

## NACCAS 2011 CALL FOR COMMENT

### COMPARISON OF PROPOSED CHANGES TO STANDARDS, CRITERIA, RULES, APPENDICES AND BY-LAWS

#### General Notes on Changes:

1. More than one Proposal may relate to the same provision of NACCAS' Standards, Policies, Rules of Practice and Procedure, Appendices, By-Laws or Glossary. Unless otherwise noted, all proposals relating to a given Standard, Policy, etc. are included in a comprehensive mark-up of that provision.
2. Language to be deleted is overstruck (~~overstruck~~) and language to be added is in **bold, underlined** text.
3. In general, footnotes to the Standards, Policies, etc. in the attached Proposals have not been included in this document except where they are marked to show changes (such as deletion of the footnote). Footnotes included in this document solely to explain a Proposal are in **BOLD CAPS**.
4. Any Proposal adopted under emergency action is given a Proposal Number with an "E". Effective dates for each such Proposal are noted in the Call for Comment Survey document.
5. NOTE: The proposed changes under (1) Proposals 2011-37, -38, -44, -54 and -55 and (2) Proposal 2011-52E are sufficiently extensive that blacklined text showing changes does not result in a readable document. Interested parties are urged to compare the text of these proposals against the current versions of the applicable rules and appendices, available at [www.naccas.org](http://www.naccas.org).

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-01

**Proposal 2011-01: The Commission proposes to amend Standard II, Criterion 9 to clarify that each instructor must receive a written performance evaluation at least once every 12 months.**

### PROPOSED REVISIONS

#### Standard II

#### II. INSTRUCTIONAL STAFF

The institution employs an instructional staff that is fully qualified and of adequate size to fulfill the objectives of the educational courses and/or program(s) regardless of mode of delivery.

- D 1. Instructors hold teaching credentials demonstrating compliance with applicable state requirements.
- A 2. Qualified substitute instructors are familiar with the institution's curriculum, policies and procedures.
- A 3. Qualified substitute instructors are used when needed.
- D 4. Instructors attend meetings according to the institution's policy.
- A 5. Instructor meeting topics are relevant to the institution's stated mission and educational objectives.
- D 6. The institution has a written plan for continuing education for all instructors.
- D 7. The written plan requires all instructors to meet their state requirements for licensure or certification renewal, if applicable, but not less than 12 clock hours of such activity each year per instructor.
- D 8. Continuing education, completed in person or online, includes a minimum of 4 hours in teaching methodology.
- D 9. Each instructor receives a written performance evaluation at least ~~annually~~ **once every 12 months**.
- D 10. The evaluation includes, at a minimum, teaching preparation and effectiveness.

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## PROPOSAL 2011-02E

**Proposal 2011-02E: The Commission proposes to amend Standard III by adding new Criterion 17, requiring that any information provided to applicants, enrollees, or students that is relevant to their decision to enroll in the institution or to satisfactorily complete the course and/or program must be available in the language in which the course will be taught.**

### PROPOSED REVISIONS

#### Standard III

#### III. ADMINISTRATIVE SERVICES

The institution has in place administrative policies and services appropriate to the educational courses and/or program(s). Such policies and services meet applicable federal, state, local, and NACCAS policies.

- D1. The institution is legally authorized to provide training.
- O 2. Appropriate licenses and certificates issued by state and/or other regulatory authorities are publicly displayed.
- A/O/D 3. The institution complies with applicable federal, state, and local statutes and regulations governing the operations of the institution including the NACCAS *Rules of Practice and Procedure*.
- D 4. The institution has adopted written operating policies and procedures.
- A 5. The institution's written operating policies and procedures are implemented and maintained effectively.
- D 6. The institution effectively administers all the student financial assistance programs in which the institution participates.
- D 7. The institution has current, signed participation agreement(s) and Eligibility Certification Approval Report (ECAR) listing approved courses and/or programs, if applicable.
- D 8. If participating in federal loan programs, the institution maintains an official cohort default rate below the threshold established by the U.S. Department of Education.
- D/O 9. Advertising for the institution is factual.
- D10. Advertising conforms to the NACCAS Policy on Advertising.
- D 11. The institution maintains copies of any training agreements with government agencies, school districts and/or other entities, if applicable.
- D 12. The institution guarantees each student (or parent or guardian if the student is a dependent minor) access to that student's records.

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### PROPOSAL 2011-02E

- D 13. The institution complies with the Family Education Right to Privacy Act.
- D 14. The institution provides access to student and other institution records as required for any accreditation process initiated by the institution or by the National Accrediting Commission of Cosmetology Arts and Sciences, or in response to a directive of the Commission.
- O 15. All institution records are maintained and safeguarded against loss, theft, identify theft, or damage.
- A 16. The institution utilizes technologies and practices that are effective in verifying the identity of a distance-learning student who participates in class or coursework (such as a secure login and pass code or proctored examinations) while protecting student privacy.

**A/D 17. Any information provided to applicants, enrollees, or students that is relevant to their decision to enroll in the institution or to satisfactorily complete the course and/or program must be available in the language in which the course will be taught.**

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### PROPOSALS 2011-03 through 2011-08E

**Proposal 2011-03:** The Commission proposes to amend Standard IV, Criterion 1(a) to clarify the (non-exhaustive) list of evidence of successful completion of high school or its equivalent.

**Proposal 2011-04:** The Commission proposes to amend Standard IV by adding new Criterion 2, providing that a limited number of secondary students who are not enrolled under a training agreement as described in Standard I, Criterion 1(d) (no more than 10% of the number of students currently enrolled) may be admitted if the applicant meets the state requirements for admission, obtains permission in writing from the secondary institution in which the applicant is enrolled and successfully completes a pre-enrollment evaluation as established by the institution.

**Proposal 2011-05E:** The Commission proposes to amend Standard IV by adding new Criterion 7, requiring pre-enrollment disclosure of median loan debt, private education loan debt and amounts owed under institutional financing plans, in each case on a program basis.

**Proposal 2011-06:** The Commission proposes to amend Standard IV by adding new Criterion 9, requiring that an enrollment agreement must be fully executed prior to the enrollee starting classes.

**Proposal 2011-07E:** The Commission proposes to amend Standard IV by adding new Criterion 17, requiring pre-enrollment disclosure of the rationale for offering a program longer than required by the state, and the benefits to students derived from the additional training.

**Proposal 2011-08E:** The Commission proposes to amend Standard IV by adding new Criterion 18, requiring pre-enrollment disclosure of generally known prerequisites for employment and factors that might preclude individuals from employment in the field for which training is provided.

### PROPOSED REVISIONS

#### Standard IV

#### IV. ADMISSIONS POLICIES AND PROCEDURES

The institution has published student admissions policies that are appropriate for the educational courses and/or program(s), and the institution follows these policies.

D 1. The institution's admission policies require that each student meet one of the following:

- a. ~~Have a high school diploma, or its equivalent, a transcript showing completion, or a certificate of attainment (only applicable for non-Title IV recipients) certified/verified by the high school's state or other recognized agency; or~~ **Proof of successful completion of high school or its equivalent as evidenced by any of the items on the following non-exhaustive list: copy of diploma, copy of GED certificate, copy of a transcript showing high school completion, a self-certification by**

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**student (if the school accepts self-certification, the policy must so state) or a certificate of attainment (only applicable to non-Title IV recipients, etc.; or**

- b. Have a state-issued credential for secondary school completion if home schooled; or
- c. Have the ability to benefit from the training, according to the NACCAS Ability to Benefit Policy.
- d. If attending under a training agreement with a government agency, school district, and/or other entity, meet the admission requirements set out in the training agreement and/or applicable state licensing or certification regulations.

**D 2. A limited number of secondary students who are not enrolled under a training agreement as described in item d above (no more than 10% of the number of students currently enrolled) may be admitted if the applicant meets the state requirements for admission, obtains permission in writing from the secondary school in which the applicant is enrolled and successfully completes a pre-enrollment evaluation as established by the institution.**

D ~~23~~. The institution's written catalog complies with the NACCAS catalog requirements.

D ~~34~~. Before accepting an applicant for admission, the institution provides the applicant access to the institution's catalog.

D ~~45~~. Before enrollment each applicant is provided access to written information that accurately reflects the most recent annual report year statistics.

D ~~56~~. Before enrollment each applicant is provided access to written information that accurately reports the certification or licensing requirements of the jurisdiction for which it is preparing graduates.

**D 7. Before enrollment each applicant is provided access to written information that accurately reports the median loan debt incurred by students who completed each program identified separately as Title IV loan debt, if applicable, and debt from private educational loans and institutional financing plans based on what is owed when students complete their programs for the most recent NACCAS Annual Report year.**

D ~~68~~. The institution uses an enrollment agreement that complies with the NACCAS Enrollment Agreement Requirements.

**D 9. The enrollment agreement must be fully executed prior to the enrollee starting classes.**

D ~~710~~. A copy of the fully executed enrollment agreement is provided to the ~~student~~ **enrollee** and legal guardian, as applicable.

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### PROPOSALS 2011-03 through 2011-08E

- D 811. A copy of the fully executed enrollment agreement is maintained by the institution.
- D 912. The institution's policies clearly state that the institution does not discriminate on the basis of sex, age, race, color, religion, or ethnic origin in admitting students.
- D 103. The institution has a policy that clearly defines how training or education received at another institution is applied to the receiving institution's course or program requirements for graduation (including the possibility that no such transfer credit is granted).
- D 114. The institution maintains a list of institutions with which they have established an articulation agreement, if applicable.
- D 125. The institution's practices are consistent with its admissions policies and requirements.
- D 136. The institution notifies distance-learning students at the time of registration or enrollment of any projected additional student charges associated with the verification of student identity.
- D 17. If an institution offers a program that is longer than the state requirements, before enrollment, each applicant is provided the rationale for completing the additional hours and the benefits to be derived from the additional training.**
- D 18. Before enrollment, each applicant is provided generally known prerequisites for employment and factors that might preclude an individual from obtaining employment in the field for which training is provided.**

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### PROPOSALS 2011-09E & 2011-10E

**Proposal 2011-09E: The Commission proposes to amend Standard VI by adding new Criterion 15, requiring that distance education must be managed, controlled and delivered by the approved institution.**

**Proposal 2011-10E: The Commission proposes to amend Standard VI by adding new Criterion 16, requiring that distance education cannot be used as a mode of delivery for more than 50% of any program.**

#### PROPOSED REVISIONS

##### Standard VI

#### VI. CURRICULUM

The institution offers educational courses and/or programs congruent with the mission of the institution and its educational objectives. Courses and/or programs incorporate job market requirements in instruction through involvement with the institution's advisory committee. The institution ensures that all courses and/or programs offered by the institution, regardless of location or mode of delivery, are qualitatively consistent.

- A/O 1. Courses and/or programs are congruent with the mission of the institution and its educational objectives.
- A/O 2. Courses and/or programs meet the state requirements where the student is seeking licensure and/or certification, if applicable.
- D 3. Each student is provided with a written program and/or course outline, at the beginning of the program and/or course.
- D 4. The course and/or program outlines(s) must include each of the following elements:
  - a. Name of the course or program;
  - b. Course or program description;
  - c. Course or program educational objectives;
  - d. Contents of the units of instruction and, as applicable, hours, credits and/or competencies devoted to each unit;
  - e. Instructional methods used to teach the course and/or program;
  - f. Grading procedures.
- A/O 5. In order to fulfill course and/or program requirements, the institution makes available to students the following:
  - a. Textbooks and/or text materials,
  - b. Supplementary instructional resources,
  - c. Equipment, as applicable,
  - d. Products and supplies, as applicable.
- A/O 6. The institution provides students and teachers with access to current written reference materials to support the educational course and/or program(s) offered.

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- D 7. Courses and/or programs offered by the institution comply with the applicable regulatory agency curriculum requirements. In the absence of oversight agency regulations regarding curriculum, programs and/or courses are designed to meet industry standards using feedback from the institution's advisory committee.
- A 8. Each course or program provides supervised instruction in the applicable skills and competencies.
- D 9. Academic and practical learning precede student salon or clinic activities, as applicable.
- A/O 10. Academic and practical learning methods (e.g. discussion, question and answer, demonstration, cooperative learning, distance learning, problem solving, interactive lecture, individualized instruction, student and classroom presentations, labs and student salon activities, etc.) are used during the program.
- A/O 11. Effective training aids and audiovisual materials are used to supplement the instructional process.
- D 12. Instruction in classrooms, labs, student salons, and/or via distance learning, if applicable, is effectively organized as evidenced by:
- a. Program and/or course outlines
  - b. Lesson objectives
  - c. Evaluations
  - d. Other applicable instructional materials
- D 13. To offer a course and/or program that exceeds the required minimum course or program length by more than 50%, the institution must justify the course or program length. In accordance with the mission of the institution, the justification must state how the course or program length is necessitated by the following factors:
- a. Industry needs as determined and/or recommended by the institution's Advisory Committee;
  - b. Special academic needs of the students served
- D 14. If an institution participates in an externship, the institution's externship complies with all applicable requirements established by the state regulatory agency. In the absence of regulations promulgated by the state regulatory agency, the institution's externship will comply with the NACCAS Externship Requirements Policy.
- D 15. Distance education instruction must be managed, controlled, and delivered by the approved institution.**
- D 16. Distance education cannot be used as a mode of delivery for more than 50% of any program.**

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### PROPOSALS 2011-11E through 2011-16E

**Proposal 2011-11E: The Commission proposes to amend Standard VII by eliminating Criterion 1 (as it is redundant).**

**Proposal 2011-12E: The Commission proposes to amend Standard VII, Criterion 2 to clarify that institutions applying for initial accreditation must submit financial statements for the most recent fiscal year.**

**Proposal 2011-13E: The Commission proposes to amend Standard VII, Criterion 3(b) to clarify that assets excluded in the calculation of the composite score are also excluded in the calculation of the acid test ratio and net worth.**

**Proposal 2011-14E: The Commission proposes to amend Standard VII, Criteria 3(c) and 3(d) to state that all institutions must submit audited financial statements.**

**Proposal 2011-15E: The Commission proposes to amend Standard VII, Criterion 4 to clarify that institutions participating in Title IV funding programs must submit financial statements in accordance with federal auditing standards and guidelines.**

**Proposal 2011-16E: The Commission proposes to amend Standard VII by eliminating Criterion 5 (as it is redundant with revised Criterion 4).**

### PROPOSED REVISIONS

#### Standard VII

#### **VII. FINANCIAL PRACTICES AND MANAGEMENT**

The institution maintains a sound financial condition and has qualified financial management.

