

**Michigan Office of Administrative Hearings and Rules**

**Administrative Rules Division (ARD)**

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**REGULATORY IMPACT STATEMENT  
and COST-BENEFIT ANALYSIS (RIS)**

**Agency Information:**

**Department name:**

Licensing and Regulatory Affairs

**Bureau name:**

Bureau of Professional Licensing

**Name of person filling out RIS:**

Andria Ditschman

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**Rule Set Information:**

**ARD assigned rule set number:**

2020-70 LR

**Title of proposed rule set:**

Board of Nursing – General Rules

**Comparison of Rule(s) to Federal/State/Association Standard**

**1. Compare the proposed rules to parallel federal rules or standards set by a state or national licensing agency or accreditation association, if any exist.**

Each state establishes its own requirements with respect to nursing, so there are no federal rules or standards set by a national or state agency that the proposed rules can exceed.

**A. Are these rules required by state law or federal mandate?**

State law, specifically the following, requires rules: MCL 333.16204 states that if a board requires completion of continuing education (CE) as a condition for renewal, it shall require an appropriate number of hours or courses in pain and symptom management. MCL 333.16287 states that the Department, in consultation with the board, shall promulgate rules to implement sections 16284 and 16285. MCL 333.17210 states the that the board shall promulgate rules establishing the qualifications for the training and competency of the clinical nurse specialist. MCL 333.16145 and MCL 333.17241 authorize a board to promulgate rules necessary or appropriate to fulfill its functions, including requirements regarding qualifications, licensure, registrations, renewals, examinations, and continuing education.

**B. If these rules exceed a federal standard, please identify the federal standard or citation, describe why it is necessary that the proposed rules exceed the federal standard or law, and specify the costs and benefits arising out of the deviation.**

The proposed rules do not exceed any federal standards.

**2. Compare the proposed rules to standards in similarly situated states, based on geographic location, topography, natural resources, commonalities, or economic similarities.**

The proposed rules are consistent with the standards required by the Public Health Code and are largely consistent with the requirements of other states in the Great Lakes region.

Part 2 of the nursing rules pertains to licensure requirements for registered nurses and licensed practical nurses. The process for licensure by endorsement for an applicant who graduated from a program outside of the United States is similar and includes a form of education credential evaluation. All states in the Great Lakes region set forth similar requirements for licensure in their nursing statutes and administrative rules.

Part 3 of the nursing rules pertains to Board approval of nursing education programs and is comparable to other states in the Great Lakes region. All states in the Great Lakes region set forth the requirements for Board approval of nursing education programs in their nursing statutes and administrative rules.

Part 4 of the nursing rules pertains to nurse specialty certifications. It is comparable to other states in the Great Lakes region. All states in the Great Lakes region set forth the requirements for nurse specialty certification in their nursing statutes and administrative rules.

Part 6 of the nursing rules regarding continuing education requirements for nurses are comparable to those in most states in the Great Lakes region. Illinois, Minnesota, Ohio, and Pennsylvania all require similar continuing education requirements to be met by registered nurses, licensed practical nurses, and nurses holding specialty certifications seeking a license renewal.

Part 7 of the nursing rules pertains to the nursing professional fund scholarship program. This is unique to Michigan. No other state in the Great Lakes region provides in its nursing statutes and rules for the administration of a nursing education scholarship fund which allocates scholarship awards to eligible nurse education programs for distribution as scholarships to eligible students. Illinois has established a Nursing Education Scholarship Program which provides financial assistance to qualified individuals pursuing a certificate in practical nursing, an associate degree in nursing, a hospital-based diploma in nursing, a baccalaureate degree in nursing, or a graduate degree in nursing. Multiple states offer a nursing education loan program and loan forgiveness program.

**A. If the rules exceed standards in those states, please explain why and specify the costs and benefits arising out of the deviation.**

No other state in the Great Lakes region provides in its nursing statutes and rules for the administration of a nursing education scholarship fund which allocates scholarship awards to eligible nurse education programs for distribution as scholarships to eligible students. The Illinois Nursing Act created the Illinois Center for Nursing which is charged with developing a strategic plan for nursing manpower within the state, including the administration of grants, scholarships, internships and other programs. The Illinois administrative rules regarding the nursing education scholarships are promulgated under the Department of Public Health and are comparable to the proposed rules.

**3. Identify any laws, rules, and other legal requirements that may duplicate, overlap, or conflict with the proposed rules.**

There are no other laws, rules, or other legal requirements that duplicate, overlap, or conflict with the proposed rules.

**A. Explain how the rules have been coordinated, to the extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter. This section should include a discussion of the efforts undertaken by the agency to avoid or minimize duplication.**

There are no other laws, rules, or other legal requirements that duplicate, overlap, or conflict with the proposed rules.

