

FINAL STATEMENT OF REASONS

1) The Update to the Initial Statement of Reasons

There are no changes to the initial statement of reasons, however, there was a clarifying edit made to the proposed text after the comment period.

- Additional text was added to Section 345.02(d)(1) to make clear the department's internet portal is available through the department's internet website.
- An edit was made to Section 345.18(a)(1) where the department inadvertently failed to underline the words "Obtain an approved school name as specified in..."

Section 345.18(a) establishes the process for a school owner who wants to change their school name. Section 345.18(a)(1) requires the school to obtain a school name as specified in Section 345.02(d) prior to notifying the department of the new school name. As section 345.18(a)(1) only addresses one part of the overall license change process, the department believes that the error does not undermine the purpose of the rule nor did the error cause confusion to the affected public, as no comments were received related to any amendments in Section 345.18.

2) Imposition of Mandate on Local Agencies or School Districts

The department's regulatory action amending Sections 345.02, 345.06, 345.07, 345.13, 345.18, 345.30, and 345.56, and repealing Section 345.42 in Article 4.7, Chapter 1, Division 1, of Title 13, does not impose any mandate on local agencies or school districts and imposes (1) no cost or savings to any state agency, (2) no cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code, (3) no other discretionary cost or savings to local agencies, and (4) no cost or savings in federal funding to the state. No studies or data were relied upon to make this determination.

3) Summary of Comments Received and Department Response

The proposal was noticed on June 14, 2024, and made available to the public from June 14, 2024 through July 29, 2024. The department received one comment from Eric Creditor, Co-Founder of TrafficSchool.com and Drivers Ed Direct. In his letter, Mr. Creditor suggested the proposed amendments related to acceptable name criteria was confusing. Specifically, he noted there is confusion related to whether the department will allow names with punctuation, symbols, and characters so long as they are not used in the English language. Mr. Creditor further requested the department provide a yes or no response to each of the following statements:

- Please confirm that the Department will not approve any names that contain any punctuation marks.
- Please confirm that the Department will not approve any names that contain any symbols.

- Please confirm that the Department will not approve any names that contain any characters that are not used in the English language.

Department's Response: The department confirms each statement set forth by Mr. Creditor. The department will not approve a name that contains punctuation marks. The department will not approve a name that contains symbols. The department will not approve a name that contains characters that are not used in the English language. These provisions are in current regulations and are renumbered in this action.

4) Determination of Alternatives

This action is a part of the department's overall goal to create automated processes that are more convenient to customers, reduce reporting requirements and reduce costs on our licensees. The department received one comment that requested clarification related to school name criteria. There were no other comments received that provided the department with other alternatives. Therefore, the department has determined that no reasonable alternative considered by the department or that has otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be effective as and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provisions of law.

5) Department's Request for a November 1, 2024 Effective Date

The department has requested that this action be effective on November 1, 2024.

Allowing an early effective date will relieve these schools of regulatory and financial burdens associated with the current outdated process requiring schools to submit reports and evaluations to the department. The amended rule allows the schools to maintain those documents rather than sending them to the department. Due to the incredibly large amount of documentation the school is required to provide to the department, as well as the associated copying and postage costs, the rule change is expected to save the schools a substantial amount of time and costs. Furthermore, schools also spend a large amount of time related to the testing of their instructors. The department is taking on those responsibilities which will allow the school operators to invest more time in their business. Moving the testing requirements to the department will also reduce fraud the department has been experiencing related to the instructor examinations and will ensure that only the most qualified applicants are issued instructor permits.

While there are no benefits to either the department or schools in waiting until January 1, 2025, requiring schools to wait will continue to impose unnecessary time and financial requirements.