U.S. Department of Education

Staff Report
to the
Senior Department Official
on
Recognition Compliance Issues

RECOMMENDATION PAGE

1. **Agency:** National Accrediting Commission Of Cosmetology Arts and Sciences (1970/2006)
   (The dates provided are the date of initial listing as a recognized agency and the date of the agency's last grant of recognition.)

2. **Action Item:** Petition for Continued Recognition

3. **Current Scope of Recognition:** The accreditation throughout the United States of postsecondary schools and departments of cosmetology arts and sciences and massage therapy.

4. **Requested Scope of Recognition:** Same as above.

5. **Date of Advisory Committee Meeting:** December, 2010

6. **Staff Recommendation:** Continue the agency's recognition and require the agency to submit a compliance report in 12 months that demonstrates the agency's compliance with the issues identified in this report.

7. **Issues or Problems:** The following three issues are summarized below and discussed in detail in the body of the staff analysis:

   - The agency must provide evidence of the effective application of its mechanisms for monitoring the institutions it accredits. (602.19(b))

   - The agency must establish policies/practices that comply with the timelines in this criterion, and demonstrate that it has effectively applied its policies in evaluating the performance of its accredited institutions in meeting its thresholds for student outcomes. (602.20(a))

   - The agency must demonstrate that it consistently takes immediate adverse action against programs/institutions at the end of the specified 12-18-24 month timeframe, unless the time is extended for good cause. (602.20(b))

EXECUTIVE SUMMARY

PART I: GENERAL INFORMATION ABOUT THE AGENCY

NACCAS is a national accreditor whose scope of recognition is for the accreditation throughout the United States of postsecondary schools and departments of cosmetology arts and sciences and massage therapy. The agency accredits approximately 1,300 institutions offering programs in the cosmetology arts and sciences and/or massage therapy. Over 70% of the schools that are accredited by NACCAS use the agency's accreditation to establish eligibility participate in the Department's Title IV Federal Student Aid programs.

Recognition History

The Secretary first recognized the National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS) in 1970 for its accreditation of private cosmetology schools.

The last full review of the agency took place at the June 2008 meeting of the National Advisory Committee on Institutional Quality and Integrity (NACIQI), at which time the ED staff and NACIQI recommended continued recognition for a period of five years. The Secretary had not made a final decision prior to passage of the Higher Education Opportunity Act, which contained a number of provisions related to accrediting agency recognition that were effective upon enactment. Subsequently, new regulations were developed, effective July 1, 2010. As a consequence, the agency was required to submit an updated petition for review by staff and NACIQI.

PART II: SUMMARY OF FINDINGS

§602.19 Monitoring and reevaluation of accredited institutions and programs.

(b) The agency must demonstrate it has, and effectively applies, a set of monitoring and evaluation approaches that enables the agency to identify problems with an institution's or program's continued compliance with agency standards and that takes into account institutional or program strengths and stability. These approaches must include periodic reports, and collection and analysis of key data and indicators, identified by the agency, including, but not limited to, fiscal information and measures of student achievement, consistent with the provisions of §602.16(f). This provision does not require institutions or programs to provide annual reports on each specific accreditation criterion.

The agency uses multiple mechanisms to monitor its institutions' continued compliance with its standards and requirements that includes requiring reports of substantive changes , investigating complaints, etc. Primarily, though, it requires all accredited institutions to submit annual reports that include financial information and student outcomes information. The agency has not provided any indication, however, of what other key indicators it assesses or what triggers or flags it has established to identify concerns regarding an institution's continued compliance with its standards or evidence of its review.

Staff determination: The agency does not meet the requirement of this section. The agency did not provide evidence of its effective application of its mechanisms to for monitoring institutions it accredits. It must specify what key indicators it assesses and demonstrate how it evaluates the information it collects to determine an institution's continued compliance with its standards.

Analyst Remarks to Response:

Although the agency has indicated that it collects additional information (indicators) that are requirements of NACCAS accreditation, it is not clear how the agency uses this information in determining an institutions' compliance with its standards. For example, the agency indicates that institutions are to submit a copy of the current state license to operate. The agency reports that state regulatory requirements vary from state to state, but may address such matters as curriculum, program length, student/teacher ratios and faculty qualifications. While this may be true, it does not demonstrate that the institution is meeting NACCAS' standards of educational quality. Also, while use of Department reports and findings may be a part of a comprehensive monitoring process, these reports focus on meeting student financial aid administration requirements.

