

NACCAS 2020 POLICY 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.

PLEASE NOTE: Where changes are very extensive, to ensure readability only unmarked (i.e., "clean") revised text is provided in this Call for Comment. For comparison purposes, readers can obtain current versions of the applicable provisions on NACCAS web site (www.naccas.org)

3. Proposals adopted by Emergency Action precede Proposals not yet adopted by the Commission.
4. Any Proposal adopted under emergency action is given a Proposal Number with an "E". The effective date for each such Proposal is noted in the Call for Comment Survey document.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-2E**

No

Proposal 2020-1E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Standard I, Criterion 5 (effective July 1, 2020) as set forth below.

Rationale: This amendment is required to conform Standard I, Criterion 5 to the requirements of the amendment to 34 CFR 602.17(a) scheduled to go into effect on July 1, 2020.

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- D 5. The institution is responsible for the achievement of expected and acceptable outcomes, **at both institutional and programmatic levels**, regardless of the mode of educational delivery:
- a. Graduation rate – 50%
 - b. Pass rate on certification or state licensing examinations, if required – 70%
 - c. Placement rate of graduates – 60%

The Accreditation Committee of the American Association of Cosmetology Schools (AACCS) respectfully disagrees with NACCAS's interpretation of 34 CFR 602.17(a). The proposed amendment to Standard I, Criterion 5 is not supported by the U.S. Department of Education's (Department) rulemaking record, including the Final Rule promulgated on November 1, 2019. As a result, we request that the Board of Commissioners withdraw this proposal in its entirety since the rationale the amendment relies on is factually not correct.

NACCAS indicates the Department's amendment at 34 CFR 602.17(a) supports the agency's decision to mandate its member institutions meet bright-line student achievement standards at both the institutional and programmatic levels. Specifically, NACCAS believes that based on the amended language at 34 CFR 602.17(a)(2), the agency is obligated to start measuring graduation, credentialing, and placement rates at the program level beginning on July 1, 2020. There is undeniable evidence that the Department's negotiated rulemaking process does not support NACCAS's interpretation of amended 34 CFR 602.17(a)(2) and the unnecessary burden this revised standard places on our institutions.

A non-federal negotiator representing national accreditation agencies proposed the amended language at 34 CFR 602.17(a)(2) during the third negotiated rulemaking session on March 28, 2019. See: U.S. Department of Education, Accreditation and Innovation Negotiated Rulemaking Session 3, Day 4,

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Morning Session, 02:01:00, Retrieved from:

<https://edstream.ed.gov/webcast/Play/b3cc6f5ea27a4367b39f699c11b93a471d?catalog=82d9933c12564cb2878389599eb97fd821>. The reason provided by the non-federal negotiator for this minor amendment was simply to clarify an already long-established Department expectation that an institutional accreditor must evaluate both an institution broadly *and* individual programs within that institution against rigorous standards for meeting its *stated objectives*. This position is further supported by language in the Department's Final Rule.

A clear reading of the amended language at 34 CFR 602.17(a)(2) does not create a *mandate* that an institutional accreditor that has historically required institution-level outcomes reporting change its standards to now require both institutional and program level outcomes reporting by July 1, 2020 in order to remain compliant with the Department's recognition criteria. This is consistent with the Final Rule's Preamble and the amended regulatory language.

Furthermore, 34 CFR 602.17(a) remains unchanged in being focused on assessing whether the agency "...has effective mechanisms for evaluating an institution's or program's compliance with the agency's standards before reaching a decision to accredit or preaccredit the institution or program." The pre-amended language at 34 CFR 602.17(a)(2) stated that the agency meets this requirement if the agency demonstrates that it "evaluates whether an institution or program .. is successful in achieving its stated objectives." The amended rule now states that the agency meets this requirement if the agency demonstrates that it "evaluates whether an institution or program ... Is successful in achieving its *stated objectives* at both the institutional and program levels." The addition of the word "and" appears to have been misunderstood by NACCAS as a mandate by the Department to apply an agency's student achievement standards at the institutional and programmatic level.

No

Proposal 2020-2E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Standard IV, Criterion 18 and Policies IV.03 and IV.04 (effective July 1, 2020) as set forth below.

