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"(b) During the demonstration program, the number of licenses extended shall not exceed 10 percent of the total number of licensees eligible for an extension.

"(c) The department may charge a fee for each license extension issued pursuant to subdivision (a).

"(d) The department may continue the demonstration period of extending licenses through December 31, 1981. However, if, at any time, the department determines that such program has a negative effect on traffic safety, the process of extending licenses may be terminated by the department.

"(e) The department shall prepare and submit to the Legislature an interim report on the effects of the demonstration program by July 1, 1981, and shall submit a final report by December 31, 1983.

"(f) The authority granted the department by this section is in addition to the authority granted the director under subdivision (b) of Section 12814.

"(g) This section shall remain in effect until January 1, 1982, and as of such date is repealed."

1979 Amendment amended the section to read as at present, except for the 1981 and 1982 Amendments.

1981 Amendment: Substituted "ten dollars ($10)" for "three dollars and twenty-five cents ($3.25)" in subd (b).

1982 Amendment: (1) Amended subd (a) by substituting (a) "January 1, 1983, may, subject to subdivision (b), be renewed by mail for a four-year period for licensees, not holding a probationary license," for "January 1, 1980, may be extended for a single four-year period for licensees"; (b) "renewal" for "extension" after "eligibility for the"; and (c) substituting "renewal by mail" for "extension" in the second paragraph; (2) added subd (b); (3) redesignated former subds (b)–(d) to be subds (c)–(e); (4) amended subd (c) by (a) substituting "renewal" for "extension"; and (b) adding "or (b)"; (5) amended the first sentence of subd (d) by substituting (a) "monitor and conduct a continuing" for "conduct a"; (b) "renewal by mail under subdivisions (a) and (b) and submit an interim " for "extension and submit a"; and (c) "January 1, 1986, and a final report to the Legislature not later than March 1, 1989, on its findings" for "January 1, 1982"; (6) deleted "including an assessment of age criteria" at the end of the second sentence in subd (d); (7) added the third sentence in subd (d); (8) substituted "a renewal by mail pursuant to this section" for "extension" in subd (e); and (9) added subd (f).

Note —Stats 1981 ch 541 also provides:

SEC. 42. The Supreme Court may, upon the request of any party, transfer to itself, before a decision in the court of appeal, any appeal or petition for extraordinary relief from an action or proceeding to attack, review, set aside, void, or annul any provision of this act. The request for transfer should receive preference over all civil actions and proceedings on the Supreme Court's calendar. If the action or proceeding is transferred to the Supreme Court, the Supreme Court should commence to hear the matter within six months of the transfer, unless the parties by joint stipulation request additional time and the request is granted or the court, for good cause shown, grants additional time.

§ 12814.6. Provisional licenses; Demonstration program; Components; Report

(a) Notwithstanding any other provision of this code, the director may establish a demonstration program to evaluate the traffic safety effects of issuing a provisional driver's license to persons under 18 years of age. The demonstration program may include any or all, but shall not be limited to, the following components:

(1) The issuance of a distinctive driver's license to persons under 18 years of age on which appear the words "Provisional until age 18."

(2) Notwithstanding subdivision (c) of Section 12509, a general

requirement that any person who has in his or her immediate possession a valid permit issued after June 30, 1983, pursuant to subdivision (a) of Section 12509 and who is under 18 years of age may operate a motor vehicle, other than a motorcycle or a motorized cycle, only if that person is accompanied by, and under the immediate supervision of, a driver who is 25 years of age or older, who then holds a driver's license issued under this code, and whose driving privilege is not on probation. This paragraph does not apply if that licensed driver is the parent, spouse, or guardian of the permit holder or is a licensed or certified driving instructor.

(3) A requirement for supervised driving practice, which is prior to the issuance of a provisional driver's license and is in addition to any other driving training instruction required by law, and certification by a parent, spouse, guardian, or licensed or certified driving instructor that the person under 18 years of age has completed that driving practice. A minor without a parent, spouse, or guardian, or emancipated minors, may have a licensed driver 25 years of age or older or a licensed or certified driving instructor complete the certification. This requirement does not apply to motorcycle practice.

(4) A suspension of the driving privilege of any driver under 18 years of age when the record shows notification of one or more violations of subdivision (a) of Section 40509. The suspension shall continue until the suspended person's driver record does not show any notification of a violation of subdivision (a) of Section 40509.

(5) A 30-day restriction imposed on a driver under 18 years of age when that driver's record shows a violation point count of two or more points in 12 months determined in accordance with Section 12810. The restriction shall require the licensee to be accompanied by a licensed parent, spouse, guardian, or other licensed driver 25 years of age or older, except when operating a class 4 vehicle with no passengers aboard.

(6) A six-month suspension of the driving privilege and one-year term of probation to be imposed whenever the record of a driver under 18 years of age shows a violation point count of three or more points in 12 months determined in accordance with Section 12810.

(7) A requirement that any term of restriction or suspension imposed on a person under 18 years of age remain in effect until the end of the term even though the person becomes 18 years of age before the term ends.

(b) If the provisional driver's license demonstration program is established pursuant to subdivision (a), the department shall conduct a study on the traffic safety effects of the program, and, unless the department sooner determines that the program has no substantial beneficial impact on traffic safety, in which case the department may, upon that determination, recommend termination of the program and

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

P.O. BOX 20
JUNEAU, ALASKA 99802-0020

DIVISION OF MOTOR VEHICLES

PHONE: (907)465-2650

March 17, 1987

RECEIVED
MAR 17 1987

The Honorable Jay Kerttula
Alaska State Legislature
P.C. Box V
Juneau, Alaska 99811

Re: SB 95

Dear Senator Kerttula:

When Senate State Affairs held the first hearing on SB 95 concern was expressed in regard to the program costing money without producing revenue. In other words, they wanted the program to pay for itself.

You have asked how much revenue a fee increase of $1.00 or $2.00 to renew by mail would generate. Using our previous estimate that 12,600 individuals would take advantage of this program annually, a $1.00 fee increase would generate $12,600, and a $2.00 fee increase would generate $25,200 annually.

With the $2.00 fee increase the revenue and expenditures would basically be equal the first year, and the revenues more than double the expenditures the second and subsequent year. With a $1.00 fee increase the revenue would be approximately half the expenditures the first year, and slightly above the expenditures the second and subsequent years.

Any change in fees would require an amendment to AS 28.15.271.

If I can be of any other assistance let me know.

Sincerely,

Bill Brown
Chief of Driver Services

BB:ns

cc: The Honorable Mitch Abood
Chairman - Senate State Affairs

12-L8LH

5-0393B
Ford
2/17/87

Original sponsor: Kerttula

IN THE SENATE BY THE STATE AFFAIRS COMMITTEE

CS FOR SENATE BILL NO. 95 (State Affairs)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to renewal of a driver's license; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 28.15.101(a) is repealed and reenacted to read:

(a) Except as otherwise provided in this chapter, a driver's license expires on the licensee's birthday in the fifth year following issuance of the license. A license may be renewed within one year of its expiration upon proper application, payment of the required fee, and except when a license is renewed under (c) of this section, successful completion of a test of the licensee's eyesight.

* Sec. 2. AS 28.15.101 is amended by adding a new subsection to read:

(c) A driver's license may be renewed by mail if the licensee complies with (a) of this section, except that a license may not be renewed by mail if

(1) the applicant's license, within the previous five years, has been revoked by a court after conviction for an offense under AS 28.15.181(a) or another law or ordinance with substantially similar elements;

(2) the applicant's license, within the previous five years, has been suspended, revoked, or denied by the department under AS 28.15.165 or 28.15.251;

(3) the applicant, within the previous five years, has been convicted of a moving traffic violation;

(4) the most recent renewal of the applicant's license was

by mail; or

(5) the applicant is 69 years of age or older on the expiration date of the driver's license being renewed.

* Sec. 3. This Act takes effect January 1, 1988.

INTERIM REPORT TO THE LEGISLATURE OF THE STATE OF CALIFORNIA

THE EFFECT OF RENEWAL BY MAIL FOR DRIVERS WITH LESS THAN FOUR-YEAR-CLEAN RECORDS

In Accord with Senate Bill No. 483
Chapter 776, 1982 Legislative Session

November 1985

GEORGE E. MEESE
Director

Prepared by Research and
Development Office
CAL—DMV—RSS—85—101

ACKNOWLEDGEMENTS

This study constitutes an interim evaluation of a demonstration program offering license extensions to California drivers with clean 2-year, but not clean 4-year, records. It was mandated by SB 483 (Speraw, 1982). The opinions, findings, and conclusions expressed in the report are those of the author (Mary K. Janke, Research Program Specialist) and not necessarily those of the State of California.

The research was conducted under the general administrative direction and review of Raymond C. Peck, Chief, Research and Development Office of the California Department of Motor Vehicles. Costs of the mail renewal and regular renewal program were furnished by the Department's Division of Driver Safety and Licensing, and were reviewed by the Management and Operations Analysis Office.

Appreciation is expressed to staff who shared in the production of this report, including Melanie Becker, Judy Gunter, Debra Difuntorum, Louie Wong, Mary Lou King, and Fe Arconado.

ABSTRACT

A pilot program was established by SB 483 (Speraw, 1982), authorizing the Director of the California Department of Motor Vehicles (DMV) to renew by mail the licenses of drivers lacking clean 4-year records, but showing clean 2-year records immediately prior to selection. Such drivers constitute about 14% of the renewal population, or almost 500,000 renewees per year. Eligible drivers whose licenses expired during 1983 were subjects in the study, half of them being randomly assigned to a group whose members were sent offers of renewal by mail and the other half being sent standard renewal notices requiring appearance in a field office. Accidents and convictions following the mailout of these documents were tracked for both groups; the present interim report covers an 18-month period subsequent to mailout.

During these 18 months, there was no evidence that the extension program resulted in increased accidents for the group offered renewal by mail as compared to the control group. In addition, there was no significant difference between the groups with respect to subsequent convictions.

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EXECUTIVE SUMMARY

A sequence of legislation has sought, since 1978, to simplify the renewal process in California. Previous programs, authorized by AB 777 (Calvo, 1979) and AB 583 (Calvo, 1978), offered license extensions to drivers whose licenses were expiring and who had clean 4-year records. The program authorized by AB 583 (no longer in existence) offered 2-year extensions to such drivers regardless of age, while the program authorized by AB 777, which is ongoing, offers 4-year extensions to drivers under the age of 70. The authorizing legislation mandated evaluation of the effect of both programs on traffic safety.

The present study was mandated by SB 483 (Speraw, 1982; see Appendix) as an evaluation of a demonstration program authorizing license renewal by mail (the equivalent of license extension) for drivers under the age of 70 with clean 2-year, but not clean 4-year, records. (Drivers with clean 4-year records renew by mail through the ongoing program authorized by AB 777.) Two-year-clean drivers have on their California Department of Motor Vehicles (DMV) records, at the time of selection to receive offers of renewal by mail, no accidents, no convictions, and no failures to appear in court or forfeit bail (FTAs) in connection with traffic violations, during the immediately preceding two years. The intent of the program is to decrease administrative costs and offer increased convenience to the public.

This report contains a review of research literature on the effect of omitting components of the standard renewal process, which includes vision screening and traffic law testing. In general, omission of renewal testing has not been shown to have any great effect on subsequent accident or conviction rates.

The department's final evaluation of the Calvo extension programs (Kelsey, Janke, Peck & Ratz, 1985) is probably the most relevant study included in this literature review. It is highly similar to the present study in conception, although drivers in the Kelsey et al. study, as mentioned above, had clean 4-year prior records. Using random assignment to extension and control groups, the investigators tracked driving records during the 4-year period following mailout of renewal notices or extension offers. There was a

slight (1%) increase in accident involvement over these four years for the extension group as compared to their controls, but the difference did not reach statistical significance.

Method

From October 1982 through September 1983, drivers under the age of 70 whose licenses would expire during 1983 were screened to select those with clean prior 2-year records and no fatal accidents or major convictions during the prior 4 years (requirements of the authorizing legislation). The resulting 496,366 drivers were then randomly assigned, by terminal digit of the driver's license number, either to a control group (N = 248,753) or to a mail renewal (hereinafter called extension) group (N = 247,613). Control drivers were required to undergo the standard in-person license renewal process, including law and vision testing. Extension drivers were allowed to renew their licenses by mail. While about 24% of the group chose to renew in a field office instead, those who indicated that they were eligible for extension had their records checked; their renewal tests were waived if eligibility was established. If they did not claim eligibility they were tested as usual. All such drivers were nevertheless retained in the extension group, to enable generalization to the operational program and because corresponding control-group members could not be identified and removed.