**4. If MCL 24.232(8) applies and the proposed rules are more stringent than the applicable federally mandated standard, provide a statement of specific facts that establish the clear and convincing need to adopt the more stringent rules.**

There is no applicable federally mandated standard, therefore, MCL 24.232(8) does not apply.

**5. If MCL 24.232(9) applies and the proposed rules are more stringent than the applicable federal standard, provide either the Michigan statute that specifically authorizes the more stringent rules OR a statement of the specific facts that establish the clear and convincing need to adopt the more stringent rules.**

There is no applicable federally mandated standard, therefore, MCL 24.232(9) does not apply.

## Purpose and Objectives of the Rule(s)

### 6. Identify the behavior and frequency of behavior that the proposed rules are designed to alter.

**Licensing:** The current rules need additional information regarding limitations on taking licensing examinations. The proposed rules establish that the NCLEX passing score is determined by the National Council of State Boards of Nursing (NCSBN). The proposed amendments ensure consistency in the requirements for examination. The proposed rules will clarify that an applicant requesting to sit for the NCLEX that graduated from a nurse education program in the United States must have graduated from a nurse education program that is accredited, or it meets certain requirements in the rules, or is substantially equivalent to a program approved by the Board. The proposed rules include additional ways in which an applicant can show substantial equivalency. The proposed rules will eliminate most of the time requirements regarding taking the examination. The examination must be passed within 3 years after either graduating from an acceptable program or obtaining certification of similar educational credentials, or the applicant must obtain a certification of skills competency before being allowed to retake the examination. A waiver may be requested to the 3-year time limit. The proposed rules will allow an applicant for licensure by endorsement from another state to have graduated from a nurse education program that is approved by the Board, accredited, or meets certain requirements in the rules. The proposed rules will allow licensure by endorsement based on a Canadian license if the applicant was licensed by passing the NCLEX or the Canadian Registered Nurse Examination before 2015 and completed a program accredited by an acceptable nursing accrediting agency which includes the Canadian Association of Schools of Nursing. The proposed rules will allow a graduate from a nurse education program from outside of the United States, who has been licensed in another state for less than 5 years, to be licensed in Michigan, if he or she passed the NCLEX, and have equivalent educational credentials. If an applicant has been licensed in another state for 5 years or more and has passed the NCLEX, he or she may be licensed in Michigan without showing equivalent educational credentials. The proposed rules allow a graduate from a nurse education program in Canada to be licensed in Michigan, if he or she passed the NCLEX, and have equivalent educational credentials.

**Nursing Education Programs:** The proposed amendments will clarify the requirements for continued program approval, program changes, faculty requirements, substitution of clinical hours, board evaluation of nursing education programs, and failure to comply with the rules. In every continued program review the proposed rules will allow an accredited program to submit a letter of accreditation or reaccreditation instead of a self-study report if the accrediting body found no deficiencies that require a supplemental report. The proposed rules will clarify that a change that increases the use of simulation more than 10% of the current total clinical hours and a change in primary instruction delivery methods for more than 50% of the program are major program changes. The only minor program change that will be listed in the rules is if after 1 year, the program desires to make a temporary expansion of students a permanent change. The proposed rules will clarify that a registered professional nursing program shall ensure that the majority of the didactic/theory faculty holds a graduate degree with a major in nursing. The proposed rules will clarify that both a registered professional nursing education program and a licensed practical nursing education program may substitute up to 50% of clinical hours per specialty content area, except for pediatric and obstetric clinical hours in a licensed practical nursing program, within a course with simulation laboratory experiences. The proposed rules will add two additional reasons for the Board to evaluate a program, if the national accrediting body finds deficiencies in the program, or if the program violates or is inconsistent with the Code or administrative rules. The proposed rules will not allow admittance of any new cohort to a program if the program fails to comply with the rule that requires accreditation, R 338.10303d.

**Continuing Education:** The proposed rules will approve CE that is offered or approved by the American Medical Association (AMA).

**Nurse Professional Fund Scholarship Program:** The proposed rules will allow a student to receive a scholarship more than once.

