

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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1. Type of Estimate and Analysis

Original    Updated    Corrected

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2. Administrative Rule Chapter, Title and Number

N 1

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3. Subject

Approval for Schools of Nursing

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4. Fund Sources Affected

GPR    FED    PRO    PRS    SEG    SEG-S

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5. Chapter 20, Stats. Appropriations Affected

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6. Fiscal Effect of Implementing the Rule

No Fiscal Effect       Increase Existing Revenues       Increase Costs  
 Indeterminate       Decrease Existing Revenues       Could Absorb Within Agency's Budget  
 Decrease Cost

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7. The Rule Will Impact the Following (Check All That Apply)

State's Economy       Specific Businesses/Sectors  
 Local Government Units       Public Utility Rate Payers  
 Small Businesses (if checked, complete Attachment A)

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8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes       No

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9. Policy Problem Addressed by the Rule

This chapter was updated in 2014. This proposed rule is a clean-up to clarify some of the provisions based upon feedback received from stakeholders and to clarify the approval process for schools of nursing with postlicensure programs.

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10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

This rule was posted for economic comments and none were received.

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11. Identify the local governmental units that participated in the development of this EIA.

None

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12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

There is no economic or fiscal impact.

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13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit of implementing is to create clarity around provisions which create confusion.

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14. Long Range Implications of Implementing the Rule

The long range implication is for there to be rules which are understandable and not confusing.

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15. Compare With Approaches Being Used by Federal Government

None

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16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

**Illinois:** Illinois approves prelicensure programs only. Illinois program approval process includes: a letter of intent, a feasibility study, hiring of a nurse administrator, submission of a curriculum proposal, and a site survey. Continued approval is based upon annual evaluation reports, full routine site visits and maintaining a NCLEX pass rate of 75% of first time test takers. Major and minor curricular changes are reported to the board. The standards for the school include institutional requirements, curriculum standards, clinical standards, nurse administrator and faculty qualifications (allows for variances to faculty standards) and student standards.

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**Iowa:** Iowa approves all schools of nursing (prelicensure and graduate). Iowa program approval process includes: first step involves an application with information regarding the controlling institution and needs assessment; second step involves verification of employment of the head of program, submission of program's philosophy and objectives, curriculum plan, letter of intent from clinical facilities, evidence of provision of faculty, proposed budget and timeframe for implementation; next step is interim approval based upon program proposal and site visit; final approval is upon graduation of first class and NCLEX pass rate results. Provisional approval may be granted to program until standards are met. Change of controlling institution and changes in administrative personnel in the program. The program shall submit annual reports. The standards for the school include institutional requirements, curriculum standards, clinical standards, nurse administrator and faculty qualifications, student standards and evaluation of the program. NCLEX pass rate standard is a minimum of 95% of the national passing percentage based upon first time test takers within 6 months of graduation.

**Michigan:** Michigan approves prelicensure programs only. Michigan program approval process includes: the first step requires submission of a letter of intent, evidence of funding and other support, copy of Michigan Department of Career Development approval (if necessary), evidence of availability of clinical experiences, proposed number of students, proposed first date of admission, plans for recruiting director of the program and faculty and a site visit; initial approval involves a self-student report and annual progress reports; full approval is after the graduation of the 2<sup>nd</sup> class, but no later than graduation of the 4<sup>th</sup> class (a class for each 12 month period) and requires submission of a self-study report and a site visit. Every 4 years the school shall submit a self-study report and accredited schools shall follow the schedule of the accrediting agency. Program changes shall be submitted to the board. The standards for the school include institutional requirements, curriculum standards, clinical standards, nurse administrator and faculty qualifications (allows for variances to faculty standards), student standards, and evaluation of the program. NCLEX pass rate standard is 75% of first time test takers.

**Minnesota:** Minnesota approves prelicensure programs only. Minnesota program approval process includes: Phase I requires letter of intent including institution information, timetable for development and implementation, documentation of availability of academic facilities, impact on nursing programs in the area; Phase II involves a site visit and documentation of compliance with educational standards in order to be granted initial approval; Phase III is full approval and continual approval based upon meeting the minimum first time NCLEX success rate and acquiring national nursing education accreditation. Minnesota requires surveys of all schools on a periodic basis to maintain approval. NCLEX pass rate standard is 75% of first time test takers. Annual reports shall be submitted to the Board. The standards for the school include institutional requirements, clinical standards, nurse administrator and faculty qualifications, student standards, and evaluation of the program. The curriculum standard is the program must provide diverse learning activities that are consistent with program outcomes. Minnesota has an approval process for schools applying for innovative approaches which may require exemption from certain rules.

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17. Contact Name

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18. Contact Phone Number

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**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
  - Less Stringent Schedules or Deadlines for Compliance or Reporting
  - Consolidation or Simplification of Reporting Requirements
  - Establishment of performance standards in lieu of Design or Operational Standards
  - Exemption of Small Businesses from some or all requirements
  - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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