~~D 1. — Institution financial statements and accounting documents are prepared in accordance with — generally accepted accounting principles.~~

D 21. Financial statements must be submitted no later than six months after the end of the institution's fiscal year. Institutions applying for initial accreditation must submit their financial statements **for the most recent fiscal year** at the time they submit their application for initial accreditation.

D 32. The financial statements of the institution demonstrate that it has the financial resources to ensure continuity of operation, educational programs and services, and to fulfill its obligations to students and employees, by meeting the following requirements:

- a. Has met the requirements as set forth by the U.S. Department of Education in accordance with 34 C.F.R. 668.171, or the successor regulation, or
- b. A ratio of current assets to current liabilities of one to one or greater (acid test); a positive tangible net worth; and a profit in the most recent accounting year or in two of the most recent three accounting years. **Any assets of the institution that are excluded in the calculation of the composite score shall also be excluded by NACCAS in the calculation of the acid test ratio and net worth.**

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### PROPOSALS 2011-11E through 2011-16E

In accordance with Section 8.18 of the NACCAS *Rules of Practice and Procedure*, an institution is required to bring itself into compliance with accreditation requirements within the time frames established in the *Rules*.

In addition, the institution's financial statements:

- c. are ~~prepared~~ **audited** by an independent Certified Public Accountant;
  - d. are prepared on an accrual basis, and in accordance with Generally Accepted Accounting Principles (GAAP), ~~either compiled or audited.~~
- D ~~43~~. Institutions participating in Title IV funding programs must submit audited financial statements **in accordance with federal auditing standards and guidelines.**
- ~~D 5. Audited financial statements must be prepared in accordance with federal auditing standards and guidelines.~~
- D ~~64~~. Unless superseded by a state-, federal- or program-mandated refund policy, the institution shall adopt a policy that complies with the NACCAS Withdrawal and Settlement Policy and Checklist.
- D ~~75~~. For institutions participating in federal Title IV financial aid programs, the institutional refund policy applies in addition to applicable returns to Title IV programs.
- D ~~86~~. The institution applies the applicable refund policy to all terminations for any reason, by either party, including student decision, course and/or program cancellation, or institution closure.
- D ~~97~~. The institution accurately implements the applicable refund policy.
- D ~~108~~. The institution complies with the NACCAS Policy on Extra Instructional Charges, if applicable.
- D/A ~~119~~. Staff working with financial and accounting records is qualified by training and/or experience in accounting and bookkeeping.
- D/A ~~102~~. Staff working with student financial aid is qualified by training and/or experience in applicable laws and regulations.

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### PROPOSALS 2011-17 through 2011-19

**Proposal 2011-17: The Commission proposes to amend Standard IX, Criterion 1 to include evaluation of attendance.**

**Proposal 2011-18: The Commission proposes to amend Standard IX, Criterion 2 to provide that written criteria for evaluation include rubrics or similar means, and amend the Glossary to define “rubric.”**

**Proposal 2011-19: The Commission proposes to amend Standard IX by eliminating Criterion 4.**

### PROPOSED REVISIONS

#### Standard IX

#### **IX. EVALUATION OF STUDENTS**

The institution uses systematic student evaluation to assist student learning and to demonstrate satisfactory student achievement before a certificate of completion is awarded.

- D 1 Each student is evaluated periodically on **attendance**, academic and/or practical learning, as applicable.
- D 2. Practical learning is evaluated using written criteria, **such as rubrics or similar means**.
- A 3. Student evaluation results are provided to students.
- ~~D/A 4. Students are apprised of their academic performance, practical skills development, as applicable, and attendance at least two times during the course and/or program of study.~~
- D ~~5~~**4**. The institution documents that each student who graduates or is otherwise awarded a certificate of completion has fully met the institution's published graduation requirements.
- D ~~6~~**5**. The institution's Satisfactory **Academic** Progress Policy complies with the NACCAS Satisfactory **Academic** Progress Policy and Checklist.
- D ~~7~~**6**. The institution accurately evaluates student progress according to the requirements of the NACCAS Satisfactory **Academic** Progress Policy and Checklist, if applicable.

#### Glossary

**Rubric – An assessment tool listing specific criteria for grading or scoring practical skills.**

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**PROPOSAL 2011-20E**

**Proposal 2011-20E: The Commission proposes to amend Policy III.02 to provide that all institutions are required to be in compliance with applicable local, state, and federal oversight agencies with respect to advertising the institution, attracting prospective students, or promoting the institution for any reason whether using written copy, web-based information, or any other media format.**

**PROPOSED REVISIONS**

**POLICY III.02:**

**ADMINISTRATIVE SERVICES:  
POLICY ON ADVERTISING**

The National Accrediting Commission of Cosmetology Arts & Sciences, recognizing the desire of schools to make known their special offerings and resources, encourages schools to hold to a high standard of truthfulness in advertising and requires schools, at a minimum, to meet the standards set out in this policy on advertising. **All institutions are required to be in compliance with applicable local, state, and federal oversight agencies with respect to advertising the institution, attracting prospective students, or promoting the institution for any reason whether using written copy, web-based information, or any other media format.**

**[NO OTHER CHANGES TO POLICY III.02]**

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### PROPOSAL 2011-21E

**Proposal 2011-21E: The Commission proposes to amend Policy IV.01 as described more fully below.**

#### PROPOSED REVISIONS

##### POLICY IV.01:

##### **ADMISSION POLICIES AND PROCEDURES: ADMISSIONS POLICY**

NACCAS requires each institution to have in place an admissions policy that identifies all requirements that a prospective student must meet prior to enrolling in, and beginning a specific program of study. Required documents must be maintained in each student's file. Criterion 2 states:

The school's admission policies require that each admitted student meet one of the following:

- a. Have a high school diploma, or its equivalent, a transcript showing high school completion, or a certificate of attainment (only applicable for non-Title IV recipients), **or self-certification**; or
- b. Have a state-issued credential for secondary school completion if homeschooled; or
- c. Have the ability-to-benefit from the training, according to the NACCAS Ability-To-Benefit Policy.
- d. If enrolled under a training agreement with a government agency, school district, and/or other entity, meet the admission requirements set out in the training agreement and/or applicable state licensing or certification regulations.

##### **High School Diploma/GED**

NACCAS recognizes several equivalents to a high school diploma:

- A GED;
- A certificate demonstrating that the student has passed a state-authorized examination that the state recognizes as the equivalent of a high school diploma;
- An academic transcript of a student who has successfully completed at least a two-year program that is acceptable for full credit toward a bachelor's degree; or
- For a student who enrolls before completing high school, a high school transcript indicating the student has excelled in high school. The student must no longer be enrolled in high school, must satisfy your school's written policy for admitting such students, and must be starting a program that leads at least to an associate's degree or its equivalent.
- For a student who is unable to provide the actual documentation of high school completion or receipt of a GED certificate, students may self-certify their educational degree/certification

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### PROPOSAL 2011-21E

by signing a notarized statement listing the name and address of the secondary school attended, and the approximate date they graduated or were awarded a GED certificate, **if the institution's policy allows for it.**

#### **Homeschooling**

Though homeschooled students are not considered to have a high school diploma or equivalent, they are eligible for admission into a NACCAS-accredited school, if the school's policy so states, and if their secondary school education was in a home school that state law treats as a home or private school. Some states issue a secondary school completion credential to homeschoolers. If this is the case in the state where the student was homeschooled, she must obtain this credential in order to be eligible for enrollment.

#### **Proof of Age**

Proof of age may be documented by various means including, but not limited to, birth certificate, drivers license, government issued identification, birth registration, passport, etc.

#### **Ability to Benefit**

For schools that accept ability-to-benefit students, the school must maintain documentation of the results of each student's test for verification that the student has achieved a passing score. Information on the third party test administrator also must be maintained. **The institution must also maintain the name and address of the test administrator who administers the test and any identifier assigned to the test administrator by the test publisher or the state.** An option to testing prior to enrollment is after enrollment, the student may satisfactorily complete 6 credit hours or 225 clock hours, if applicable.

#### **Policy on Training Agreements**

If a NACCAS-accredited institution enters into a training agreement with a government agency, school district, and/or other entity, it must ensure that the following conditions are met:

1. In order to comply with Section 1.2 of the Rules of Practice and Procedure, accredited institutions must have at least one student who is contracted under its own enrollment agreement separate and apart from any training agreements.
2. Students attending under a training agreement are not considered enrollees of the NACCAS-accredited institution and are not counted in the NACCAS Annual Report.
3. The institution is not required to have a separate contract with each individual student enrolled under the training agreement.
4. The institution must maintain a copy of any training agreement with a list of students enrolled through the agreement.
5. The training agreement must specify what is expected of the NACCAS-accredited institution with regard to the contractual relationship (i.e. reporting of attendance and grades, etc.).

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## PROPOSAL 2011-22E

Proposal 2011-22E: The Commission proposes to amend Policy IV.02 as described more fully below.

### PROPOSED REVISIONS

#### POLICY IV.02:

#### ADMISSION POLICIES AND PROCEDURES: ABILITY-TO-BENEFIT POLICY

The following policy applies to all NACCAS-accredited institutions or departments:

#### **I. Admissions Procedures for Ability-to-Benefit Students**

1. Definition of an Ability-to-Benefit Student - A student who is beyond the age of compulsory education, lacks a high school diploma or its equivalent, and has the ability to benefit from the education or training offered at an institution.
2. Admissions of Ability-to-Benefit Students - In order to be admitted on the basis of his or her ability to benefit, a student shall, complete either:
  - a. prior to admission, complete a nationally recognized, standardized, or industry developed test which meets the guidelines established by NACCAS (see Part II, Implementation) and which ~~that~~ measures the applicant's aptitude to ~~complete~~ successfully complete the program or course to which he or she has applied, or
  - b. ~~prior to admission, complete a session of individual counseling which shall be in such a manner and of such type as appropriate to determine the applicant's ability to benefit, or~~
  - eb. For courses and/or programs of 600 hours or more**, after enrollment, satisfactorily complete 6 credit hours or 225 clock hours, as applicable.

3. ~~Remedial Instruction - Students who are admitted only on the basis of counseling,~~

~~or who are unable to satisfy the institution's testing requirements, must be enrolled in an institutionally prescribed program or course of remedial or developmental education, not to exceed one academic year or its equivalent in length. Such a program of remedial or developmental education shall be offered by the institution itself or through contracts with others. It shall be offered prior to enrollment, or concurrently with the program of study undertaken, but it must be completed prior to graduation. The remedial program shall include programs of instruction or self-paced programs. Courses or programs of remedial or developmental education shall provide each student with the basic skills necessary, according to the individual's need, for satisfactory performance in the training or education program which the student has chosen, such as reading~~

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~~comprehension skills for cosmetology or massage education. Institutions adding remedial/ developmental programs or courses or adding a remedial component to an accredited program are subject to Part 4 Sub-Part D of the NACCAS *Rules of Practice and Procedure* dealing with addition of new program.~~

- ~~4. General Education Diploma Alternative—Students who shall receive the general education diploma prior to certification or graduation from the program of study or prior to the completion of the first year of the program, whichever is earlier, are not required to meet the requirements for testing, counseling and remedial education.~~

## II. Implementation

1. Tests - Tests which are used to determine a student's Ability-to-Benefit may be of three types: nationally recognized tests, standardized tests, or industry developed tests, which are approved by the United States Department of Education. **For the most current list of tests recognized by the U.S. Department of Education, go to [www.ed.gov](http://www.ed.gov).**

2. Institutional Policy – NACCAS accredited institutions must develop, publish, and implement institutional policies which conform to NACCAS' Ability-To-Benefit Policy. A general statement of the school's Ability-To-Benefit policy shall be published in the school catalog. If the institution does not admit Ability-To-Benefit students, this should be stated. Catalogs may incorporate paste-overs or inserts until the next required catalog republication.

The institution must publish in its procedures manual or a similar document, but not necessarily in its catalog, the elements of its policy. If testing is the manner in which the ability to benefit from the training is determined, then the policy must, at a minimum state that the test publisher's guidelines are followed.

~~If the school admits ATB students on the basis of remediation and counseling, then the policy, at a minimum, must include:~~

- ~~1. The name of the counseling administrator;~~
- ~~2. A description of the counseling procedures~~
- ~~3. A description of the remediation time frame~~
- ~~4. The remediation guidelines; and~~
- ~~5. The subject matter included in the developmental instruction.~~

~~If the school admits students who will obtain the GED prior to graduation or within the first year of training, the institution's policy, at a minimum, must include an indication of the time period in which such students must obtain their GED.~~

3. Record Keeping: Institutions shall develop and retain the necessary record keeping documents, including records of tests administered, passing scores, student scores, counseling records, name of administrator, and records pertaining

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### PROPOSAL 2011-22E

to each student's enrollment ~~and progress in programs of remedial or developmental instruction.~~ These documents shall be retained for a ~~period~~ **minimum** of ~~five~~ **six** years following the student's completion of the program, and shall be made available upon request to NACCAS on-site examiners.

[APPENDIX A ("TESTS RECOGNIZED AS BEING IN COMPLIANCE")  
IS DELETED IN ITS ENTIRETY.]

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-23

**Proposal 2011-23: The Commission proposes to amend Policy IV.03 to conform to new Standard IV, Criterion 9 and to eliminate the reference to approval of an enrollment agreement being effective for one year from the date of the letter of approval.**

### PROPOSED REVISIONS

#### POLICY IV.03:

#### **ADMISSION POLICIES AND PROCEDURES: ENROLLMENT AGREEMENT REQUIREMENTS AND CHECKLIST**

A contractual relationship exists between an institution and its applicant or student. The terms of such agreement are considered to be of substantial importance and should be clearly understood by all concerned parties, including unsophisticated applicants and parents. Therefore, an institution is required to utilize a written enrollment agreement clearly outlining the obligations of the institution and the student, including details of the institution's refund policy, and to provide a copy of the **fully executed** agreement to the applicant before any payment is made **enrollee prior to starting classes. Further, an institution may not collect any payments from an applicant** other than a non-refundable application fee not to exceed \$100.00 **prior to entering into an enrollment agreement.** Any changes to terms of the enrollment agreement must be acknowledged by both parties by signature or initialing the changes. This checklist has been prepared to assist schools in interpreting the Standards for accreditation and to serve as a guide in preparing contracts.