Licensing process variables which could affect program cost and/or traffic safety effect were identified and examined, as were license restrictions relating to corrective lenses or limitations in driving exposure (area, time, etc.). Restrictions were tabulated to determine whether personal contact with DMV personnel at the time of license renewal resulted in significantly more restricted drivers.

The major criterion variables were subsequent accidents and convictions, including FTAs. These variables were measured over the 18 months subsequent to mailout and analyzed by means of analysis of covariance. Differences between the extension and control groups on criterion measures were considered statistically significant if their probability of occurring by chance was less than .10 (10 chances in 100). However, the obtained level of

significance is also reported, since it provides a more informative index of the probabilities associated with the tests of hypotheses.

Results and Discussion

Despite the random assignment of subjects to treatments as described above, the extension group had a slightly worse prior record than the control group, in terms of accidents and convictions. The small difference probably reflects "chance significance," but it justified the inclusion of prior accidents and convictions as covariates in the analysis to adjust for potential bias.

Table 2 on page 16 shows licensing process variables, measured approximately 18 months subsequent to mailout. Extension drivers, in general agreement with the results of Kelsey et al. (1985), had more valid licenses and duplicate licenses, but fewer vision restrictions and vision referrals, than their controls. Extension drivers also had fewer limited-term licenses and fewer reexaminations or hearings on grounds of physical or mental impairment.

These data suggest that small numbers of extension drivers drove with unrestricted or regular-term licenses which would have been restricted or limited had the drivers been required to renew in person. Similarly, a small number of extension drivers escaped reexamination on grounds of impairment. However, it cannot be concluded that these drivers were unaware of their disabilities or failed to compensate for them.

Table 3 on page 19 shows average 18-month subsequent accidents per 100 drivers. The difference between the grand means for the extension and control groups amounts to a 1.7% effect in favor of the extension group. This difference just reached significance at the .10 level ($p = .10$), meaning that there was a 10% chance of obtaining the observed difference if the two programs had equal effects on accidents.

Table 5 on page 23 shows average 18-month subsequent convictions per 100 drivers, including FTAs. The obtained difference did not approach statistical significance.

Because the extension group had fewer accidents than the control group, there was no need to perform a benefit-cost or breakeven analysis.

Conclusion and Recommendations

There is no indication at this point that the savings to the public in reduced program administrative costs due to the Speraw-authorized pilot extension program is offset by an increased cost due to accidents. In fact, there is as yet no evidence for any increase in accidents attributable to the program. Nevertheless, this report is not considered definitive, since it covers only 18 months of post-mailout driving. Before drawing any conclusions regarding long-term program safety, it will be necessary to evaluate these drivers over their full 4-year license terms.

Because results of this interim evaluation were positive, it is recommended that the demonstration program be continued. In light of the brief follow-up period, however, it is also recommended that further expansion of the program to drivers currently ineligible not be made until the full 4-year evaluation has been completed.

INTRODUCTION

Prior to 1979, Californians wishing to renew their driver licenses were required to appear at local Department of Motor Vehicles (DMV) field offices and pass vision screening and written law tests. In rare instances, when the Licensing/Registration Examiner observed behavior that might adversely affect driving ability, they were also required to pass road tests.

In 1979, legislation (AB 583--1978, Calvo) provided that drivers with clean four-year records (about 50% of the California renewal population) could receive a single two-year extension of the driver license. Such drivers have records showing no traffic accidents, no convictions (regardless of point count) of traffic law violations, and no failures to appear in court or pay fines in connection with traffic law violations, for the four years preceding the time of renewal notice generation. The full license renewal fee, $3.25 at that time, was charged for an extension.

In 1980, further legislation (AB 777--1979, Calvo) modified the extension program. It was now possible for drivers with clean four-year records to receive a single four-year driver license extension, but only if they were under the age of 70. Again, a $3.25 fee was charged.

The two-year-extension program was superceded by the age-restricted four-year-extension program, an expanded (see below) version of which continues on an ongoing basis as the "renewal by mail" program. Both programs have been experimentally evaluated, and the results (Janke & Kelsey, 1981; Kelsey & Janke, 1983; Kelsey, 1984; Kelsey, Janke, Peck, & Ratz, 1985) showed no statistically significant detrimental effect on traffic safety attributable to the program. That is, "four-year-clean" drivers offered the opportunity to renew their licenses by mail, thus avoiding vision and law testing, did not have driving records significantly poorer than those of similarly eligible drivers who were required to renew in the regular manner. (The 1985 study, which covered four years of driving subsequent to treatment, is discussed in more detail below.)

The extension program was expanded in late 1982 (taking effect for 1983 renewals) to a maximum of two consecutive four-year extensions and to drivers with clean records for at least the preceding two years who were under the age of 70 (SB 483--1982, Speraw; see Appendix). Although the clean-record criterion period was reduced, a driver could not have a fatal accident or major (two-point) conviction on the record covering the four years preceding renewal notice generation. This program as it relates to two- and three-year-clean drivers, sometimes referred to as the Speraw renewal-by-mail demonstration program, is the subject of the present report. For evaluation purposes, all eligible licensees whose driver licenses expired during 1983, and whose driving records were at least two years clean but less than four years clean, were assigned randomly, by terminal digit of the driver license number, either to a mail renewal group or to a control group. Roughly equal numbers of subjects were assigned to each group. The mail renewal group was given the opportunity to renew by mail; the control group was not. Subsequent driving records of both groups are being followed and compared on an ongoing basis. The present report covers 18 months of driving subsequent to treatment, but the monitoring process will continue for a full four years.

The renewal-by-mail program is meant to accomplish the twin objectives of convenience to the public and economy to the department. Therefore the primary question of interest to be answered by the evaluation is whether these benefits are offset by increased accidents attributable to the program.

Any detrimental effect would presumably be mediated by the avoidance of renewal testing. The vision test serves a screening function; when low-vision drivers are identified they must have their vision corrected to a safe level in order to be licensed, and one or more restrictions are imposed on the license. Among drivers aged 50 years or younger, about half of one percent fail to meet the screening standard (with or without corrective lenses), and about two-tenths of one percent are referred to a vision specialist for corrective measures. Among drivers over the age of 50, almost two and one-half percent fail to meet the screening standard, and slightly over two percent are referred to a vision specialist (Kuan, 1984, unpublished data). However, static visual acuity under normal illumination--the only visual function presently tested in California--is only weakly correlated with accident

involvement, although a minimal amount of vision is certainly necessary for driving.

The written test screens out only a negligible proportion of drivers (there are oral and foreign language versions of the test for drivers who do not understand written English), but it serves an educational function in that drivers may study a manual containing rules of the road and safety-related information, which is distributed by the department, prior to taking the test. The possibility of failing the test undoubtedly motivates some applicants to study the manual, and this may lead to reduced accident likelihood. (It should be noted, however, that one California study--Kuan, Peck, & Sadler, 1982--failed to find an increase in accidents during the year following a written test waiver. That study is discussed in more detail below.)

Experimental Evaluations of Renewal Simplification

A study (California Department of Motor Vehicles, 1971) was performed, in response to Assembly Concurrent Resolution 67 (1969 legislative session), to evaluate the effect of (1) sending a congratulatory letter which indicated that the written law test would be waived, (2) sending a congratulatory letter with no promise of a waiver, or (3) neither (no contact), for drivers with clean 37-month records. There was random assignment of such drivers to the three groups. In addition, the study evaluated the effect, relative to a control group, of written-test waiver (no letter) on drivers selected randomly, regardless of driving record. All drivers were required to visit local field offices to pay the fee and take the vision test.

The six-month subsequent driving records of all subjects were examined. For the "good driver" letter/waiver group (members of which had their written tests waived) there was a small but statistically significant decrease in subsequent convictions; although this group also showed a tendency toward being involved in fewer subsequent accidents, the tendency did not approach statistical significance. A congratulatory letter alone had no effect on either the accidents or convictions of "good drivers." Similarly, no differences approached statistical significance for drivers given a written test waiver regardless of record.

The implication of these results is that law testing at license renewal has no particular value. However the study had relatively--for traffic safety research involving drivers with average or better records--few subjects (5,000 drivers per group for the "good driver" comparisons and 3,000 per group for the comparisons involving unselected drivers), combined with a brief follow-up period. Therefore there was little power to detect a small difference.(1) In addition, drivers selected regardless of record did not know that the test was to be waived until they arrived at the field office. Therefore they may have studied for it, and received safety benefits in that way.

Because the six-month follow-up period was perhaps inadequate to reveal true differences among the groups, Kuan, Peck, and Sadler (1982) followed the subjects for a full year subsequent to treatment. For drivers selected as having clean 37-month records, there was a statistically significant detrimental (accident-increasing) effect of the congratulatory letter alone, shown by comparison of the letter-only group to the other two groups. However, there was no significant difference in subsequent accidents between the letter/waiver and no-contact groups. For drivers selected regardless of record, there were no significant differences in subsequent accidents between those who took the test and those who received waivers. For neither population of drivers was there a significant effect on subsequent convictions. It was concluded that waiving the renewal law test had no negative effect on traffic safety.

Harano and Hubert (1974), in response to Senate Concurrent Resolution 104 (1971), evaluated the effect of a one-year license extension for drivers under the age of 56 with clean one-year records, as well as the incentive effect of promising a license extension, conditional on maintaining a clean record (incentive condition). The evaluation incorporated randomly assigned

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(1) Traffic accidents are rare and have a large random component; this tends to render what would be a vast number of subjects in other research areas an inadequate number for detecting small but critical effects in traffic safety research. The problem is exacerbated in the case of drivers with relatively clean records.

treatment and control groups drawn from the population of eligibles. For the treatment group without incidents during the prior year there was no statistically significant effect of the extension on convictions in the following year, but, relative to the control group, there was a significant (14%) increase in accidents reported by law enforcement agencies, referred to in the report as "CHP collisions." (Such accidents include all those involving death or injury, and many involving only property damage.) This accident increase was found to be due primarily to drivers with less than three-year-clean records. While there was a nonsignificant tendency for the effect of treatment to vary by renewal year for three-year-clean drivers, with 1972 and 1973 extension-group renewees showing a trend toward increased CHP collisions, no reliable overall program effects on CHP collisions were found for this group. A possible implication of this finding is that there is a point, somewhere between a clean-record criterion of three years and a clean-record criterion of one year, beyond which it may become dangerous to extend the license of a driver meeting the criterion. The relevance of this supposition to the present evaluation is apparent; therefore results here will be given separately for two-year-clean and three-year-clean drivers, as well as for both groups combined.

As mentioned, the Harano and Hubert study also examined the incentive effect of extensions, finding that drivers whose renewal year was 1972 (as opposed to 1973-75) had a statistically significant reduction of 22% in CHP collisions during the year subsequent to notification. The letters notifying study subjects of the possibility of an extension were sent approximately 60 days before the licenses of 1972 renewees expired (Harano, 1985, personal communication), so these drivers had the shortest time lag between receipt of the letter and their next renewal. Drivers in later renewal years showed no incentive effect. However, regardless of the time between notification and renewal, drivers who maintained clean records over the year subsequent to notification and received their extensions showed a highly statistically significant ($p < .005$ for three and one-half months of follow-up) reduction of 33% in such accidents after receiving the extension. It can be hypothesized that these drivers had consciously sought to establish safe driving habits over the preceding year, and that these habits persisted. Thus the incentive aspect of the program seemed to offer much more promise

than did its direct reward aspect, where the reward was not preceded by striving for it. Incentive effects are certainly present in the Speraw renewal-by-mail program, and should increase as the program becomes more widely known. However, the present evaluation is not designed to determine their impact.

Waller, Hall, and Padgett (1977) evaluated the effects of North Carolina's program of waiving the written test for renewal applicants with no convictions for moving violations during the preceding four years (and no mental or physical conditions that might affect their driving). Study drivers who had their written tests waived under this program apparently might have had any number of recent prior accidents, so long as no conviction was associated with any accident. While the study was quasi-experimental rather than being a true experiment and its results are difficult to interpret, the authors concluded that the program had a detrimental effect on drivers less than 25 years old, and recommended that test waivers not be offered to drivers in this age group. However, the North Carolina eligibility criterion at that time--freedom from moving-violation convictions, but not from accidents--was not the same as the Speraw-authorized program's eligibility criterion, so the relevance of their conclusion to the California program is moot.

