

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

Agency Name

Division

**Anna Firestone**

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**4501-7-13**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Records for online and class "D" licensed schools.****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, R.C. 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 HB487, 129th General Assembly. This rule is also proposed to replace existing rule 4501-7-13 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 required paperwork to be maintained and provided for each student taking the course. The rule requires a roster of all student attending each session, a classroom training record specific to each student, and a behind-the-wheel record showing dates, times and topic of instruction for each time. Instructors and students must sign the records. The enterprise is also responsible to maintain all records relating to their instructors, licenses and applications. The enterprises must maintain all records pertaining to the application and renewal for the school(s) licenses. 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 course. The rule requires the records to be maintained for at least three years and shall be made available upon request.

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:

Section 121.75 of the Revised Code provides an exception to the provisions of sections 121.71 to 121.74 of the Revised Code for a text or other material, including, without limitation, generally accepted industry standards, that is generally available to persons who reasonably can be expected to be affected by the rule. This rule incorporates "Certificates of Completion/Enrollment," which are batch produced, sequentially numbered certificates commonly known and made available to all Ohio licensed driver training schools, the entities which reasonably can be expected to be affected by the rule, upon their request and payment of appropriate fees.

Additionally, this rule addresses availability of these certificates by referring readers to rule 4501-7-01, the chapter's definitional rule, which provides the publication dates and availability of all materials incorporated in Chapter 4501-7.

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:

N/A

Section 121.75 of the Revised Code provides an exception to the provisions of sections 121.71 to 121.74 of the Revised Code for a text or other material, including, without limitation, generally accepted industry standards, that is generally available to persons who reasonably can be expected to be affected by the rule is incorporated by reference into a rule, so long as the incorporation by reference consists of a citation that will be intelligible to the persons who reasonably can be expected to be affected by the rule and that, if the incorporated text was, is, or reasonably can be expected to be subject to change, identifies and specifies the date of, the particular edition or other version that is incorporated.

This rule incorporates the "Certificates of Completion/Enrollment," which are batch produced, sequentially numbered certificates commonly known and made available to all Ohio licensed driver training schools, the entities which reasonably can be expected to be affected by the rule, upon their request and payment of appropriate fees. These certificates are tracked by the department.

Additionally, this rule addresses availability of these certificates by referring readers to rule 4501-7-01, the chapter's definitional rule, which provides the publication dates and availability of all materials incorporated in Chapter 4501-7.

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 have no impact on revenues or expenditures.

0

This rule will increase agency revenues by \$4 per each certificate of completion issued to driver training students, but the total impact is difficult to determine at this time. Because the online component to the driver training program is new, the agency cannot determine how many certificates are typically issued and thus, how the agency's budget is typically impacted by this rule.

Additionally, as the effective date for this rule will be at or near June 30, 2013, the end date for the agency's current biennium, it is estimated that revenues resulting from certificates issued by traditional driver training schools in accordance with the current rule, will only minimally impact the agency during this period.

This rule is scheduled for a R.C. 119.032 five-year rule review in October 2014, and the agency should have a more accurate picture of expected revenue at that time.

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 per student, which is the cost for obtaining the certificates of completion required to be issued to students in accordance with this rule. Discussions with the committees who participated in the review of this rule indicate that this cost is included in course enrollment fees.

Source: Provided by the online driver education committees, who represented smaller and larger traditional brick-and-mortar schools, as well as, 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 revocation of license may be imposed if licensees fail to meet the specific record requirements established in this rule.

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

Specific expenditures at \$4 per student will be incurred for obtaining the certificates of completion required to be issued to students in accordance with this rule. Discussions with the committees who participated in the review of this rule indicate that this cost is included in course enrollment fees.

Reporting of information is also required as the school must maintain specific records and make those available upon request to a parent and the director.

**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 is \$4, which is the cost for obtaining the certificates of completion required to be issued to students in accordance with this rule. A school district's total cost will depend on the number of students enrolled in each driver training course.

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.

This rule requires schools to obtain a certificate of completion from the agency for each student who completes a driver training course. The cost of each certificate is \$4.

(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

\$4 per certificate issued to students. The total cost is difficult to estimate as it depends on the number of students enrolled in a school district's courses.

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.

It is anticipated that the cost of certificates will be included in the course fees paid by each student.

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

This rule is not expected to impact economic development.