### A. Estimate the change in the frequency of the targeted behavior expected from the proposed rules.

Licensing: It is expected that more applicants will be able to apply to sit for the NCLEX as they may sit if they have graduated from a nurse education program that is accredited, or the program meets certain requirements in the rules, or is substantially equivalent to a program approved by the Board. It is expected that more applicants will be able to show substantial equivalency. It is expected that applicants requesting to sit for the NCLEX, who graduated from a nurse education program, will no longer have to keep track of the various time requirements that apply to the examination and instead must only pass the NCLEX within 3 years of completing their education or provide a certification of skills competency to the Department before retaking the examination. It is expected that applicants may request a waiver from the 3-year requirement pursuant to the rules. It is expected that more applicants will be able to apply for licensure by endorsement from another state as they will be able to apply if they have graduated from a nurse education program that is approved by the Board, is accredited, or meets certain requirements in the rules. It is expected that Canadian licensees will apply for endorsement pursuant to the proposed rules. It is expected that graduates from nursing education programs from outside of the United States will also apply for licensure as the rules will license applicants who have been licensed in another state for less than 5 years if they passed the NCLEX and have equivalent education credentials. The rules will allow for licensure for graduates from nursing education programs from outside of the United States if they have been licensed in another state for at least 5 years and have passed the NCLEX, without showing equivalent educational credentials. It is expected that graduates of a nurse education program in Canada, who are not yet licensed, will apply for licensure in Michigan as they now will only have to pass the NCLEX and have equivalent education credentials.

Nurse Education Programs: It is expected that the changes in the proposed rules will make it easier for a program to comply with the rules if it is under a continuing review with no deficiencies. It is expected that the proposed rules will provide clarity as to when a modification in a program is a major change or a minor change. It is expected that the proposed rules will clarify that in a registered professional nursing program didactic/theory faculty must hold a graduate degree and, in addition, the majority of didactic/theory faculty has a major in nursing. It is expected that the proposed rules will make it easier for a program to meet the rules when it is unable to provide clinical hours and must substitute these hours with simulation laboratory experiences. It is expected that the Board will conduct additional evaluations of programs when they have accrediting body deficiencies or are inconsistent with the Code or rules and new cohorts will be prohibited if the program is not accredited as required by the rules.

Continuing Education: It is expected that adding the AMA to the list of approved CE will allow additional CE options for licensees.

Nurse Professional Fund Scholarship Program: It is expected nursing programs will have greater control over scholarships if they are able to award funds to the same student more than once.

**B. Describe the difference between current behavior/practice and desired behavior/practice.**

Licensing: It is expected that more applicants will sit for the NCLEX. It is expected that applicants will provide a certification of skills competency to the Department when they have not passed the NCLEX during the 3-year requirement so they can retake the examination. It is expected that applicants may request a waiver from the 3-year requirement. It is expected that more applicants will apply for licensure by endorsement from another state. It is expected that more applicants will be able to show substantial equivalency of their educational program. It is expected that Canadian licensees will apply for endorsement. It is expected that graduates from nursing education programs from outside of the United States will continue to apply for licensure. It is expected that graduates of a nurse education program in Canada, who are not yet licensed, will apply for licensure in Michigan as they now will only have to pass the NCLEX and have equivalent education credentials.

Nurse Education Programs: It is expected that the proposed rules will simplify the process of review when the program is under a continuing review with no deficiencies. It is expected that programs will be able to identify a major program change versus a minor program change. It is expected that in a registered professional nursing program the didactic/theory faculty will hold a graduate degree and, in addition, the majority of the didactic/theory faculty will have a major in nursing. It is expected that programs will substitute up to 50% of clinical hours per specialty content area within a course with simulation laboratory experiences. It is expected that the Board will conduct additional evaluations of programs when they have accrediting body deficiencies or are inconsistent with the Code or rules and new cohorts will be prohibited if the program is not accredited as required by the rules.

Continuing Education: It is expected that adding the AMA to the list of approved CE will allow additional CE options for licensees.

Nurse Professional Fund Scholarship Program: It is expected nursing programs will have greater control over scholarships if they are able to award funds to the same student more than once.

#### **C. What is the desired outcome?**

Licensing: More applicants will sit for the NCLEX. When applicants do not pass the NCLEX during the 3-year requirement they will show they have retained their skills by completing a certification of skills competency so they can retake the examination. Applicants have the ability to request that the 3-year requirement be waived. More applicants will apply for licensure by endorsement from other states. More applicants will be able to show substantial equivalency of their educational programs. Canadian licensees will apply for licensure by endorsement. Graduates of nursing education programs from outside of the United States will apply for licensure. Graduates of a nursing education programs in Canada, who are not yet licensed, will apply for licensure in Michigan.

Nurse Educational Programs: The program continuing review process will be simplified when there are no deficiencies. Programs will be able to identify a major program change versus a minor program change. Registered professional nursing education program didactic/theory faculty will hold a graduate degree and, in addition, the majority of the didactic/theory faculty will have a major in nursing. When needed, programs will substitute up to 50% of clinical hours per specialty content area within a course with simulation laboratory experiences. The Board will conduct additional evaluations of programs with accrediting body deficiencies or when they are inconsistent with the Code or rules. New cohorts will be prohibited if the program is not accredited as required by the rules.

