



TO: The Honorable Members of the Board of Regents

FROM: David H. Hamilton *David H. Hamilton*

SUBJECT: St. Paul's School of Nursing, Queens and Staten Island
Campuses: Application for Permanent Degree Authority to
Confer Degrees

DATE: July 3, 2024

AUTHORIZATION(S): *Bellotti*

SUMMARY

Issue for Decision (Consent)

Should the Board of Regents grant permanent degree authority or extend provisional degree authority for St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus.

Reason(s) for Consideration

Required by State Statute and State Regulation.

Proposed Handling

The question will come before the Full Board for consideration at its July 2024 meeting, where it will be voted on and action taken.

Procedural History

Pursuant to §224 of the Education Law, the consent of the Board of Regents is required for a for-profit institution to award degrees. Section 3.58 of the Rules of the Board of Regents authorizes the Board of Regents to determine whether to grant permanent authority, extend the provisional authority to confer degrees for an additional period of up to five years, or deny continuing degree-conferring authority past the term of the previously granted provisional authority.

In December 2008, the Board of Regents granted St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, provisional degree-granting authority for five years.

In December 2014, the Board of Regents granted St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, provisional degree-granting authority for three years.

In December 2017, the Board of Regents extended St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, provisional degree-granting authority until December 2019.

In December 2019, the Board of Regents extended St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, provisional degree-granting authority until December 2022.

In December 2021, St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, submitted an application for permanent degree-granting authority.

Background Information

St. Paul's School of Nursing is a private, for-profit institution, established following the transfer of assets from St. Vincent's Catholic Medical Centers to Education Affiliates (EA), Inc. EA is a private corporation engaging in the acquisition and operation of for-profit, postsecondary, career-oriented schools. The mission of the School is to serve the needs of the community by offering education that exemplifies the highest standards for nursing practice and healthcare education. Both the Queens Campus and the Staten Island Campus offer an Associate in Science (A.S.) program in Nursing, registered in June 2009; and an Associate of Occupational Studies (A.O.S.) program in Medical Assisting (MA), registered in July 2010. The Staten Island Campus also offers an A.O.S. program in Dental Assisting (DA), registered in May 2010, which will be discontinued on September 1, 2024.

As of October 15, 2023, the School's Queens Campus enrolled 854 students, with 721 in the Nursing program and 133 in the MA program. The School's Staten Island Campus enrolled 530 students, with 424 in the Nursing program, 97 in the MA program, and nine in the DA program.

St. Paul's School of Nursing's most recent application for permanent degree-granting authority was submitted in December 2021. As part of the review process, on October 24 and 25, 2023, staff members from the New York State Education Department (the Department) coordinated separate site visits to each campus. Each team consisted of two Professional Education staff from the Office of the Professions.

The site visit teams found that each School meets the following provisions for permanent degree granting authority:

- a need for each degree program that the institution seeks to offer in New York, based upon demand by students and/or employers and/or need of society for such programs (Rule §3.58 (b)(3)(i)); and
- that the individuals having ownership or control of the institution have a record free from evidence suggesting fraudulent and/or deceptive practices, including

but not limited to misleading advertising or misrepresentation in advertising (Rule §3.58 (b)(3)(v)) .

The Schools are found to be out of compliance with the following provisions:

- institutional capacity to operate as an institution in compliance with the Education Law;
- the program registration standards set forth in Part 52 of this Title and other federal and state statutes, regulations, and policies related to the operation of an institution (Rule §3.58 (b)(3)(ii));
- financial resources to ensure satisfactory conduct of proposed degree programs, achievement of its institutional mission, and proposed educational goals (Rule §3.58 (b)(3)(iii)); and
- performance outcomes that demonstrate that the institution and/or programs it operates are effective, where applicable (Rule §3.58 (b)(3)(iv)).

