Economic Impact Analysis
Virginia Department of Planning and Budget

18 VAC 90-20 – Regulations Governing the Practice of Nursing
Department of Health Professions, Board of Nursing
December 21, 2000

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

Section 54.1-3012.1 of the *Code of Virginia* mandates that the Board of Nursing (Board) collect, store, and make available demographic and employment information on nurses licensed or certified by the Board. The proposed regulation specifies the data elements to be collected, the process for collection and distribution, and provisions for confidentiality.

Estimated Economic Impact

The purpose of the proposed regulation is to collect demographic and employment information from nurses that will provide: (1) some basis for the Board and others to develop strategies to address the problem of nursing shortages in the Commonwealth; and (2) educational institutions with the necessary information to anticipate future needs related to the education and training of nurses. The General Assembly appropriated $40,000 each year for the next two years for implementation of this project. This level of funding, according to the Board, will be sufficient to collect, store and develop reports from only a sample of the approximately 140,000 nurses licensed or certified in Virginia, rather than from the entire nursing population.

If the reported data provides information that results in the development of strategies to address the nursing shortage in Virginia and allows nursing educational institutions and employers to more accurately plan their curriculum and recruitment to meet future demands, then the proposed regulation could result in significant economic benefit for employers, consumers, and providers of nursing services in Virginia. The Board does, however, note several disadvantages that may limit the potential benefit derived from the proposed data collection initiative. These disadvantages include: (1) insufficient funding to collect information on all certified and licensed nurses; and (2) the data collection does not directly address the nursing shortage (especially the shortage of certified nurse aides in long term care facilities) since it does not capture the reasons why persons who hold the appropriate license or certification may choose to work in other occupations or settings.

The proposed regulation has the potential to provide some beneficial information to academicians, hospital and long term care administrators, and others responsible for nursing education and employment. The value of this information is unknown and therefore it is difficult to determine whether it will outweigh the cost to taxpayers of $80,000 over the next two years.

Businesses and Entities Affected

The Board of Nursing will solicit demographic and employment information from a sample of its approximately 140,000 licensees. Completion of the survey is voluntary and provisions in the *Code of Virginia* and the proposed regulation prohibit the distribution of information that identifies individual nurses, therefore the privacy of respondents should not be comprised. If the information collected provides information that results in the development of strategies to address the nursing shortage in Virginia or allows nursing educational institutions and employers to more accurately plan their curriculum and recruitment to meet future demands, then the proposed regulation could also affect employers, consumers, and providers of nursing services in Virginia.

Localities Particularly Affected

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

Projected Impact on Employment

By providing information that may result in the development of strategies to address the nursing shortage in Virginia and make nursing an attractive profession for future workers, the proposed regulation could potentially impact future supply of nurses and increase employment in this field.

Effects on the Use and Value of Private Property

The proposed regulation is not expected to have any significant effects on the use and value of private property in Virginia.