It is not necessary for the various elements to be stated in any special phraseology or listed in any particular sequence, as long as the overall document conveys the terms of the agreement in a manner that can be easily understood.

#### **Required Elements**

These elements must be included in each enrollment agreement. A copy of the agreement is to be furnished to the applicant before any payment is made other than a non-refundable application fee not to exceed \$100.00. Since accrediting standards require that each applicant be fully informed as to the nature of the obligations, responsibilities, and rights under the contract before signing it, the applicant should also have a copy of the institution's catalog and any other necessary supporting documents detailing the services outlined in the enrollment agreement.

A copy of this checklist (or the abbreviated version found in the NACCAS Samples and Guidelines booklet) is to accompany each enrollment agreement copy sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study. For each of the items below, review the relevant section of your enrollment agreement to determine if it contains all of the information required by the item in the NACCAS Enrollment Agreement Requirements. Then list the item number of your enrollment agreement where the information can be found.

- \_\_\_\_\_ 1.        Title – Identified as a contract or enrollment agreement.
- \_\_\_\_\_ 2.        Institution – Name and address of the institution to be attended.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-23

- \_\_\_\_\_ 3. **Course and/or Program(s)** – Program title(s) as identified in the catalog.
- \_\_\_\_\_ 4. **Length of Course and/or Program** – Number of clock hours, credit hours, or competencies in each program or course and an approximate number of weeks or months required for completion.
- \_\_\_\_\_ 5. **Cost** –
  - \_\_\_\_\_ a. **Tuition** – Total tuition for the course.
  - \_\_\_\_\_ b. **Books and Supplies** – Must be actual cost to the student.
  - \_\_\_\_\_ c. **Fees** – Must be separately identified.
  - \_\_\_\_\_ d. **Other Costs** – All other costs and charges must be identified.
  - \_\_\_\_\_ e. **Payment** – Methods and terms of payment of monies owed to the institution must be identified.
- \_\_\_\_\_ 6. **Starting Date** – Scheduled class starting date.
- \_\_\_\_\_ 7. **Calculated Completion Date**.
- \_\_\_\_\_ 8. **Class Schedule** – Identify full time or part time and the actual hours per week the student is scheduled to attend.
- \_\_\_\_\_ 9. **Termination by Institution** – Grounds for termination by the institution and applicable administrative fee (not to exceed \$150.00).
- \_\_\_\_\_ 10. **Refund Policy** – Must comply with the NACCAS Minimum Cancellation and Settlement Policy and any state or federal mandated policies. (See Separate Policy and Checklist)
- \_\_\_\_\_ 11. **Graduation Requirements** – List any special conditions or requirements.
- \_\_\_\_\_ 12. **Employment Assistance** – A clear statement that the institution does not guarantee employment. A description of the extent and nature of employment assistance.
- \_\_\_\_\_ 13. **Acknowledgement** – Acknowledgement that signers have read and received a copy of the contract.
- \_\_\_\_\_ 14. **Applicant Signature** – Date and signature of the applicant (and/or parent or other sponsor if the applicant is below legal age).
- \_\_\_\_\_ 15. **Institution Signature** – Acceptance date and signature of appropriate institution official.
- \_\_\_\_\_ 16. **Other Elements** – Other elements required by various governmental bodies (such as state licensing and approval agencies).

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-23

\_\_\_\_\_ 17. Conditional Elements – The enrollment agreements (contract) must also disclose and outline any other conditions, circumstances, or qualifications imposed by the institution.

\_\_\_\_\_ 18. The contract must be in the language in which the program will be taught.

The program will be taught in \_\_\_\_\_; the contract is in\_\_\_\_\_.

All enrollment agreements (contracts) must meet with state and federal truth-in-lending requirements.

~~Approval of any institution's enrollment agreement is effective for one year from the date on the letter of approval.~~

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-24

**Proposal 2011-24: The Commission proposes to amend Policy IV.04 to require that catalogs include the Standard Occupational Classification codes of the occupations for which training is provided (and other minor technical changes).**

### PROPOSED REVISIONS

#### POLICY IV.04:

##### **ADMISSION POLICIES AND PROCEDURES: CATALOG REQUIREMENTS AND CHECKLIST**

A prospective student is entitled to sufficient data to make an informed choice of training opportunities and institutions. An institution is therefore obligated to provide sufficiently detailed information in advance of enrollment to assure that prospective students clearly understand their opportunities, limitations, and obligations.

Prior to signing an enrollment agreement (contract), an institution is required to provide each applicant with access to a written publication which is readily identifiable as a catalog. The catalog provided to the student must be written in the language in which the program(s) will be taught. The catalog is designed, written and printed to convey an accurate and dignified impression of the institution. It avoids false, misleading and exaggerated statements. Illustrations and copy pertain directly to the institution, and sources of illustrations are clearly identified.

A copy of this checklist (or the abbreviated version found in the NACCAS Samples and Guidelines booklet) is to accompany each catalog copy sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study (ISS). The cross-referenced catalog submitted with the ISS must be translated into English. For each of the items below, review the relevant section of your catalog to determine if it contains all of the information required by the item in the NACCAS Catalog Requirements. Write the item number from the Catalog Requirements next to the requirement in the catalog and list the appropriate page number(s) from the catalog on this checklist where the information can be found.

The catalog must be an organized collection of the items listed below; however, it is not necessary to adhere to any particular sequence or phrasing when including this information.

~~Items marked with one asterisk (\*) must appear both in the catalog and on the contract.~~

A copy of this checklist is to accompany each catalog copy sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study for Standard IV, Criterion I. The cross-referenced catalog submitted with the ISS must be translated into English. For each of the items below, review the relevant section of your catalog to determine if it contains all of the information required by the item in the NACCAS Catalog Requirements. Write the item number from the Catalog Requirements next to the requirement in the catalog and list the appropriate page number(s) from the catalog on this checklist where the information can be found.

- \_\_\_\_\_ 1. The catalog must be written in the language in which the program(s) will be taught.
- \_\_\_\_\_ 2. Name and address of the institution for each location. An unaccredited institution must be identified as such or omitted from the catalog.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-24

- \_\_\_\_ 3. Date of publication.
- \_\_\_\_ 4. The school's mission statement.
- \_\_\_\_ 5. The admission requirements (criteria) used by the institution for each program or course. The institution's admission policy must comply with the NACCAS ability-to-benefit policy.
- \_\_\_\_ 6. The admission requirements used by the institution state how training or education received at another institution is applied.
- \_\_\_\_ 7. The name of each course and/or program and the name, nature and level of occupations, **identified by Standard Occupational Classification codes (SOC)**, for which training is provided must be identified.
- \_\_\_\_ 8. Length of Course and/or Program: Number of clock hours, credit hours, or competencies in each program offered by the institution in sufficient detail to show the scope and sequence of units included. (Clearly identify the coverage of each program or course).
- \_\_\_\_ 9. Description of the institution's general facilities and equipment.
- \_\_\_\_ 10. The grading system used by the institution. Identify the full range of grades that students may earn. (Must be consistent with the institution's Satisfactory **Academic** Progress Policy).
- \_\_\_\_ 11. Graduation requirements for each course and/or program. List any special conditions or requirements.
- \_\_\_\_ 12. Type of document (certificate, diploma, etc.) awarded upon graduation from each program.
- \_\_\_\_ 13. Refund Policy: Refund policy must comply with the NACCAS Cancellation and Settlement Policy and Tuition Adjustment Schedule and state or federal mandated policies.
- \_\_\_\_ 14. Employment Assistance: A clear statement that the institution does not guarantee employment. Describe employment assistance.
- \_\_\_\_ 15. A school calendar of beginning dates of classes for each course and/or program. Indicate holidays and school closures.
- \_\_\_\_ 16. Statement that the institution does not discriminate on the basis of sex, race, age, color, ethnic origin, or religion.
- \_\_\_\_ 17. Name(s) of the owner(s).
- \_\_\_\_ 18. The institution's policy guaranteeing the right of students to gain access to their files.
- \_\_\_\_ 19. The institution's policy for releasing information about an individual student.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-24

- \_\_\_\_\_ 20. Scholarship and fee waiver policies (if applicable).
- \_\_\_\_\_ 21. Specifics describing the extent of other available services, such as housing (if applicable), career counseling, etc.
- \_\_\_\_\_ 22. The name(s), address(es), and telephone number(s) of the appropriate state agency(ies) which license the institution, as well as the name(s), address(es) and telephone number(s) of the agency(ies) which accredit the institution.
- \_\_\_\_\_ 23. Any other material facts concerning the institution or the program of instruction which are likely to affect the decision of the student to enroll therein.

The following items may appear on a dated catalog insert as long as there is a clear indication in the catalog's table of contents that this information is so provided. *If an institution chooses to use a catalog format which is comprised of inserts or separate pages, all pages or inserts must be dated and numbered. The main body of the catalog must contain a complete table of contents which clearly indicates all inserts or separate pages and the corresponding page numbers.*

- \_\_\_\_\_ 24. Policies related to tardiness, excused and unexcused absences, make-up work, conduct, termination and other rules and regulations of the institution.
  - \_\_\_\_\_ a. Tardiness
  - \_\_\_\_\_ b. Excused and unexcused absences
  - \_\_\_\_\_ c. Make up work
  - \_\_\_\_\_ d. Conduct
  - \_\_\_\_\_ e. Termination
  - \_\_\_\_\_ f. Other rules and regulations of the institution
- \_\_\_\_\_ 25. Administrative staff and faculty.
- \_\_\_\_\_ 26. Costs for each program or course:
  - \_\_\_\_\_ a. Tuition – Total tuition for each course;
  - \_\_\_\_\_ b. Books and supplies – Must be actual cost to the student;
  - \_\_\_\_\_ c. All fees – Must be separately identified;
  - \_\_\_\_\_ d. Other costs; and
  - \_\_\_\_\_ e. Payment – Methods and terms of payment of monies owed to the institution must be identified.

#### **If One Catalog Is Used For Several Institutions**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-24

- \_\_\_\_\_ 27. All institutions which use a common catalog must be of common ownership and this must be indicated.
- \_\_\_\_\_ 28. Any pictures of the physical facilities must be captioned to identify the particular institution depicted.
- \_\_\_\_\_ 29. The members of the headquarters administration who have supervisory responsibilities for the institutions must be clearly identified.
- \_\_\_\_\_ 30. Any information contained in the catalog which is not common to all institutions must be clearly identified.
- \_\_\_\_\_ 31. The names and addresses of the institutions which utilize the catalog must be included.

NACCAS 2011 CALL FOR COMMENT

PROPOSAL 2011-25

Proposal 2011-25: The Commission proposes to amend Policy IV.05 to clarify NACCAS' requirements for a teach-out plan.

PROPOSED REVISIONS

POLICY IV.05

ADMISSION POLICIES AND PROCEDURES:  
TEACH-OUT POLICY AND CHECKLIST

Institutions may submit draft versions of a Teach-Out Agreement to the Commission for an advisory opinion prior to the Agreement being finalized. A favorable opinion by the Commission will not constitute approval of the Agreement, and does not excuse the institution from undergoing the review and approval process once the final Agreement has been executed. The Teach-Out Plan and/or Agreement applies also to programs which are discontinued.

If an institution accredited by NACCAS closes without a Teach-Out Plan or Teach-Out Agreement, NACCAS shall work with the U.S. Department of Education and/or the appropriate state agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

If NACCAS approves a Teach-Out Plan or Teach-Out Agreement that includes a program that is accredited by another recognized accrediting agency, NACCAS will notify the other accrediting agency of its approval.

When developing a Teach-Out Plan and entering into a Teach-Out Agreement, the school must follow the NACCAS Teach-Out Policy and Checklist as follows:-

The Teach-Out Plan notifies students about additional charges, if any, and complies with the following:

~~\_\_\_\_\_ Provides students access to the program and services without requiring them to move or travel substantial distances.~~

~~\_\_\_\_\_ The teach-out institution(s) has the necessary experience, resources, and support services~~

~~\_\_\_\_\_ The teach-out institution(s) provides an educational program of acceptable quality.~~

~~\_\_\_\_\_ The teach-out institution has a program that is reasonably similar in content, structure, and scheduling to the closing institution or program.~~

~~\_\_\_\_\_ The teach-out institution is stable, can carry out its mission, and meet all obligations to existing students.~~

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-25

~~\_\_\_\_\_ The closing school (or program) is responsible for submitting to NACCAS a list of students who were enrolled at the time of closure and indicate the arrangements made for each affected student.~~

~~\_\_\_\_\_ The closing school (or program) will comply with applicable state and/or federal laws regarding \_\_\_\_\_ records maintenance.~~

- ~~\_\_\_\_\_ **1. If no closure of an institution or program has occurred, an accredited institution must submit to NACCAS the Teach-Out Agreement entered into with another institution not later than 15 days after entering into such Agreement.**~~
- ~~\_\_\_\_\_ **2. The Teach-Out Plan and Agreement must be submitted for approval not later than 15 days following the occurrence of a Teach-Out Event.**~~
- ~~\_\_\_\_\_ **3. In the event of the closure of an institution or program, the Teach-Out Plan and Agreement must be submitted 30 days prior to the closure date.**~~
- ~~\_\_\_\_\_ **4. A copy of the enrollment agreement for each institution that will receive students under the Teach-Out Agreement must be submitted.**~~
- ~~\_\_\_\_\_ **5. A copy of the catalog for each institution that will receive students under the Teach-Out Agreement must be submitted.**~~
- ~~\_\_\_\_\_ **6. A copy of the Teach-Out institution's license issued by the state regulatory agency must be submitted.**~~
- ~~\_\_\_\_\_ **7. Any additional information, if applicable, must be submitted.**~~
- ~~\_\_\_\_\_ **8. The Teach-Out Plan notifies students about additional charges, if any.**~~
- ~~\_\_\_\_\_ **9. The Teach-Out Plan provides students access to the program and services without requiring them to move or travel substantial distances.**~~
- ~~\_\_\_\_\_ **10. The Teach-Out institution(s) has the necessary experience, resources, and support services.**~~
- ~~\_\_\_\_\_ **11. The Teach-Out institution(s) provides an educational program of acceptable quality as evidenced by state approval.**~~
- ~~\_\_\_\_\_ **12. The Teach-Out institution(s) has a program that is reasonably similar in content, structure, and scheduling to the closing institution or program.**~~
- ~~\_\_\_\_\_ **13. The Teach-Out institution(s) is stable, can carry out its mission, and meet all obligations to existing students.**~~
- ~~\_\_\_\_\_ **14. If an institution that is party to a Teach-Out Agreement has learned that another party to the Agreement plans to close, NACCAS must be notified.**~~

**NACCAS 2011 CALL FOR COMMENT**

**PROPOSAL 2011-25**

- 15. The closing school (or program) is responsible for submitting to NACCAS a list of students who were enrolled at the time of closure and indicate the arrangements made for each affected student.**
- 16. The closing school or program complies with applicable state and/or federal laws regarding records maintenance.**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-26E

Proposal 2011-26E: The Commission proposes to adopt a new Policy IV.06 (Leave of Absence Policy).