Rationale: To ensure NACCAS Standards & Criteria are consistent with the revisions to the Code of Federal Regulations (32 CFR § 602.17(h)) with regards to the required notifications to prospective students of the costs associated with application, registration and attendance.

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Standard IV

D 18. 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, to include the cost of verifying the identity of distance-learning students at each session of instruction.

Policy IV.03 – Admissions Policies and Procedures: Enrollment Agreement Requirements and Checklist

6. 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 (e.g. registration fee, laboratory fee, activity fee, locker fee, etc.)
- d. Other Costs – All other costs and charges must be identified (e.g. extra instructional charges, penalty charges, uniforms, etc.)
- e. Payment – Methods and terms of payment of monies owed to the institution must be identified.
- f. Competency-Based Programs with a Clock Hour Component – Notice to the student that, should the student complete the program earlier than the estimated timeframe stated in the contract, the student’s financial aid package may be recalculated and this may result in liabilities owed by the student and/or the institution, if applicable.
- g. Verification of Student Identity – the projected additional student charges associated with the verification of student identity must be identified, to include the cost of verifying the identity of distance-learning students at each session of instruction.

Policy IV.04 – Admissions Policies and Procedures: Catalog Requirements and Checklist

27. Costs for each course and/or program:

- a. Tuition – Total tuition for the course.
- b. Books and Supplies – Must be actual cost to the student.
- c. Fees – Must be separately identified (e.g. registration fee, laboratory fee, activity fee, locker fee, etc.)

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- d. Other Costs
- e. Payment – Methods and terms of payment of monies owed to the institution must be identified.
- f. Competency-Based Programs with a Clock Hour Component – Notice to the student that, should the student complete the program earlier than the estimated timeframe stated in the contract, the student’s financial aid package may be recalculated and this may result in liabilities owed by the student and/or the institution, if applicable.
- g. **Verification of Student Identity – the projected additional student charges associated with the verification of student identity must be identified, to include the cost of verifying the identity of distance-learning students at each session of instruction.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that there seems to be a bit of ambiguity in the last section of the proposed change. Part (g) of the proposed change ends with “at each session of instruction” seems to be a bit vague. NACCAS-Accredited institutions have always been required to disclose all costs a student may incur during the course of their matriculation prior to enrollment. These are requirements set forth in the requirements for the Enrollment Agreement, and the Catalog. It does not appear to be a substantive change, other than the vague language identified above.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-3E**

NO

Proposal 2020-3E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in May 2019 the Commission adopted a new Standard VII Criterion 1(g), as set forth below.

Rationale: To ensure that all financial information pertinent to the determination of an institution's financial stability is available to NACCAS for assessment. Any and all material related party matters including the disclosure of multiple level corporate ownership interests are necessary to ensure that all available information is considered in the determination of an institution's overall financial stability.

AMENDMENTS

1(g) **The auditor must disclose the existence of any liability, expense, related party transaction, intangible asset or significant or material event that is (i) reported at any other level within the corporate ownership structure of the institution and (ii) related to the institution. Based on this disclosure, NACCAS may require the submission of additional audited financial information (including, without limitation, audited financial statements for entities at other levels within the corporate ownership structure of the institution) in order to determine compliance with Criterion 1(a) or 1(b). All such additional information shall be considered relevant to, and taking into consideration in, determining the institution's compliance with Criterion 1(a) or 1(b).**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this is an unnecessary adoption by the Commission. It appears that this is a requirement set forth by the U.S. Department of Education. It also does not appear as though this is a regulation that the U.S. Department of Education expects accrediting bodies to enforce. As not every NACCAS-Accredited school participates in Title IV Federal Funding, it seems as though this adoption of policy is beyond NACCAS' jurisdiction.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-4E**

No

Proposal 2020-4E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Policy III.02 to prohibit the use of "business entity signifiers" (such as "Inc." or "LLP") in an accredited institution's approved name.

Rationale: The Commission believes that this amendment will help avoid confusion between (i) the institution and (ii) the business entity that owns the institution.