Continuing Education: Adding the AMA to the list of approved CE will allow additional CE options for licensees.

Nurse Professional Fund Scholarship Program: Nursing programs will have greater control over scholarships if they are able to award funds to the same student more than once.

#### **7. Identify the harm resulting from the behavior that the proposed rules are designed to alter and the likelihood that the harm will occur in the absence of the rule.**

Licensing: Fewer nurses will be licensed as it would be more difficult to sit for the NCLEX examination. Applicants would continue to attempt the NCLEX without showing they have retained their skills by completing a certification of skills competency. Without the waiver process, applicants would not be able to request a waiver of the 3-year limitation. Fewer nurses would be licensed by endorsement from other states and Canada. Fewer applicants would be able to prove substantial equivalency of their educational programs to Board approved programs and the process would take longer. Graduates of nursing education programs from outside of the United States and in Canada would be less likely to apply for licensure in Michigan without a process in place.

Nurse Educational Programs: The program continuing review process would require additional requirements even when there have been no deficiencies. Programs would have more difficulty in identifying a major program change versus a minor program change. The majority of registered professional nursing education program didactic/theory faculty would not have a major in nursing. Programs would not be able to substitute up to 50% of clinical hours per specialty content area within a course with simulation laboratory experiences. Programs with accrediting body deficiencies or those that are inconsistent with the Code or rules would not receive additional evaluation by the board. New cohorts of students would be allowed in programs that did not meet the rules and achieve accreditation.

Continuing Education: Not allowing AMA-approved CE as approved CE for licensees.

Nurse Professional Fund Scholarship Program: A student would be limited to receiving a scholarship only one time even if the program desired to award the scholarship to the student.

**A. What is the rationale for changing the rules instead of leaving them as currently written?**

Licensing: More applicants will sit for the NCLEX. When applicants do not pass the NCLEX during the 3-year requirement they will show they have retained their skills by completing a certification of skills competency so they can retake the examination. Applicants have the ability to request that the 3-year requirement be waived. More applicants will apply for licensure by endorsement from other states. More applicants will be able to show substantial equivalency of their educational programs. Canadian licensees will apply for licensure by endorsement. Graduates of nursing education programs from outside of the United States will apply for licensure. Graduates of a nursing education programs in Canada, who are not yet licensed, will apply for licensure in Michigan.

Nurse Educational Programs: The program continuing review process will be simplified when there are no deficiencies. Programs will be able to identify a major program change versus a minor program change. Registered professional nursing education program didactic/theory faculty will hold a graduate degree and, in addition, the majority of the didactic/theory faculty will have a major in nursing. When needed, programs will substitute up to 50% of clinical hours per specialty content area within a course with simulation laboratory experiences. The Board will conduct additional evaluations of programs with accrediting body deficiencies or when they are inconsistent with the Code or rules. New cohorts will be prohibited if the program is not accredited as required by the rules.

Continuing Education: Adding the AMA to the list of approved CE will allow additional CE options for licensees.

Nurse Professional Fund Scholarship Program: Nursing programs will have greater control over scholarships if they are able to award funds to the same student more than once.

**8. Describe how the proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply.**

The proposed rules protect the health, safety, and welfare of Michigan citizens while promoting a regulatory environment in Michigan that is the least burdensome alternative for those required to comply for the following reasons: when applicants do not pass the NCLEX during the 3-year requirement they will show they have retained their skills by completing a certification of skills competency so they can retake the examination; the number of nurses in Michigan will likely increase because more applicants will apply for licensure by endorsement from other states; more applicants will be able to show substantial equivalency of their educational programs; Canadian licensees will be able to apply for licensure by endorsement; graduates of nursing education programs from outside of the United States will apply for licensure; graduates of nursing education programs in Canada, who are not yet licensed, will apply for licensure in Michigan; registered professional nursing program didactic/theory faculty will hold a graduate degree and, in addition, the majority of the didactic/theory faculty will have a major in nursing; the Board will conduct additional evaluations of programs with accrediting body deficiencies or when they are inconsistent with the Code or rules; and new cohorts will be prohibited if the program is not accredited as required by the rules.

**9. Describe any rules in the affected rule set that are obsolete or unnecessary and can be rescinded.**

There are no rules being rescinded.

**Fiscal Impact on the Agency**

Fiscal impact is an increase or decrease in expenditures from the current level of expenditures, i.e. hiring additional staff, higher contract costs, programming costs, changes in reimbursements rates, etc. over and above what is currently expended for that function. It does not include more intangible costs for benefits, such as opportunity costs, the value of time saved or lost, etc., unless those issues result in a measurable impact on expenditures.

