



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**18 VAC 90-20 – Regulations Governing the Practice of Nursing**  
**Board of Nursing, Department of Health Professions**  
January 11, 2011

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### **Summary of the Proposed Amendments to Regulation**

The Board of Nursing proposes to eliminate prior licensure requirement for applicants educated in foreign countries.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

Current regulations require that applicants educated in foreign countries hold a nursing license in that country to be eligible for licensure in Virginia. This requirement creates two types of problems. First, declaration of intent to immigrate to the United States makes applicants ineligible for licensure in some of the foreign countries. Second, some of the United States citizens obtain their nursing education in foreign countries for reasons such as having familial ties there or taking advantage of lower cost of nursing education. Because applicants in these circumstances are unable to obtain a license in the foreign country, they are unable to be licensed in Virginia under current regulations. The proposed regulations will eliminate prior licensure requirement for applicants educated in foreign countries.

There appears to be sufficient safeguards in place to ensure that the knowledge, ability, and skills necessary to practice safe nursing in Virginia are not compromised due to the proposed change. Credentials of applicants from foreign countries will continue to be reviewed by the Commission on Graduate of Foreign Nursing Schools. Also, foreign educated nurses must pass the National Council Licensing Examination, the national licensing examination that all registered and practical nurses must take. According to Department of Health Professions, review of credentials and the passage of the national licensing examination should assure that

foreign trained nurses have the basic nursing knowledge, clinical ability, and communication skills to practice with safety.

The proposed regulations will mainly benefit individuals who received their nursing education in a different country, who do not have a license in that country and who wish to be licensed in Virginia. It is probable that some of these individuals may be currently working in professions other than nursing and may not be fully utilizing their skills.

In addition, nursing employers in Virginia are expected to benefit from this change as the proposed change has the potential to increase the number of nurses available for employment. However, there is no reliable estimate for the potential increase in the number of nurses available for employment due to this proposed change. Given the current nursing shortage in Virginia, the potential employees are expected to benefit from this change.

### **Businesses and Entities Affected**

The proposed regulations will affect nursing applicants educated in foreign countries who do not hold a license in those countries. There is no reliable estimate for the number of such individuals. However, there are approximately 98,000 nurses licensed in Virginia.

### **Localities Particularly Affected**

The proposed regulations apply throughout the Commonwealth.

### **Projected Impact on Employment**

The proposed regulations are expected to increase the supply of nurses which in turn should have a positive impact on employment given the current nursing shortage in Virginia.

### **Effects on the Use and Value of Private Property**

The proposed regulations are not anticipated to have a significant effect on the use and value of private property.

### **Small Businesses: Costs and Other Effects**

The proposed regulations are not anticipated to have significant costs and other effects on small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed regulations are not anticipated to have an adverse effect on small businesses.

## **Real Estate Development Costs**

The proposed regulations are not anticipated to have an effect on real estate development 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 107 (09). 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.