AMENDMENTS

Policy III.02 – Administrative Services: Policy on Advertising

1. Advertising materials and any public statements and disclosures shall clearly distinguish the institution as a school. When advertising its accredited status, or the accredited status of its programs, an institution shall accurately describe such status by:

- b. **Except as prohibited by Section 1(h) below, using** Using the name under which accreditation was granted;

- h. **Words, phrases or abbreviations designating a corporation, limited liability company, partnership or other corporate entity may not be used in the school's name.^{FN}**

FN: Prohibited words and phrases include: corporation, incorporated, partnership, "limited liability company" and "limited partnership." Prohibited abbreviations include: Corp., Inc., P.C., Ltd., LLC, LP and LLP.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this is an unnecessary adoption to NACCAS Rules of Practice and Procedure/Policies.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-5E**

No

Proposal 2020-5E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Rules Section 4.6 (in August 2019) to provide that **Additional Classroom Space may not be utilized to teach fifty percent (50%) or more of any program.**

Rationale: The U.S Department of Education defines "the establishment of an additional location at which the institution offers at least 50 percent of an educational program" to be a substantive change requiring a visit within 6 months. [34 CFR 602.22(a)(viii)(A) & 602.22(c)]

AMENDMENTS

Section 4.6 Addition of Separate Facilities and Campuses

(b) Additional Classroom Space.

- (1) Additional Classroom Space is a supplemental training space utilized by an accredited Institution that:
 - (i) Is located within two (2) miles of the Institution's Primary Facility; and
 - (ii) Does not teach ~~more than~~ fifty percent (50%) **or more** of any program. Its purpose is to allow the Institution to provide adequate space to train students.

GLOSSARY

Additional Classroom Space: "Additional Classroom Space" is a supplemental training space utilized by an accredited Institution that (i) is located within two (2) miles of the Institution's Primary Facility, and (ii) does not teach ~~more than~~ fifty percent (50%) **or more** of any program. Its purpose is to allow the Institution to provide adequate space to train students.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that while this seems to be consistent with the CFR, it does not appear as though this needs to be duplicated by NACCAS.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-6E**

Yes

Proposal 2020-6E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Rules Section 4.6(d) (effective July 1, 2020) to add a new subsection (12), requiring that if an institution has an additional location that is certified for Title IV participation, that additional location must be accredited by NACCAS.

Rationale: This amendment is required to conform Section 4.6 to the requirements of new 34 CFR 602.24(f) scheduled to go into effect on July 1, 2020.

AMENDMENTS

Section 4.6 **Addition of Separate Facilities and Campuses**

(d) **Additional Locations.**

(12) Title IV Eligibility. An accredited institution shall not establish or maintain any additional training location that (i) meets the definition of an "additional location" established by the U.S. Department of Education under 34 CFR 600 and (ii) is certified for title IV participation unless the institution has applied for and received Additional Location accreditation status for that location from NACCAS.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that this is a reasonable update to NACCAS Rules of Practice and Procedure.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-7E**

No

Proposal 2020-7E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Rules Section 4.12 and Policy IV.05 (effective July 1, 2020) as set forth below.

Rationale: This amendment is required to conform Appendix #8 to the requirements of the amendment to 34 CFR 602.24 scheduled to go into effect on July 1, 2020.

AMENDED SECTION 4.12

Section 4.12 Teach-Out Plans and Teach-Out Agreements

(a) **Required Submission of Teach-Out Plans and Agreements.** Accredited institutions (and, as applicable, applicants for accreditation) must submit to NACCAS its Teach-Out Plan in any of circumstances listed below. In each case, if the applicable Teach-Out Plan incorporates a Teach-Out Agreement, the Plan must be accompanied by a list (of at least three) accredited schools within a 50 mile radius of the institution that the institution reasonably believes would be suitable candidates (per Policy IV.05) to enter into such an Agreement as a Teach-Out institution.