Harrington and Ratz (1978), studying the effect of written renewal test waivers for California drivers who had either clean three-year prior records or one accident or conviction during the prior three years, found that the effect of treatment was moderated by classification status. Thus, when drivers of all ages and both sexes were combined, there were no significant treatment effects among those who had been correctly classified as being incident-free or as having one incident during the three-year period. However, there was a significant increase in accidents for drivers wrongly classified as having incident-free records, and a significant increase in convictions for drivers wrongly classified as having only one incident. The reason for these errors in classification was the time lag between occurrence of an incident and update of the driver's record; this time lag can conceivably be reduced but never eliminated.

The Harrington and Ratz finding may represent a Type I error, however; neither the Calvo extension studies (Janke & Kelsey, 1981; Kelsey & Janke,

1983; Kelsey, 1984), nor preliminary data analyses for the present study, showed any increase in accidents or convictions attributable to license extension for wrongly classified drivers. Although their mean accident and conviction rates were considerably higher than those of correctly classified drivers, reflecting the higher risk level of drivers with a recent accident or conviction, there was no evidence that the extension or renewal-by-mail program increased this risk. Therefore, the classification factor is not included in the present study.

Stoke (1978) studied the effect of including manuals and written tests in the Virginia license renewal process. He found no statistically significant effect of this enhanced testing on accidents and convictions during the subsequent six-month period. Power to identify a true difference as significant was low in the Stoke study, and the lack of statistical significance may be attributable to that. A reanalysis of Stoke's data (Peck, 1981; unpublished memo) indicated that the odds favored a beneficial impact of tests and manuals more than no impact ($p < .20$).

Kelsey, Janke, Peck, and Ratz (1985) reported on the effect of the Calvo-authorized license extension programs for four-year-clean drivers over the four years subsequent to mailout of renewal notices and extension offers. For the evaluation of the four-year-extension program (i.e., extension term of four years) there were approximately 366,000 drivers in the extension (offer) group and 40,000 drivers in the control group. Control drivers were required to renew their licenses in the standard manner, taking law and vision tests. Drivers over the age of 69 were not eligible for the four-year program and not represented in the sample.

It was found that the extension group had a slightly (1%) higher accident rate over the four-year period than had the control group, but this difference did not approach statistical significance. In addition, there was no trend in the driving record data over time; extension-group drivers had slightly better records than had their controls during the first and fourth years subsequent to mailout, and worse records during the second and third. This lack of a consistent trend, together with the lack of a significant treatment-by-age interaction (which would have indicated that the effect of

extension depended upon a driver's age), was consistent with an interpretation that the observed nonsignificant difference was due to chance. Specifically, there was no support for an alternative hypothesis that increases in undetected physical disability over time would lead to an accident increase for extended drivers; if such impairment had occurred, one might expect it to have affected older drivers particularly.(2) For drivers of relatively advanced age (70 and above) in the two-year program, it was even the case that Kelsey et al. found a beneficial effect of extension offers, contravening the nonsignificant trend of the program, overall, toward increasing accidents. That is, elderly drivers in the extension group incurred significantly fewer accidents than did their controls, during the two years subsequent to mailout.

With the exception of the Calvo extension studies and that of Harano and Hubert (1974), the studies cited above waived only the written law test. The effects of waiving the written test have not generally been found to be great, although Harrington and Ratz (1978), as mentioned, found some negative effects following a test waiver. Stoke's (1978) evidence can be interpreted as suggesting some value of exposing drivers to the type of material covered in the written test, and McKnight and Green (1977) also found support for the effectiveness of tests and manuals in reducing accidents associated with convictions for renewal applicants. However, it is possible that it is more detrimental to traffic safety to waive the vision test than to waive the law test. Although there is little if any evidence to show that a visual acuity test like California's correlates with accident frequency, the vision screening that exists as part of the renewal process undoubtedly compels some drivers, who otherwise would not bother, to have their vision corrected.

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(2) It could on the other hand be argued that drivers in an age range --say, the forties -- at which visual and possibly other bodily functions begin to decline significantly, are most harmed by being excused from renewal testing. Such drivers may be impaired to some degree and not yet be aware of their impairment. There is some evidence to support this view. For subjects in both the two-year and four-year Calvo extension evaluations, the largest negative effects on accidents attributable to the programs were shown for drivers aged 30-50 (Kelsey et al., 1985). However, it should be stressed that these effects were not significant and could easily have been due to chance.

An Oregon study (Rice & Jones, 1984) attempted to find what proportion of renewal applicants had substandard vision. While Oregon drivers at the study date were not required to undergo vision screening when they renewed their licenses, 19 of the state's 60 DMV field offices participated in an evaluation of the addition of vision tests to the renewal process. Applicants could refuse the testing, but not many did so. If they failed, drivers were referred to a vision specialist of their choice.

Almost 5,000 vision screenings were administered. Tests included Oregon's standard original licensing checks on acuity under standard illumination, depth perception, color recognition, phoria, fusion, and visual field, plus an added test of acuity under reduced illumination, failure of which did not affect licensing status.

Of the drivers tested, 2.4% failed the vision screening and were referred to a vision specialist. Nearly all of these vision referrals were made because the driver's visual acuity (even corrected with lenses) did not meet the 20/40 standard. Drivers referred to a specialist were considerably older on the average (67 years) than was the sample of applicants as a whole (43 years). Generally, drivers over 50 years of age and without existing "corrective lens" restrictions were the most likely to require reexamination by a specialist, and the likelihood increased with age. However, these results suggest that over 97% of Oregon drivers, although not screened for vision at renewal, become aware of their visual problems in other ways and correct them adequately. The same is no doubt true of California drivers.

In California, as noted above, about 2.5% of drivers over age 50 and 0.05% of younger drivers fail to meet the screening standard (Kuan, 1984, unpublished data). These are referred to a vision specialist, and many of them have their vision corrected to meet the standard. If this is not possible, they may still be licensed based on evaluation by a Driver Safety Referee.

METHOD

Subject Selection

Drivers whose licenses expired during 1983, and who met the eligibility criteria for renewal by mail with less than a four-year-clean record, were assigned by terminal digit of the license number, odd or even, to the mail-renewal or control group, respectively. (Terminal digit of the license number is essentially random; numbers are assigned sequentially at a current rate of about 20,000 per day.) Drivers eligible for renewal by mail with less than a four-year-clean record make up approximately 14% of the renewal population in California. There were, by the end of 1983, 247,613 drivers in the mail renewal group and 248,753 drivers in the control group. The mail-renewal group will be referred to as the extension group in the following; there is no substantive difference between a renewal accomplished by mail and a license extension accomplished in the same manner.

Once identified, drivers remained in the group to which they had been assigned, regardless of whether or not they renewed their licenses and of whether or not they renewed by mail. (Control group drivers did not have the option of renewing by mail, but drivers in the extension group could renew in a field office rather than by mail.)(3) It might be objected that the inclusion of field office renewals in the extension group diluted the effect of the license extension as measured. This may be true, but their inclusion would have invalidated the evaluation, for two reasons. First, drivers who

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(3) If such drivers claimed to be eligible for extension, their records were checked and, if eligibility was confirmed, their written and vision tests were waived. Test waiver also followed presentation of the extension statement (offer). If they had no extension statement and did not claim eligibility (for example, because they had not received the statement and were not aware that they were eligible), the tests were not waived. It is not known what percentage of drivers were in the latter group, although the total percentage of extension-group drivers who renewed in field offices was about 24. Even under circumstances where tests could be waived, observation of behavior indicating health problems in the applicants may have led to testing--even, perhaps, including drive testing.

choose to renew in a field office, even though they have been offered the opportunity to renew by mail, may be different from other drivers in ways that affect their subsequent accident and conviction records. Such drivers could have been removed from the extension group but not, of course, from the control group; thus their exclusion could have severely biased the evaluation. This problem was extensively discussed by Peck (1976) in a context of evaluating driver improvement programs. Second, the purpose of the study was to evaluate the license extension program, not the effect of license extension per se. Thus, it was necessary that the results of the evaluation generalize to the program as it operates in practice, with a considerable number of drivers failing to take advantage of the mail renewal offer.

Treatment

Drivers in the extension group were sent statements two months prior to license expiration informing them that they could send the $10.00 (increased since 1980) fee and renew by mail. It was necessary for them to answer a question on the statement regarding the presence of any disabilities that might affect their driving; if the answer was "yes" the statement was referred to a Driver Safety Referee for further investigation and clearance before mail renewal could be allowed. There was also a reminder on the statement indicating the importance of good vision and suggesting that drivers have their vision checked.

Drivers in the control group were sent standard renewal notices two months prior to license expiration. The renewal notice, which also contained the disability question, was to be presented at the field office when a driver went in to renew his or her license. (Drivers forgetting to bring their renewal notices with them are required to fill out an equivalent form in the office.)

Drivers in the extension group who opted to renew by mail and remitted the fee were sent certificates to be kept with their old licenses, rather than being issued new licenses.

Criterion Measures and Follow-up Period

Total and fatal/injury accidents and convictions of drivers in the two groups were tracked subsequent to the mailout of their extension statements or

renewal notices (hereinafter referred to as "mailout"). The measure of convictions included failures to appear in court, or forfeit bail in lieu of appearance, in connection with traffic violation citations (hereinafter referred to as "FTAs"). The present report covers the first 18 months subsequent to mailout. This actually includes only 15 to 16 months of actual driving record, due to a two- to three-month lag between the occurrence of most accidents and violations and their entry as count abstracts and accidents in the DMV's automated file of driver records. However, this circumstance does not bias the conclusions of the report, since the time lag was the same for extension and control drivers.

Major Statistical Tests

For the major analysis of accidents and convictions/FTAs, 2x2x3x2 analyses of covariance were run using the computer program SPSS ANOVA (Nie, Hull, Jenkins, Steinbrenner, & Bent, 1975). Factors were treatment (extension vs. control), prior record status (prior clean record of 2 years vs. 3 years), age group (under 30, 30 through 50, over 50), and sex. Covariates were prior 2-year accidents and convictions, including FTAs.

The default method was used for the ANOVA (actually, ANCOVA) runs. This is the so-called "classic experimental approach," also frequently used in nonexperimental research, in which sample subgroup sizes typically reflect unequal population subgroup sizes, as for example in the case of the variables age and sex when a sample is randomly drawn from the population. In this method, cell means are weighted according to cell frequencies, to reflect the greater importance of cells with larger frequencies in the aggregated population. It would be appropriate to weight extension and control means equally, of course, and the analysis used did not exactly accomplish that because there were somewhat fewer drivers in the extension than in the control group. However, the sizes of the groups were so large and the difference so small (less than 1%) that this discrepancy would have made no practical difference.

License class was used neither as a covariate nor as a factor in the major analysis, for reasons discussed in Kelsey at al. (1985). It was expected that there would be an excess of class 1 and 2 (heavy commercial vehicle) drivers in the extension group, because they could avoid the relatively

stringent testing needed to renew their commercial licenses. Such an imbalance, which leads to a self-selection bias confounding the interpretation of any findings regarding license class, was found by Kelsey et al. (1985) and was tested for in the present analysis. Although a supplementary ANCOVA using treatment and license class as factors was performed, it was not reported because of the ambiguities mentioned here and discussed more fully in the Results section.

A significance level of $p < .10$ (two-tailed) was used for the purpose of making significance claims.

Analysis of Program Costs and Savings

The program's overall impact on the department was to effect a savings. To help in estimating the amount of this savings, the following variables were tabulated and furnished to the DMV's Division of Driver Safety and Licensing, which was responsible for program costing.

1. Proportion of subjects in the extension group who renewed by mail, renewed in a field office, or did not renew.

2. Proportion of subjects in the control group who renewed in a field office or did not renew.

3. Proportion of subjects in each group who received a duplicate license.

4. Proportion of subjects in each group who received a vision referral.

5. Proportion of subjects in each group who received a limited-term license.

6. Proportion of subjects in each group who had a contact with a Driver Safety Referee because of possible physical or mental impairment.

Unit reducible costs of the mail-renewal and standard renewal programs were furnished by the Division of Driver Safety and Licensing. It was known in

advance that tnese figures would indicate an administrative savings attributable to the extension program. If there were found to be an excess of accidents also attributable to the program, this might or might not outweigh the administrative savings, depending upon the size of the effect.