EA has been rated as financially not responsible by the USDE Federal Student Aid Office. There has been turnover of the President and the Director of Nursing at the Staten Island Campus. The 2016-2023 enrollment trend data shows that the number of nursing students almost doubled for both campuses. The nursing programs' increases in student enrollment have been associated with a decline in exam pass-rates. This raises questions as to whether the school is admitting students that are not ready or able to complete the program and pass exams, or whether the school is providing adequate resources to support student success. See the Report of Findings (Attachment A) based upon the review of St. Paul's School of Nursing's application for permanent degree-granting authority.

Related Regents Items

December 2008: [St. Paul's School of Nursing: Provisional Authority to Award the Associate in Science \(A.S.\) Degree](#)

(<https://www.regents.nysed.gov/meetings/2008/2008-12-60>)

December 2014: [St. Paul's School of Nursing: Extension of Provisional Authority to Confer Degrees](#)

(https://www.regents.nysed.gov/sites/regents/files/meetings/Dec%202014/1214brca9_0.pdf)

December 2017: [St. Paul's School of Nursing: Extension of Provisional Authority to Confer Degrees](#)

(<https://www.regents.nysed.gov/sites/regents/files/1217hea2.pdf>)

December 2018: [An Update on St. Paul's School of Nursing's Provisional Degree-Granting Authority](#)

(<https://www.regents.nysed.gov/sites/regents/files/1218hed1.pdf>)

December 2019: [St. Paul's School of Nursing: Application for Permanent Degree Authority to Confer Degrees](https://www.regents.nysed.gov/sites/regents/files/1219brca4.pdf)

(<https://www.regents.nysed.gov/sites/regents/files/1219brca4.pdf>)

Recommendation

It is recommended that the Regents take the following action:

VOTED, that the Board of Regents extend provisional degree-granting authority for St. Paul's School of Nursing, Queens Campus and St. Paul's School of Nursing, Staten Island Campus, for a period of two years, ending July 31, 2026. Consideration of degree-granting authority beyond July 31, 2026, will be contingent upon the School being in compliance with all the pertinent laws, regulations, and rules, including positive program outcomes including satisfactory first-time candidate pass rates on the NCLEX-RN. Application for permanent degree-granting authority must be received before July 31, 2025. An on-site review of the School's compliance with provisions for permanent degree-granting authority will be conducted in fall 2025. If the review finds any non-compliance with the provisions for permanent degree granting authority, the School will be directed to cease enrolling any new students and work with the Department on a plan to teach out enrolled students.

Timetable for Implementation

The Regents action will take effect immediately.

Report of Findings

Application for Permanent Degree Granting Authority
St. Paul's School of Nursing, Queens Campus and Staten Island Campus

Rule §3.58 (b)(3)(i): *Need for each degree program that the institution seeks to offer in New York based upon demand by students and/or employers and/or need of society for such programs, in accordance with Section 137 of Chapter 82 of the Laws of 1995.*

Finding:

Each School provided employment data for students who graduate from the registered programs as well as career outlook information for each profession. Programs offered at each campus serve the community by providing educational training programs to underserved populations in the healthcare field.

Staff Analysis: The provision is met.

Rule §3.58 (b)(3)(ii): *Institutional capacity to operate as an institution in compliance with the Education Law, the program registration standards set forth in Part 52 of this Title and other Federal and State statutes, regulations, and policies related to the operation of an institution.*

Finding:

Resources: The Queens and Staten Island campuses have adequate classrooms, computer labs, and offices to support the programs. Each program has its own dedicated and well-equipped skills lab with ample provision of supplies. At the Queens Campus the skills labs for the Nursing and MA students are well-equipped and well-maintained. The Staten Island facility contains labs and equipment necessary to support the Nursing, MA, and DA programs. In addition to the skills labs both campuses have simulation labs.

Library facilities at both campuses support the mission, goals, and outcomes of the respective programs; the facilities are staffed by appropriately credentialed library professionals. At both campuses, a three-year replacement schedule for current computers is being developed and will be built into the budget beginning in 2024.

Both Schools reported no financial difficulties. However, EA, the owner of the two Schools, has been rated financially unhealthy. More data regarding the financial health of EA can be found under the provision for financial resources (p. 9).