The agency has not demonstrated what would indicate that there may be problems with an institution's continued compliance with its standards of educational quality nor has it demonstrated application of its monitoring system.

Staff Determination: The agency does not meet the requirements of this section. It must provide evidence of the effective application of its mechanisms for monitoring the institutions it accredits.

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§602.20 Enforcement of standards

(a) If the agency's review of an institution or program under any standard indicates that the institution or program is not in compliance with that standard, the agency must--

(1) Immediately initiate adverse action against the institution or program; or
(2) Require the institution or program to take appropriate action to bring itself into compliance with the agency's standards within a time period that must not exceed--
(i) Twelve months, if the program, or the longest program offered by the institution, is less than one year in length;
(ii) Eighteen months, if the program, or the longest program offered by the institution, is at least one year, but less than two years, in length; or
(iii) Two years, if the program, or the longest program offered by the institution, is at least two years in length.

The agency's Rules state that if the commission has reason to believe that an institution is no longer in compliance with the agency's standards, the school will be ordered to show cause within 15 days as to why its accreditation status should not be changed. As documented in the agency's amended rules, the agency's Time Lines to Remedy Non-Compliance mirror the 12-18-24 month enforcement timelines specified in the Department's regulations.

However, the agency's policies and practices for having institutions take corrective action to comply with the agency's student outcome standards, does not comply with the enforcement timelines. Specifically, any institution with student outcomes below agency standards is required to—
Year 1: submit report for the following report year.
Year 2: If rates are not at or above the minimum standard a visit is conducted and an improvement plan is required.
Year 3: evaluate implementation of improvement plans

Staff determination: The agency does not meet the requirements of this section. The agency must establish policies/practices that comply with the timelines in this criterion, and demonstrate that it has effectively applied its policies in evaluating the performance of its accredited institutions in meeting its thresholds for student outcomes.

Analyst Remarks to Response:

According to the agency, programs/institutions submit annual reports every November that includes information on student outcomes. At that time, the information is reviewed and assessed to determine if the institution has or has not met the student outcome thresholds. If not, the institution would be out of compliance with the agency standard.

The agency's follow-on actions do not conform to the requirements of this criterion. This criterion expects an agency to take immediate adverse action or to allow an institution a specific timeframe in which to come into compliance with agency standards. It is not clear that the agency is consistently enforcing its requirement that the institution raise its student outcomes to meet agency thresholds within the enforcement timelines of the criterion, which for this agency, may differ by institution (12-months, 18-months, or 24-months) based on the length of programs offered by the institution.

Staff determination: The agency does not meet the requirements of this section. The agency must establish policies/practices that comply with the timelines in this criterion, and demonstrate that it has effectively applied its policies in evaluating the performance of its accredited institutions in meeting its thresholds for student outcomes.

(b) If the institution or program does not bring itself into compliance within the specified period, the agency must take immediate adverse action unless the agency, for good cause, extends the period for achieving compliance.

The agency has not provided any evidence that it takes adverse action in accordance with its enforcement policies.

Staff determination: The agency does not meet the requirements of this section. The agency must provide evidence that it takes adverse action in accordance with its enforcement policies.

Analyst Remarks to Response:

Although the agency provided examples of adverse actions taken, the finding under this section is related to the finding under the previous section (602.20(a)). Under the previous section, it was unclear if the agency is consistently enforcing the 12-18-24 month timeframe required for programs/institutions to bring themselves into compliance with the agency's standards. Therefore, under the current section, it is also unclear if the agency is consistently taking immediate adverse action against programs/institutions at the end of the specified 12-18-24 month timeframe.

Staff determination: The agency does not meet the requirements of this section. The agency must demonstrate that it consistently takes immediate adverse action against programs/institutions at the end of the specified 12-18-24 month timeframe, unless the time is extended for good cause.

PART III: THIRD PARTY COMMENTS

The Department did not receive any written third-party comments regarding this agency.