In the past such a determination has been made by means of a benefit-cost analysis. However, it was decided that a "breakeven analysis" would be more defensible and more useful to management, since the usual benefit-cost analysis is subject to challenge because of widespread disagreement on the societal and economic costs of accidents and on how such costs should be measured. A discussion of the rationale for this decision is contained in Kelsey et al. (1985). In a breakeven analysis the disutility of any accident increase is evaluated by computing the accident-cost threshold necessary for the increase in accidents to offset the cost savings attributed to the extension program. The sensitivity of any marginal benefit-cost analysis to different accident-cost values is assessed by referring to specially constructed accident-cost nomographs.

RESULTS AND DISCUSSION

Descriptive and Process Variables

An examination of demographic and prior-record variables for the extension and control groups to detect possible bias in the assignment process produced the results shown in Table 1.

Table 1

Demographic and Prior-Record Variables by Treatment

Variable	Treatment	
	Extension (N = 247,613)	Control (N = 248,753)
Mean age.....	37.4	37.4
Percent male.....	59.0	58.9
Prior 2-year accidents (per 100 drivers)*...	1.01	0.95
Prior 2-year convictions (per 100 drivers)*...	6.97	6.83

*Significantly different, $p<.10$.

The samples are biased despite the random assignment process, in that the extension group showed a slightly worse record, in both accidents (t = -2.31, df = 496,364, p < .03) and convictions (t = 1.70, df = 496,364, p < .09), than that of the control group over the two years prior to mailout. The bias amounted to a 6% difference in prior accident rate and a 2% difference in prior conviction rate. These are small differences, but the anticipated treatment effects were also small. (It should be noted that these accidents and convictions were not on the drivers' records at the time they were selected for inclusion in the study. If the incidents had been on their records, they would have been ineligible for renewal by mail.) These results indicate that the extension group received more entries than did their controls in the period just prior to determination of extension eligibility. It was because of this bias, which must be attributed to chance, that prior 2-year accidents and convictions were used as covariates in the major

analyses of subsequent accidents and convictions. Through use of these covariates, not only was variance ("noise") removed from the error term, increasing the power of the statistical test to reveal a real difference between groups, but also group means were adjusted for the slight observed differences in prior record, so that any observed difference between groups could more defensibly be attributed to the treatment, mail-renewal offer vs. field office renewal, only.

Table 2 presents data on variables related to the licensing process, measured approximately 18 months after mailout. Because these variables were to be used in program costing, almost 400 drivers with codes on their record indicating the presence of certain impairments (progressive physical conditions, severe visual defects, or "lack of knowledge or skill"--usually used as a euphemism for impairments caused by aging--were omitted from Table 2. Such drivers, although not excluded by the Speraw legislation, are not now considered eligible for renewal by mail, due to a DMV policy change. Other drivers were omitted because the relevant information was not on file, or their records were unavailable. This left 247,090 drivers in the extension group and 247,861 drivers in the control group.

Table 2

Licensing Process Variables by Treatment;
Percentages 18 Months Subsequent to Mailout
(N = 494,951)

Variable	Treatment	
	Extension (N = 247,090)	Control (N = 247,861)
Renewed in field office....	24.5[a]	88.1
Did not renew.....	9.7	11.8
Valid license.....	89.3	87.3
Duplicate license.	5.5	3.9
Change in vision restrictions[b].	0.7	3.2
Change in vision referrals.....	-0.01	0.09
Change in exposure restrictions[c].	0.007	0.014
Limited term license.....	0.008	0.072
P&M reexamination or hearing[d]...	0.08	0.10

[a]65.8% of extension group drivers accepted the extension.

[b]Percentage of drivers with a vision restriction 18 months subsequent to mailout minus percentage of drivers with a vision restriction just prior to mailout. The change scores following were calculated in the same way.

[c]Exposure restrictions are those limiting drivers' exposure to risk by restricting them to certain areas, times of day, etc.

[d]P&M (physical and mental) reexaminations or hearings are held on the grounds that the driver may have a significant physical or mental impairment.

All of the differences between extension and control groups in these licensing-process variables were statistically significant above the .05 level as shown by z tests of the difference between proportions, with the exception of the difference in exposure restrictions, those which reduce drivers' exposure to risk by limiting the area or time of their driving.

The difference in issuance of duplicate licenses may be due to the desire of drivers in the extension group to have licenses with current photographs of themselves, or the necessity to replace their old licenses because of loss or damage.

The differences in valid licenses, restrictions, vision referrals, limited-term licenses, and P&M (physical/mental) reexaminations or hearings have possible traffic-safety as well as cost implications. The difference in valid licenses may be attributable to the fact that more drivers in the extension than in the control group renewed their licenses, presumably because it was easy to do so. Without the extension program, such drivers might have been screened from the driving population, or have voluntarily removed themselves from it. The data on vision restrictions suggest that 2.5% (3.2%-0.7%) of drivers in the extension program would have gotten a vision restriction had they been required to renew in person; because their licenses were extended they did not. This does not mean that the 2.5% drove with impaired vision since, as discussed before, most drivers probably become aware of their visual defects and have them corrected, with or without the DMV renewal vision test. But it is very likely that some small percentage of visually impaired drivers drove with insufficient correction as a result of avoiding DMV's vision screening.

Similarly, the data suggest that .064% (.072%-.008%) of extension-group drivers drove with regular license terms when their terms should have been limited to less than 4 years. The limitation in license term for both extension and control drivers must have been acquired at the 1983 (field office) renewal, since limited-term licensees are not eligible for renewal by mail in California. The numbers of limited-term licensees are small, but they include drivers judged, because of physical or mental impairment, to be

licensable but at such high accident risk that they must undergo periodic, sometimes yearly, reexaminations in order to retain their licenses. Impaired drivers with extended licenses, who thereby escaped the reexamination process, may have been aware of their limitations and driven more carefully or reduced their mileage. On the other hand, it is likely that not all of them did so.

In a similar vein, the data on reexaminations or hearings on grounds of physical or mental impairment suggest that 0.02% (0.10%-0.08%) of drivers in the extension group would have had such contacts had they been obliged to renew in person; these drivers may have had increased accident risk. The difference is relatively small for this variable, probably because an affirmative answer to the disability question on the extension statement generated a review by a Driver Safety Referee which could have led to a reexamination or hearing.

If one assumes, from face-validity considerations, that the in-person renewal process has some screening or remediation effect, the factors discussed above would tend to increase the subsequent accident rate of drivers in the extension group, relative to that of their controls.

Subsequent Accidents

It should be noted that, in the following discussion, use of the term "accidents" actually means "accident involvements." More than one driver can be (and indeed usually is) involved in any given accident. If a driver participating in this study collided with another driver from within the study group, this would be counted as two involvements--one for each driver--although both involvements would represent the same accident. If a driver participating in this study collided with a driver outside of the study group, the accident would count as one involvement. Obviously, the larger the study group the more likely it is that there will be more involvements than accidents.

Accidents were not broken down by type (fatal, injury, property-damage-only), since analysis indicated that the proportion of drivers involved in fatal or injury accidents, relative to the proportion of

accident-involved drivers, was the same for both groups (z = .201, p>.80), about .33. Thus, there was no evidence of a differential program impact on accident severity. The only accident criterion used in the major analysis, accordingly, was total accidents.

Table 3 presents the mean subsequent total accidents per 100 drivers by treatment group, record status, age group, and sex. These are the raw means; the SPSS ANOVA program does not display adjusted means with the degree of precision needed for these data.

Table 3

Mean 18-Month Accidents per 100 Drivers by Treatment, Record Status, Age Group, and Sex (N = 496,366)

Treatment / Age group	Record status and sex			
	2 years clean		3 years clean	
	Male	Female	Male	Female
Extension				
Under 30.....	10.01	8.23	8.56	7.07
30-50.....	8.01	6.69	7.20	6.25
Over 50.....	7.92	5.94	7.19	4.91
Combined ages and sexes...	8.07		7.03	
Control				
Under 30.....	10.23	8.32	8.62	6.82
30-50.....	8.22	6.73	7.74	6.01
Over 50.....	7.51	6.29	7.42	5.51
Combined ages and sexes...	8.17		7.18	
Grand mean, extension group.....	7.63			
Grand mean, control group.	7.76			

The analysis of covariance summary table is shown as Table 4 (following page).

It can be seen that the main effect of treatment is borderline significant, (p = .10), with the extension group having slightly (1.7% for raw means)

Table 4

Analysis of Covariance Summary Table, Accidents
(N = 496,366)

Source of variation	Sum of squares	Degrees of freedom	Mean square	F	P
Covariates					
prior accidents.....	8.91	1	8.91	111.94	0.00
prior convictions...	48.78	1	48.78	613.09	0.00
Main effects					
treatment.....	0.22	1	0.22	2.71	0.10
record status.....	8.23	1	8.23	103.50	0.00
age group.....	25.10	2	12.55	157.73	0.00
sex.....	25.48	1	25.48	320.27	0.00
Interactions					
treatment x record status.....	0.01	1	0.01	0.12	0.73
treatment x age group.....	0.03	2	0.01	0.17	0.84
treatment x sex.....	0.09	1	0.09	1.16	0.28
record status x age group.....	1.60	2	0.80	10.08	0.00
record status x sex.	0.002	1	0.002	0.02	0.88
age group x sex.....	0.47	2	0.23	2.95	0.05
treatment x record status x age group	0.18	2	0.09	1.13	0.32
treatment x record status x sex.....	0.15	1	0.15	1.88	0.17
treatment x age group x sex.....	0.42	2	0.21	2.61	0.07
record status x age group x sex...	0.17	2	0.09	1.08	0.34
treatment x record status x age group x sex.....	0.02	2	0.01	0.13	0.88
Explained.....	121.29	25	4.85	60.98	0.00
Residual.....39487.84		496340	0.08		

fewer accidents than the control group, overall. It should be noted, however, that there was a significant interaction between age group and sex, and that this interaction differed by treatment, as shown by the significant 3-way interaction. Figure 1 (following page) shows the nature of this 3-way interaction.

The interaction is such that men through age 50 and women over age 50 showed beneficial (accident-decreasing) effects of the extension program. For the remaining sex/age groups (young and mid-age women and older men) the graphed lines are almost parallel with a slightly positive slope, indicating a slight nonsignificant increase in accidents for extension-group drivers among these latter groups. Overall, there was no differential effect of the extension program on accidents for drivers of different ages, different sexes, or different record statuses (2- versus 3-year prior clean records). This is shown by the lack of significance for the 2-way interactions between group and record status, age group, or sex.

As usual in studies of driving records, the effects of age and sex were highly significant, with men and younger drivers, regardless of treatment, having more accidents. The effect of record status was also highly significant, with 3-year-clean drivers having consistently lower accident rates than 2-year-clean drivers, regardless of treatment. The highly significant interaction between record status and age group reflects the finding that younger drivers constituted a disproportionately greater risk, relative to older drivers, within the 2-year-clean group. The youngest group of drivers had 30% more accidents than the oldest group among 2-year-clean drivers, and 20% more among 3-year-clean drivers. Since none of these interactions involved the treatment factor, the reader should note that they are not relevant to the question of extension-program effects.