### PROPOSED REVISIONS

#### POLICY IV.06:

#### LEAVE OF ABSENCE POLICY

An authorized leave of absence (LOA) is a temporary interruption in a student's program of study. LOA refers to the specific time period during a program when a student is not in attendance. An LOA is not required if a student is not in attendance only for an institutionally scheduled break. However, a scheduled break may occur during an LOA.

An LOA must meet certain conditions to be counted as a temporary interruption in a student's education instead of being counted as a withdrawal requiring an institution to perform a refund calculation.

In order for an LOA to qualify as an approved LOA (if the institution elects to offer LOAs):

1. The institution must have a formal written policy regarding leaves of absence requiring that all requests for leaves of absence be submitted in advance in writing, include the reason for the student's request, and include the student signature.
  - a. The policy must require a student to apply in advance for an LOA unless unforeseen circumstances prevent the student from doing so. For example, if a student were injured in a car accident and needed a few weeks to recover before returning to institution, the student would not have been able to request the LOA in advance.
  - b. An institution may grant an LOA to a student who did not provide the request prior to the LOA due to unforeseen circumstances if the institution documents the reason for its decision and collects the request from the student at a later date. In this example, the beginning date of the approved LOA would be determined by the institution to be the first date the student was unable to attend the institution because of the accident.
2. The student must follow the institution's policy in requesting the LOA;
3. There must be a reasonable expectation that the student will return from the LOA;
4. Approval of the student's request for an LOA is in accordance with the institution's policy;
5. The institution may not assess the student any additional institutional charges as a result of the LOA;
6. The LOA together with any additional leaves of absence must not exceed a total of 180 days in any 12-month period;

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-26E

- 7. A student granted an LOA that meets these criteria is not considered to have withdrawn, and no refund calculation is required at that time.**
- 8. The institution must extend the student's maximum time frame and the contract period by the same number of days taken in the LOA. Changes to the contract period on the enrollment agreement must be initialed by all parties or an addendum must be signed and dated by all parties.**
- 9. At an institution that is not required to take attendance, if a student does not return to the institution at the expiration of an approved LOA (or a student takes an unapproved LOA), the student's withdrawal date is the date the student began the LOA. At an institution required to take attendance, the withdrawal date for the purpose of calculating a refund is always student's last day of attendance. (See the NACCAS Withdrawal and Settlement Policy and Checklist).**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-27E & 2011-28E

**Proposal 2011-27E: The Commission proposes to amend Policy VII.01 to require that the institution must identify whether refund calculations are based on scheduled or actual hours.**

**Proposal 2011-28E: The Commission proposes to amend Policy VII.01 to require that the date of withdrawal determination shall be the earlier of the scheduled date of return from the leave of absence or the date the student notifies the institution that the student will not be returning.**

#### PROPOSED REVISIONS

##### POLICY VII.01:

##### **FINANCIAL PRACTICES & MANAGEMENT: WITHDRAWAL AND SETTLEMENT POLICY AND CHECKLIST**

The intent of the NACCAS Withdrawal and Settlement Policy & Checklist is to see that each applicant/student is assured minimum conditions of refund, and that the institution will be assured of its integrity if it meets these standards. When calculating refunds, the school must use the policy mandated by state and/or federal regulatory agencies for each student. In the absence of such mandated policies, the school must apply a fair and equitable policy that contains all the elements of this Checklist and is at least as liberal as the NACCAS Tuition Adjustment Schedule. Schools may have more liberal policies and the Commission encourages such practices.

A copy of this checklist is to accompany each catalog and enrollment agreement sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study for Standard VII. For the applicable items below, you will review the relevant section of your refund policy in both your catalog and enrollment agreement to determine if it contains all of the information required. Then list the item number in the refund policy in your catalog or enrollment agreement where the information can be found. If the Commission receives information that an institution is not complying with a mandated policy, it shall take appropriate action pursuant to the *Rules of Practice and Procedure*.

##### All Policy Requirements

The Policy:

- \_\_\_ 1. Is stated in clear language that can be easily understood.
- \_\_\_ 2. Applies to all terminations for any reason, by either party, including student decision, course or program cancellation, or school closure.
- \_\_\_ 3. Complies with the mandated policy.
- \_\_\_ 4. Requires that refund calculations are performed and refunds made timely.

NACCAS Refund Policy Requirements (Schools using a mandated state and/or federal regulatory agency or special programs, will not complete the remainder of the checklist).

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-27E & 2011-28E

The policy requires that:

**5. The institution must identify whether refund calculations are based on actual hours or scheduled hours.**

\_\_\_ ~~56~~. Monies due the applicant or student are refunded within 45 days of official cancellation or withdrawal.

Official cancellation or withdrawal shall occur on the earlier of the dates that:

\_\_\_ ~~67~~. An applicant is not accepted by the school and is entitled to a refund of all monies except a non-refundable application fee.

\_\_\_ ~~78~~. A student or legal guardian cancels the contract and demands his/her money back in writing, within three business days of signing the enrollment agreement regardless of whether the student has actually started training. All monies collected by school are refunded except a non-refundable application fee.

\_\_\_ ~~89~~. A student cancels the contract after three business days of signing, but prior to entering classes. In this case student is entitled to a refund of all monies paid to the school less an application fee, if applicable, and registration fee of (state the amount for each course of study).

\_\_\_ ~~910~~. A student notifies the institution of his/her withdrawal.

\_\_\_ ~~110~~. A student on an approved leave of absence notifies the school that he or she will not be returning. The date of withdrawal **determination** shall be the earlier of the **scheduled date of return from** ~~date of expiration~~ of the leave of absence or the date the student notifies the institution that the student will not be returning.

\_\_\_ ~~124~~. A student is expelled by the school.

\_\_\_ ~~132~~. In type 7, 8, 9 or 10 official cancellations or withdrawals, the cancellation date will be determined by the postmark on written notification, or the date said information is delivered to the school in person.

The Policy Requires that:

\_\_\_ ~~143~~. Unofficial withdrawals for clock hour students are determined by the school through monitoring clock hour attendance at least every thirty days.

\_\_\_ ~~154~~. For a school that is required to take attendance, the required date of the refund is determined by counting from the date the withdrawal was determined. However, for clock hour schools, the refund is calculated based on the student's last date of attendance.

\_\_\_ ~~165~~. Unofficial withdrawals for non-clock hour students are determined by the school through monitoring of students' completion of class participation in learning activities such as class assignments, examinations, tutorials, computer-assisted instruction, participation in academic advisement, or other academically-related activities.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-27E & 2011-28E

- \_\_\_ ~~176~~. Any monies due a student who withdraws from the institution shall be refunded within 45 days of a determination that a student has withdrawn, whether officially or unofficially.
- \_\_\_ ~~187~~. When situations of mitigating circumstances are in evidence, schools are encouraged to adopt a policy wherein the refund to the student may exceed the Tuition Adjustment Guidelines.
- \_\_\_ ~~198~~. All extra costs, such as books, equipment, graduation fees, etc., that are not included in the tuition price are stated and any non-refundable items are identified.
- \_\_\_ ~~1920~~. A non-refundable application fee does not exceed \$100.00, if applicable.

#### Program or Course Cancellation Policy

- \_\_\_ ~~210~~. If a program or course is canceled subsequent to a student's enrollment, and before instruction in the program or course has begun, the school shall at its option:
- \_\_\_ a. Provide a full refund of all monies paid; or
  - \_\_\_ b. Provide completion of the program or course.

#### Collection Policy requires that:

- \_\_\_ ~~221~~. Collection procedures reflect good taste and sound, ethical business practices.
- \_\_\_ ~~232~~. The name of the National Accrediting Commission of Cosmetology Arts and Sciences is not used in the institution's refund policy nor in any of its collection efforts.
- \_\_\_ ~~243~~. Collection correspondence regarding cancellation and settlement from the institution itself, banks, collection agencies, lawyers, or any other third parties representing the institution clearly acknowledges the existence of the withdrawal and settlement policy.
- \_\_\_ ~~254~~. If promissory notes or contracts for tuition are sold or discounted to third parties, the third party must comply with the cancellation and settlement policy of the institution.
- \_\_\_ ~~265~~. The NACCAS Minimum Tuition Adjustment Requirements are followed.

#### School Closure Policy

If a school closes permanently and ceases to offer instruction after students have enrolled, and instruction has begun, the school must make arrangements for students.

#### The Policy requires that:

- \_\_\_ ~~276~~. A pro-rata refund of tuition is made.

**NACCAS 2011 CALL FOR COMMENT**

**PROPOSALS 2011-27E & 2011-28E**

\_\_\_\_\_ **287.** A list of all students who were enrolled at the time of school closure including the amount of each pro rata refund is submitted to NACCAS.

**Minimum Tuition Adjustment Schedule**

For students who enroll in and begin classes, the following schedule of tuition adjustment will be considered to meet minimum standards for refunds:

<b>PERCENTAGE LENGTH COMPLETED TO TOTAL LENGTH OF PROGRAM OR COURSE, SEMESTER OR TERM</b>	<b>AMOUNT OF TOTAL TUITION OWED TO THE SCHOOL</b>
0.01% to 4.9%	20%
5% to 9.9%	30%
10% to 14.9%	40%
15% to 24.9%	45%
25% to 49.9%	70%
50% and over	100%

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-29E

Proposal 2011-29E: The Commission proposes to adopt a new Policy VIII.01 (Policy on Disasters).

### PROPOSED REVISIONS

#### POLICY VIII.01:

#### POLICY ON DISASTERS

Your institution may qualify for temporary relief from compliance with NACCAS standards and other accreditation requirements if it has been affected by floods, tornadoes, hurricanes, wild fires, earthquakes, or other disaster, and is located in a disaster area designated by the Federal Emergency Management Administration or the governor of the state in which it is located.

You must notify NACCAS immediately if:

1. The school or a significant part of its facilities have been destroyed.
2. You have ceased teaching students for any days not listed in your catalog.
3. There are circumstances that might affect your ability to comply with accreditation standards or procedures.

Send your notice to:

Executive Director  
NACCAS  
4401 Ford Avenue, Suite 1300  
Alexandria, VA 22302

These notices are required under Section 5.3 of NACCAS' *Rules of Practice and Procedure*.

If you would like the Commission to waive or grant an extension or postponement for any requirement, please specify this in your notice.

Example: If your school must be closed for a few days for repairs, the Commission will grant a temporary waiver of the requirement that the institution be continuously open and operating and training students.

The Commission also advises you to notify your case management team at the United States Department of Education without delay. The Department grants relief on a case-by-case basis.

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-30E

**Proposal 2011-30E: The Commission proposes to amend Policy IX.01 as described more fully below.**

### PROPOSED REVISIONS

#### POLICY IX.01:

##### Evaluation of Students: Satisfactory Academic Progress Policy and Checklist for Programs Measured in Clock Hours or Competencies

A copy of this checklist is to accompany each Satisfactory Academic Progress Policy sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study for Standard IX. For each of the items below, review the relevant section of your policy to determine if it contains all of the information required. Then list the item number on your policy where the information can be found. **Enter an N/A for any item that does not apply to the institution's policy. For example, a school may not offer federal financial aid programs.**

The Institution's Policy:

- \_\_\_ 1. Is written and identified as a Satisfactory Academic Progress Policy.
- \_\_\_ 2. Applies to ~~any student receiving Title IV federal student financial aid (the institution may choose to apply Satisfactory Progress Standards to all students including non-Title IV recipients)~~ **enrolled in a NACCAS-approved program.**
- \_\_\_ 3. Is provided to applicants prior to enrollment.
- \_\_\_ 4. Is applied consistently to all ~~applicable~~ students enrolled in a specific program and scheduled for a particular category of attendance (part-time/full time).
- \_\_\_ 5. Includes both quantitative (attendance) and qualitative (academic performance) elements that are evaluated on a cumulative basis at the designated evaluation periods throughout the course or program of study.
- \_\_\_ 6. Includes a maximum time frame in which a student must complete the educational course or program that is no longer than 150% of the ~~published~~ **NACCAS-approved** length of the educational course or program (based on a 100% attendance schedule) measured in academic years, non-standard terms, or clock hours completed.
- \_\_\_ 7. Ensures that a leave of absence extends the student's contract period and maximum time frame by the same number of days taken in the leave of absence.
- \_\_\_ 8. Contains qualitative factors that will be evaluated to determine academic performance using a reasonable system of grades and/or work projects completed and/or comparable factors measurable against a norm.