- (1) **Submission Upon Application.**
 - (i) An applicant for initial accreditation must submit its Teach-Out Plan with its application for initial accreditation.
 - (ii) An accredited institution must submit its Teach-Out Plan with each application for renewal of accreditation.
- (2) **Annual Submissions.** All institutions required to submit an Annual Report pursuant to Section 5.0 of these Rules must submit its Teach-Out Plan with its Annual Report. For institutions consisting of a Main Campus and its Additional Location(s), the Teach-Out Plan(s) submitted must address each campus.
- (3) **Submission Upon Teach-Out Event.**
 - (i) Except as described below, an institution must submit a Teach-Out Plan for approval by the Commission, not later than 15 calendar days following the occurrence of a Teach-Out Event. If the Teach-Out Event is a Type 1 Teach-Out Event, the Teach-Out Plan must, if practicable, include entering into a Teach-Out Agreement with another institution, in which case a draft Teach-Out Agreement (i.e., a template Agreement, not with any specific institution) must also be submitted.
 - (ii) In the event of a planned closure of an institution (including any change of location that is considered by the Secretary of Education to be a school closure), the plan and agreement(s) must be submitted at least 30 calendar days prior to the closure date.
 - (iii) In the event of a (planned or unplanned) closure of the institution (including any change of location that is considered by the Secretary of Education to be a school closure), the Plan must be accompanied by actual (i.e., not draft) associated Teach-Out Agreements for approval by the Commission

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- (4) **Other Submissions.** An accredited institution:
- (i) Must submit any other Teach-Out Agreement it enters into (other than that which is required by Section 4.12(a)(3) for approval by the Commission, not later than 15 calendar days after entering into such agreement.
 - (ii) May submit a Teach-Out Plan and, if applicable, an associated Teach-Out Agreement it enters into (other than that which is required by Section 4.12(a)(3)) for approval by the Commission, at any time.

(b) **Submission Materials:** In seeking approval of a Teach-Out Plan and/or Teach-Out Agreement(s), the institution must provide the Commission with:

- (1) A list of currently-enrolled students;
- (2) A copy of the Teach-Out Plan and any associated Teach-Out Agreement(s) (Policy IV.05);
- (3) A copy of the enrollment agreement for each institution that will receive students under the Teach-Out Agreement;
- (4) A copy of the catalog of each institution that will receive students under the Teach-Out Agreement;
- (5) Additional information, if any, requested by the Commission after items (1) through (4) have been received.

(c) **Advisory Opinion.** Institutions may submit draft versions of the 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.

(d) **Teach-Out Institution.** The Commission shall not approve any Teach-Out Agreement unless it has determined that each institution to which students are to be transferred to complete their programs meets the following conditions:

- (1) The proposed Teach-Out Institution must:
 - (a) Have the necessary experience, administrative capacity and capability, resources and student support services to provide an educational program that is of acceptable quality (as evidenced by state approval) and reasonably similar in content, delivery modality, and scheduling to that provided by the Closing institution; *provided*, however, that while an option to provide instruction via an alternate method of delivery may be made available to students, such an option is not sufficient unless an option via the same method of delivery as the original educational program is also provided;
 - (b) Be stable and have the capacity to carry out its mission, and meet all obligations to existing students;
 - (c) Demonstrate that it can provide students access to the program and services without requiring them to move or travel for substantial distances or durations; and
 - (d) Demonstrate that it will provide students with information about additional charges, if any.
- (2) The proposed Teach-Out Institution must not:
 - (a) Be subject to a Teach-Out Event itself; or

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- (b) Be under investigation for, be subject to an action concerning, or being prosecuted for an issue related to academic quality, misrepresentation, fraud, or other severe matters by a law enforcement agency.

(e) **Notification of Closure:** When an institution party to a Teach-Out Agreement learns that another party to the Agreement plans to close, or has closed, it shall notify NACCAS within ten (10) calendar days of learning of the closure.

(f) **Closed Institution.** 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 the appropriate State agency, to the extent feasible, to assist students in finding reasonable opportunities to complete their education without additional charges.

(g) **Notification to Other Accreditors.** In the event that, pursuant to Section 4.12(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.

(h) **Definition of Closure.** For purposes of this Section 4.12 and Policy IV.05, a “closure” includes any change of location considered by the U.S. Department of Education to be a closure of the existing institution.

GLOSSARY TERMS

Teach-Out Agreement: A written agreement between accredited institutions that meets the requirements of NACCAS’ Teach-Out Policy (**Policy IV.05**) and otherwise provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if an accredited institution ceases to operate **or plans to cease operations** before all enrolled students have completed their program of study.

Teach-Out Event: A Type 1 Teach-Out Event or a Type 2 Teach-Out Event.