**10. Please provide the fiscal impact on the agency (an estimate of the cost of rule imposition or potential savings for the agency promulgating the rule).**

The proposed rules are not expected to have a fiscal impact on the agency.

**11. Describe whether or not an agency appropriation has been made or a funding source provided for any expenditures associated with the proposed rules.**

No agency appropriation has been made nor has a funding source been provided for expenditures associated with the proposed rules.

**12. Describe how the proposed rules are necessary and suitable to accomplish their purpose, in relationship to the burden(s) the rules place on individuals. Burdens may include fiscal or administrative burdens, or duplicative acts.**

The following burdens will be placed on individuals as a result of the proposed rules: when applicants do not pass the NCLEX during the 3-year requirement they will be required to complete a certification of skills competency to show they have retained their skills before they may retake the examination and applicants will be required in some situations to show substantial equivalency of their educational program which will require working with an agency that provides this type of review.

Both of these requirements are necessary to ensure that applicants are appropriately trained and educated to act as nurses in Michigan.

**A. Despite the identified burden(s), identify how the requirements in the rules are still needed and reasonable compared to the burdens.**

The burdens placed on individuals to complete a certification of skills competency to show they have retained their skills and to show substantial equivalency of their educational program are necessary to ensure that applicants are appropriately trained and educated to act as nurses in Michigan.

**Impact on Other State or Local Governmental Units**

**13. Estimate any increase or decrease in revenues to other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Estimate the cost increases or reductions for other state or local governmental units (i.e. cities, counties, school districts) as a result of the rule. Include the cost of equipment, supplies, labor, and increased administrative costs in both the initial imposition of the rule and any ongoing monitoring.**

There are no anticipated increases or decreases in revenues to other state or local government units as a result of the proposed rules.

**14. Discuss any program, service, duty, or responsibility imposed upon any city, county, town, village, or school district by the rules.**

There are no anticipated or intended programs, services, duties, or responsibilities imposed on any city, county, town, village, or school district as a result of these proposed rules.

**A. Describe any actions that governmental units must take to be in compliance with the rules. This section should include items such as record keeping and reporting requirements or changing operational practices.**

There are no actions that governmental units must take to be in compliance with these proposed rules.

**15. Describe whether or not an appropriation to state or local governmental units has been made or a funding source provided for any additional expenditures associated with the proposed rules.**

No appropriations have been made to any governmental units as a result of these rules. No additional expenditures are anticipated or intended with the proposed rules.

## **Rural Impact**

**16. In general, what impact will the rules have on rural areas?**

The proposed rules are not expected to impact rural areas. The proposed rules apply to licensure of nurses, regardless of their location.

**A. Describe the types of public or private interests in rural areas that will be affected by the rules.**

The proposed rules are not expected to impact rural areas. The proposed rules apply to licensure of licensed practical nurses and registered nurses and to nursing education programs in the state regardless of their location.

## **Environmental Impact**

**17. Do the proposed rules have any impact on the environment? If yes, please explain.**

No, the rules will not have an impact on the environment.

## **Small Business Impact Statement**

**18. Describe whether and how the agency considered exempting small businesses from the proposed rules.**

The proposed rules impose requirements on individual licensees rather than small businesses. Even if a licensee's practice qualifies as a small business, the Department could not exempt his or her business because it would create a disparity in the regulation of the profession.

**19. If small businesses are not exempt, describe (a) the manner in which the agency reduced the economic impact of the proposed rules on small businesses, including a detailed recitation of the efforts of the agency to comply with the mandate to reduce the disproportionate impact of the rules upon small businesses as described below (in accordance with MCL 24.240(1)(a-d)), or (b) the reasons such a reduction was not lawful or feasible.**

The proposed rules cannot exempt small businesses because the rules do not directly regulate small businesses, but individual licensees. Further, the Public Health Code requires a nurse education program, which may also be a small business, to obtain Board approval to operate and does not grant the Board or Department the authority to apply different requirements to education programs that are small businesses.

While licensees may practice independently or as part of a small business, the law does not allow the rules to exempt these individuals from the requirements of the rules. However, the impact on licensees who practice as part of a small business is minimized in the proposed rules, as the rules are written broadly. The proposed rule changes will have a minimal impact on licensees. As a result, a licensee, whether in small business or not, should not be significantly impacted by the changes.