Additional analyses of total subsequent accidents were run omitting drivers with P&M codes on their records indicating severe visual defect, progressive physical disorders, or lack of knowledge or skill. As pointed out above, such drivers are no longer eligible for participation in the extension program. There were 363 such drivers in the sample, 177 in the control group and 186 in the extension group. The results of analyses with these drivers excluded

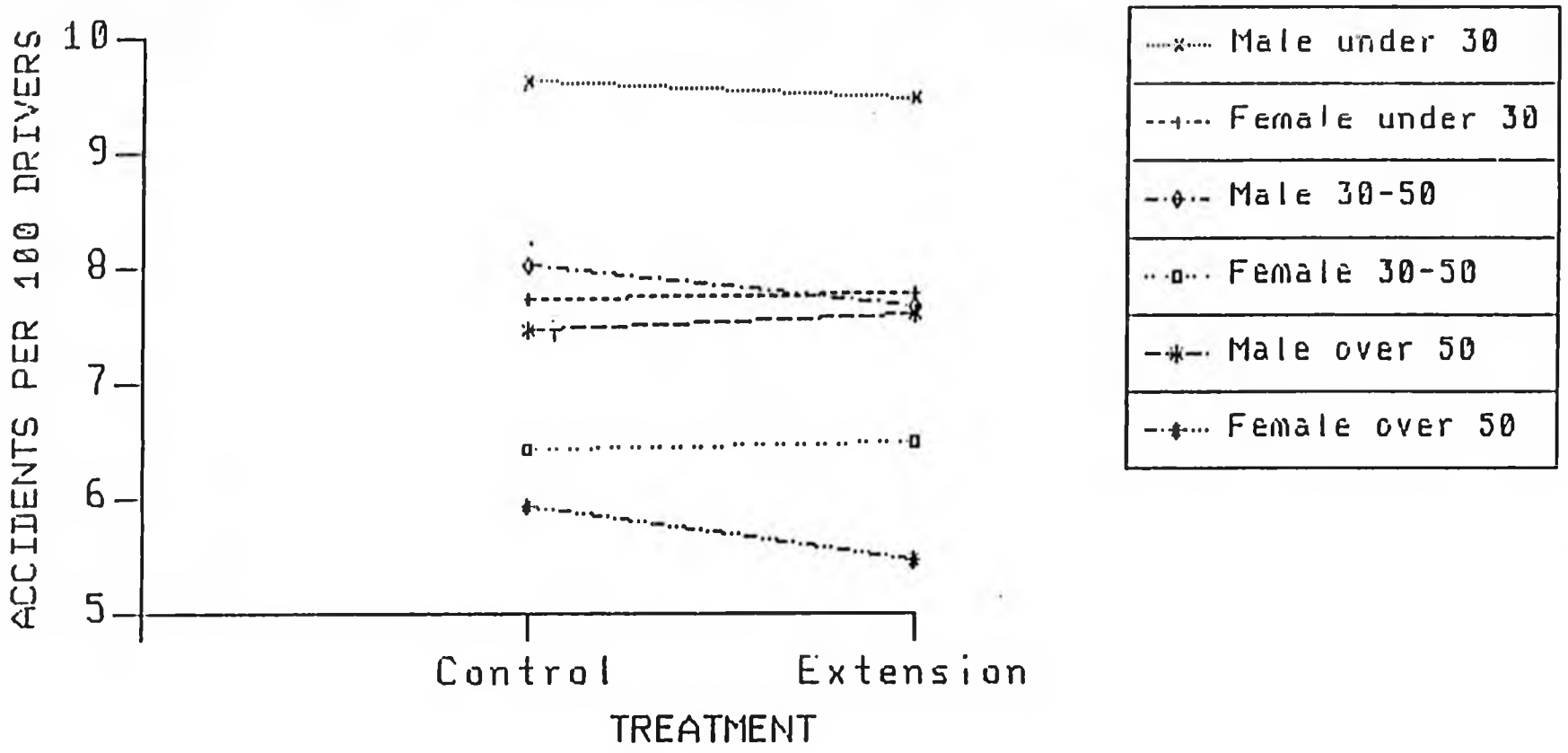

Figure 1. Subsequent 18-month accidents per 100 drivers (N=496,366).

were almost identical to those obtained using the total sample. For instance, for the reduced sample the difference between extension and control groups was -0.12 accidents per 100 drivers, while for the total sample the difference was -0.13. Therefore, the results of the accident analyses using the reduced sample are not presented here.

Subsequent Convictions/FTAs

Results for convictions (including FTAs) were directionally different from those for accidents, in that the extension group showed somewhat more convictions per 100 drivers (31.11) than the control group (30.99). Table 5 presents the raw mean total subsequent convictions per 100 drivers by treatment, record status, age group, and sex.

Table 5

Mean 18-Month Convictions/FTAs per 100 Drivers by Treatment, Record Status, Age Group, and Sex (N = 496,366)

Treatment / Age group	Record status and sex			
	2 years clean		3 years clean	
	Male	Female	Male	Female
Extension				
Under 30.....	55.58	29.81	42.83	24.43
30-50.....	37.16	22.15	31.93	19.35
Over 50.....	24.58	12.53	20.38	11.48
Combined ages and sexes...	34.06		27.02	
Control				
Under 30.....	54.95	29.89	42.92	23.86
30-50.....	37.23	21.91	31.57	19.58
Over 50.....	23.71	13.56	21.25	11.15
Combined ages and sexes...	33.89		26.95	
Grand mean, extension group.....	31.11			
Grand mean, control group.	30.99			

The analysis of covariance summary table is shown as Table 6.

The main effect of treatment (that is, the observed excess of convictions forextension-group drivers) did not approach statistical significance ($p > .60$). There was, however, a highly significant interaction between treatment, prior record status, and age group ($p < .005$). This interaction varied by sex, as shown by a significant 4-way interaction ($p = .08$). Figure 2 (a and b) shows the form of the relationship between treatment, prior record status and age group within sexes, Figure 2a representing men and Figure 2b representing women.

Table 6

Analysis of Covariance Summary Table, Convictions/FTAs
(N = 496,366)

Source of variation	Sum of squares	Degrees of freedom	Mean square	F	P
Covariates					
prior accidents.....	37.28	1	37.28	93.58	0.00
prior convictions...	3836.58	1	3836.58	9629.96	0.00
Main effects					
treatment.....	0.06	1	0.06	0.16	0.69
record status.....	328.50	1	328.50	824.55	0.00
age group.....	2679.44	2	1339.72	3362.75	0.00
sex.....	2777.46	1	2777.46	6971.54	0.00
Interactions					
treatment x record status.....	0.05	1	0.05	0.12	0.73
treatment x age group.....	0.16	2	0.08	0.20	0.82
treatment x sex.....	0.09	1	0.09	0.21	0.65
record status x age group.....	79.03	2	39.51	99.18	0.00
record status x sex.	38.41	1	38.41	96.41	0.00
age group x sex.....	232.46	2	116.23	291.74	0.00
treatment x record status x age group	0.17	2	0.09	0.22	0.81
treatment x record status x sex.....	0.40	1	0.40	1.00	0.32
treatment x age group x sex.....	0.06	2	0.03	0.08	0.93
record status x age group x sex.....	10.83	2	5.41	13.59	0.00
treatment x record status x age group x sex.....	2.04	2	1.02	2.56	0.08
Explained.....	9915.12	25	396.60	995.49	0.00
Residual.....	197741.93	496340	0.40		

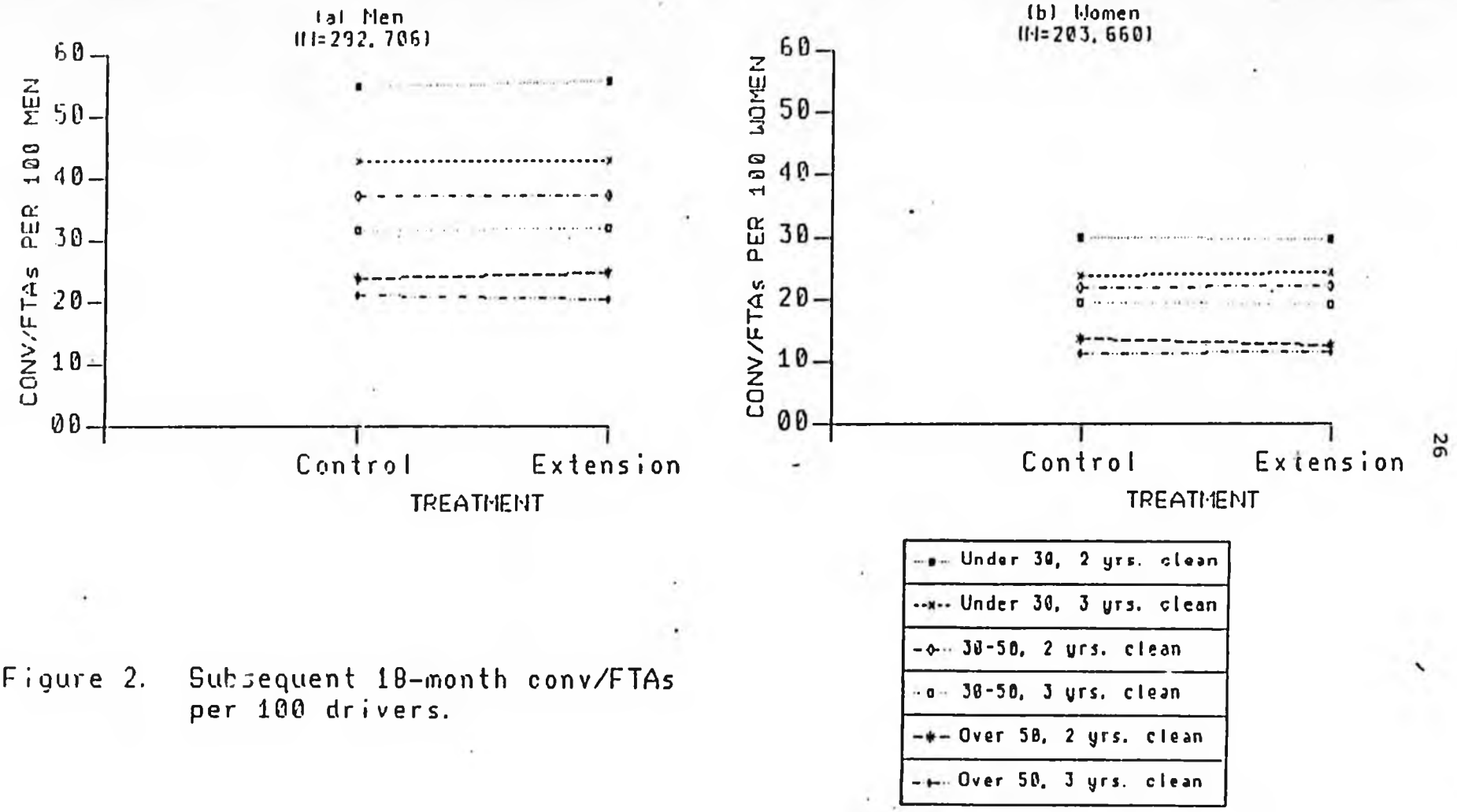

Figure 2. Subsequent 18-month conv/FTAs per 100 drivers.

It can be seen that the graphed lines are highly parallel and relatively flat, indicating that the significant differential effect of treatment on different record status/age groups within each sex was of slight magnitude. Slight differences in this relationship by sex group can also be noted; these differences reflect the 4-way interaction effect. Because of the complexity and small magnitude of these 3- and 4-way interactions, particularly the 4-way interaction, no attempt is made to offer an interpretation. The interactions have no practical policy implications.

Overall, 2-year-clean and 3-year-clean drivers were not differentially affected by the extension program in terms of subsequent convictions, as shown by the lack of a significant 2-way interaction between treatment and record status. Similarly, there was no overall differential effect of the extension program for drivers of different ages or sexes, as shown by the lack of significance for the corresponding 2-way interactions.

An analysis of convictions/FTAs excluding the 363 drivers with visual or progressive physical disorders, or lack of knowledge or skill, gave essentially the same results as the total sample analysis, and is not presented in this report.

Imbalance in License Class

As mentioned above, it was anticipated that an excess of class 1 and 2 drivers would be found in the extension group. This was in fact the case. Of the control group, 9,670 drivers, or 3.9%, held class 1 or 2 licenses, allowing them to drive heavy commercial vehicles or buses. Of the extension group, 10,909 drivers, or 4.4%, held class 1 or 2 licenses. This difference was highly significant ($t = 7.56$, $df = 496{,}364$, $p < .0001$), confirming the suspicion that avoidance of the relatively stringent class 1 and 2 renewal test had the effect of increasing the number of class 1 and 2 licensees in the extension group.

This circumstance indicated a self-selection bias which made class 1 and 2 drivers in the extension and control groups noncomparable. Specifically, it seemed likely that some drivers with class 1 or 2 licenses who would have given them up, had they been required to renew in person, kept them through

the license extension procedure even though they no longer drove commercially and their exposure to accident risk was therefore substantially lowered. Such drivers would of course have been eliminated from the class 1 or 2 subgroup of the control group, appearing instead as class 3 or 4 drivers, and thereby creating biases in the extension vs. control comparisons of different license classes. Therefore, in the absence of evidence for a notable increase in accidents for extension-group class 1 and 2 drivers as compared with their controls, the results of the supplementary analysis of covariance in which license class was used as factor are not reported.

Program Savings

As furnished by the Division of Driver Safety and Licensing, the 1985 unit reducible cost to the department of a regular renewal for extension noneligibles is $4.50 and the unit reducible cost of a mail renewal is $.95. In addition, there is, as mentioned above, a modified renewal for extension eligibles in which the individual renews in a field office but written and vision tests are waived. This costs $2.83.

