

Rule Summary and Fiscal Analysis (Part A)**Department of Public Safety**

Agency Name

Division

Anna Firestone

Contact

**Ohio Department of Public Safety 1970 West Broad 614-466-7014
Street, Suite 531 Columbus OH 43223-0000**

Agency Mailing Address (Plus Zip)

Phone

Fax

afirestone@dps.state.oh.us

Email

4501-7-04

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Application for and renewal of class "D" and online school licenses.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **HB487**General Assembly: **129**Sponsor: **Representative
Amstutz**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **4508.02**

5. Statute(s) the rule, as filed, amplifies or implements: **4508.01, 4508.02, 4508.03, 4508.05, 4508.09**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is being filed to implement statutory changes set forth in HB487, 129th General Assembly. This rule is also proposed to replace existing rule 4501-7-04

due to the fifty percent guideline. It is estimated that changes to the new rule strike approximately fifty percent of the text in the existing rule while adding a comparable amount of new text.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; if the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

This rule sets forth the application requirements for an original class "D" and online provider application. The rule sets forth the expiration of those licenses and the requirements to renew the licenses. New language requires online providers to meet an acceptable rating with their online programs in order to obtain the initial license and that each authorizing official applying for a school license shall submit a criminal background check provided by a government agency for the authorizing official and owner.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This rule incorporates the "Required Minimum Standards for Online Driver Education," "Driver Training Enterprise Application," "Renewal Requirements," and "Online Driver Education Security Assessment" by reference. The rule refers readers to 4501-7-01, which addresses the version/date of the material, as well as its availability. Unless otherwise noted, these materials, as feasible, are filed with this package as part of rule 4501-7-01.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

"Renewal Requirements" are not being filed as part of this package as it is a database application that is part of the Driver Training Program website, a program accessible to licensed schools, training managers, and instructors, where information is electronically entered via an interface on the system. "Renewal Requirements" are still addressed in rule 4501-7-01 providing full citation, date/version as appropriate, and availability.

10. If the rule is being **rescinded** and incorporates a text or other material by

reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

Not Applicable.

12. 119.032 Rule Review Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues/ expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase revenues.

\$250 per application

This rule will increase revenues by \$850.00 per original online application and \$50 per each renewal. This rule will also increase expenditures by \$600 per original online application to conduct the reviews.

The estimated net impact would result in an increase of revenue by \$250 per original online application. The amount of revenue generated will be based on the number of original and renewal online school applications received in a calendar year. The expenditures spent on each application and program review depends upon the review of the online driver education security assessment by information technology personnel.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure

necessitated by the proposed rule:

The expenditures are appropriated through the 7036 fund (Highway Transportation Fund), ALI 761321 under Information and Education Operating.

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

Enterprise Fees for class "D" schools

Driver Training Enterprise application - \$250 per location application fee

Background check - \$25 - \$80 per authorizing official and owner

Postage for mailing application - \$10.50

Total cost for enterprise application - \$285.50 - \$340.50

Enterprise renewal - \$50 per location application fee

Total cost for enterprise renewal - \$50 per location

Enterprise Fees for online providers

Driver Training Enterprise application - \$250

Review of security assessment and online driver education program - \$600

Background check - \$25 - \$80 per authorizing official and owner

Total cost for enterprise application - \$875 - \$930

*Postage for mailing application

Enterprise renewal - \$50 per location application fee

Total cost for enterprise renewal - \$50 per location

*The postage is difficult to determine since the online providers are required to submit a written version of the online driver education program.

The sources for the costs of compliance were provided by the online driver education committees which represented smaller and larger traditional brick-and-mortar schools, and current online providers.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **Yes**

You must complete Part B of the Rule Summary and Fiscal Analysis in order to comply with Am. Sub. S.B. 33 of the 120th General Assembly.

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

Pursuant to sections 4508.03 and 4508.04 of the Revised Code, no person shall operate a driver training school or act as a driver training instructor unless licensed by the director of public safety.

B.) Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? **Yes**

Yes, sanctions up to and including denial of application or revocation of license may be imposed if applicants or licensees fail to meet the requirements set forth in this rule.

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **Yes**

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Postage for mailing application - \$10.50

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Enterprise renewal - \$50 per location application fee

Total cost for enterprise renewal - \$50 per location

*The postage is difficult to determine since the online providers are required to submit a written version of the online driver education program.

The sources for the costs of compliance were provided by the online driver education committees which represented smaller and larger traditional brick-and-mortar schools, and current online providers.

Rule Summary and Fiscal Analysis (Part B)

1. Does the Proposed rule have a fiscal effect on any of the following?

(a) School Districts	(b) Counties	(c) Townships	(d) Municipal Corporations
Yes	No	No	No

2. Please provide an estimate in dollars of the cost of compliance with the proposed rule for school districts, counties, townships, or municipal corporations. If you are unable to provide an estimate in dollars, please provide a written explanation of why it is not possible to provide such an estimate.

Enterprise Fees for class "D" schools

Driver Training Enterprise application - \$250 per location application fee

Background check - \$25 - \$80 per authorizing official and owner

Postage for mailing application - \$10.50

Total cost for enterprise application - \$285.50 to \$340.50

Enterprise renewal - \$50 per location application fee

Total cost for enterprise renewal - \$50 per location

3. If the proposed rule is the result of a federal requirement, does the proposed rule exceed the scope and intent of the federal requirement? **No**

4. If the proposed rule exceeds the minimum necessary federal requirement, please provide an estimate of, and justification for, the excess costs that exceed the cost of the federal requirement. In particular, please provide an estimate of the excess costs that exceed the cost of the federal requirement for (a) school districts, (b) counties, (c) townships, and (d) municipal corporations.

Not Applicable.

5. Please provide a comprehensive cost estimate for the proposed rule that includes the procedure and method used for calculating the cost of compliance. This comprehensive cost estimate should identify all of the major cost categories including, but not limited to, (a) personnel costs, (b)

new equipment or other capital costs, (c) operating costs, and (d) any indirect central service costs.

The estimated costs of compliance for the school district are based on information provided by the stakeholder group which included a school district.

(a) Personnel Costs

\$0

(b) New Equipment or Other Capital Costs

\$0

(c) Operating Costs

\$0

(d) Any Indirect Central Service Costs

\$0

(e) Other Costs

Licensing fees

\$285.50-\$340.50 per each initial enterprise license

\$50 per each enterprise license annual renewal

6. Please provide a written explanation of the agency's and the local government's ability to pay for the new requirements imposed by the proposed rule.

This rule does not impact the agency's budget. It is expected that school districts include the costs of compliance that result from this rule in their students' driver training program fees.

7. Please provide a statement on the proposed rule's impact on economic development.

It is estimated that this rule would result in no impact to economic development.