatically on the criminal offense side, where the legislature has tacked on many surcharges, and payment rates are now quite low. So if you add a surcharge, your payment behavior rate is likely to decline. Which leads to the next point...
- The "90% over five years" payment behavior on civil violations has been verified under a couple different recent analyses.
 - However, the Judiciary feels strongly that the recent Driver Restoration Days and other factors are likely to increase the perception by violators that they do not need to pay, so it should be caveated that there may be future declines in payment rates.
- I am not as deeply involved in the DLS proposed legislation as others in the Judiciary, but I hope that someone from JUD has pointed out that a means tested violation debt policy is going to be EXTREMELY DIFFICULT if not impossible for the Judiciary to administer.
 - We do not have the tools nor the staff – at either the court counter or in our Finance and IT back offices – to verify Medicaid eligibility or other means testing.
 - We were recently subject to a State Auditor report regarding our collections of Public Defender costs – which are means tested by statute – and the report outlines some of our difficulties applying a means test.

Best,

Matt

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Effective July 27, 2015 my new email address is matt.riven@vermont.gov. Please update my email address in your address book.

From: Neil Schickner [<mailto:NSCHICKNER@leg.state.vt.us>]
Sent: Wednesday, January 27, 2016 3:05 PM
To: Riven, Matt
Subject: FW: Hosue Judiciary H.571

Found one equation error. Fixed in attached

Neil Schickner
Joint Fiscal Office
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802-828-5977

From: Neil Schickner
Sent: Wednesday, January 27, 2016 11:49 AM
To: 'Matt.Riven@vermont.gov'
Subject: Hosue Judiciary H.571

I am scheduled to testify in House Judiciary tomorrow, Thur Jan 28 at 10:30 on this bill. Attached are the spread sheets I will be referring to. In a nutshell my testimony will be:

(1) If the \$71 license reinstatement fee is eliminated, a surcharge on all traffic related offenses between \$10-\$25 would be needed to recoup the lost revenue to the TFund. Note that for this purpose I took your last spreadsheet breakdown of offenses in the Traffic Module between "Traffic" and "Other" and included in the surcharge base those "other" which were clearly driving related (e.g. CDL). Whether I missed some or not means little because the surcharge range depends on guesses of unknown variables (e.g. what proportion of the target Medicaid-Indigent group pays and does not pay traffic citations). The target revenue is also a range.

(2) If the bill reduced traffic waiver penalties by half for the Medicaid-Indigent group, it is very unlikely that additional revenue would be generated – more likely that revenue would in fact decline.

Colored cells in the spreadsheets are key variables that one can change and see the impact on the analysis. The half fine analysis looks strange because the starting assumption analysis produces an impossible result – namely that after fines are cut in half, to break even more Medicaid-Indigent traffic offenders would have to be induced to pay the half fine than exist in the population. If you have any questions call me at 802-736-7998.

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