Faculty: The faculty qualification requirements established by both campuses meet the pertinent regulations and guidelines. In October 2023, at the Queens Campus, there were 11 full-time faculty and 57 part-time faculty in the Nursing program and two full-time faculty and seven part-time faculty in the MA program. At the Staten Island Campus there were 18 full-time faculty and 39 part-time faculty in the Nursing program,

four full-time faculty and four part-time faculty in the MA program, and two part-time faculty in the DA program.

Each campus followed recommendations from the previous site visit to increase the number of full-time faculty. Each School should continue its efforts to retain faculty.

Curricula and Awards: The Nursing program is on a semester system. The DA and MA programs are on a quarter system. The A.S. nursing program consists of a total of 69 credits and can be completed in five 15-week academic terms. The A.O.S. MA program at the Staten Island campus consists of a total of 94 quarter credits and the Queens campus consists of 97 quarter credits. The A.O.S. DA program at the Staten Island campus consists of 1,764 clock hours and a total of 103 quarter credits. This program will be discontinued in September 2024.

At the Queens Campus, the Nursing curriculum committee meets every other week to discuss the curriculum. The MA program chair participates in the corporate curriculum committee. Faculty are involved in the Program Advisory Committee (PAC) and discuss the curriculum with program directors at least twice a year and review input gathered from PAC meetings.

For the programs on the Staten Island Campus, the program curricula are reviewed by various committees. The Nursing program curriculum is reviewed by their curriculum committee, as well as a PAC. The MA program does not have a dedicated curriculum committee, but they do have a PAC. Based on reviews of the committee meeting minutes, the team noted that there are no clearly defined goals and objectives for all committees, including the PACs.

The Schools provided program outcome data. The first-time NCLEX-RN pass rates for graduates of the nursing program have consistently been below the state average (see Table 1 below).

Table 1: First Time Candidate NCLEX-RN Exam Pass Rates

	2023	2022	2021	2020	2019
Queens Campus	57.0%	39.5%	55.6%	78.9%	78.8%
Staten Island	64.6%	61.8%	50.5%	69.4%	81.7%
State Average*	84.4%	73.7%	76.5%	84.3%	86.4%

*For associate degree programs

Admission: Admission criteria include a high school diploma or GED; age at the time of application (17 or older for the MA and DA programs; 18 or older for the Nursing programs); submission of a completed application; interview with an admission representative; and scores on the Wonderlic Scholastic Level Examination (SLE). Minimum SLE entrance requirements are a score of 11 for the MA program and 18 for the Nursing program. Candidates for the Nursing programs who score 22 or above on the SLE are eligible for enrollment. Applicants who score between 18 and 21 on their first attempt of the SLE can take the Health Education Systems Incorporated Exam (HESI) to qualify for enrollment. Applicants taking the HESI must score 80% or higher on English

and Math to qualify for enrollment. Applicants who do not achieve the required minimum passing score on the SLE or HESI after their first attempt can take the exams for a second time. Applicants who fail to achieve the required minimum passing score on the SLE or HESI after two attempts are eligible to retake the SLE or HESI for a third time with the approval of the College President. Applicants are strongly encouraged to pursue remediation prior to the final testing opportunity. Nursing program applicants must also complete certification requirements for administration of basic life support and meet the health, immunization, drug screening, and background check requirements. Accepted applicants must meet all financial obligations and sign an Enrollment Agreement.

Table 2 below shows the number of enrolled students and the demographic information at the time of visit. Nursing students account for 84% and 80% of student population at the Queens Campus and the Staten Island Campus, respectively. Each program has a majority of students from underrepresented groups.

Table 2: Student Demographic Information

	American Indian or Native Hawaiian/Pacific Islander	Asian	Black or African American	Hispanic/Latino	White	Non-resident Alien, two or more races or unspecified	Male	Female	Not Specified
Queens (total: 854)									
MA (n=133)	--	10%	45%	35%	3%	8%	7%	93%	--
Nursing (n=721)	1%	14%	41%	20%	9%	16%	17%	80%	3%
Staten Island (total: 530)									
MA (n=97)	2%	5%	33%	36%	19%	5%	11%	89%	--
Nursing (n=424)	--	6%	37%	19%	30%	8%	16%	84%	--
DA (n=9)	--	--	11%	45%	22%	22%	--	100%	--

Table 3 below is the enrollment trend data for the nursing program. There has been a significant increase of the number of nursing students for each campus in the past seven years.