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- \_\_\_ 9. Contains a grading scale that includes a minimum acceptable level of progress requiring at least the equivalent of a 70% cumulative grade average or project completion rate, **or a letter grade of C, or have an academic standing consistent with the institution's requirements for graduation, whichever is greater.**
- \_\_\_ 10. Establishes evaluation periods, whether in clock hours, weeks, or months, that are similar in length.
- \_\_\_ 11. Establishes evaluation periods that require an evaluation at least by the mid-point of the academic year or course/program, whichever comes first, for students enrolled in clock hour programs **The first evaluation must occur no later than the mid-point of: the academic year or the course and/or program, whichever occurs sooner.**
- \_\_\_ 12. Specifies that only students who maintain satisfactory progress are eligible to receive Title IV assistance **Identifies whether evaluation periods are based on actual hours completed or scheduled hours.**
- \_\_\_ 13. Specifies that students who meet the minimum requirements for attendance and academic performance are considered to be making satisfactory progress until the next scheduled evaluation.
- \_\_\_ 14. ~~May allow for Probation (Optional) and consider students not meeting the minimum requirements for attendance or academic performance to be making satisfactory progress during the first probationary period. If the policy allows probation, the policy:~~
- \_\_\_ a. ~~States the requirements students must meet to have the probationary status lifted.~~
- \_\_\_ b. ~~States whether students on probation are considered to be making satisfactory progress and eligible to receive Title IV funds.~~
- \_\_\_ c. ~~States that if the student is placed on a second, consecutive probation, the student will be determined as not making satisfactory progress.~~
- 14. May allow for an initial status of satisfactory academic progress *warning* for students who are not considered meeting minimum standards for satisfactory academic progress. (The institution may elect to place the student on satisfactory academic progress *probation* without first placing the student on *warning*. See item below.)**
- 15. Indicates how a student can re-establish satisfactory academic progress and/or financial aid eligibility, if applicable.**
- 16. May allow for the status of *probation* for students who are not considered meeting minimum standards for satisfactory academic progress if:**
- 16a. The institution evaluates the student's progress and determines that the student did not make satisfactory academic progress during the *warning* or previous evaluation period; and**

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- 16b. The student appeals the negative progress determination at the beginning of the probationary period; and
- 16c. The institution determines that satisfactory academic progress standards can be met by the end of the subsequent evaluation period.
17. May allow a student to appeal a satisfactory academic progress determination. If the institution permits a student to appeal a satisfactory academic progress determination, the policy must describe:
- 17a. How the student may re-establish eligibility for financial aid, if applicable;
- 17b. The reasons for which a student may appeal such as the death of a relative, an injury or illness of the student, or other allowable special circumstances;
- 17c. Documentation the student must submit regarding why the student failed to make satisfactory academic progress and what has changed in the student's situation that will allow the achievement of satisfactory academic progress at the next evaluation; and
- 17d. How the results of the appeal are documented in the student's file.
18. States that a student who does not achieve the minimum standards is no longer eligible for Title IV, HEA program funds, if applicable, unless the student is on *warning* or has prevailed upon appeal of the determination that has resulted in the status of *probation*.
19. Requires the institution to notify students of any evaluation that impacts the student's eligibility for financial aid, if applicable.
- ~~15~~20. Details reasonable provisions regarding temporary interruptions or Leaves of Absence.
- ~~2~~16. Addresses the status of students re-entering institution and requires that students re-entering in less than ~~six months~~ 180 calendar days from the date of interruption, enter in the same progress status as when they left.
- ~~17~~22. States whether course incompletes, withdrawals, or repetitions ~~and non-credit remedial courses~~ apply to the institution, and if so, states the policy.
- ~~18~~23. States that course incompletes, repetitions, and non-credit remedial courses have no effect upon the institution's satisfactory academic progress standards if the institution has no such items or policies.
- ~~19.~~ Establishes procedures available to a student to appeal a negative progress determination.
- ~~20.~~ Requires that cases of appeals are documented.

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- ~~21. Outlines specific procedures whereby Title IV aid will be reinstated to students who have re-established satisfactory progress status.~~
- 24. Establishes that transfer hours from another institution that are accepted toward the student's educational program are counted as both attempted and completed hours.**
- 25. Describes how students have access to satisfactory academic progress evaluation results.**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-31E

Proposal 2011-31E: The Commission proposes to amend Policy IX.02 as described more fully below.

### PROPOSED REVISIONS

#### POLICY IX.02:

#### EVALUATION OF STUDENTS: SATISFACTORY PROGRESS POLICY AND CHECKLIST FOR PROGRAMS MEASURED IN CREDIT HOURS

A copy of this checklist is to accompany each Satisfactory Academic Progress Policy sent to the Commission, and this form is also a required exhibit for the Institutional Self-Study for Standard IX. For each of the items below, review the relevant section of your policy to determine if it contains all of the information required. Then list the item number on your policy where the information can be found. **Enter an N/A for any item that does not apply to the institution's policy. For example, a school may not offer financial aid programs.**

The School's Policy:

- \_\_\_ 1. Is written and identified as a Satisfactory Academic Progress Policy.
- \_\_\_ 2. Applies to ~~any student receiving Title IV federal student financial aid (the school *may* choose to apply Satisfactory Progress Standards to all students including non-Title IV recipients)~~ **every student enrolled in a NACCAS-approved program.**
- \_\_\_ 3. Is provided to applicants prior to enrollment.
- \_\_\_ 4. Is applied consistently to all ~~applicable~~ students enrolled in a specific program and scheduled for a particular category of attendance (part-time/full-time).
- \_\_\_ 5. Includes both quantitative (academic terms) and qualitative (academic performance) elements that are evaluated on a cumulative basis at the designated evaluation periods throughout the course or program of study.
- \_\_\_ 6. Includes a maximum time frame in which a student must complete the educational course or program that is no longer than 150% of the NACCAS-approved published length of the educational course or program (~~based on 100% attendance schedule) measured in academic years, non-standard terms, or clock hours completed~~ **based on the number of credit hours to complete the program measured in quarter or semester terms.**
- \_\_\_ 7. Ensures that a leave of absence extends the student's contract period and maximum time frame by the same number of days taken in the leave of absence.
- \_\_\_ 8. Contains qualitative factors that will be evaluated to determine academic performance using a reasonable system of grades and/or work projects completed and/or comparable factors measurable against a norm.

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- \_\_\_ 9. Contains a grading scale that includes a minimum acceptable level of progress requiring at least the equivalent of a 70% cumulative grade average or project completion rate, **or a letter grade of C, or have an academic standing consistent with the institution's requirements for graduation, whichever is greater.**
- \_\_\_ 10. Monitors the academic progress of students at the **midpoint and** end of each term.
- \_\_\_ 11. Specifies that only students who maintain satisfactory progress are eligible to receive Title IV assistance. **Establishes that a school participating in Title IV, HEA programs, states a student's successful course completion percentage is based on the number of successfully completed credit hours (those with a grade of 70% or higher or as otherwise defined by the institution) divided by the cumulative number of credit hours attempted by the student at that time.**
- \_\_\_ 12. Specifies that students who meet the minimum requirements for successful ~~course completion and academic progress~~ **academic performance** are considered to be making satisfactory **academic** progress until the next scheduled evaluation.
- ~~\_\_\_ 13. A student's successful course completion percentage is based on the number of successfully completed credit hours (those with a grade of 70% or higher or as otherwise defined by the institution) divided by the cumulative number of credit hours attempted by the student at the that time (those credits for which a student has incurred a financial obligation).~~
- ~~\_\_\_ 14. May allow for Probation (Optional) and consider students not meeting the minimum requirements for attendance or academic performance to be making satisfactory progress during the first probationary period. If the policy allows probation, the policy:~~
- ~~\_\_\_ a. States the requirements students must meet to have the probationary status lifted.~~
- ~~\_\_\_ b. States whether students on probation are considered to be making satisfactory progress and eligible to receive Title IV funds.~~
- ~~\_\_\_ c. States that if the student is placed on a second, consecutive probation, the student will be determined as not making satisfactory progress.~~
- 13. May allow for an initial status of satisfactory academic progress *warning* for students who are not considered meeting minimum standards for satisfactory academic progress. (The institution may elect to place the student on satisfactory academic progress *probation* without first placing the student on *warning*. See item below.)**
- 14. Indicates how a student can re-establish satisfactory academic progress and/or financial aid eligibility, if applicable.**
- 15. May allow for the status of *probation* for students who are not considered meeting minimum standards for satisfactory academic progress if:**

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- 15a. The institution evaluates the student's progress and determines that the student did not make satisfactory academic progress during the *warning* or previous evaluation period; and
- 15b. The student appeals the negative progress determination at the beginning of the probationary period; and
- 15c. The institution determines that satisfactory academic progress standards can be met by the end of the subsequent evaluation period.
16. May allow a student to appeal a satisfactory academic progress determination. If the institution permits a student to appeal a satisfactory academic progress determination, the policy must describe:
- 16a. How the student may re-establish eligibility for financial aid, if applicable;
- 16b. The reasons for which a student may appeal such as the death of a relative, an injury or illness of the student, or other allowable special circumstances;
- 16c. Documentation the student must submit regarding why the student failed to make satisfactory academic progress and what has changed in the student's situation that will allow the achievement of satisfactory academic progress at the next evaluation; and
- 16d. How the results of the appeal are documented in the student's file.
17. States that a student who does not achieve the minimum standards is no longer eligible for Title IV, HEA program funds, if applicable, unless the student is on *warning* or has prevailed upon appeal of the determination that has resulted in the status of *probation*.
18. Requires the institution to notify students of any evaluation that impacts the student's eligibility for financial aid, if applicable.
195. Details reasonable provisions regarding temporary interruptions or Leaves of Absence.
2016. Addresses the status of students re-entering school and requires that students re-entering in less than ~~six months~~ 180 calendar days from the date of interruption, enter in the same progress status as when they left.
217. States whether course incompletes, withdrawals, or repetitions ~~and non-credit remedial courses~~ apply to the school, and if so, states the policy.
2218. States that course incompletes, repetitions, and non-credit remedial courses have no effect upon the school's satisfactory academic progress standards if the school has no such items or policies.
19. Establishes procedures available to a student to appeal a negative progress determination.

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- ~~20. Requires that cases of appeals are documented.~~
- ~~21. Outlines specific procedures whereby Title IV aid will be reinstated to students who have re-established satisfactory progress status.~~
- 23. Establishes that transfer credit hours from another institution that are accepted toward the student's educational program are counted as both attempted and completed.**
- 24. Describes how students have access to satisfactory academic progress evaluation results.**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-32

**Proposal 2011-32: The Commission proposes to amend Rules Section 1.2(c)(3) to conform to Rules Section 2.2(a)(iii), requiring institutions whose accreditation has been withdrawn (or voluntarily relinquished while in withdrawal) to pay outstanding fees before being re-admitted to candidate status.**

#### PROPOSED REVISIONS

##### **Section 1.2 Institutional General Eligibility Requirements**

- (c) Exceptions to the “two years in operation” and general eligibility requirements:
  - (3) An institution whose accreditation has been withdrawn by NACCAS (all appeal rights exhausted) or which voluntarily relinquishes accreditation while in withdrawal status may apply for candidate status immediately but must wait one (1) year before reapplying for accreditation and, **subject to the requirements of Section 2.2(a)(iii) of these Rules,** shall be treated as a new school for all other purposes.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-33

**Proposal 2011-33: The Commission proposes to amend Rules Sections 1.3 and 4.16(c)(6) to provide for NACCAS approval of courses for continuing education or professional development of 150 hours or less.**

#### PROPOSED REVISIONS

##### **Section 1.3 Programs and/or Courses Approved within the Aegis of Institutional Accreditation**

- (a) Any program exceeding 150 hours in length or the equivalent in credits or competencies and/or leading to initial state licensure or certification must be approved by the Commission. Approval may occur:
  - (1) In conjunction with an institutional accreditation review; or
  - (2) Between institutional accreditation reviews (see Part 4 of the *Rules*).
- (b) Courses required for continuing education for licensure renewal or those hours required by the state regulatory agency after an examinee fails the exam do not require approval by NACCAS.
- (c) Electrology programs must be at least 300 hours in length or the equivalent in credit hours or competencies, unless a lesser number of hours is mandated by state law or regulation.
- (d) At institutions in states where NACCAS accreditation is recognized for schools to obtain licensure by means of accreditation, all programs offered at the institution seeking or continuing NACCAS accreditation must be approved by the Commission.
- (e) Any course for continuing education or professional development, of 150 hours or less, taught or sponsored by the institution which the institution wishes to be listed by NACCAS as an approved course.**

##### **Section 4.16 Definitions of Non-Substantive Changes**

- (c) Non-substantive additions or changes to program offerings:
  - (6) A course is offered to prepare persons who have already graduated from ~~programs in the cosmetology arts and sciences or massage to prepare for state licensing~~ **for continuing education or professional development.**

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## PROPOSAL 2011-34

**Proposal 2011-34: The Commission proposes to amend Rules Sections 2.1(c)(4) and 2.5(b)(5) to eliminate the references to sustaining fees being billed separately.**

### PROPOSED REVISIONS

#### **Section 2.1 Application for Candidate Status**

- (c) To initiate the application process, send to the Executive Director of NACCAS a complete application that includes:
- (1) The application form completely filled out;
  - (2) Application fee;
  - (3) Required exhibits; and
  - (4) Sustaining fee (~~billed separately~~).

#### **Section 2.5 Application for Initial Accreditation**

- (b) Submit the application form to NACCAS headquarters. In order to be complete and ready for processing, the application must include:
- (1) Application form, completely filled out;
  - (2) All required exhibits;
  - (3) Application fee;
  - (4) Deposit toward the on-site evaluation fee submitted by certified check and
  - (5) Sustaining fee (~~billed separately~~).

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-35

**Proposal 2011-35: The Commission proposes to amend Rules Section 3.3(b) to provide that the Executive Director has the authority to waive the requirements of Section 3.3(b).**

### PROPOSED REVISIONS

#### **Section 3.3 On-Site Evaluators**

- (b) Evaluator in the Field of Administration: In order to qualify as an evaluator in the Field of Administration, a candidate must:
- (1) Have a minimum of two years of experience in an administrative position in a NACCAS accredited school and be active in school operations; or
  - (2) Have five years experience in an administrative position in a NACCAS accredited school and demonstrate relevant industry involvement by:
    - (i) active membership in professional organization(s) in the field; or
    - (ii) recent authorship of professional publications; or
    - (iii) evidence of continuing education in the field.

**The Executive Director shall have the authority to waive the requirements of this Section 3.3(b).**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-36

**Proposal 2011-36: The Commission proposes to amend Rules Section 4.5 to eliminate the 45-day prior notice requirement for a Category 1 change of location.**

### PROPOSED REVISIONS

#### **Section 4.5 Requirements Specific to Category 1 Relocation**

- ~~(a) 45 Days: A school must notify the Commission of an anticipated change of location at least forty five (45) days prior to the relocation. Such notification shall be in writing and be sent to the Executive Director of NACCAS.~~
- (a) 30 Days: An Application for Change of Location (Appl. #11) must be completed and returned to the Executive Director of NACCAS thirty (30) days prior to the date the school plans on relocating.**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-37, 2011-38, 2011-44, 2011-54 & 2011-55

**Proposal 2011-37:** The Commission proposes to amend Rules Section 4.8 to provide that failure to timely notify NACCAS of a change of ownership results in relinquishment of accreditation in accordance with Section 8.13(c)(2) of the Rules.