It has been seen that a year's worth of 2- and 3-year-clean drivers eligible for renewal by mail amounts to about 500,000 drivers. Assuming that 66% of 2- and 3-year-clean drivers offered extensions renew by mail, as was the case in the present study, and that an additional 24% receive a modified renewal, this would amount to an estimated annual savings to the department of about $2.65 per driver, or $1.3 million. In addition, there was an observed avoidance of 0.13 accidents per 100 2- and 3-year-clean drivers over the first (nominal) 18 months of driving subsequent to mailout. If reliable, this figure would signify a further societal savings because of decreased accidents, so a breakeven analysis would not be indicated. Instead, an analysis of total administrative plus societal savings, given various values for the cost of an accident, might be made.

Any such forecast, however, should be made on the basis of a full 4-year driving record. Janke and Kelsey (1981) found a slight, statistically nonsignificant beneficial effect of the Calvo extension program (for 4-year-clean drivers) on accidents, in their study covering the first 18 months subsequent to mailout. After a full four years had passed, the

direction of the difference, still not statistically significant, was found to be reversed (Kelsey et al., 1985), with the extension group showing 1% more accidents than their controls. The difference in favor of the extension group observed here reached only the $p = .10$ level; therefore the probability that it was due to chance rather than to the treatment is 1 in 10, certainly not a negligible figure. However, it can certainly be said that there is no indication at this point that the savings to the public in reduced program administrative costs due to the Speraw pilot extension program is offset by an increased cost due to accidents, and in fact there is no evidence for any increase in accident costs attributable to the program.

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APPENDIX

APPENDIX A

Senate Bill No. 483

CHAPTER 776

An act to amend Section 12814.5 of, and to add Section 12814.6 to, the Vehicle Code, relating to driver's licenses.

[Approved by Governor September 7, 1982. Filed with Secretary of State September 8, 1982.]

LEGISLATIVE COUNSEL'S DIGEST

SB 483, Speraw. Driver's licenses.

(1) Existing law provides for licensing any person who drives a motor vehicle in this state. Unless otherwise limited, a driver's license expires on the 4th birthday following the date of application or the date of prior license expiration, but may be extended for a single 4-year period for a fee of $10, at the discretion of the Director of Motor Vehicles, for licensees who meet specified qualifications.

This bill would revise the license extension provisions to instead authorize the director to renew by mail, for not more than 2 successive 4-year periods, for a fee of $10, driver's licenses expiring on or after January 1, 1983, for licensees, not holding a probationary license, who meet those qualifications.

The bill would authorize the director to establish a demonstration program to evaluate the effects of renewing driver's licenses by mail and, as part of the demonstration program, to renew by mail licenses expiring on or after January 1, 1983, for licensees who meet the stricter qualifications, as specified. The program would terminate when the department's evaluation is completed or at any time the department determines that the program has an adverse impact on traffic safety.

The department would be required to monitor and conduct a study on the effects of license renewal by mail under the license renewal and license renewal demonstration program and to submit an interim report to the Legislature not later than January 1, 1986, and a final report to the Legislature not later than March 1, 1989, on both programs.

(2) Existing law authorizes the Department of Motor Vehicles to issue driver's licenses to minors.

This bill would authorize the director, operative July 1, 1983, to establish a demonstration program to evaluate the traffic safety effects of issuing a provisional driver's license to persons under 18 years of age. The demonstration program could include any or all, but would not be limited to, specified components.

The bill would require the department, if the demonstration program is established, to conduct a study on the traffic safety effects of the program, authorize the department to terminate the program if the department determines that the program has no substantial

beneficial impact on traffic safety, and require the preparation and submission to the Legislature of an interim report of the study on or before July 1, 1986, and a final report on or before December 31, 1988. The bill would require the department to recommend termination of the demonstration program and permit it to discontinue issuing provisional licenses if the final report does not establish that the program has had a substantial beneficial impact on traffic safety and would require the department to continue the demonstration program until its effect on traffic safety can be conclusively determined if the final report results are not adverse and, as of the date the final report is required to be submitted, are not yet conclusive. The bill would require continuance of the program as a provisional license program if the final report indicates substantial beneficial impact on traffic safety and would require that periodic evaluations of the program be conducted.

(3) Under existing law, any person issued and having in his or her immediate possession an instruction permit may operate a motor vehicle under specified conditions, which include being accompanied by a California licensed driver 18 years of age or over whose driving privilege is not on probation.

This bill would authorize, notwithstanding that existing law, the inclusion in the program of a component which requires that any person issued and having in his or her immediate possession an instruction permit issued after June 30, 1983, may operate a motor vehicle, other than a motorcycle or motorized bicycle, only if accompanied by a licensed driver who is 25 years of age or older whose driving privilege is not on probation, with specified exceptions.

The people of the State of California do enact as follows:

SECTION 1. Section 12814.5 of the Vehicle Code is amended to read:

12814.5. (a) At the discretion of the director, drivers' licenses expiring on or after January 1, 1983, may, subject to subdivision (b), be renewed by mail for a four-year period for licensees, not holding a probationary license, whose records, for the four years immediately preceding the determination of the eligibility for the renewal, show no convictions of violating traffic laws, no involvement in a traffic accident, and no notification of a violation of subdivision (a) of Section 40509.

No renewal by mail shall be granted to any person who is 70 years of age or older.

(b) The director may establish a demonstration program to evaluate the traffic safety and other effects of renewing driver's licenses by mail. If a demonstration program is established, the director may, under that program, renew by mail driver's licenses expiring on or after January 1, 1983, for licensees whose records, for

the two years immed. tely preceding the determination of the eligibility for the renewal, show no convictions of violating traffic laws, no involvement in a traffic accident, and no notification of a violation of subdivision (a) of Section 40509, and additionally whose records, for the four years immediately preceding that determination, do not show a violation which has a violation point count of two determined in accordance with Section 12810 or a fatal accident notation. The department shall terminate the demonstration program when its evaluation is completed or may terminate the program at any time the department determines that the program has an adverse impact on traffic safety.

(c) The department shall charge a fee of ten dollars ($10) for each license renewal granted pursuant to subdivision (a) or (b).

(d) The department shall monitor and conduct a continuing study of the effects of the license renewal by mail under subdivisions (a) and (b) and submit an interim report to the Legislature not later than January 1, 1986, and a final report to the Legislature not later than March 1, 1989, on its findings. The study shall include, but not be limited to, safety issues. The final report shall specifically include information regarding the impact on traffic safety of persons who receive a second extension under subdivision (b), which information shall cover a period not less than 24 months of experience following the second consecutive extension.

(e) The department shall notify each licensee granted a renewal by mail pursuant to this section of major changes to the Vehicle Code affecting traffic laws occurring during the prior four-year period.

(f) The department shall not renew a driver's license by mail if the license has been previously renewed by mail two consecutive times for four-year periods.

SEC. 2. Section 12814.6 is added to the Vehicle Code, to read:

12814.6. (a) Notwithstanding any other provision of this code, the director may establish a demonstration program to evaluate the traffic safety effects of issuing a provisional driver's license to persons under 18 years of age. The demonstration program may include any or all, but shall not be limited to, the following components:

(1) The issuance of a distinctive driver's license to persons under 18 years of age on which appear the words "Provisional until age 18."

(2) Notwithstanding subdivision (c) of Section 12509, a general requirement that any person who has in his or her immediate possession a valid permit issued after June 30, 1983, pursuant to subdivision (a) of Section 12509 and who is under 18 years of age may operate a motor vehicle, other than a motorcycle or a motorized cycle, only if that person is accompanied by, and under the immediate supervision of, a driver who is 25 years of age or older, who then holds a driver's license issued under this code, and whose driving privilege is not on probation. This paragraph does not apply if that licensed driver is the parent, spouse, or guardian of the permit holder or is a licensed or certified driving instructor.

(3) A requirement for supervised driving practice, which is prior to the issuance of a provisional driver's license and is in addition to any other driving training instruction required by law, and certification by a parent, spouse, guardian, or licensed or certified driving instructor that the person under 18 years of age has completed that driving practice. A minor without a parent, spouse, or guardian, or emancipated minors, may have a licensed driver 25 years of age or older or a licensed or certified driving instructor complete the certification. This requirement does not apply to motorcycle practice.

(4) A suspension of the driving privilege of any driver under 18 years of age when the record shows notification of one or more violations of subdivision (a) of Section 40509. The suspension shall continue until the suspended person's driver record does not show any notification of a violation of subdivision (a) of Section 40509.

(5) A 30-day restriction imposed on a driver under 18 years of age when that driver's record shows a violation point count of two or more points in 12 months determined in accordance with Section 12810. The restriction shall require the licensee to be accompanied by a licensed parent, spouse, guardian, or other licensed driver 25 years of age or older, except when operating a class 4 vehicle with no passengers aboard.

(6) A six-month suspension of the driving privilege and one-year term of probation to be imposed whenever the record of a driver under 18 years of age shows a violation point count of three or more points in 12 months determined in accordance with Section 12810.

(7) A requirement that any term of restriction or suspension imposed on a person under 18 years of age remain in effect until the end of the term even though the person becomes 18 years of age before the term ends.

(b) If the provisional driver's license demonstration program is established pursuant to subdivision (a), the department shall conduct a study on the traffic safety effects of the program, and, unless the department sooner determines that the program has no substantial beneficial impact on traffic safety, in which case the department may, upon that determination, recommend termination of the program and discontinue the issuing of provisional licenses pursuant to this section, the department shall prepare and submit an interim report on the study to the Legislature on or before July 1, 1986, and a final report on or before December 31, 1988.

(c) If the final report to the Legislature does not establish that the demonstration program has had a substantial beneficial impact on traffic safety, the department shall recommend termination of the program and may discontinue the issuing of provisional licenses pursuant to this section. If the final report results are not adverse and not yet conclusive as of the date the final report is required to be submitted, the department shall continue the demonstration program until its effect on traffic safety can be conclusively

determined. If the final report indicates that the demonstration program has had a substantial beneficial impact on traffic safety, the department shall continue issuance of a provisional driver's license under the program with periodic evaluations.

(d) This section shall become operative July 1, 1983.

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SB

99

POSITION PAPER/Department of Health & Social Services

Put in bill file.
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POSITION PAPER

SENATE BILL NO. 99

For an Act entitled: "An Act relating to child care centers in state buildings; and providing for an effective date."

As the agency with primary responsibility for child protection, the Department of Health and Social Services views safe and adequate child care as a critical measure to prevent child abuse and neglect. The department supports the concept of Senate Bill 99 which provides for child care centers in state buildings.

The Department of Health and Social Services is impacted in that it has the responsibility to license all child care facilities It will be important that the department be consulted early in the planning process to ensure that child care center plans meet all applicable licensing requirements including fire safety, sanitation, staffing, and program requirements. These requirements must be met before the center begins operation. The responsibility to provide technical assistance to new programs is already within the scope of the department's responsibilities and activities.

With 18,927 employees in December, 1986, the State of Alaska, including the university system, is the largest employer in the state. As such it is most appropriate that the state act as a model to encourage private employers to provide adequate child care facilities for their employees. There is a demonstrated need for additional child care facilities; there are cost benefits in terms of employee job satisfaction, productivity, and reduced employee absences and turnover, though an absolute cost benefit for on-site centers has not yet been established; and finally there are benefits to family relationships in providing opportunity for parents to be near their children.

While child care centers are a major component of child care systems, other alternatives may meet the need for child care in certain locations. In a smaller community there may not be sufficient need to establish a center for 40 children. In addition, in some buildings there may be need to serve more than 60 children, and finally, some parents prefer a home setting, especially for infants and for school age children. A satellite system of family child care homes could meet the child care needs of these employees with provision for a central operator's office provided either in the state building or contracted through a nearby center or other social service organization. A satellite system of licensed family child care homes could be operated where there is insufficient need for an on-site child care center. It could also be operated in conjunction with an on-site child care center. There would be benefits to the private home providers in cost sharing, supportive services, and referral; and there would be benefits in meeting the needs of parents whose school age children need child care but where it is not

POSITION PAPER/Department of Health & Social Services

feasible to transport the school age child to an on-site center. The department believes that such a system would be more appropriate than offering center care alone. Mechanisms for such systems could be accommodated in regulations. There would be no fiscal impact to accommodate a satellite family child care home concept. Application for licensure of homes would be handled as it is currently handled, and the department would have the additional support of a central operator in supervising those homes.

To summarize, the department supports this Bill and the concept it promotes with the recommendation that the Bill be revised to provide for satellite home systems as an alternative to meeting employees' child care needs.

