



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

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### **12 VAC 5-507 – Guidelines for Nursing Scholarships and Loan Repayment Programs Requiring Service in a Long-Term-Care Facility**

### **12 VAC 5-510 – Guidelines for General Assembly Nursing Scholarship and Loan Repayment Program**

**Virginia Department of Health**

June 22, 2001

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

The 2000 General Assembly passed legislation establishing a nursing scholarship and loan repayment program requiring service in a long-term-care facility in the Commonwealth. The proposed regulatory action sets forth the details for administering the new scholarship and loan repayment program and amends the existing regulations governing the general nursing scholarship program to include a loan repayment component.

Both nursing scholarship and loan repayment programs will be funded from general fund appropriations and licensing fees collected by the Board of Nursing. According to VDH, the general loan repayment program, and the scholarship and loan repayment program requiring service in a long-term-care facility, will be funded from the balance of funds after general scholarships have been awarded.

## **Estimated Economic Impact**

If available funds are used to successfully recruit nurses who otherwise may not have chosen to practice in Virginia or in a long-term-care facility in the Commonwealth, the proposed regulation has the potential to have a significant positive effect in reducing the nursing shortage in Virginia. However, since currently all funds appropriated by the General Assembly and fees collected by the Board of Nursing are used by the existing general nursing scholarship program, there is not likely to be any available funding for the new loan repayment component or the scholarship and loan repayment program requiring service in a long-term-care facility, and therefore no expected economic impact.

## **Businesses and Entities Affected**

The proposed regulation could potentially affect any eligible registered nurse, licensed practical nurse, or certified nurse aide willing to practice in Virginia or in a long-term-care facility in the Commonwealth.

## **Localities Particularly Affected**

The proposed regulation is not expected to uniquely affect any particular localities.

## **Projected Impact on Employment**

The proposed changes to these regulations have the potential to increase the overall number of nurses employed in Virginia and the number of nurses employed in long-term-care facilities. However, given that there is currently no additional funding for these programs, there is no projected impact on employment at this time.

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

The proposed changes to this regulation could potentially increase the value of a nursing license for award recipients by decreasing the cost of obtaining that license.