**Proposal 2011-38:** The Commission proposes to amend Rules Sections 4.8 and 4.16, Appendix #9 and the Glossary of the NACCAS Handbook to state that NACCAS requires approval of changes of ownership resulting in a change of control.

**Proposal 2011-44:** The Commission proposes to amend Rules Section 4.16(a)(3) to clarify that a change of ownership of less than 10% is a non-substantive change provided it does not result in a change of control.

**Proposal 2011-54:** The Commission proposes to amend Appendix #9 to eliminate the provision stating that Commission may order a change of ownership visit to an institution, where the new owner is a family member with less than two years current involvement with the management of the institution.

**Proposal 2011-55:** The Commission proposes to amend Appendix #9 to provide that for a Category 5 Change of Ownership, the ISS must be submitted within 90 days of the change of ownership, or workshop attendance, whichever comes first.

### PROPOSED REVISIONS

#### **Section 4.8      Change of Control**

(a)      30 days: The New Controlling Owner must complete and return the appropriate Change of Control application and send it to the Executive Director of NACCAS at least thirty (30) days prior to the effective date of the Change of Control, together with the applicable fee.

(b)      Within 6 Months: The Commission shall carry out a visit (announced or unannounced) at the institution within six months after the effective date of the Change of Control.

(c)      When a Change of Control takes place, if the application for a Change of Control is not received, the accreditation of the institution shall have been relinquished (1) in accordance with Section 8.13(c)(2) of these Rules or (2) the date the New Controlling Owner states, in writing, the intention of not continuing as an accredited institution, whichever comes first. An accredited institution undergoing a Change of Control which submits the required application when due shall remain in accredited status until such time as NACCAS denies the application and the institution subsequently fails to appeal or has exhausted its appeal rights.

#### **Section 4.16      Definitions of Non-Substantive Changes**

(a)      Changes of Ownership Not Resulting in a Change of Control:

(1)      Transfer of Non-Voting Interests.

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- (2) Transfer of less than 50% of Voting Interests, without any Change of Control.
- (3) Transfer of Voting Interests among existing Owners, without any Change of Control.
- (4) Transfer of the Voting Interests of an Owner who has died or retired, to (a) a Family Member of the deceased or retiring Owner or (b) one or more of the remaining Owners; provided that, in either case, the person to whom such Voting Interests are transferred (i) is a Natural Person who (ii) has been involved in management of the institution for at least two years preceding the transfer and who (iii) has established and retained an Ownership Interest in the institution for at least two years prior to the transfer.

### APPENDIX #9

#### CHANGE OF CONTROL CATEGORIES AND REQUIREMENTS

**Warning:** When a Change of Control occurs, the institution is subject to the voluntary relinquishment provisions of Section 8.13 of the Rules UNLESS the New Controlling Owner complies with all the requirements for a Change of Control.

The Commission must know, at all times, who is in Control of an accredited institution. The Commission must be notified of any change in the direct or indirect ownership of an institution (whether by transfer of Voting Interests or otherwise) and must approve any Change of Control (including any change in ownership that results in a Change of Control). The accreditation process that will follow a Change of Control will depend on the category into which the Change of Control falls. The three general categories of Change of Control are described below. Any person or entity that proposes to acquire an ownership interest in an accredited institution is urged to contact the Commission before the proposed acquisition becomes effective, in order to verify the category that fits a contemplated Change of Control.

#### Categories of Changes of Control

##### Category 1

1. Change in organizational structure from (a) a Sole Proprietorship or General Partnership to another form of Business Entity (or vice versa) or (b) from one form of Business Entity to another form of Business Entity, without either the Owners or their respective Ownership Interests changing.

##### Category 2

1. A Controlling Owner ceases to Control an institution.

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2. An existing Minority Owner becomes a Controlling Owner.
3. A person or Business Entity which currently Controls a NACCAS-accredited institution acquires Control of another NACCAS-accredited institution or multiple NACCAS-accredited institutions from the same Owner(s).
4. Acquisition of Control by a person who has worked for five years or longer in a management position at the applicable institution.
5. Acquisition of Control by a person who has overseen the applicable institution for five years or longer in an administrative position at the home office of multiple NACCAS-accredited institutions.
6. Division of one institution into two or more institutions.

#### Category 3

1. Acquisition of Control by a person or Business Entity that, prior to such acquisition, was not an Owner.
2. Acquisition of Control by a person or Business Entity that has not Controlled a NACCAS-accredited institution within the past five years.
3. A person or Business Entity acquires Control of an institution that has been in (non-administrative) withdrawal status within the past eighteen months.

When a Change of Control has characteristics in more than one Category, it will fall in the higher numbered Category.

#### Change of Control Process by Category

##### Requirements Specific to Category 1

1. At least 30 days before the effective date of the Change of Control, submit the required application form together with:
  - a. A non-refundable application fee.
  - b. Copy of state license issued in the name of the new Owners (to be submitted within 30 days after the change in structure).
  - c. If the institution is organized as (or is a Subsidiary of) a Business Entity, a copy of the certificate of incorporation, articles of formation or equivalent State authorization for the formation of such Business Entity(ies).
  - d. A report of any changes that have been made or will be made in the near future by the institution's New Controlling Owner (e.g., curriculum, staff, materials, equipment, location, etc.).

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- e. A balance sheet for the institution as of the effective date of the Change of Control (to be submitted within 30 days after the effective date of the Change of Control), compiled by an independent certified public accountant on an accrual basis of accounting according to GAAP.
2. The NACCAS Board of Commissioners, a delegated Committee, or staff may request other pertinent information. This should be submitted within 15 days of receipt of the request.
3. For Category 1 there is no on-site evaluation visit is required.

#### Requirements General to Categories 2 and 3

1. At least 30 days before the expected effective date of the Change of Control, submit the required application form, together with:
  - a. A non-refundable application fee.
  - b. Fully-executed copies of the Transfer Agreement and all other closing documents, which include all of the terms of the transfer. (The closing documents must be submitted within 7 days after the effective date of the Change of Control). (If the New Controlling Owner is entering into a lease agreement, a copy of the lease agreement must also be submitted.)
  - c. A copy of the state license showing the Owner(s) or statement from the state licensing agency accepting the new Owner(s) for licensing (to be submitted within 30 days after the effective date of the Change of Control).
  - d. Biographies of the new Owner(s). Indicate any family relationships to the former Owner(s). Indicate any business or employment relationships with the former Owner(s) and the institution acquired or another NACCAS-accredited institution.
  - e. The name of the Owner or employee designated as liaison with NACCAS for accreditation processes. Submit evidence of the most recent accreditation workshop attended by the liaison or registration for a workshop to take place within four months.
  - f. A balance sheet for the institution as of the effective date of the Change of Control (to be submitted within 30 days after the effective date of the Change of Control), compiled by an independent certified public accountant on an accrual basis of accounting according to GAAP.
  - g. A signed statement indicating whether (i) the new Owner(s) or (ii) the previous Owner(s) assume(s) the responsibility for refunds due to students attending the institution prior to the effective date of the Change of Control.
2. The institution can request an early renewal of accreditation to combine the Change of Control evaluation with an up-coming renewal process. The Institutional Self-Study must be submitted not later than 90 days after the effective date of the Change of Control, to permit the on-site visit to occur within the required six-month timeframe.

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3. The NACCAS Board of Commissioners, a delegated Committee, or staff may request other pertinent information. This should be submitted within 15 days of receipt of the request.

#### Requirements Specific to Category 2

1. The institution shall undergo a partial team on-site evaluation, at the institution's expense, within six months after the effective date of the Change of Control.

#### Requirements Specific to Category 3

1. The institution shall undergo a consultation prior to submitting the Institutional Self-Study and undergoing the Change of Control visit. The consultation can be at a NACCAS workshop, the institution, or the NACCAS office.
2. The institution must submit an Institutional Self-Study within 90 days after the date of approval of the Change of Control.
3. The institution shall undergo a full-team on-site evaluation, at the institution's expense, within six months after the effective date of the Change of Control.

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**GUIDE TO CHANGE OF CONTROL**

**CATEGORIES OF CHANGE AND THEIR REQUIREMENTS**

Requirements	Category of Change		
	1	2	3
Submit application form at least 30 days before the effective date of the Change of Control.	X	X	X
Submit a non-refundable fee with the application.	X	X	X
Submit a copy of the certificate of incorporation (or applicable organizational document) for the new Business Entity created. If an existing Business Entity was dissolved, submit a copy of the certificate of dissolution.	X		
List Owner(s) with specifics on any family relationships to the former Owner(s). Indicate any business or employment relationships with the former Owner(s) and the institution acquired, or another NACCAS-accredited institution.		X	X
Submit biographies of the new Owner(s).		X	X
Submit the name of the Owner or employee designated as liaison with NACCAS for accreditation processes.		X	X
Evidence that the liaison has attended a workshop within the previous 24 months, or evidence the liaison is registered to attend a workshop within 90 days of the application date.			X
Submit a signed statement indicating which of (1) the new Owner(s) or (2) the previous Owner(s) assumes the responsibility for refunds due to students attending the institution prior to the effective date of the Change of Control.		X	X
Submit a list of shortened versions of the institution name and where they will be used.	X	X	X
The NACCAS Board of Commissioners, a delegated Committee, or staff may request other pertinent information. This should be submitted within 15 days of receipt of the request.	X	X	X
Within 7 days after the effective date of the Change of Control, submit fully-executed copies of the Transfer Agreement and all other closing documents, which include all the terms of the transfer of Ownership		X	X

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Requirements	Category of Change		
	1	2	3
Interests. (If a lease agreement, a copy of the lease agreement must be submitted.)			
Within 30 days after the effective date of the Change of Control, submit a copy of the state license showing the new Owner(s), or a statement from the state licensing agency accepting the new Owner(s) for licensing.	X	X	X
Within 30 days after the effective date of the Change of Control, submit a balance sheet for the institution as of the effective date of the Change of Control (to be submitted within 30 days after the effective date of the Change of Control), compiled by an independent certified public accountant on an accrual basis of accounting according to GAAP.	X	X	X
Undergo a consultation at a NACCAS Workshop, the institution, or the NACCAS headquarters.			X
Submit an ISS within 90 days after the effective date of the Change of Control or attendance at an Accreditation Workshop, whichever comes first.			X
The institution may request an early renewal of accreditation to combine the Change of Control evaluation with an up-coming renewal process. The ISS must be submitted not later than 90 days after the approval of the Change of Control, to permit the on-site visit to occur within the required six-month timeframe.		X	X
Within six months after the effective date of the Change of Control, undergo a partial-team on-site evaluation		X	
Within six months after the effective date of the Change of Control, undergo a full-team on-site evaluation.			X

#### ADDITIONS/CHANGES TO GLOSSARY

**Business Entity** – A Corporation, Limited Liability Company, General Partnership, Limited Partnership, trust or any other form of business organization organized under state law.

**Change of Control** – (1) Any event or change constituting a “change in ownership and control” under 34 CFR 600.31(c) or any successor regulation or (2) any other event whereby a person or entity gains Control of an institution, except (in each case) as exempted under 34 CFR 600.31(e) or any successor regulation.

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### PROPOSALS 2011-37, 2011-38, 2011-44, 2011-54 & 2011-55

**Control** -- The (direct or indirect) possession of the power to direct or cause the direction of the management and policies of an institution through the ownership of a Controlling Voting Interest. Any trustee having the (exclusive or nonexclusive) power to direct the management or operations of a trust, including the power to dispose of trust assets or vote securities held by the trust, shall be deemed to Control the trust.

**Controlling Owner** -- The person or Business Entity, if any, having direct or indirect ownership of a Controlling Voting Interest in an institution.

**Controlling Voting Interest** – More than 50% (by voting power) of the Voting Interests of an institution; provided, however, that the largest shareholder of a Public Corporation shall be deemed to hold a Controlling Voting Interest in such corporation so long as that shareholder owns or controls at least 25% of the outstanding voting securities of the institution.

**Corporation** – A Business Entity organized as a corporation under state law.

**Family Member** -- A parent, sibling, spouse or child, grandchild, spouse's parent, sibling, child or grandchild, any of the aforementioned in a "step" relationship, or sibling's or child's spouse.

**Former Controlling Owner** – The person or Business Entity who (or which, as applicable) will cease to Control an institution on the effective date of a Change of Control. Note that there will be no "Former Controlling Owner" if there was no Controlling Owner prior to the Change of Control.

**General Partnership** – An unincorporated Business Entity having two or more Owners.

**Limited Liability Company** – A Business Entity organized as a limited liability company under state law.

**Limited Partnership** – A Business Entity organized as a limited partnership or limited liability partnership under state law.

**Minority Owner** – An Owner who is not a Controlling Owner.

**Natural Person** – An actual human being (i.e., not a corporation or other Business Entity recognized by law as capable of taking legal acts in its own name). Unless otherwise indicated, as used in this Handbook "person" means Natural Person.

**New Controlling Owner** – The Owner who will acquire Control of an institution on the effective date of a Change of Control.

**Non-Voting Interest** – A legal right to share in the profits derived from the operation of an institution, that is not a Voting Interest.

**Owner** – For NACCAS' purposes, an "Owner" is the legal owner of voting securities or voting rights in a Business Entity. In the case of a Sole Proprietorship, the Owner of the entity is the sole proprietor. In the case of a General Partnership or Limited Partnership, the Owners are the partners with voting rights. In the case of a Corporation, the Owners are the stockholders with voting rights. In the case of a Limited Liability Company, the Owners are the members with voting rights.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-37, 2011-38, 2011-44, 2011-54 & 2011-55

**Ownership Interest** – A legal interest in a Business Entity. An Ownership Interest may be either a Voting Interest or a Non-Voting Interest.

**Parent Entity** – A Business Entity that owns 100% of the Ownership Interests of another Business Entity.

**Public Corporation** – A Corporation whose securities are required to be registered with the United States Securities and Exchange Commission.

**Sole Proprietorship** – A business that has a single Owner (who is a Natural Person) and that is not organized under a State statute.

