



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

18 VAC 90-27 Regulations for Nursing Education Programs
Department of Health Professions
Town Hall Action/Stage: 6540 / 10680
March 19, 2026

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

As a result of a 2023 periodic review,² the Board of Nursing (Board) proposes to clarify existing nurse education program requirements; add new requirements; remove some existing requirements to reflect developments occurring in the practice of nursing and nursing education; and remove redundant language. The proposal also includes many non-substantial small changes.

Background

This regulation establishes rules for nursing education programs. These programs may be affiliated with universities, community colleges, high schools, or may be proprietary. Following a periodic review in 2023, the Board proposes many amendments that pertain to initial program approval; program organization and administration; admission of students; physical teaching setting and provided materials; general curricula and curricula concerning direct client care; clinical practice of students; maintenance of records; evaluation of resources; and requirements

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

² <https://townhall.virginia.gov/L/ViewPReview.cfm?PRid=2370>

for records following closure of a nursing education program. The specific changes that appear to have some economic impact are discussed below.

Estimated Benefits and Costs

Initial program approval

The Board proposes to eliminate the requirement to provide a community assessment or market analysis in the geographic area for the proposed school in order to demonstrate a need for a new nursing education program. Currently, this assessment or analysis must address issues such as employment opportunities of nurses in the community, the number of clinical facilities or employers available for the size of the community to support the number of graduates, and the number and types of other nursing education programs in the area. However, the Department of Health Professions (DHP) views an application to start a nursing education program as a business decision and states that no application has ever been denied on this ground. Thus, the main impact of the proposed removal of the need assessment for program approval would likely be the elimination of a potential uncertainty for the applicants wishing to start a new program. The removal of the currently required assessment or analysis should also reduce the compliance costs associated with the preparation of such an analysis by the applicant and its review by DHP.

The Board also proposes to reduce the timeframe for the financial projection reporting requirement for initial program approval from three years down to two, as it believes that a three-year projection would not provide the Board with any useful information that a two-year projection would not. This change may reduce the administrative costs associated with developing a three-year projection, to the extent that such a projection is more costly than a two-year projection.

Program organization and administration

The Board proposes to remove an existing limitation that the program director may only serve as the program director at one location or campus. According to DHP, a program director at “one location/campus” has been a large concern for programs through the years. Some programs requested this from the Board as it is cost prohibitive for some programs to have a director at each location. DHP agrees that it could be limiting and expensive for a program while recognizing the need to have a director to be responsible for the overall program. On balance, the Board decided not to limit a school by requiring them to have a director at each site/location if

the school has multiple locations in the state. This change is expected to provide some cost savings to the programs. It appears that, in the judgement of the Board, expected cost savings outweigh the potential benefits from having a director at each location.

Requirements for admission of students

Currently, all students, except high school students, must undergo a criminal background check prior to participation in clinical experiences involving direct client care. However, during the periodic review Board staff found out that the Department of Education does not exempt high school students from a criminal background check before programs or sites allow them to treat patients. The Board determined that the protection of the public requires equal treatment of those nursing students that participate in direct client care, both as high school students and after high school. Thus, the proposed change would eliminate this exemption for high school students in the text.

Requirements for the physical teaching setting and provided materials

The Board proposes to require that course, clinical, and observational objectives be provided to applicants and current students for transparency. According to DHP, this change would help those students wishing to transfer credits.

The Board proposes to require that the faculty roster include contact information. According to DHP, the advisory panel noted the importance of providing students with validated contact information for faculty and further noted anecdotal information about students being unable to reach faculty due to lack of posted contact information at programs. Thus, the proposed change should help students contact faculty when needed.

Requirements for curricula

The Board proposes to add the topic of civility in practice and lateral violence to the concepts that a nursing education program must cover. According to DHP, the advisory panel and the Board note that, in the current healthcare climate, these topics must be covered by nursing education programs for the safety of the healthcare workforce and patients.

Similarly, the Board proposes to expand the list of topics that must be covered to include social determinants of health, population health, and health equality; use of tele-health; end of life care; and foundational knowledge on resilience and strategies to face the unique stressors of

healthcare professionals. The Board determined that these topics are needed to provide appropriate nursing education for the modern healthcare setting.