**A. Identify and estimate the number of small businesses affected by the proposed rules and the probable effect on small businesses.**

As of November 1, 2021, there are approximately 168,268 registered nurses and 22,671 licensed practical nurses in Michigan. Nurses practice in many different work environments including hospitals, urgent care facilities, prisons, schools, and physician's offices. These practice areas include corporations, governments, and small businesses. No matter what type of business environment the licensee works in, he or she will have to take the necessary steps to comply with the proposed rules. The rules do not affect small businesses differently. The anticipated effects on licensees are minimal because they clarify what is already required of licensees and not of the business in which they may work.

Additionally, there are approximately 98 programs and 75 schools in Michigan that are approved by the Board to offer nursing programs and grant certificates for completion of the programs. These schools may qualify as small businesses, although the number of overall employees in a program is not maintained. However, these requirements are meant for all programs and intended to create uniformity in the nursing education provided to students, to produce safe and competent nursing graduates.

**B. Describe how the agency established differing compliance or reporting requirements or timetables for small businesses under the rules after projecting the required reporting, record-keeping, and other administrative costs.**

The agency did not establish separate compliance or reporting requirements for small businesses. The proposed rules will apply to all nursing education programs that prepare students for licensure as a licensed practical nurse or registered nurse in the state of Michigan, not just those programs that are small businesses. The rules were drafted to be the least burdensome on all affected nursing education programs.

**C. Describe how the agency consolidated or simplified the compliance and reporting requirements for small businesses and identify the skills necessary to comply with the reporting requirements.**

The proposed rules will allow an accredited nursing education program to submit a letter of accreditation or reaccreditation instead of submitting a self-study report prepared for the Board if the accrediting body found no deficiencies that require a submission of a supplemental report to the accrediting body. This modification applies to all accredited nursing education programs and not just small businesses. Nursing education programs must submit various reports to the Board for initial approval or to maintain Board approval.

**D. Describe how the agency established performance standards to replace design or operation standards required by the proposed rules.**

The agency did not establish performance standards to replace design or operation standards required by these rules.

**20. Identify any disproportionate impact the proposed rules may have on small businesses because of their size or geographic location.**

The proposed rules affect individual licensees, rather than small businesses. Therefore, there is no disproportionate effect on small businesses because of their size or geographic location.

**21. Identify the nature of any report and the estimated cost of its preparation by small businesses required to comply with the proposed rules.**

The proposed rules affect individual licensure applications and renewals, which are already required of all licensees, regardless of if they practice in a small business. There is no separate cost to small businesses.

Nursing Education Programs are required to submit documentation for initial approval, R 338.10303, and full approval, R 338.10303a. To maintain Board approval, a non-accredited program, and an accredited program with deficiencies must submit a comprehensive self-study report. An accredited program may submit a letter of accreditation or reaccreditation without the self-study report if no deficiencies were found by the accrediting agency. A nurse education program report must be submitted at the designated timeframes in R 338.10303b.

The cost of accreditation will depend on the size of the program and the number of nursing faculty. There is no separate cost for report preparation to small businesses.

**22. Analyze the costs of compliance for all small businesses affected by the proposed rules, including costs of equipment, supplies, labor, and increased administrative costs.**

There are no expected increased costs for small businesses concerning the costs of equipment, supplies, labor, or administrative costs.

**23. Identify the nature and estimated cost of any legal, consulting, or accounting services that small businesses would incur in complying with the proposed rules.**

There are no expected increased costs for small businesses concerning legal, consulting, or accounting services.

**24. Estimate the ability of small businesses to absorb the costs without suffering economic harm and without adversely affecting competition in the marketplace.**

There are no expected costs to small businesses that will cause economic harm to a small business or the marketplace as a result of the proposed rules.

**25. Estimate the cost, if any, to the agency of administering or enforcing a rule that exempts or sets lesser standards for compliance by small businesses.**

The proposed rules impose requirements on licensees. Even if a licensee's employer qualifies as a small business, the Department could not exempt his or her business because it would create disparity in the regulation of licensed nurses. Therefore, exempting or setting lesser standards of compliance for small businesses is not in the best interest of the public.

**26. Identify the impact on the public interest of exempting or setting lesser standards of compliance for small businesses.**

The proposed rules impose requirements on licensees. Even if a licensee's employer qualifies as a small business, the Department could not exempt his or her business because it would create disparity in the regulation of licensed nurses. Therefore, exempting or setting lesser standards of compliance for small businesses is not in the best interest of the public.

**27. Describe whether and how the agency has involved small businesses in the development of the proposed rules.**

The Department worked with multiple stakeholders at the Michigan Board of Nursing Rules Committee Work Group meetings, that included members from the Board of Nursing, educational institutions, businesses, and other members of the public in the development of the proposed rules. The Board is composed of members of the profession and members of the public who work in small and large businesses in Michigan.