**Subsidiary** – A Business Entity, 100% of the Ownership Interests of which are owned by another Business Entity.

**Transfer Agreement** – The written agreement by which a transfer of Ownership Interests is legally effected.

**Voting Interest** – Securities or contractual voting rights giving the owner the right to vote concerning the management and operation of an institution.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-39 through 2011-41

**Proposal 2011-39: The Commission proposes to amend Rules Section 4.9 to expressly provide for “branch-to-branch” redesignations.**

**Proposal 2011-40E: The Commission proposes to amend Rules Section 4.9(b) to clarify that branch campuses are not approved to offer less than 100% of a program.**

**Proposal 2011-41: The Commission proposes to amend Rules Section 4.9(c) to clarify that a branch campus must receive an on-site visit within 6 months of receiving provisional branch accreditation.**

### PROPOSED REVISIONS

#### Section 4.9 Branch Campus

- (a) Definitions:
- (1) A “main campus” is a school of cosmetology arts and sciences which has been accredited by NACCAS for the two (2) most recent years. Any change in location of the main campus must comply with the procedures set out in Sub-Part 4A.1 of these *Rules*. The main campus includes facilities located within a two (2) mile radius of the primary training site.
  - (2) A “branch campus” is an additional training location of the main campus which provides the same administrative services as the main campus, and at least one complete program related to the programs offered at the main campus. A branch campus must be located further than two (2) miles from the main campus or any other branch campus which is under the same ownership and financial structure.
- (b) A school seeking to have a branch campus approved within the accredited status of the main campus (school) must formally request such approval from the Commission by filing an Application for Provisional Branch Campus and undergoing a two-tiered review process. Schools seeking such approval must:
- (1) Comply with the Separate Facilities Policy;
  - (2) Be licensed, open and operating prior to submitting an application for provisional branch campus accreditation;
  - (3) May offer any complete program(s)~~course(s)~~ related to the programs offered at the main campus;
  - (4) **Must offer only complete program(s) (i.e., may not offer less than 100% of any program offered).**
- (c) Visits to Branch Campuses and Institutional Self-Study:

## NACCAS 2011 CALL FOR COMMENT

### PROPOSALS 2011-39 through 2011-41

- (1) Visit within 6 months: Within six months of establishment of a branch campus **the branch campus receiving provisional branch campus accreditation**, the institution shall undergo an on-site evaluation.”
  - (2) Institutional Self-Study within 6 months: Within six months after the branch campus receives provisional initial accreditation, it must submit to the Commission an institutional self-study.
  - (3) Between 12 and 18 months: Between 12 and 18 months after provisional branch campus accreditation status is granted the institution shall undergo a regular on-site evaluation.
- (d) Establishment of a Branch by a New Owner. In the event of a change of ownership of a main campus, a new branch may not be established off the main unless the new owners have completed the change of ownership process including an on-site evaluation, review and approval by the Commission.
  - (e) Change of Ownership of a Branch Campus. In the event that a branch campus is sold and/or transferred independently of the main facility, the accreditation of such branch campus is terminated as of the date of such sale or transfer. An application for accreditation may be submitted to the Commission should accreditation be terminated under such circumstances. The application must be consistent with requirements for an initial applicant or a branch of another facility.
  - (f) Change from Branch to Freestanding Institution. In order for a branch campus to become an accredited freestanding institution, such branch must have achieved full branch status.
  - (g) Re-designation of main campuses as branches. In order for a main campus (or campuses) to be re-designated as branches of another main campus, the campuses must comply with the requirements for a branch set out in Sections 4.9(a) and (b) of these *Rules*.
  - (h) Shifting the designation of a main campus and its branch. An institution may request a re-designation of a main campus as a branch and its branch as a main campus if the branch campus has achieved full branch status from NACCAS.
  - (i) **Branch-to-branch re-designation. An institution may request that a branch of a main campus be re-designated as a branch of a different main campus under the same ownership.**
  - (j) Renewal of Accreditation. The anniversary date of a branch campus and its main campus shall coincide.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-42

**Proposal 2011-42: The Commission proposes to amend Rules Sections 4.12 and 4.16 to clarify the terms of the “Test Market Exception.”**

#### PROPOSED REVISIONS

##### **Section 4.12**

(a) NACCAS approves programs offered by institutions within the aegis of institutional accreditation granted. Substantive additions or changes to program offerings which were not approved during an institution’s most recent initial or re-accreditation evaluation may not be advertised **(unless approved under the Test Market Exception, detailed below)** or offered until they are approved in accordance with the procedures established in this section and the NACCAS Addition or Change of Program Policy.

(1) Test Market Exception: An institution may advertise a maximum of one new program a year before it receives approval from NACCAS. However, the ~~course~~ **must be advertised program must comply with the following:**

(a) **Be advertised** in accordance with NACCAS Policy on Advertisement; ~~and~~

(b) An application for approval must be submitted within 15 days of the start of the first class; **and-**

(c) **Subsequent class starts must have received NACCAS approval.**

In all other particulars, the course is subject to this section of the *Rules* and related sections, policies, and accreditation requirements.

##### **Section 4.16** Definitions of Non-Substantive Changes

(c) Non-substantive additions or changes to program offerings:

(7) Test Market Exception: An institution may advertise a maximum of one new program a year before it receives approval from NACCAS **(must comply with Section 4.12(a)(1)).**

**NACCAS 2011 CALL FOR COMMENT**

**PROPOSAL 2011-43E**

**Proposal 2011-43E: The Commission proposes to amend Rules Section 4.14 to state that when NACCAS approves a teach-out plan that includes a program that is accredited by another recognized accrediting agency, it must notify that accrediting agency of its approval.**

**PROPOSED REVISIONS**

**Section 4.14 Teach-Out and Teach-Out Agreements**

**(g) In the event that, pursuant to Section 4.14(a) of these Rules, the Commission approves a Teach-Out Plan or Teach-Out Agreement that includes a program that is accredited by another recognized accrediting agency, NACCAS shall notify the other accrediting agency of its approval.**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-45

**Proposal 2011-45: The Commission proposes to amend Rules Section 4.18(b) to provide that the Executive Director may approve substantive changes at an institution prior to the date it undergoes an initial on-site evaluation visit in connection with its application for initial accreditation.**

#### PROPOSED REVISIONS

##### **Section 4.18 Changes after Submission of Application for Candidate Status or Initial Application**

- (a) School in Candidate Status: If an institution which has applied for or been granted candidate status undergoes any of the changes indicated in this Part, it must submit the appropriate application to the NACCAS Executive Director for approval. No fee will be charged.
- (b) If an institution which has applied for or been granted candidate status undergoes any of the changes indicated in this Part prior to undergoing an initial onsite evaluation visit in connection with its application for accreditation, it must submit the appropriate application to the NACCAS Executive Director for approval. No fee will be charged.**
- (cb) If an initial applicant undergoes any of the changes indicated in this Part after **undergoing an initial onsite evaluation visit in connection with its** ~~submitting~~ the application for accreditation, a corresponding application for the change must also be submitted to the Commission for approval, including payment of required fees.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-46E

**Proposal 2011-46E: The Commission proposes to amend Rules Section 8.1(c) to clarify that the Commission will not grant an approval retroactively.**

#### PROPOSED REVISIONS

##### **Section 8.1 Effective Date of Commission Decisions**

The general rule is that the effective date of a Commission decision is the date on the letter notifying the institution of that decision. The effective date will be some other date for the following decisions:

- (a) A school seeking initial accreditation or provisional branch status which is awarded the classification of “Accreditation with Stipulations” (Section 8.8) shall not be added to the *NACCAS Directory of Accredited Schools* until all stipulations have been met and all fees have been remitted in a timely manner. The effective date of accreditation will be the date on the notification from NACCAS that the institution has met the stipulations and paid all fees.
- (b) Commission decisions denying or withdrawing accreditation that are appealable but are not appealed, shall become effective 20 days after the institution receives notification of the denial or withdrawal, in accordance with section 8.17 of these *Rules*.
- (c) In exceptional circumstances, the Commission may establish different effective dates where such action is necessary to serve the equitable interests of the school and the students; **provided that in no case will such effective date be retroactive.**

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-47E

**Proposal 2011-47E: The Commission proposes to amend Rules Section 8.3(d) to expressly state that if NACCAS grants or renews accreditation of an institution notwithstanding the fact that the institution is subject to an adverse action by another accreditor or state agency, NACCAS will provide the U.S. Department of Education with an explanation of this decision within 30 days.**

#### PROPOSED REVISIONS

##### **Section 8.3 Basis for Status Decisions**

- (d) NACCAS shall not renew the accreditation of any institution for which the Commission has received information from the appropriate State agency, or another accrediting agency, that the institution is subject to any of the following actions:
- (1) An interim action by a recognized institutional accrediting agency potentially leading to the suspension, revocation, or termination of accreditation;
  - (2) A threatened loss of accreditation and the due process procedures required by the action have not been completed; or
  - (3) An interim action by a State agency potentially leading to the suspension, revocation, or termination of the institution's legal authority to provide postsecondary education;
  - (4) A threatened suspension, revocation, or termination by the state of the institution's legal authority to provide postsecondary education, and the due process procedures required by the action have not been completed.

If the Commission grants initial accreditation or reaccreditation to an institution notwithstanding the threatened, interim or final adverse actions taken against the institution by another recognized institutional accrediting agency or State agency, the Commission shall provide the Secretary of the U.S. Department of Education, **within 30 days of such action**, with a thorough explanation, consistent with the Commission's accreditation standards, why the previous action by the institutional accrediting agency or State does not preclude the Commission's action.

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-48E

**Proposal 2011-48E: The Commission proposes to amend Rules Sections 8.7 and 11.4 to expressly require that denial, withdrawal and probation notices be given within 30 days of the Commission's decision and to state that NACCAS will give "same time" notices of Probation actions.**

### PROPOSED REVISIONS

#### **Section 8.17 Official Notification of Commission Action**

Whenever the Commission takes an action on an applicant or accredited school pursuant to these *Rules*, the Commission shall notify the affected Institution, in writing of that action, within 45 days; **provided, however, that written notice of any action to deny or withdraw accreditation, or to place a school's accreditation on probation shall be given with 30 days.** The notice shall be sent to the chief executive officer or designated official of the institution via certified mail, return receipt requested, or other traceable means.

\* \* \* \* \*

#### **Section 11.4 Notification to Government Entities**

NACCAS shall inform the U.S. Department of Education and the appropriate State oversight agency, at the same time that it notifies the institution, of any final denial or withdrawal actions, **and of any action to place an institution's accreditation on probation,** taken pursuant to Parts 4 and 8 of the *Rules*. A final decision is one reached after an institution has exhausted the appeals process provided for under Part 9 of these *Rules*, or which is entered after an institution has failed to avail itself or its appeal rights with the prescribed time frame. No later than 60 days after a final decision to deny or withdraw accreditation, NACCAS shall make available to the U.S. Department of Education and the appropriate State oversight entity a brief statement summarizing the reasons for the Commission's decision and the comments, if any, that the affected institution submits with regard to that decision.

NACCAS shall notify the United States Department of Education and the appropriate State oversight agency, within 30 days, of any decision to grant initial accreditation, renewal of accreditation, ~~place an institution on probation,~~ or approve a change under Parts 4 and 8 of the *Rules*. Also, NACCAS shall notify these government entities, within 30 days, of an institution's decision to voluntarily relinquish its accreditation and the effective date of that relinquishment.

NACCAS shall inform the United States Department of Education of the name of any institution or program accredited by the agency with the Commission, upon review of the team report and response, interim visit report, compliant and response to complaint allegations or annual report information, has reason to believe is failing to meet its Title IV, HEA program responsibilities or is engaged in fraud or abuse and the reason for the Commission's concern.

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-49

Proposal 2011-49: The Commission proposes to amend Rules Section 8.10 (“Accreditation on Probation”) as described more fully below.

### PROPOSED REVISIONS

#### Section 8.10 Status: Accreditation on Probation

- (a) The Commission shall assign to an institution the accreditation status~~The classification of “Accreditation on Probation” shall be granted to currently accredited institutions against which one or more actions are pending in~~ whenever any one or more of the following events occurs categories:
- (1) ~~A program review, financial or compliance audit, audited financial statement, or other information provided by the Secretary of Education to NACCAS calls into question the institution’s compliance with NACCAS’ standards and other accreditation requirements;~~
  - (2) ~~A state or federal agency imposes an emergency or disciplinary action on the institution;~~
  - (3) ~~An on-site evaluation by NACCAS results in findings of non-compliance with NACCAS’ Standards and Criteria or other accreditation requirements which can be remedied, with monitoring.~~
- (b) ~~Any currently accredited institutions that does not respond, or submits an incomplete response, to an administrative “show cause” order issued in accordance with Section 7.1(b) of these Rules.~~
- (1) The institution’s accreditation is withdrawn, with the right to appeal;
  - (2) The institution is within six (6) months of the deadline for showing compliance with NACCAS’ Standards, Criteria, Rules and/or other accreditation requirements (collectively, “NACCAS’ Accreditation Requirements”) established by Section 8.18 of these Rules;
  - (3) The institution has failed to respond, or to respond adequately, to a Commission show cause order or directive;
  - (4) The Commission has determined that the institution has engaged in fraud; or
  - (5) The Commission has otherwise determined that the institution has failed to comply with one or more of NACCAS’ Accreditation Requirements, and that the noncompliance is sufficiently serious that withdrawal of accreditation is warranted if corrective action is not taken immediately.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-49

(b) The accreditation status of “Accreditation on Probation” shall not be assigned for any reason other than as set forth in Section 8.10(a) above. The Commission is not required to issue a show cause order to an institution before placing the institution’s accreditation on Probation. The Commission is not required to place an institution’s accreditation on Probation before withdrawing the institution’s accreditation.

(c) When an institution’s accreditation is placed on Probation:

- (1) The institution shall be notified of the specific facts which led the Commission to take this action, including any specific findings of noncompliance with NACCAS’ Accreditation Requirements.
- (2) The Commission shall not approve any substantive changes at the institution or any branch of the institution: provided, however, that the Commission may approve a change of ownership if, but only if, the institution has made a clear and convincing case that new ownership will substantially resolve the institution’s compliance problems. Approval of a change of ownership shall not, by itself, result in the institution’s removal from Probationary status.
- (3) The Commission may require the institution to undergo early renewal.

(d) An institution shall be removed from Probationary status only upon a determination by the Commission that the institution is compliant with NACCAS’ Accreditation Requirements. Such a determination shall be based on actual evidence of compliance. The Commission may obtain such evidence using any investigatory method or monitoring method provided for in these Rules, but may not rely on any evidence (a) that is more than six months old or (b) that is contradicted or called into question by more recent evidence.

