

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

Agency Name

Division

**Anna Firestone**

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**4501-7-11**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Certificates.****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: **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: **R.C. 4508.02**

5. Statute(s) the rule, as filed, amplifies or implements: **R.C. 4508.02, 4508.03**

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 HB 487, 129th General Assembly.

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:

The rule sets forth the requirements for printing and issuing certificates of enrollment of an online course, completion of an online course and completion of the mandatory twenty-four and eight hour courses. The rule also provides information on the department's responsibility of furnishing, maintaining, and providing access of the certificates.

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 "Certificate of Enrollment," "Certificate of Completion of an Online Driver Education Program," and "Certification of Completion" by reference. The rule refers readers to 4501-7-01, which addresses the version/date of the materials, as well as availability. Paragraph (PP) of rule 4501-7-01 addresses all materials incorporated in the chapter in full compliance with statute.

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:

The "Certificate of Enrollment," "Certificate of Completion of an Online Driver Education Program," and "Certification of Completion" are not being filed as part of this package. The certificates are numbered, tracked, and issued to driver training schools at purchase. These materials have been, and continue to be, generally available to licensed schools, training managers, and instructors, those who can reasonably be anticipated to be impacted by this rule and are addressed in rule 4501-7-01 providing readers with 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.

\$4 per certificate

The net impact for the agency is difficult to determine. While the fee per certificate is set, the actual impact is difficult to estimate as there is no way to determine how many certificates will be issued during the biennium through the new online driver training schools. The rules are scheduled for a R.C. 119.032 five-year rule review in October 2014, and at that time, we should have a more accurate picture of expected revenue.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

N/A

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:

The cost of compliance is \$4, which is the cost for obtaining the certificates of completion required to be issued to students in accordance with this rule.

\* The cost of compliance on the schools is based on the number of students enrolled and completed by the business enterprise. The stakeholder group indicated these certificate costs are included in the cost of the course and paid by the student.

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**

The cost of compliance is \$4, which is the cost for obtaining the certificates of completion required to be issued to students in accordance with this rule.

\* The cost of compliance on the schools is based on the number of students enrolled and completed by the business enterprise. The stakeholder group indicated these certificate costs are included in the cost of the course and paid by the student.

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
<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>

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.

The cost of compliance for a school district depends on the number of students being trained and then completed by the school.

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 cost of compliance is for obtaining the certificates of completion required to be issued to students in accordance with this rule.

The cost of compliance for a school district depends on the number of students being trained and then completed by the school.

(a) Personnel Costs

Estimated at \$50/week

(b) New Equipment or Other Capital Costs

0

(c) Operating Costs

0

(d) Any Indirect Central Service Costs

0

(e) Other Costs

\$4.05 per certificate, which includes the certificate plus the actual cost of printing.

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.

The economic development impact is very minimal. The costs of the certificates are passed on to the students. The districts use the personnel and materials are already available to the schools districts.