Teach-Out Plan: A written plan developed by an accredited institution that meets the requirements of NACCAS’ Teach- Out Policy (**Policy IV.05**) **and otherwise provides for the equitable treatment of students and a reasonable opportunity for students to complete their program of study if an accredited institution ceases to operate or plans to cease operations before all enrolled students have completed their program of study. A Teach-Out Plan** and may include **(and, if required by the Commission, shall include)**; a Teach-Out Agreement between accredited institutions.

Type 1 Teach-Out Event: The occurrence of any one or more of the following events involving a NACCAS-accredited institution is a “Type 1 Teach-Out Event”:

- (1) The U.S. Department of Education notifies the Commission that it has placed the institution on the reimbursement payment method under 34 CFR 668.162(c) or the heightened cash monitoring payment method requiring the Secretary’s review of the institution’s supporting documentation under 34 CFR 668.162(d)(2).**
- (2) The U.S. Department of Education notifies the Commission that the Secretary of Education has initiated an emergency action against the institution, in accordance with section 487(c)(1)(G) of the Higher Education Act (or a successor statute)(the “HEA”), or an action to limit, suspend, or terminate an institution participating in any title IV, HEA program, in accordance with section 487(c)(1)(F) of the HEA (or a successor Statute).**
- (3) The Commission acts to withdraw the accreditation of the institution.**
- (4) The institution notifies the Commission that it intends to cease operations entirely. For purposes of this definition, this includes any change of location that is considered by the Secretary of Education to be a school closure.**
- (5) A State licensing or authorizing agency notifies the Commission that an institution's license or legal authorization to provide an educational program has been or will be revoked.**

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Type 2 Teach-Out Event: The occurrence of any one or more of the following events involving a NACCAS-accredited institution is a Type 2 Teach-Out Event:

1. **The U.S. Department of Education notifies the Commission of a determination by the institution's independent auditor expressing doubt about the institution's ability to operate as a going concern or indicating an adverse opinion or a finding of material weakness related to financial stability.**
2. **The U.S. Department of Education notifies the Commission that the institution is participating in title IV, HEA programs under a provisional program participation agreement and the Secretary has required a teach-out plan as a condition of participation.**
3. **The Commission acts to place the institution on Probation or Equivalent Status.**

AMENDED POLICY IV.05

Policy IV.05 – Admission Policies and Procedures: Teach-Out Policy and Checklist

NOTE: For purposes of this Policy IV.05, a “Closure” includes any change of location considered by the U.S. Department of Education to be a closure of the existing institution.

When a Closure of a program or Institution is imminent, Institutions may give pro rata refunds to all students, and/or submit a Teach-Out Agreement to the Commission for approval. (If NACCAS approves a 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, the institution must follow the NACCAS Teach-Out Plan Checklist as follows:

- _____ 1. Accredited institutions and candidate institutions must submit to NACCAS the Teach-Out Plan the Institution has developed, along with their application for accreditation or renewal of accreditation (as applicable).
- _____ 2. Each year, all Institutions must submit to NACCAS the Teach-Out Plan the Institution has developed, with their Annual Report documents.
- _____ 3. In the event of a Teach-Out Event other than a planned Closure of an institution or program, the Teach-Out Plan must be submitted for approval no later than 15 days following the occurrence of a Teach-Out Event. In the event of a planned Closure of an institution or program, the Teach-Out Plan must be submitted 30 days prior to the Closure date. In either event, if the Teach-Out Plan incorporates a Teach-Out Agreement, the Institution must provide a list of accredited schools with in its area that students could reasonably attend.
- _____ 4. The Institution's Teach-Out Plan must include a statement (or statements) that the Institution acknowledges that in the event of an actual Closure the Institution:
 - _____ a. May elect to provide all affected students with a pro rata refund. Additionally, if the Institution's Teach-Out Plan indicates the Institution will participate in a Teach-Out Agreement, the statement must further acknowledge that the Institution will provide to NACCAS a Teach-Out Agreement (*see* “Teach-Out Agreement” in the NACCAS Glossary) 30 days prior to the Closure date.
 - _____ b. Must satisfy any outstanding financial obligations to Local, State, or Federal providers of financial aid.
 - _____ c. Must notify NACCAS in accordance with Section 4.12 of the NACCAS *Rules of Practice and Procedure*.
 - _____ d. Must provide to NACCAS a list of the students who were enrolled at the time of the Closure. The list must include the arrangements for each student affected.

