



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

18 VAC 90-27 Regulations Governing Nursing Education Programs
Department of Health Professions
Town Hall Action/Stage: 6759 / 10773
March 20, 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

The Board of Nursing (Board) proposes to no longer require that informal conference (IFC) decisions involving nursing education programs go before the Board for review and action, which would conform this regulation to the large majority of the Board's other regulations.

Background

If a nursing education program: 1) is denied initial approval, 2) has its initial program approval withdrawn by the Board, 3) is denied full program approval, 4) is placed on conditional approval with terms and conditions to be met within a timeframe specified by the Board, or 5) has its full program approval withdrawn, it may request an IFC pursuant to §§ 2.2-4019 and 54.1-109 of the Code of Virginia. Under the current regulation, the IFC committee's recommendation must then be presented to the Board or a panel thereof for review and action. If the recommendation of the IFC committee is accepted by the Board or a panel thereof, the decision

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.

is reflected in a Board order. The program may request a formal hearing within 30 days from entry of the order in accordance with § 2.2-4020 of the Code of Virginia.

However, most of the Board's other regulations do not require that IFC decisions go before the Board for review and action. For those regulations, the IFC's decision (if it affirms the initial decision) is reflected in a Board order without requiring Board review and action. Programs do have the right to request a formal hearing as they do in 18 VAC 90-27 *Regulations Governing Nursing Education Programs*.

The Board proposes to eliminate the requirement in 18 VAC 90-27 that IFC decisions go before the Board for review and action, which would conform this regulation to the large majority of the Board's other regulations.

Estimated Benefits and Costs

According to DHP, there is at least a month wait between when IFC recommendations for nursing education programs are made and the next Board meeting – and then additional processing time. Therefore, it is often close to two months before Board orders become final after an IFC recommendation. In contrast, DHP indicates that if the proposed amendment goes into effect it is expected to take only about two weeks between an IFC decision and a Board order. This is beneficial for the nursing education program, whether or not the IFC's decision is to affirm the initial decision or reverse the denial or withdrawal. If the IFC affirms the initial decision, the program can request a formal hearing sooner. If IFC's decision is to reverse the denial or withdrawal, the program can start or resume its activities sooner. The proposal also benefits the Board by requiring less of its time.

Businesses and Other Entities Affected

The proposed amendments would potentially affect the 58 current practical schools of nursing, 80 current professional schools of nursing, future schools of nursing applying for approval, and the Board.² According to DHP, the Board hears about 15 cases concerning a year concerning denial or withdrawal of program approval.

² Data source: DHP

The Code 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 the proposal neither increases net costs nor reduces net revenue for any entity, no adverse impact is indicated.

Small Businesses⁵ Affected:⁶

The proposal does not appear to adversely affect small businesses.

Localities⁷ Affected⁸

The proposal does not disproportionately affect any particular localities, nor introduce costs for local governments.

Projected Impact on Employment

The proposal does not substantively affect employment.

Effects on the Use and Value of Private Property

The proposal does not substantively affect the use and value of private property or costs related to the development of real estate.

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.