RECOMMENDED: Yvonne M. Chase

Yvonne M. Chase, Director
Division of Family
and Youth Services

DATE: 3-13-87

APPROVED: Myra M. Munson

Myra M. Munson, Commissioner
Department of Health
and Social Services

DATE: 3-26-87

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version : SB No. 99
Publish Date :

REQUEST:

Revision Date:
Title : An Act relating to child care centers in state buildings.
Sponsor : Fahrenkamp
Requestor :

Agency Affected : Health & Social Services
BRU : Social Services
Components :

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 39	FY 90	FY 91	FY 92
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached.

Prepared by : Yvonne M. Chase, Director YMC
Division : Division of Family and Youth Services
Phone : 465-3170
Date : 03/09/87

Approved by Commissioner : Myra M. Munson, Commissioner
Agency : Department of Health and Social Services
Date : 3/24/87

Distribution (by preparer) :
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB No. 99

A. Assumptions:

Passage of this Bill would require licensing representatives to provide technical assistance during the planning stages, as well as to inspect the facilities and coordinate with the state fire marshal and sanitation inspectors in order to issue a license. These functions would be performed by existing staff. Without knowing the number of buildings which would be constructed, expanded, or renovated, the assumption is made that it would be no more than 10 buildings a year. Licensing staff in some parts of the state are already carrying a higher than acceptable caseload. If the estimated number of buildings falling under this Bill is higher than 10, the department would need to consider submitting a revised fiscal note to address the additional work load.

B. Program Summary:

No new positions or other costs to the Department of Health and Social Services are anticipated at this time for this program.

C. Computations:

None.

D. Economic Impact:

Enactment of this Bill is expected to have positive fiscal impact. National economists estimate that each dollar changes hands eight times in twelve months; so any dollars spent on day care will circulate within the state eight times. In addition, successful programs like this help in retaining employees who require child care services, and will help university students improve their skills for later employment.

E. Impact on Local Governments:

It is anticipated there will be no fiscal impact on local governments.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 99
Publish Date:

REQUEST

Revision Date:
Agency Affected: Department of Administration
Title: An Act Relating to Child Care Centers in State Buildings
BRU: General Services & Supply
Sponsor: Fahrenkamp
Components: Leasing
Requestor:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		105.3	190.6	280.9	371.2	461.6
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		105.3	190.6	280.9	371.2	461.6
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND		105.3	190.6	280.9	371.2	461.6
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME		0	0	0	0	0
PART-TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Robert J. Link
Phone: 465-2250
Division: General Services & Supply
Date: 02-13-87

Approved by Commissioner: Garrey Peska
Date: 2/18/87
Agency: Department of Administration

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Rev. 9/16/86
1/11017/0217-87/5

Space Requirements

35	Square feet inside space per child
x1.40	40% circulation, fire corridors, bathroom facilities, kitchen, other common area
49	Square feet of inside space per child
x 50	Children
2,450	Square feet
+ 800	Square feet (one adult per each six children at 100 square feet per adult)
3,250	Total square feet inside space for a 50-child facility

3,250 square feet (inside) x $2.00 (estimate cost per square foot) = $6,500 monthly value of inside space for a 50-child facility in a State-owned or leased building.

****

75	Square feet of outside space per child
x 50	Children
3,750	Total square feet outside space for a 50-child facility

3,750 square feet (outside) x $.10 (estimate cost per square foot) = $375 cost per month for outside space for 50-child facility in a State-owned or leased building.

****

$ 6,500	Cost per month inside space
+ 375	Cost per month outside space
$ 6,875	Cost per month total x 12 months = $82,500 annual space cost per 50-child facility in a State-owned or leased building.
- 3,112	Cost per month for inside and outside space at a typical private sector 50-child facility (3,250 x .90 = $2,925) Inside Space (3,750 x .05 = $187.50) Outside Space
$ 3,763	Monthly space subsidy cost to be paid by the State ($3,763 monthly x 12 months = $45,156 annual)
$45,156	Annual space subsidy cost to be paid by the State for one 50-child facility

CONTINUATION of FISCAL NOTE ANALYSIS

For SB 99

****

$45,156 Annual space subsidy cost for one 50-child facility
5,000 Implementation study per facility
+ 5,000 Cost to write regulations

$55,156 Total cost to implement the first 50-child facility

****

$45,156 Annual space subsidy cost for one 50-child facility
+ 5,000 Implementation study per facility

$50,156 Total cost to implement each successive 50-child facility

****

Based on the recent history of State space renovations and/or consolidations, we estimate that child care facilities would be implemented at the rate of two each year.

****

Explanation of costs FY 88 through FY 92 at an implementation rate of two 50-child facilities each year.

FY 88

$ 90,312 Annual space subsidy cost ($45,156 x 2 = $90,312) for two 50-child facilities
10,000 Implementation study per facility ($5,000 x 2 = $10,000)
+ 5,000 Cost to write regulations

$105,312 Total

****

FY 89

$180,624 Annual space subsidy cost for continuing two facilities from the previous year and opening two more this year ($45,156 x 4 = $180,624)
10,000 Implementation study per facility ($5,000 x 2 = $10,000)

$190,624 Total

****

FY 90

$270,936 Annual space subsidy cost for continuing four facilities from the previous year and opening two more this year ($45,156 x 6 = $270,936)
10,000 Implementation study per facility ($5,000 x 2 = $10,000)

$280,936 Total

CONTINUATION of FISCAL NOTE ANALYSIS

For SB 99

****

FY 91	$361,248	Annual space subsidy cost for continuing six facilities from the previous year and opening two more this year ($45,156 x 8 = $361,248)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$371,248	Total

****

FY 92	$451,560	Annual space subsidy cost for continuing eight facilities from the previous year and opening two more this year ($45,156 x 10 = $451,560)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$461,560	Total

****

1/11/91/0217 8778

STATE OF ALASKA
1988 LEGISLATIVE SESSION

Bill Version: SB 99
Publish Date:

FISCAL NOTE

REQUEST:

Revision Date:
Title: An act relating to child care centers in State buildings
Sponsor: Fahrenkamp
Requestor:

Agency Affected: Administration
BRU: Ceneral Services & Supply
Components: Leasing

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	105.3	190.6	280.9	371.2	461.6
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	105.3	190.6	280.9	371.2	461.6
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	105.3	190.6	280.9	371.2	461.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared By: Robert J. Link, Director
Division: General Services & Supply
Phone: 465-2250
Date: 1/19/88

Approved by Commissioner: John M. Andrews
Agency: Department of Administration
Date: 1/20/88

Distribution (by preparer):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Rev: 1/11/87

4/11k1/0118-02/2

Space Requirements

35	Square feet inside space per child
x 1.40	40% circulation, fire corridors, bathroom facilities, kitchen, other common area
49	Square feet of inside space per child
x 50	Children
2,450	Square feet
+ 800	Square feet (on adult per each six children at 100 square feet per adult)
3,250	Total square feet inside space for a 50-child facility

3,250 square feet (inside) x $2.00 (estimate cost per square foot) = $6,500 monthly value of inside space for a 50-child facility in a State-owned or leased building.

75	Square feet of outside space per child
x 50	Children
3,750	Total square feet outside space for a 50-child facility

3,750 square feet (outside) x $.10 (estimate cost per square foot) = $375 cost per month for outside space for 50-child facility in a State-owned or leased building.

$ 6,500	Cost per month inside space
+ 375	Cost per month outside space
$ 6,875	Cost per month total x 12 months = $82,500 annual space cost per 50-child facility in a State-owned facility or leased building
- 3,112	Cost per month for inside and outside space at a typical private sector 50-child facility ($3,250 x .90 = $2,925) Inside Space ($3,750 x .05 = $187.50) Outside Space
$ 3,763	Monthly space subsidy cost to be paid by the State ($3,763 monthly x 12 months = $45,156 annual)
$ 45,156	Annual space subsidy cost to be paid by the State for one 50-child facility

4/11K1/0118-02/3

$ 45,156	Annual space subsidy cost for one 50-child facility
5,000	Implementation study per facility
+ 5,000	Cost to write regulations
$ 55,156	Total cost to implement the first 50-child facility

$ 45,156	Annual space subsidy cost for one 50-child facility
+ 5,000	Implementatioun study per facility
$ 50,156	Total cost to implement each successive 50-child facility

---

Based on the recent history of State space renovations and/or consolidations, we estimate that child care facilities would be implemented at the rate of two each year.

Explanation of costs FY 89 through FY 93 at an implementation rate of two 50-child facilities each year.

FY 89	$ 90,312	Annual space subsidy cost ($45,156 x 2 = $90,312) for two 50-child facilities
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	+ 5,000	Cost to write regulations
	$105,312	Total

FY 90	$180,624	Annual space subsidy cost for continuing two facilities from the previous year and opening two more this year ($45,156 x 4 = $180,624)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$190,624	Total

FY 91	$270,936	Annual space subsidy cost for continuing four facilities from the previous year and opening two more this year ($45,156 x 6 = $270,936)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$280,936	Total

4/11K1/C118-02/4

FY 92	$361,248	Annual space subsidy cost for continuing six facilities from the previous year and opening two more this year ($45,156 x 8 = $361,248)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$371,248	Total

FY 93	$451,560	Annual space subsidy cost for continuing eight facilities from the previous year and opening two more this year ($45,156 x 10 = $451,560)
	10,000	Implementation study per facility ($5,000 x 2 = $10,000)
	$461,560	Total

4/11K1/0118-02/5

POSITION PAPER

Bill SB 99

If the State were planning the construction, expansion or major renovation of an owned or leased office building, the State would have to conduct a study on the needs of day care centers in the area of the building. If a need existed, the State would have to construct a day care center for 40 to 60 children. Once the child care center was established in State space, it would be leased to a private licensed child care provider who would rent the space from the State at a rate comparable to the average cost per square foot of space leased by child care providers elsewhere in the community. The center would be subsidized in an amount equal to the cost of constructing the day care center and the difference in cost between the office space and the rent charged the contractor.

The intended impact would be to increase the number of day care centers in the state. The fiscal impact would be an increase in the leasing budget and an increase in leased space at a time we are making an effort to reduce both.

The Department of Administration has a neutral position on this bill.

Robert J. Link
Director of General Services & Supply

2/19/87
Date

Commissioner Garrey Peska
Department of Administration

2/23/87
Date

1/11D1/0217-87/3

SB

102

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 18 FEB 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: JUDICIARY
FINANCE

**FISCAL NOTE(S) ATTACHED / **
IN ACCORDANCE WITH AS 24.08.035
(see below)
2/4/87

DATE TURNED INTO OFFICE 2·25·87

Mr. President:

STATE AFFAIRS Committee considered SB 102

relating to reports of missing persons; and creating a missing person information clearinghouse.

and recommended:

[ ] replace with CS ______ [] same title [] new title

[ ] attached amendment(s) and

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to ______

[ ] letter of intent adopted and attached

** Committee [X] attached or [ ] adopted fiscal note(s)
[ ] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

[signatures]

OTHER RECOMMENDATIONS

[signature]
Chairman signature and recommendation

[ ] Committee Backup Attached

Alaska State Legislature

PRESIDENT
907-465-3755

JAN FAIKS
POST OFFICE BOX V
JUNEAU, ALASKA 9981.

Senate

February 9, 1987

MEMORANDUM

TO: Senator Mitch Abood, Chairman
Senate State Affairs Committee

FROM: Senator Jan Faiks
President of the Senate

SUBJECT: Background on Senate Bill 102
An Act relating to reports of missing persons; and creating a missing persons information clearinghouse.

Senate Bill 102 has been referred to your committee for consideration. The purpose of this bill is to establish a statewide system for handling information about missing persons.

The locating of missing persons has been hampered in the state by the lack of consistent procedures for receiving, processing, and sharing information about lost persons. Each law enforcement agency seems to have its own method for handling reports of missing persons, for dealing with relatives of the victim, and for coordinating search efforts with others.

Often, this lack of consistency has resulted in undue expense to the government and needless anxiety for friends and relatives. The problem is aggravated by the vastness of our state. A body washed up on the shores of the Bering Sea is not matched with a missing persons report filed in Ketchikan. Village officials continue to investigate the disappearance of a teenager long after she has been found by authorities in Fairbanks.

OUT OF SESSION
6060 YUKON DRIVE ANCHORAGE, ALASKA 99516 907-274-6611

By creating a central repository for collecting and handling information about missing persons, Senate Bill 102 should relieve these problems.

Senate Bill 102 proposes the following:

Section 1. Amends AS 18.65 by adding AS 18.65.600 - 18.65.660.

Sec. 18.65.600. Establishes the Missing Persons Information Clearinghouse.