The Board also proposes to remove a reference to “diet therapy,” something the advisory panel noted was no longer used in practice.

The proposed additions to curricula may create some administrative costs but also should help programs and students keep up with changing practices.

Requirements for curricula concerning direct client care

The Board proposes to increase the allowance of direct client contact hours by simulation from 25 percent to 33 percent. In essence, this would allow registered nurses and licensed practical nurses to earn an extra 40 hours (increase from 125 to 165 hours) and 32 hours (increase from 100 to 132 hours) through simulation, respectively. This change is being made in recognition of the increased sophistication of simulation for direct client care and the difficulties obtaining clinical experiences for students. According to DHP, some programs struggle to get clinical sites for their students. This change is thus intended to help address the difficulty some programs may be facing.

Requirements for clinical practice of students

On the advice of the advisory panel, the Board proposes to require that to qualify as a preceptor, the individual must have completed at least one year of clinical practice. This change may reduce the number of qualified preceptors but at the same time the panel felt, and the Board agreed, it was needed to ensure patient safety and to promote student experience and learning.

Requirements relating to records

The Board proposes to remove the requirement that programs maintain records regarding the date a student applied and the date of admission into the program. The advisory panel participants stated that programs cannot always maintain this information or have it due to electronic submissions of applications, especially in the case of admission to the program. In addition, DHP believes such information is not essential for regulation of educational programs.

Evaluation of resources

The Board proposes to require programs to perform periodic evaluations of curricula, faculty, technology, learning resources, and student services. According to DHP, outdated technology and resources can hamper the success of a program. Thus, the expected benefit is to ensure that all elements of a program are sufficient to support the success of the program. Additionally, DHP states that programs are already doing similar evaluations for accreditation purposes and therefore the Board does not expect this requirement to impose significant costs on the educational programs.

On the other hand, the Board proposes to remove the requirement for the program to perform an employer evaluation of graduates of the program. According to DHP, the Board felt that compliance with this requirement was expensive, as it would necessitate conducting surveys, and also presented a hardship as a program would have to track down their graduates to determine where they went to work. Additionally, the Board did not feel that this requirement was necessary to ensure quality nursing education.

Closing of a nursing education program and requirements for records

The Board proposes to require programs that are closing to provide the Board a list of all program graduates and official transcripts for all students and graduates. The Board would maintain this information following the closure of a program. In recent years, closing programs have not provided the Board this information, leading to graduates who are unable to access their educational information when applying for licensure or additional education. Thus, this proposed change would help ensure that graduates have continued access to their records following the closure of a program.

The Board proposes to add that a program which voluntarily closes, or from which the Board has withdrawn approval, may apply for approval with a new application. However, the program must wait 12 months from the date of program closure or the withdrawal of approval. This change would address problematic programs that continually reapply without addressing the issues that led to closure or withdrawal of approval.

Businesses and Other Entities Affected

This regulation mainly affects nursing education programs and nursing students. According to DHP, there are 138 regulated nursing education programs in Virginia. No entity appears to be disproportionately affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ As noted above, the proposal contains many minor changes. While some of the changes are expected to increase compliance costs for education programs by a small amount, some others are expected to reduce costs. Thus, it is not known what the net impact on programs would be. Thus, whether an adverse impact is indicated cannot be assessed with the information available.

Small Businesses⁵ Affected:⁶

Most of the proprietary nursing education programs are likely small businesses. However, there is not enough information to assess whether the net impact on such schools would indicate an adverse impact.

Localities⁷ Affected⁸

The proposed amendments do not introduce costs for local governments, nor do they disproportionately affect any locality.

³ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁴ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁵ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁶ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁷ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Projected Impact on Employment

The proposal to allow one director to serve multiple program locations should reduce the demand for such professionals. However, there are many other small changes that may increase or decrease demand for administrative staff. Thus, the net impact on total employment is not known.

Effects on the Use and Value of Private Property

Since the net impact on compliance costs is indeterminate, the net impact on asset values of the proprietary nursing education programs is not known. No impact on real estate development costs is expected.