(e) An institution whose accreditation is placed on Probation shall remain in the status of Accreditation on Probation until it has shown compliance with NACCAS’ Accreditation Requirements. However:

- (1) The Commission shall take adverse action against the institution if the institution has failed to show compliance within the time limits established by Section 8.18; and
- (2) The Commission may establish a deadline for showing compliance that is shorter than the deadline imposed by Section 8.18.

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-50

**Proposal 2011-50: The Commission proposes to amend Rules Sections 4.8 and 8.13 as described more fully below.**

### PROPOSED REVISIONS

#### **Section 4.8 Change of Ownership (Control)**

When a change of ownership takes place, if the application for a change of ownership is not received, the accreditation of the institution shall have been ~~voluntarily~~ relinquished **(1) in accordance with Section 8.13(c)(2) of these Rules**, ~~without any further requirement, effective the day following the due date for the application or (2) on the date the new owner states, in writing, the intention of not continuing as an accredited institution, whichever comes first.~~ An accredited school undergoing a change of ownership which submits the required application shall remain in accredited status until such time as NACCAS denies the application and the institution subsequently fails to appeal or has exhausted its appeal rights.

#### **Section 8.13 Voluntary Relinquishment of Accreditation**

~~An accredited institution may at any time request voluntary relinquishment of NACCAS accreditation status by submitting a written request to the Executive Director of the Commission via certified mail.~~

- (a) **An accredited institution may at any time request voluntary relinquishment of NACCAS accreditation status by submitting a written request to the Executive Director of the Commission via certified mail.** Such request shall specify the date upon which the school wishes the voluntary relinquishment to be effective and contain a statement to the effect that the school official requesting the voluntary relinquishment of accreditation has the authority to do so.
- (b) The following actions shall constitute the ~~voluntary~~ relinquishment of accreditation of an institution if there is no response to an order to “show cause” or a response to “show cause” does not warrant another action:
- (1) The institution closes or ceases operation as an educational institution (See Section 1.2(b)(3) of these *Rules*.);
  - (2) The institution lost its license to operate in the state in which it is located (See Section 1.2(b)(2) of these *Rules*.);
  - ~~(3) The institution changes name without complying with the procedures established by Section 4.2 of these *Rules*.;~~

**In addition, the institution will be fined \$5,000.**

NACCAS 2011 CALL FOR COMMENT

PROPOSAL 2011-50

**(c) The following actions shall constitute the relinquishment of accreditation of an institution if there is no response to an order to “show cause” or a response to “show cause” does not warrant another action:**

- (14) The institution relocates without complying with the procedures established by Part 4, Sub-Part 4A.1 of these *Rules*.
- (25) The institution **undergoes a Category 5 change of control, and the parties to the change of control** ~~is sold and the parties to the sale~~ do not comply with the notice and application requirements set forth in Part 4, Sub-Part 4A.2 of these *Rules*.

**In the case of the actions specified in this Section 8.13(c), the institution can come into compliance with NACCAS’ requirements by submitting the appropriate change application within the show cause period. In addition, the institution will be fined \$5,000.**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-51

**Proposal 2011-51: The Commission proposes to amend Appendix #3 to provide that an accredited institution not satisfying the NACCAS workshop requirements will be assessed a penalty fee of \$300.**

### PROPOSED REVISIONS

#### Appendix #3

##### Accredited Institutions

Workshop attendance for an accredited institution is based on the school's accreditation anniversary date. The owner or designee of an accredited institution must attend a NACCAS Accreditation Workshop at least nine (9) months prior to ~~its next anniversary date~~, but no longer than twenty four (24) months prior to ~~the next reaccreditation~~ anniversary date.

An institution (re)accredited subsequent to a Commission deferral, show cause or denial action also must attend a NACCAS Accreditation Workshop within nine (9) months of the Commission action. (This does not apply if the deferral, show cause or denial action was rendered mainly for financial reasons or failure to pay fees). The institution is also required to follow its regular workshop requirement schedule.

**Any institution that does not satisfy this workshop attendance requirement within the timeframe described above will be assessed a penalty fee of \$300.**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-52E

**Proposal 2011-52E: The Commission proposes to amend Appendix #4 to conform to the requirements of new federal regulations enacted effective July 1, 2011.**

### PROPOSED REVISIONS

#### Appendix #4

#### POLICY AND PROCEDURES GOVERNING

#### MEASUREMENT OF ACADEMIC PROGRAMS

1. Academic Measurement

Institutions accredited by the National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS) may express their academic measurement in terms of:

- a. Clock Hours
- b. Competencies
- c. Credit Hours

2. Notification

The institution must notify NACCAS of its academic measurement at the following points:

- a. Application for Initial Accreditation (main campus or branch campus)
- b. Before a change from one form of measurement to another or before adding a form of measurement
- c. Annual Report

3. Definitions

**Clock Hours:** Clock hour is defined as a minimum of 50 minutes of instruction during a 60 minute period.

**Competencies:** Competencies are skills and knowledge a person needs to acquire in order to obtain a license or certification to work in the field of cosmetology arts and sciences, massage, or related or unrelated areas.

**Competency-based program:** A self-paced program measured by the student's acquisition of knowledge and skills (competencies) rather than seat time.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-52E

Non-standard term semester credit hour: At least 37.5 hours of instruction (theory, practical and laboratory).

Non-standard term semester program: A student-centered program with many start dates throughout the year (e.g., the second Monday of every month) which may be shorter than one academic year in length, equal to one or more academic years, or longer than one or more academic years with the remainder more or less than one half of an academic year in length.

Quarter: An academic period of 10 to 12 weeks.

Non-standard term quarter credit hour or quarter hour: At least 25 clock hours of instruction (theory, practical or laboratory) = 1 quarter credit hour

Semester: An academic period of approximately 15 weeks.

#### 4. Validity of Academic Measurement

A school must decide which of its academic programs will be offered on a clock hour basis, competency basis, non-standard term basis, semester basis, or quarter basis. While for many years institutions of cosmetology arts and sciences have generally measured their academic programs in terms of clock hours, as provided in state laws, more and more institutions are also measuring on the basis of competencies or credit hours. No matter which academic measurement a school uses, it must establish the educational validity of the program.

- a. A program measured in competencies must link acquisition or demonstration of knowledge and competencies to a curriculum developed around minimum state licensure or certification requirements, state minimum requirements augmented by recommendations from its Advisory Committee, or skills necessary for entry-level employment according to skills standards developed by a national body with recognized expertise in this area that go beyond minimum state requirements.
- b. Competencies must be linked to the curriculum through grades, a point system, or similar assessment measure. Methods for assessing competency may include:
  - i. Initial assessment of the student's knowledge and skills at time of enrollment, with advanced placement if eligible
  - ii. Written or oral examinations
  - iii. Observation and assessment of practical skills
  - iv. Observation and assessment of work performed in an externship, if applicable
  - v. Assessment of student portfolios
  - vi. Assessment of special projects

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-52E

- c. A program measured in credit hours must satisfy at a minimum, the following requirements:
  - i. Academic Program measured on non-standard term basis:

1 credit hour = At least 37.5 clock hours Theory (academic learning), Practice/Demonstration, and/or Laboratory Experience
  - ii. Academic Program measured on semester (approximately 15 weeks) basis (Minimum):

1 credit hour = At least 37.5 clock hours Theory (cognitive/lecture), Practice/Demonstration, and/or Laboratory Experience
  - iii. Academic Program measured on quarter (10 – 12 weeks) basis (Minimum):

1 credit hour = at least 25 clock hours of Theory (cognitive/lecture), Practice/Demonstration, and/or Laboratory Experience
  - iv. If a state mandates a specific conversion rate, that conversion rate should be used.
5. Conversion to or Addition of Credit Hour or Competency-Based Programs
  - a. An institution which measures its academic programs on a clock hour basis may convert to a credit hour or competency-based academic measurement, by complying with the procedure set out in Section 4.11 of the NACCAS *Rules of Practice and Procedure*, the procedures set out in Section 5b of this policy, and the following conversion formula.
    - i. In establishing the appropriate conversion, a school must determine whether to organize its academic programs and the courses offered at the school in competencies, non-standard terms, semesters or quarters and how many weeks there will be in each semester or quarter. It must then divide the clock hours of the program by 37.5 (non-standard term semester) or 25 (non-standard term quarter) to determine the number of credit hours. Credits must be expressed in whole numbers and rounded down as needed. A school must then develop curricula, lesson plans, and course schedules in conformance with the new measure of academic programs and NACCAS standards and criteria.
    - ii. If a state mandates a specific conversion rate, that conversion rate should be used.
  - b. Procedure to obtain approval for changes and conversions are outlined in the required application found on the NACCAS website.
  - c. Sample Conversions

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-52E

Non-Standard Term Sample: 1450-hour basic cosmetology program

- $1450 \div 37.5 = 38.66$  which rounded down = 38 credits

Non-Standard Term Quarter Credits Sample: 1450-hour basic cosmetology program

- $1450 \text{ hours} \div 25 = 58$  quarter credits

#### 6. Review

A change or conversion from clock hours to credit hours must be approved by the Commission according to Section 4.11 of the *Rules of Practice and Procedure*.

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-53

**Proposal 2011-53: The Commission proposes to amend Appendix #8 to reduce the percentage of a program that can be contracted out to a non-accredited institution to 10%, eliminate the requirement for a survey and eliminate the requirement that NACCAS be provided with a copy of the contract between the institutions.**

### PROPOSED REVISIONS

#### Appendix #8

#### REQUIREMENTS FOR POLICY ON CONTRACTING FOR EDUCATIONAL PROGRAMS OR COURSES

NACCAS encourages accredited schools to institute separate classrooms and/or branches to accommodate overflow problems. However, in the event that an accredited school wishes to contract with another institution, school or organization, accredited or otherwise, for educational program(s) or course(s), the institution must notify NACCAS according to 4.17 of the *Rules* and the following applies guidelines apply:

1. There must be a written contract or agreement between the accredited institution and other institution, school or organization. ~~A copy of such agreement shall be filed with the Commission.~~
2. Credit shall be given by the accredited institution for programs or courses contracted as if the institution itself were offering these programs or courses.
3. The applicant must demonstrate that students are informed of the arrangement. The school catalog must reflect the educational arrangement.
4. The applicant must demonstrate that the contractual arrangement does not conflict with any applicable state licensure laws and regulations.
5. The first 25% of a course or program cannot be contracted outside the school. (Note: Remedial courses or programs excepted).
6. In the event that an accredited institution contracts with a non-accredited institution, in addition to the foregoing, the total contracted portion cannot exceed ~~25~~ **10**% of a student's total course or program of study ~~and a survey shall be undertaken in a manner and form specified by NACCAS to demonstrate that the contracted course(s) or program(s) complies with NACCAS accreditation requirements.~~

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-56

**Proposal 2011-56: The Commission proposes to amend Appendix #10 to provide that a branch campus must only submit one copy (not two copies) of its Institutional Self-Study.**

#### **PROPOSED REVISIONS**

##### **Appendix #10**

#### **APPROVAL PROCEDURE FOR BRANCH CAMPUSES**

7. Six months after provisional branch campus accreditation has been granted, **one (1) copy** ~~two (2) copies~~ of the Institutional Self-Study (ISS) for the branch must be submitted. The ISS must include information concerning the educational programs; faculty, physical, financial and other resources for its support; admission and graduation requirements; compliance with state laws evidencing authority to operate the branch campus; number of students; administrative structure of the branch campus; and any additional information which may assist in the review of the school's programs.

## NACCAS 2011 CALL FOR COMMENT

### PROPOSAL 2011-57

Proposal 2011-57: The Commission proposes to amend the Glossary to define “Practical Grading Criteria.”

#### PROPOSED REVISIONS

**Practical Grading Criteria – Specific criteria used by an instructor to determine whether a skill is performed with the required degree of competency and accuracy. Practical grading criteria should be written in a way that ensures that two different instructors evaluating the same practical skills performance will assign the same grade.**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-58

**Proposal 2011-58: The Commission proposes to amend Article III, Section IV of NACCAS' By-Laws to provide that non-owner administrators are eligible candidates for the "at-large" position of Owner/Administrator Commissioner.**

### PROPOSED REVISIONS

#### ARTICLE III – BOARD OF COMMISSIONERS

##### SECTION IV - Eligibility: Qualifications and Commissioners

- A. All candidates for Commissioner representing schools in fields of training within NACCAS' scope as a condition precedent to nomination shall document that they meet the following qualifications:
1. Have a total of at least five (5) years of administrative/supervisory experience in a school accredited by the Commission (of which the experience set forth in subparagraph 2 below may be counted as a part);
  2. Have been active in the day-to-day operation of school(s) accredited by the Commission in an administrative/supervisory capacity for the three (3) years immediately preceding his/her election; **and**
  3. **Have no interest in any institution, which has had its accreditation withdrawn (appeal rights exhausted) or which has voluntarily relinquished accreditation while the institution was in withdrawal status, during the past five years.**
  4. **Also: In addition, all candidates for the six (6) Commissioner positions elected by zones pursuant to Article III, Section III.A of these By-Laws must:**
    - I. Be sole owner of school(s) accredited by the Commission; or
    - II. With respect to a partnership or a privately held corporation be a person who owns at least a 10% interest in a school(s) accredited by the Commission and have a direct and abiding interest in the performance of the school and the quality of education which it offers. The Nominating Committee shall be vested with the responsibility of determining whether such an interest exists, subject to the review of the full Commission; or
    - III. Be an officer of a publicly held corporation, which owns school(s) accredited by the Commission.

**Candidates for the at-large Commissioner position are not required to satisfy the requirements of this Article III, Section IV.A(4).**

# NACCAS 2011 CALL FOR COMMENT

## PROPOSAL 2011-59

**Proposal 2011-59: The Commission proposes to amend Article VII, Section I of NACCAS' By-Laws to remove references to selection of the Appeal Review Panel by the Executive Committee.**

### PROPOSED REVISIONS

#### ARTICLE VIII - DUTIES OF COMMITTEES

##### SECTION I

The Executive Committee shall implement Commission policies and transact the business of the Commission during the intervals between meetings, as determined by the policies and directives of the Commission. ~~It shall be the duty of the Executive Committee to oversee formation of the list of appeal review Panelists, and to select names from the pool of qualified Panelists to form Appeal Review Panels~~