Table 3: Nursing Program Enrollment Trend Data (as reported in the annual reports)

	2023	2022	2021	2020	2019	2018	2017	2016
Queens Campus	679	550	537	415	447	380	333	350
Staten Island Campus	454	447	409	315	364	312	297	224

As mentioned previously, the licensure examination pass rates for the nursing programs have been below the state average (see Table 1, p. 6). This raises questions as to whether the school is admitting students that are not ready or able to complete the program and pass exams, or whether the school providing adequate resources to support student success.

Administration: An EA operational team provides administrative support to the Schools. Members of the executive team across the corporate enterprise attend virtual meetings each month. During the monthly meetings each campus president is allotted time to discuss their opportunities and challenges. There has been leadership turnover at the Staten Island Campus. Our record shows that there have been nine nursing directors since 2010 and five presidents since 2011.

The Faculty Handbook and the EA Employee Handbook set forth the general governing policies for faculty and staff. Faculty members report that some input is provided at the program level with most policies being generated by the parent organization. There is a committee structure that provides opportunities for faculty to be involved in governance.

Support Services: The School recently added full-time faculty members, whose role includes academic advising for students. Course instructors are responsible for monitoring student attendance and engagement in their course(s). The Student Success Coordinator at the Staten Island Campus and Director of Student Services at the Queens Campus are responsible for maintaining a current list of local social service agencies that may assist students in areas such as childcare, housing, and transportation; facilitating student communication with Well Connect (a service provider for counseling, coaching, legal consultation, etc.); and planning, organizing, conducting, and attending regular student services activities including new student orientation and student education achievement award ceremonies. The School provides tutoring services for those students who need extra academic help. Additionally, the Nursing program now has a mentoring bootcamp program that keeps alumni of the program engaged and on track for taking the NCLEX-RN exam. The Schools' Career Services Department is responsible for job placement assistance. Services they offer include resume assistance, mock interview evaluations, professional networking solutions, interview assistance, and resume submission. Scheduled resume and interview workshops are also offered for all programs.

Staff Analysis: This provision is not met. There has been turnover of Presidents and Directors of Nursing. The owner of the School, EA, is not financially healthy. Enrollment of nursing students almost doubled since 2016 at each campus. The licensure examination pass rates for the nursing program for both campuses do not demonstrate program effectiveness. There is no evidence suggesting that the nursing programs admit those who are capable of completing the program and passing the licensure examination.

Rule §3.58 (b)(3)(iii): *financial resources to ensure satisfactory conduct of proposed degree programs, achievement of its institutional mission, and proposed educational goals.*

Finding:

The Schools indicate in their applications that they have adequate resources and financial commitment to support the programs at both campuses. A review of the audited financial statements for corporate owner, EA, for the period ended June 30 each year from 2019-2022 was conducted. Below is a summary of the audited consolidated financial statements:

- The Condensed Consolidating Balance Sheet indicated that EA had \$10,647 (in thousands) in cash and cash equivalents.
- The company had current assets of \$35,792 (in thousands) and current liabilities of \$44,028 (in thousands), which means for every dollar of current liabilities, the company had \$1.23 in current assets.
- The company had \$262,511 (in thousands) in total revenue. This represents a net income ratio of (0.16%).

EA is rated as financially not responsible by the U.S. Department of Education Federal Student Aid Office. EA's federal composite score was negative 1.0 (-1.0) for 2017, negative 0.8 (-0.08) for 2018, negative 0.4 (-0.04) for 2019, 0.20 for 2020, and 0.70 for 2021, which means that EA is not considered financially healthy for the period.

The submitted financial statements for each individual campus indicated that “the composite score for both campuses was 2.4 in 2021 and 2.7 in 2022, indicating that both campuses were considered financially healthy for the period.”