**A. If small businesses were involved in the development of the rules, please identify the business(es).**

Representatives from businesses were involved in the development of the rules. However, the Department is not aware if they meet the definition of a "small business."

**Cost-Benefit Analysis of Rules (independent of statutory impact)**

**28. Estimate the actual statewide compliance costs of the rule amendments on businesses or groups.**

The Department does not expect any statewide compliance costs of the proposed rules on businesses or groups.

**A. Identify the businesses or groups who will be directly affected by, bear the cost of, or directly benefit from the proposed rules.**

In some circumstances applicants for licensure will be required to show that their education program is equivalent to a Board approved program, which will require an evaluation by the Commission on Graduates of Foreign Nursing Schools (CGFNS), Josef Silny & Associates, Inc. International Education Consultants (JS&A), or the National Association of Credential Evaluation Services (NACES). If an applicant did not pass the NCLEX within the required time period, he or she must arrange with an entity to receive a certification of skills competency. The American Medical Association is being added to the list of entities that can approve and offer continuing education for nursing licensees. It is expected that these entities will directly benefit from the proposed rules.

The Department does not expect any other businesses or groups to be directly affected by, bear the cost of, or directly benefit from the proposed rules.

**B. What additional costs will be imposed on businesses and other groups as a result of these proposed rules (i.e. new equipment, supplies, labor, accounting, or recordkeeping)? Please identify the types and number of businesses and groups. Be sure to quantify how each entity will be affected.**

The Department does not expect the proposed rules to result in any additional costs such as new equipment, supplies, labor, accounting, or recordkeeping on businesses or other groups.

**29. Estimate the actual statewide compliance costs of the proposed rules on individuals (regulated individuals or the public). Include the costs of education, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or recordkeeping.**

When applicants do not pass the NCLEX during the 3-year requirement they will be required to complete a certification of skills competency to show they have retained their skills before they may retake the examination. Applicants for licensure will be required in some situations to show substantial equivalency of their educational program which will require working with an agency that provides this type of review.

The Department does not expect the proposed rules to result in any other additional compliance costs such as new educational costs, training, application fees, examination fees, license fees, new equipment, supplies, labor, accounting, or record keeping on the public.

**A. How many and what category of individuals will be affected by the rules?**

When applicants do not pass the NCLEX during the 3-year requirement they will be required to complete a certification of skills competency to show they have retained their skills before they may retake the examination. Applicants for licensure will be required in some situations to show substantial equivalency of their educational program which will require working with an agency that provides this type of review.

The Agency is unable to estimate how many individuals will apply for licensure in the future.

**B. What qualitative and quantitative impact do the proposed changes in rules have on these individuals?**

When applicants do not pass the NCLEX during the 3-year requirement they will be required to complete a certification of skills competency to show they have retained their skills before they may retake the examination. Applicants for licensure will be required in some situations to show substantial equivalency of their educational program which will require working with an agency that provides this type of review.

**30. Quantify any cost reductions to businesses, individuals, groups of individuals, or governmental units as a result of the proposed rules.**

There are no expected reductions in costs to businesses, individuals, groups of individuals or governmental units as a result of the proposed rules.

**31. Estimate the primary and direct benefits and any secondary or indirect benefits of the proposed rules. Please provide both quantitative and qualitative information, as well as your assumptions.**

Licensing: Applicants will benefit in that more applicants will sit for the NCLEX. It is expected that the public will benefit when applicants provide a certification of skills competency to the Department when they have not passed the NCLEX during the 3-year requirement so they can retake the examination. It is expected that applicants will benefit by being able to request a waiver from the 3-year requirement. It is expected that the public will benefit as more nurses will be able to practice in Michigan as: applicants will apply for licensure by endorsement from other states; more applicants will be able to show substantial equivalency of their educational program; Canadian licensees will apply for endorsement; graduates from nursing education programs from outside of the United States will continue to apply for licensure; and graduates of a nurse education program in Canada, who are not yet licensed, will apply for licensure in Michigan as they now will only have to pass the NCLEX and have equivalent education credentials.

Nurse Education Programs: It is expected that educational programs will benefit as they will not be required to provide a self-study when the program is under a continuing review with no deficiencies. It is expected that the public will benefit when the Board conducts additional evaluations of programs when the programs have accrediting body deficiencies or are acting inconsistent with the Code or rules. The public will benefit when new cohorts are prohibited if the program is not accredited as required by the rules.

Continuing Education: It is expected that licensees and the AMA will benefit by adding the AMA to the list of approved CE.

Nurse Professional Fund Scholarship Program: Applicants for scholarships will benefit by allowing a student to receive a scholarship more than once.

**32. Explain how the proposed rules will impact business growth and job creation (or elimination) in Michigan.**

The rules are not expected to have an impact on business growth, job creation, or job elimination.

