
TITLE 140 BUREAU OF MOTOR VEHICLES

Economic Impact Statement
LSA Document #18-320**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

The Indiana Bureau of Motor Vehicles (Bureau) has determined that this proposed rule will impose minimal additional requirements or costs on small businesses. The Bureau expects a net cost savings to small businesses with the implementation of the proposed rule.

Estimated Number of Small Businesses Subject to this Rule:

The Bureau estimates that the total number of small businesses that should be considered currently subject to this rule, specifically active approved driver's education providers, is 85.

Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs Small Businesses Will Incur to Comply with the Proposed Rule:

There are minimal additional, if any additional, annual administrative, reporting, and record keeping costs and requirements imposed. The driver's education schools currently maintain the records of students who complete the classroom training, as provided in [140 IAC 4-4-3](#). Most, if not all, driver's education schools currently provide written proof of completion of the classroom training course to the student. Thus, the increase of annual reporting, record keeping, and other administrative costs will be minimal, if any increase at all.

Estimated Total Annual Economic Impact on Small Businesses:

This rule reduces compliance costs for regulated entities. Each small business will continue to have the requirement that its instructors meet the education and training requirements. While not legally mandated, it is standard industry practice for the driver's education school small businesses to pay for the training of their instructors. The remainder of this cost analysis relies on the assumption that the small businesses would be paying for the training required of their instructors. The previous standard mandated 60 semester credit hours at a postsecondary educational institution and 9 credit hours of postsecondary driver education specific training, at an estimated cost of \$3,000 to the small business. The new standard allows for either: (A) 51 semester credit hours at a postsecondary educational institution and 9 credit hours of postsecondary driver education specific training at an estimated cost of \$3,000 per instructor to the small business; or (B) a Bureau approved training program and 20 hours of behind-the-wheel training at an estimated cost of \$500 per instructor to the small business.

The postsecondary education option will allow the schools to operate in the same manner they are currently, with no additional costs, restrictions, and/or requirements than are currently imposed.

The new training option will save approximately \$2,500 per new instructor to the small business, with no significant additional administrative, reporting, or record keeping costs and requirements imposed. Across the state, each small business driver's education school hires an average of 0.59 instructors in a 12 month period. At an estimated savings of \$2,500 per new instructor, each school will realize an annual average estimated savings of \$1,475. At an estimated 50 instructors being hired annually across all Indiana driver's education schools, the estimated total annual cost savings is \$125,000. The total overall estimated cost to all small businesses to train all new instructors under the new training option would be approximately \$25,000.

The requirement to provide written proof of completion of the classroom training course to the student is currently done in most, if not all, instances. This should not provide any significant economic impact to the small businesses.

Small business driver's education schools will be able, but not required, to teach the new instructor training program, creating a new potential revenue stream for small businesses.

Justification of Any Requirement Imposed by the Proposed Rule and Not Expressly Required by the Statute Authorizing the Rule:

If the Bureau does not proceed with this proposed rule, it would have negative consequences with regard to economic development. The changes to [140 IAC 4-1.3-1](#) and [140 IAC 4-4-3](#), and addition of [140 IAC 4-1.3-3](#), remove an unnecessary barrier to driver's education schools, reduce the cost of doing business, and promote job growth.

Providers who wish to offer the new instructor training program must be approved by the Bureau, which will ensure the instructor training programs provided across various providers maintain a consistent and high quality. The new instructor training program will provide a more affordable option to train instructors. The lack of a postsecondary education requirement will allow logical instructors that were previously unable to be driver's education instructors, such as law enforcement officers and some teachers, to now be driver's education instructors in a much more cost effective and expedient manner. Driver's education schools will also be able to hire instructors in a more efficient manner, as the more informal Bureau approved training will likely occur more

often than the postsecondary option.

Supporting Data, Studies, and Analyses:

- List of new driver's education instructors and driver's education schools
- Letter of Support from the President of the Indiana Driver Education Association, including estimates

Any Regulatory Flexibility Analysis That Considers Any Less Intrusive or Less Costly Alternative Methods of Achieving the Same Purpose:

Pursuant to [IC 9-27-6-8](#), the Bureau shall adopt rules that state the requirements for obtaining a driving instructor's license. Further, pursuant to [IC 9-27-6-11](#), the Bureau shall adopt rules governing the establishment of standards for driver's education instructors. The proposed rule is a less costly and more efficient alternative method than the previous method, while achieving the same purpose.

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

The proposed rule provides a less intrusive and less costly alternative method while achieving the same purpose as the previous standard. The proposed training will likely be offered more often than the current postsecondary education required, easing the small business's ability to hire. The new standards will maintain the competence and quality of the driver's education instructors. The reporting requirements remain unchanged, and are minimal to maintain for the Bureau to have a record of compliance for any given driver's education school.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

Because the more informal new standard training will likely be offered more often than the current postsecondary requirement, this will allow small businesses to have a more efficient hiring schedule and reduce barriers to hiring. The rule changes have no impact on the deadlines for compliance.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

The requirements under the new instructor training structure simplify the education requirements, allowing for a more informal, convenient, and affordable training.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

The rule has no impact on performance or operational standards for small businesses. The small businesses are still required to certify their instructors; the new rules merely make this certification easier and more affordable to obtain.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The small businesses do not wish to be exempt from this rule. The rule provides a net cost savings of an estimated \$125,000 per year across all providers, which is desirable to small businesses.

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