A review was conducted of the 2022 audited consolidated financial statements for each campus. The findings are summarized as follows:

Queens Campus:

- The Condensed Consolidating Balance Sheets indicated that Queens Campus had \$2,009 (in thousands) in cash, cash equivalents, and restricted cash.
- Queens Campus had current assets of \$24,376 (in thousands) and current liabilities of \$3,543 (in thousands), which means for every dollar of current liabilities, the company had \$0.14 in current assets.
- Queens Campus had \$16,380 (in thousands) in total revenue and net income of \$4,042. This represents a net income ratio of 24.68%.

Staten Island Campus:

- The Condensed Consolidating Balance Sheets indicated that Staten Island Campus had \$2,016 (in thousands) in cash, cash equivalents, and restricted cash.
- Staten Island Campus had current assets of \$34,034 (in thousands) and current liabilities of \$1,418 (in thousands), which means for every dollar of current liabilities, the company had \$0.04 in current assets.
- Staten Island Campus had \$12,879 (in thousands) in total revenue and net income of \$2,630. This represents a net income ratio of 20.42%.

Staff Analysis: This provision is not met. USDE Federal Student Aid Office rated EA as financially not healthy every year from 2017-2021.

Rule §3.58 (b)(3)(iv): *performance outcomes that demonstrate that the institution and/or programs it operates are effective, where applicable.*

As mentioned previously, the pass rates for first-time candidates on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) for both campuses have been below the state average.

Examination pass rates for the MA programs were requested from both campuses, and pass rates for the DA exam were requested from the Staten Island Campus; however, the Queens Campus did not provide any requested data and the Staten Island Campus only reported the MA program certification exam pass rates. Table 4 below provides certification results for the Staten Island MA students testing in the 2023 calendar year.

Table 4: Medical Assistant Certification Exam Pass Rates

Certification	RMA	Phlebotomy	EKG
Pass Rate	75.0%	56.7%	54.8%
Number of Testers	12	60	31

The Integrated Postsecondary Education Data System (IPEDS) shows that the default rate for the Queens Campus was 3.6% for 2018, 0.6% for 2019, and 0% for 2020. The default rate for the Staten Island Campus was 9.1% for 2018, 2.8% for 2019, and 0% for 2020 (see Table 5).

Table 5: Default Rates

	2020		2019		2018	
	Queens Campus	Staten Island Campus	Queens Campus	Staten Island Campus	Queens Campus	Staten Island Campus
Default Rate	0.0%	0.0%	0.6%	2.8%	3.6%	9.1%

According to the IPEDS data, the retention rate for fall 2022 was 53% for the Queens Campus and was 54% for the Staten Island Campus. The national retention rate average for two-year for-profit institutions is 66%.

The graduation rate (at 1.5 times of program length) for the cohort starting in 2018 was 48% for the Queens Campus and 38% for the Staten Island Campus. The graduation rate for the cohort starting in 2019 was 67% for the Queens Campus and 48% for the Staten Island Campus. The national graduation rate average for two-year for-profit institutions is 61% for the cohort starting in 2017.

Presented below in Table 6 is the Job Placement rates reported by the School.

Table 6: Job Placement Rates

	May 2023		2022	
	Queens Campus	Staten Island Campus	Queens Campus	Staten Island Campus
MA	76%	76%	67%	75%
Nursing	67%	67%	44%	81%
DA	--	82%	--	82%

Staff Analysis: This provision is not met. The pass rates for first-time candidates on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) for both campuses have been below the state average.

Rule §3.58 (b)(3)(v): *that the institution, including but not limited to individuals governing and administering the institution have a record free from evidence suggesting fraudulent and/or deceptive practices, including but not limited to misleading or misrepresentation in advertising.*

Finding:

The Schools are owned by Education Affiliates Inc. (EA). Documentation and attestations from both campuses show the Schools are in good standing with their accreditors. Each School provided statement indicating that it has a record free from evidence suggesting fraudulent and/or deceptive practices, including but not limited to misleading or misrepresentation in advertising.

Staff Analysis: This provision is met.