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- _____ e. Must put all relevant information regarding the Closure on its websites and all social media customarily used by the Institution to communicate with students and/or the public.
- _____ f. Will comply with applicable State and or Federal laws regarding record maintenance (and will include such statement in any associated Teach-Out Agreement(s)).
- _____ g. Will provide to NACCAS and to all enrolled students the name and contact information of the custodian of the Institution’s files and the address where those files will be kept.
- _____ h. Will immediately provide all enrolled students with a copy of the NACCAS “How to Locate an Accredited Institution Within Your Field of Study” document.

If the Institution’s Teach-Out Plan incorporates the use of a Teach-Out Agreement, the following items apply:

_____ 5. Each Institution must provide a list of accredited schools (at least 3) within a 50-mile radius of the Institution that the Institution reasonably believes would be suitable candidates (per this Policy IV.05) to enter into a Teach-Out Agreement.

_____ 6. The Institution’s Teach-Out Plan must include a statement (or statements) that the Institution acknowledges that in the event of an actual Closure the Institution:

- _____ a. Must provide to NACCAS a copy of the enrollment agreement for each of the Institutions that will receive students under the Teach-Out Agreement.
- _____ b. Must provide to NACCAS a copy of the catalog for each of the Institutions that will receive students under the Teach-Out Agreement.
- _____ c. Must provide to NACCAS a copy of each Teach-Out Institution’s license issued by the State’s regulatory agency.
- _____ d. Must provide to NACCAS any additional information that is applicable.
- _____ e. Must notify students of additional charges, if any. The statement must include an explanation to NACCAS of how it will notify students about additional charges.
- _____ f. Must provide students access to the program and services without requiring them to move or travel for substantial distances or durations.
- _____ g. Must provide information to NACCAS that will insure that any Teach-Out Institution or Institutions with which the Institution enters into a Teach-Out Agreement have the Administrative Capacity and Capability and support services required by NACCAS.
- _____ h. Must provide evidence to NACCAS that the Teach-Out Institutions are licensed by the state regulatory agency.
- _____ i. Must provide evidence to NACCAS that the Teach-Out Institutions have the necessary experience, administrative capacity and capability, resources and student support services to provide an educational program that is of acceptable quality (as evidenced by state approval) and reasonably similar in content, delivery modality, and scheduling to that provided by the Closing Institution
- _____ j. Must provide evidence that each Teach-Out Institution has the Administrative Capability and Capacity to carry out its mission and meet all obligations to the existing students.

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When developing a Teach-Out Agreement, the institution must follow the NACCAS Teach-Out Agreement Checklist as follows:

- _____ 7. The Teach-Out Agreement must include:
- _____ a. A complete list of students currently enrolled in each program at the closing Institution and the program requirements each student has completed.
 - _____ b. A plan to provide all potentially eligible students with information about how to obtain a closed school discharge and, if applicable, information on State refund policies.
 - _____ c. A record retention plan to be provided to all enrolled students that delineates the final disposition of teach-out records (e.g., student transcripts, billing, financial aid records).
 - _____ d. Information on the number and types of credits or clock-hours the Teach-Out Institution is willing to accept prior to the student's enrollment.
 - _____ e. A clear statement to students of the tuition and fees of the educational program and the number and types of credits or clock-hours that will be accepted by the Teach-Out Institution. This statement must clearly identify, and provide for the notification to students of, additional charges, if any.
- _____ 8. The Teach-Out Agreement must provide students access to the program and services without requiring them to move or travel for substantial distances or durations.
- _____ 9. The Institution must submit to NACCAS, with each Teach-Out Agreement:
- _____ a. A copy of the Teach-Out Institution's enrollment agreement.
 - _____ b. A copy of the Teach-Out Institution's catalog.
 - _____ c. A copy of the Teach-Out institution's license issued by the state regulatory agency.
 - _____ d. Any additional information, if applicable, must be submitted.
- _____ 10. The Teach-Out Institution(s) must:
- _____ a. Have the necessary experience, administrative capacity and capability, resources and student support services to provide an educational program that is of acceptable quality (as evidenced by state approval) and reasonably similar in content, delivery modality, and scheduling to that provided by the Closing institution; provided, however, that while an option to provide instruction via an alternate method of delivery may be made available to students, such an option is not sufficient unless an option via the same method of delivery as the original educational program is also provided.
 - _____ b. Be stable and have the capacity to carry out its mission, and meet all obligations to existing students.
 - _____ c. Demonstrate that it can provide students access to the program and services without requiring them to move or travel for substantial distances or durations.
 - _____ d. Demonstrate that it will provide students with information about additional charges, if any.
- _____ 11. The Teach-Out Institution(s) must not:
- _____ a. Be subject to a Teach-Out Event itself.
 - _____ b. Be under investigation for, be subject to an action concerning, or being prosecuted for an issue related to academic quality, misrepresentation, fraud, or other severe matters by a law enforcement agency.

