



Economic Impact Analysis Virginia Department of Planning and Budget

24 VAC 20-121 – Virginia Driver Training School Regulations
Department of Motor Vehicles
March 28, 2006

Summary of the Proposed Amendments to Regulation

The Department of Motor Vehicles (DMV) proposes to repeal its existing driver training school regulations (24 VAC 20-120) and to promulgate new regulations. DMV proposes to add much new language to clarify requirements. The department believes that the additional clarifying language may help promote safety due to less confusion among the public. DMV also proposes two significant changes of requirements in practice: 1) required national criminal records checks for driving instructors, and 2) required annual one-day training sessions for instructors.

Result of Analysis

The benefits likely exceed the costs for one or more proposed changes. There is insufficient data to accurately compare the magnitude of the benefits versus the costs for other changes.

Estimated Economic Impact

Under the current regulations instructors seeking an initial license or license renewal must submit a criminal background check provided by their local law-enforcement agency. The current cost for the relevant local criminal background check is \$20. DMV proposes to require national criminal records checks instead of local checks. The national criminal background check costs \$18 per person. Thus, this proposed amendment creates a small cost savings. Additionally, DMV believes that the national check may catch some relevant legal violations that would not be found within a local criminal background check. The expanded knowledge gained from the national check may enable the department to refuse or suspend licensure for instructors

who pose public safety threats. Given the potential benefit to public safety and cost savings, the proposal to require national criminal background checks in lieu of local criminal background checks will create a net benefit.

The current regulations do not include mandatory continuing education for driving instructors. The proposed regulations require that instructors attend annual training sessions provided by DMV.

These one-day training sessions shall be held in each of the department's regional districts every year, as deemed necessary by the department. These sessions shall include, as appropriate and necessary, updates on department forms, audit processes and other procedural changes, and new legislation that has implications for driver training. They also shall include discussions about any issues or concerns raised by either the department or the licensees. When available, these sessions shall also offer information about the latest in driver training instructional techniques as well as other new developments in driver training in order to enhance overall professional training skills and abilities.

The proposed regulations specify that there will be no fee for the training other than for the costs of materials provided by DMV. According to the department these costs will be minimal. Instructors and/or their employers will also incur travel and time costs associated with attending the one-day annual training sessions. Instructors who, without valid excuse, fail to attend and complete a scheduled training session or a scheduled make-up training session are subject to a minimum 30-day license suspension.

Depending on their content and success in conveying information, the mandatory training sessions can potentially result in improved competence and knowledge concerning teaching safe driving among instructors. Such training has yet to occur; consequently there is no evidence yet concerning how much benefit concerning competence and safety knowledge may be created. Hence, an accurate comparison of the benefits with the costs of mandatory training cannot be made at this time.

Businesses and Entities Affected

The proposed amendments affect the 156 driving schools, 448 licensed instructors, 43,915 students, and tens of thousands of drivers who travel roads daily in the Commonwealth.¹ Most or all of the driving schools are small businesses.

Localities Particularly Affected

The proposed amendments affect all Virginia localities.

Projected Impact on Employment

The proposed amendments will not likely significantly affect total employment. A small number of individuals with criminal backgrounds may be refused licensure and employment due to the proposed national criminal background check.

Effects on the Use and Value of Private Property

Proposed mandatory annual training will cost driving schools and their instructors one day a year that could have been used for work or leisure. The proposed mandatory annual training sessions will raise costs by more than the proposed switch from local to national criminal background checks will save.

Small Businesses: Costs and Other Effects

All or most of the 156 driving schools in Virginia are small businesses. Thus, the costs imposed by mandatory annual training sessions apply.

Small Businesses: Alternative Method that Minimizes Adverse Impact

DMV may in the future wish to consider permitting driving instructors to receive their annual training online or via teleconference. This would permit savings in travel and time costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or

other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.

¹ Figures provided by DMV