**33. Identify any individuals or businesses who will be disproportionately affected by the rules as a result of their industrial sector, segment of the public, business size, or geographic location.**

There is not expected to be a disproportionate effect due to industrial sector, segment of the public, business size, or geographic location.

**34. Identify the sources the agency relied upon in compiling the regulatory impact statement, including the methodology utilized in determining the existence and extent of the impact of the proposed rules and a cost-benefit analysis of the proposed rules.**

[https://www.michigan.gov/documents/lara/lara\\_purchaselicenselist\\_attachments\\_health\\_active\\_license\\_types\\_415303\\_7.pdf](https://www.michigan.gov/documents/lara/lara_purchaselicenselist_attachments_health_active_license_types_415303_7.pdf)

<https://www.bing.com/search?q=NCLEX&src=IE-SearchBox&FORM=IENAE2>

<https://www.ncsbn.org/index.htm>

[https://www.michigan.gov/lara/0,4601,7-154-89334\\_72600\\_72603\\_27529\\_27542---,00.html](https://www.michigan.gov/lara/0,4601,7-154-89334_72600_72603_27529_27542---,00.html)

<https://www.cgfns.org/>

<https://www.jsilny.org/Contact.aspx>

[https://www.jsilny.org/services.aspx/#foreign\\_anchor](https://www.jsilny.org/services.aspx/#foreign_anchor)

<https://www.cno.org/en/become-a-nurse/entry-to-practice-examinations/rpn-exam/#:~:text=Canadian%20Practical%20Nurse%20Registration%20Examination%20%28CPNRE%29%20The%20CPNRE,have%20three%20chances%20to%20successfully%20complete%20the%20CPNRE.>

<https://www.cno.org/en/become-a-nurse/entry-to-practice-examinations/nclex-rn/>

<https://www.winnersq.com/course/canadian-registered-nurse-examination-crne/>

<https://www.casn.ca/>

<https://www.cno.org/>

<https://www.naces.org/>

<https://www.ama-assn.org/>

[https://ncsbn.org/12\\_ULR\\_table\\_adopted.pdf](https://ncsbn.org/12_ULR_table_adopted.pdf)

<https://www.ilga.gov/legislation/ilcs/ilcs4.asp?ActID=1312&SeqStart=15600000&SeqEnd=16500000>

<http://www.collegescholarships.org/states/illinois.htm>

<https://nursing.ohio.gov/nursing-education-nclex/tuition-assistance/>

**A. How were estimates made, and what were your assumptions? Include internal and external sources, published reports, information provided by associations or organizations, etc., that demonstrate a need for the proposed rules.**

No estimates or assumptions were made.

**Alternative to Regulation**

**35. Identify any reasonable alternatives to the proposed rules that would achieve the same or similar goals.**

Since the rules are required by statute, there is no other reasonable alternative to the proposed rules that would achieve the same or similar goal.

**A. Please include any statutory amendments that may be necessary to achieve such alternatives.**

There is no other reasonable alternative to the proposed rules that would achieve the same or similar goal.

**36. Discuss the feasibility of establishing a regulatory program similar to that proposed in the rules that would operate through private market-based mechanisms. Please include a discussion of private market-based systems utilized by other states.**

Since the rules are authorized by statute, private market-based systems cannot serve as an alternative. Each state is responsible for implementing its own laws and rules pertaining to licensing nurses. Private market-based systems are not used for regulating licensees. The licensing and regulation of licensed practical nurses, registered nurses, and the specialty certification of advanced practice nurses are state functions, so a regulatory program independent of state intervention cannot be established. The nursing profession has numerous professional associations that could be considered regulatory mechanisms that are independent of state intervention; however, these professional organizations would provide the public with significantly less protection because membership in many of these organizations is voluntary. This means an individual who meets the membership requirements, but does not join one of the professional organizations, would be able to practice and there would be no way to ensure their competency or hold them accountable.

**37. Discuss all significant alternatives the agency considered during rule development and why they were not incorporated into the rules. This section should include ideas considered both during internal discussions and discussions with stakeholders, affected parties, or advisory groups.**

Since the rules are required by statute, there are no alternatives to the proposed rules that the agency could consider. They are necessary for the administration and enforcement of the licensing process.

**Additional Information**

**38. As required by MCL 24.245b(1)(c), please describe any instructions regarding the method of complying with the rules, if applicable.**

Licensure: The rules will explicitly inform licensees of the requirement for examination licensure.

Nursing Education Programs: The rules will explicitly inform potential and existing programs of the application requirements, how to process changes, Board evaluation of programs, handling of program admission suspensions, and initial and continued program approval requirements.