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_____ 12. 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, in accordance with 4.12 of the NACCAS Rules of Practice and Procedure.

_____ 13. The Closing Institution or program must:

- _____ a. Submit to NACCAS a list of students who were enrolled at the time of Closure and indicate the arrangements made for each affected student.
- _____ b. Submit to NACCAS copies of all notifications from the Institution to its students related to the institution's closure or to teach-out options to ensure the information accurately represents students' ability to transfer credits and clock hours. NACCAS may require corrections to any such notifications
- _____ b. Comply with applicable state and/or federal laws regarding records maintenance.
- _____ c. Provide NACCAS and all enrolled students with the name and contact information of the custodian of its files and the address where the files will be kept.
- _____ c. Post all information regarding the Closure on its website and all social media customarily used by the Institution to communicate with students and/or the public.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that the changes are impractical to implement in a situation in which a school is closing. It seems to the committee that this change actually discourages a school to develop and enter into a teach-out plan.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-8E**

No

Proposal 2020-8E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in June 2020 the Commission amended Rules Sections 5.1 and 8.10 (effective July 1, 2020). In addition, the Commission adopted two new definitions for inclusion in the NACCAS Glossary.

Rationale: These amendments are required to conform Section 8.10 to the requirements of new 34 CFR 602.22(b) scheduled to go into effect on July 1, 2020.

AMENDMENTS TO RULES SECTION 5.3

Section 5.3 **Special Report**

- (a) Each accredited school and each applicant for initial accreditation must notify NACCAS in writing of (i) any material event that may jeopardize its continued operation as a licensed accredited school or (ii) if the institution participates or has applied to participate in title IV programs, any denial of or limitation imposed on such participation within ten (10) calendar days of the event's events² occurrence.

Material events necessitating such reports include the following:

- (10) Placement of the institution on the status of "provisional certification" to participate in title IV programs by the United States Department of Education;

AMENDMENTS TO RULES SECTION 8.10

Section 8.10 **Status: Accreditation on Probation**

- ~~(d)~~ When an institution's accreditation is (i) placed on Probation or Equivalent Status or (ii) operating under a provisional certification to participate in title IV programs (as provided in 34 CFR 668.13), the following changes shall be considered substantive and shall subject to Commission approval in accordance with Section 8.10(e)(2) below:

- (1) All non-substantive changes described in Section 4.14 of these Rules (other than Exempted Non- Substantive Changes); and
- (2) To the extent not otherwise addressed by Sections 4.7(a) and 4.14(c), any change in Competency-Based Programs related to the assessment of student's prior knowledge or the closure of competency gaps between prior knowledge and program requirements.

- ~~(e)~~ When an institution's accreditation is placed on Probation:

- (1) The institution shall be notified of the specific facts that led the Commission to take this action, including any specific findings of noncompliance with NACCAS' Accreditation Requirements.
- ~~(2) All changes described in Section 4.14 of these Rules (other than Exempted Non-Substantive Changes) shall no longer be considered non-substantive and shall be subject to Commission approval in accordance with Section 8.10(d)(3) below.~~
- (2) The Commission shall not approve any changes (other than Exempted Non-Substantive Changes) at the institution or any Additional Location of the institution. The Commission shall not accept or consider any application for approval of any such

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-8E**

change at such additional location unless the Commission has first approved a Petition for waiver of this Section 8.10(d)(3). While the Commission may, in its discretion, grant such a Petition, (i) the granting of such a Petition does not constitute approval of any change, but merely permission to apply for such approval and (ii), notwithstanding the granting of any such Petition, the Commission may approve a Change of Control 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 Control shall not, by itself, result in the institution's removal from Probationary status.