Sec. 18.65.610. Requires the Clearinghouse to create a statewide system for handling information about missing persons. The Clearinghouse will collect and disseminate this information throughout Alaska. It will communicate with the National Crime Information Center about missing persons cases, and will train officials on how to best use the Clearinghouse.

Sec. 18.65.620. Places a duty on all law enforcement agencies to send to the Clearinghouse all reports of missing persons who have not been found within forty-eight hours.

Sec. 18.65.630. Allows agencies to obtain medical and dental records that will help identify bodies. If relatives of the missing persons are available, these records cannot be obtained by a government agency unless they are requested by family members. If no relatives are available, the law enforcement agencies can obtain records on their own initiative. When the agencies obtain these records, they must forward them to the Clearinghouse. Upon the location of the missing person, the law enforcement agency and the clearinghouse shall destroy all records in their files.

Sec. 18.65.640. Requires a person who files a missing person report to notify the clearinghouse or law enforcement agency once the person who has been reported missing has been found. Failure to notify the Clearinghouse or law enforcement agency when the person is found may be punishable by a civil fine of not more than $1,000.

Sec. 18.65.650. Provides a maximum civil penalty of $10,000 if a person fails to perform a duty required by this act

Section 2 Amends AS 18.60.170 which deals with procedures for handling missing persons reports within the Department of Public Safety. This section adds the additional duty of filing these reports with the Clearinghouse. If murder or foul play is suspected in a case, a report must be filed with the district attorney.

Section 3. Amends AS 47.10.141(a) to require the filing of reports of missing minors with the Clearinghouse.

A similar bill was passed by the Senate during the last session, but time ran out before it was able to get through the legislative process.

I would appreciate the committee's consideration of the legislation at its earliest convenience. Should you need any additional information, please let me know.

Thank you.

BILL NO: SB 102 DATE: 2/23/87

TITLE: "An Act relating to reports of missing persons..." CONTACT: Maj. Walter J. Gilmour
Acting Director

DEPARTMENT OF PUBLIC SAFETY

The purpose of this bill is to establish, by statute, a Missing Persons Clearinghouse. In previous years, a missing persons unit has been maintained within the division of Alaska State Troopers without specific funding. Due to reduced budgets, this is no longer possible.

This bill requires all state and local law enforcement agencies to coordinate missing persons' reports through one central clearinghouse operated by the Department of Public Safety. The effect is the establishment of a central storage area for the collection, maintenance and dissemination of information relating to the identification, locating and return of missing persons.

In order to comply with this legislative mandate, we are conservatively requesting a part-time Clerk IV and the necessary equipment for this individual to perform the required tasks.

The Division of Alaska State Troopers supports passage of this legislation.

William R. Nik
Acting Commissioner

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 102
Publish Date:

REQUEST
Revision Date:
Title: "An Act relating to reports of missing persons."
Sponsor: Sen. Faiks...
Requestor: Senate State Affairs

Agency Affected: Public Safety
BRU: Alaska State Troopers
Components: Detachments & CIB

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES		24.8	25.5	26.3	27.1	27.9
TRAVEL						
CONTRACTUAL		2.0	2.1	2.1	2.2	2.3
SUPPLIES		1.0	1.1	1.1	1.1	1.1
EQUIPMENT		10.3				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	38.1	28.7	29.5	30.4	31.4
CAPITAL						
REVENUE						

FUNDING:: (Thousands of Dollars)

GENERAL FUNDS	0	38.1	28.7	29.5	30.4	31.4
FEDERAL FUNDS						
OTHER						
TOTAL	0	38.1	28.7	29.5	30.4	31.4

POSITIONS:

FULL-TIME						
PART-TIME	0	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Costs include one PPT Clerk IV and a micro computer to handle record keeping. Equipment costs are needed only in the first year. 3% inflation costs are anticipated in future years.

JNR 2/24/87

Prepared by: Francis C. Allan
Phone: 269-5691
Division: Alaska State Troopers
Date: 2/23/87

Approved by Commissioner:
Date: 2/24/87
Agency: Public Safety

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 102

Personal Services			
Clerk IV, Range 9, Step A, PPT			
30 hrs X $11.06 X 52 weeks =		17,254	
Benefits	3,289		
SBS	1,058		
Health	3,214		
Total Personal Services			24,815
Contractual			
Line costs for computer interface			2,000
Supplies			
Office Supplies		1,000	
Equipment			
Compaq Computer, Software, Printer, etc.		9,000	
Desk	691		
Chair	345		
Computer Table	300		
Total Equipment			10,336
TOTAL			38,151

Position Title	No. of Positions	Range/Step	Barg. Unit
Clerk IV	1	9/A	GGU

Time Status	Staff Months	Location	Election District
PPT	12	Anchorage	7-12

Type of Expenditure		Amount
1	2	3
Salary	17,254	
Benefits	7,561	
Premium Pay		
Other		
Total Personal Services		24.8
Travel		
Contractual		2.0
Commodities		1.0
Equipment		10.3
Other		
Total Cost		38.1

Funding Source for Total Cost		
Federal Receipts	1002	
G. F. Match	1003	
General Fund	1004	38.1
I-A Receipts	1006	
CIP Receipts	1061	
Other		

Justification

This PPT (30 hrs per week) Clerk IV will be used to operate a purchased Compaq computer to enter and update data on missing persons reported by state and local law enforcement agencies. Incidents of runaways will need to be entered when reported and cleared when the individual is located. The filing of reports, medical records, photos and other data will be the responsibility of this position.

Request For New Position

Agency: Public Safety
BRU: Alaska State Troopers
Component: Detachments & CIB

FY 88

SB

113

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 18 FEB. 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED 3 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE 2.25.87

Mr. President:

STATE AFFAIRS Committee considered SB 113

Arctic Winter Games; efd.

and recommended:

[ ] replace with CS _____ [] same title
[] new title

[ ] attached amendment(s) and

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to _____

[ ] letter of intent adopted and attached

** Committee [X] attached or [ ] adopted fiscal note(s)
[X] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

Joe Josephson
Walter Hickel
Jan Faiks

OTHER RECOMMENDATIONS

Rick Uehling (NO REC)
~~Walter Hickel (NO REC)~~

Rick Uehling
Chairman signature and recommendation

[ ] Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST

Bill Version: SB 113
Publish Date: 02/10/87

Revision Date:
Title: An Act Relating to The Arctic Winter Games
Sponsor: Bennett
Requestor: Senate Finance

Agency Affected: Administration
BRU: Finance
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

There is zero fiscal impact to the Department of Administration. This version of the bill requires that a Winter Game Account be set up in the State accounting system for use by the Department of Revenue to deposit the S5 contributions. The Department of Revenue will make the necessary accounting entries in the same manner as they have done for previous Permanent Fund Dividend related contributions.

Prepared By: Ken Bischoff
Phone: 465-2240
Division: Finance
Date: 02/13/87

Approved by Commissioner: Garrey Peska
Date: 2/17/87
Agency: Department of Administration

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

Rev. 01/23/87
14/3D2/0213-02

HISTORY OF THE ARCTIC WINTER GAMES

INCEPTION OF THE GAMES

The notion of the Arctic Winter Games germinated from the experiences of northern athletes at the 1967 Canada Winter Games in Quebec City. Athletes from the Northwest Territories and Yukon did not fare well in competition against southern Canadians. It was apparent they had inadequate facilities and training, and few opportunities to compete with other athletes at similar stages of development. In fact, many had had no opportunity to compete at all.

Discussions between Stuart M. Hodgson, Commissioner of the Northwest Territories; James Smith, Commissioner of the Yukon Territory; Walter J. Hickel, Governor of Alaska; and Canadian Members of Parliament from the north confirmed that such conditions were consistent across the north. Further meetings resulted in the formation in April 1969 of the Arctic Winter Games, a concept to be nourished and promoted by the Arctic Winter Games Corporation.

CONCEPT OF THE ARCTIC WINTER GAMES

PARTICIPATION & SPORT DEVELOPMENT

The Arctic Winter Games are intended to be a major developer of northern sport at both the competitive and recreational level. The achievement of individual excellence in athletics, while a desirable result of the competitions, is not a primary motive. Instead, the Corporation has taken the approach that the fundamental purpose of the Games is to encourage maximum participation, by all ages, cultures and walks of life, in a broad range of athletic activity. The increasing level of skill is expected to result from, rather than be, the primary motive of the philosophy.

IMPETUS FOR THE DEVELOPING ATHLETE

Although a developer of competitive athletes, the Arctic Winter Games is not meant to simply replace or supplement competitive opportunities for those athletes already participating in highly competitive regional or national competition. The games aim to serve and stimulate a level of athlete below the highest competitive or elite level. The Games thereby offer impetus for the developing athlete and possibly serve as a "feeder system" for the highly competitive levels of sport.

A CULTURAL & SOCIAL INTERCHANGE

The Arctic Winter Games are intended to be a common ground for promoting cultural and social interchange among northern peoples, and for providing a vehicle for education, understanding and friendship between all peoples, cultures and races inhabiting the northern regions of the continent. The lateral inter change between northern neighbors was to complement rather than replace the north/south contact which is a feature of the athletic and social life of each of the three jurisdictions.

THE HOST ORGANIZATION

GENERAL

The Host Organization is a society registered under the state/territorial incorporation laws. The society has the responsibility to plan, finance and conduct the Arctic Winter Games on behalf of the Host Community. It does this in accordance with the Contract signed between the Host Organization, Host Community (municipality) and the Arctic Winter Games Corporation and in accordance with the Handbook and other related documents.

1988 ARCTIC WINTER GAMES
PAST GAMES INFORMATION SHEET

1. The Fairbanks area hosted the 1982 Arctic Winter Games, the second time the Games have been held in Alaska. In 1974 they were held in Anchorage.

2. The Games are one week long, and as the logo is interpreted, , emphasizes sports competition, cultural exchange and social events.

3. The 1982 Games were funded by a state grant of $700,000 which passed through the Fairbanks North Star Borough. In 1974, when the Games were held in Anchorage, a state grant was also the source of funding to host the games.

4. In 1982 we hosted 1000 athletes, coaches, and officials for the games. We used a multiplier of $100.00 per participant for spending in our area which equals $100,000 new dollars in our community.

5. We estimated that an additional 1000 visitors were in town for the games. Using the same multiplier that is another $100,000.

6. The volunteer effort in the community was substantial.1800 local residents volunteered an average of 20 hours each, totaling at least 36,000 hours.

7. The philosophy of the 1982 Games, as well as for the the 1988 Games, is to buy locally.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB113
Publish Date:

REQUEST:
Revision Date:
Title: Relating to the Arctic Winter Games & providing for an effective date
Sponsor: Bennett
Requestor: State Affairs & Finance

Agency Affected: Department of Revenue
BRU: Revenue - Operating
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LAND & STRUCTURES	-	-	-	-	-	-
GRANTS/CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith Sally Smith Phone: 465-2392
Division: Public Services Date: February 24, 1987

Approved by
Commissioner: H Malone Date: 2/24/87
Agency: Revenue

Distribution (by Agency preparing fiscal note):
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 113
REQUEST — Publish Date:

Revision Date:
Agency Affected: Revenue
Title: "An act relating to the Arctic winter games..."
BRU: Administrative Services
Sponsor: Bennett
Components:
Requestor: Senate State Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	-	21.9	10.7	10.7	10.7	10.7
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	5.0	5.0	5.0	5.0	5.0
SUPPLIES	-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	27.1	15.9	15.9	15.9	15.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	27.1	15.9	15.9	15.9	15.9
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	27.1	15.9	15.9	15.9	15.9

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	3	2	2	2	2
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones — Phone: 465-2313
Division: Administrative Services — Date: 2/25/87

Approved by Commissioner: — Date: 2/25/87
Agency: Revenue

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)
Senate Secretary

page ____ of ____

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 113
2/25/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.

2. There are seven other bills which if signed into law, would result in some form of "check-off" on the 1988 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas ($5, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.

3) All costs of administering this law will be borne by the general fund, of which the trust fund is an account.

4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.

5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.

6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

a) An additional page added to each application, a schedule of contribution decisions.

b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.

1. Positions

1 PPT Analyst/Programmer V, R21 @ $5,638.47/Mo including salary and benefits for 2 months	=	$11.2
PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.		
1 PPT Document Processor I, R7 @ $2,117.76/Mo, including salary and benefits for 3 months	=	$6.3
This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.		
1 PPT Data Processing Clerk I, R8, @ $2,221.64/Mo, including salary and benefits for 2 months	=	$4.4
This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.		
TOTAL Personal Services		$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback	$5.0

c) Supplies: $0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST $27.1

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.