



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

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**18 VAC 95-20 Regulations Governing the Practice of Nursing Home Administrators**  
**18 VAC 95-30 Regulations Governing the Practice of Assisted Living Facility**  
**Administrators**  
**Board of Long-Term Care Administrators**  
**Town Hall Action/Stage: 6787 / 10818**  
March 6, 2026

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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.<sup>1</sup>

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

The Board of Long-Term Care Administrators (Board) seeks to amend two regulations in order to reduce the necessary qualifications for preceptors in long-term care facilities and increase the number of trainees a preceptor may supervise, among other changes.

### **Background**

The Board is proposing amendments to the regulations governing nursing home administrators (18 VAC 95-20) and assisted living facility (ALF) administrators (18 VAC 95-30). In both regulations, the Board proposes to (i) expand eligibility criteria for preceptors by allowing an ALF or nursing home administrator who is under contract or written agreement with the facility where training occurs to serve as a preceptor; currently, only administrators employed full-time at the facility are eligible; and (ii) increase the number of trainees a preceptor may supervise from two to three.

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<sup>1</sup> 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.

In addition, the Board seeks to align certain requirements in the regulation for nursing home administrators with current requirements for ALF administrators by (i) reducing the experience requirement for preceptors to two years in practice as an administrator of record out of the past four years, instead of two out of the past three years, and (ii) allowing regional administrators with on-site supervisory responsibilities for a training facility to serve as preceptors.

### **Estimated Benefits and Costs**

The Board reports that there are currently an insufficient number of licensed and qualified administrators for nursing homes and ALFs, and that a shortage of qualified preceptors represents a significant bottleneck for facilities to provide training to administrators-in-training (AITs).<sup>2</sup> The proposed changes are intended to reduce the burden on nursing homes and ALFs that provide training by reducing the requirements for preceptors and increasing the number of AITs that each preceptor can supervise. Staff at nursing homes and ALFs who seek to become AITs may benefit from the increased capacity for preceptors and the increased number of potential preceptors.

### **Businesses and Other Entities Affected**

The proposed amendments would primarily benefit facilities that train administrators by allowing them to expand their training programs.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>3</sup> 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.<sup>4</sup> The proposed amendments would not create any new costs or reduce net benefits for

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<sup>2</sup> A regulatory advisory panel on this issue discussed these proposed changes as well as other changes for the board to consider and/or for the board to continue stakeholder engagement to develop changes. More details can be found in meeting minutes and attachments here:

[https://townhall.virginia.gov/L/GetFile.cfm?File=meeting\28\41365\Minutes\\_DHP\\_41365\\_v2.pdf](https://townhall.virginia.gov/L/GetFile.cfm?File=meeting\28\41365\Minutes_DHP_41365_v2.pdf)

<sup>3</sup> 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.

<sup>4</sup> 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.

nursing homes, ALFs, preceptors, or AITs. An increase in the supply of licensed administrators as a result of the proposed changes may eventually increase competition and dampen wage growth for administrators; however, this is a more indirect and long-term effect and may not result if the demand for administrators continues to outpace supply. Thus, an adverse impact is not indicated.

### **Small Businesses<sup>5</sup> Affected:<sup>6</sup>**

The proposed changes would benefit nursing homes and ALFs that provide training, all of which are likely small businesses, by allowing them to expand their AIT programs.

### **Localities<sup>7</sup> Affected<sup>8</sup>**

No locality would be disproportionately affected. Local governments would not be affected.

### **Projected Impact on Employment**

The proposed amendments would eventually increase the number of individuals employed as AITs and subsequently, as administrators of nursing homes and ALFs. The proposed amendments are not expected to affect total employment.

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

Private nursing homes and ALFs that provide training would be able to expand their training programs; as a result, the value of such private businesses could increase. Real estate development costs would not be affected.

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<sup>5</sup> 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.”

<sup>6</sup> 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.

<sup>7</sup> “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.

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