- (3) The Commission may require the institution to undergo early renewal.

NEW GLOSSARY DEFINITIONS

Probation or Equivalent Status: As used in the *Rules of Practice and Procedure*, the phrase "Probation or Equivalent Status" refers to any of the following:

1. The institution's accreditation has been placed on Probation.
2. The institution is subject to one or more Show Cause Orders.
3. The institution is placed on one or more monitoring processes (other than Special Reporting Requirements).

Special Reporting Requirements: Reporting requirements imposed on an institution by NACCAS as a result of (i) the institution's placement on a "heightened cash monitoring" status by the U.S. Department of Education or (ii) the institution's loss of Title IV eligibility.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that this may be a misinterpretation of the CFR, and requires further clarification.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-9E**

Yes

Proposal 2020-9E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in June 2020 the Commission amended Rules Sections 8.17 and 11.4 (effective July 1, 2020). In addition, the Commission adopted a new definition for inclusion in the NACCAS Glossary.

Rationale: These amendments are required to conform Section 8.10 to the requirements of revised 34 CFR 602.26 scheduled to go into effect on July 1, 2020.

AMENDMENTS TO RULES SECTION 8.17

Section 8.17(b). Notification to Students

The institution must disclose to all current and prospective students, within seven (7) business days of receipt of notice from the Commission, the following Commission actions:

1. **An Adverse Action;**
2. **A Final Adverse Action; and**
3. **Placement of the institution on Probation or Equivalent Status.**

AMENDMENTS TO RULES SECTION 11.4

Section 11.4 Notification to Government Entities

NACCAS shall inform the U.S. Department of Education, ~~and~~ the appropriate State oversight agency, **and the appropriate accrediting agencies** at the same time that it notifies the institution, of any **Adverse Action, Final Adverse Actions or final denial or withdrawal actions,** and of any action to place an institution's accreditation on **Probation or Equivalent Status**, taken pursuant to ~~Parts 4 and 8 of the these Rules.~~ **A final decision is one reached after an institution has exhausted the appeals process provided under Part 9 of these Rules, or which is entered after an institution has failed to avail itself of its appeal rights with the prescribed time frame.** No later than 60 calendar 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 calendar days, of any decision to grant initial accreditation, renewal of accreditation, or approve a change under ~~Parts 4 and 8 of the Rules.~~ Also, NACCAS shall notify these government entities, within 30 calendar days, of an institution's decision to voluntarily relinquish its accreditation and the effective date of that relinquishment.

NACCAS' Executive Director shall inform the United States Department of Education of the name of any institution or program accredited by NACCAS, which NACCAS 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.

2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-9E

NEW GLOSSARY DEFINITION

Final Adverse Action: A Final Adverse Action is an Adverse Action that has become final following an institution's (i) exhaustion of or (ii) failure to avail itself of its appeal rights under Part 9 of the *Rules of Practice and Procedure*.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this may be an appropriate action. However, the previous version seemed clearer, and the requirements set forth in that previous version allowed for easier documentation of compliance.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-10E**

Yes

Proposal 2020-10E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in June 2020 the Commission amended Rules Section 8.18 as set out below (effective July 1, 2020).

Rationale: This amendment is required to conform Section 8.18 to the requirements of revised 34 CFR 602.20(a)(2) scheduled to go into effect on July 1, 2020.

AMENDMENTS

Section 8.18 Time Lines to Remedy Non-Compliance

- (a) Where the Commission has found an area in which the institution is out of compliance with accreditation standards and requirements, the Commission may, in its discretion, grant the institution a period of time in which to remediate the noncompliance; provided, however, that the period allotted to an institution to remedy the non-compliance or cure the deficiency shall in no case exceed the following time limits:
- (1) ~~Twelve months, if~~ **If** the institution's longest program is less than one year in length, **the lesser of (i) twelve months and (ii) 150% of the length of the institution's longest program.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this adoption is consistent with the CFR.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-11E**

Yes

Proposal 2020-11E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Rules Section 9.5(c) (in August 2019) to provide that, on appeal of a finding that an institution has failed to comply with Standard VII, Criterion 1(g), "New Financial Information" means an audited 12-month financial statements covering a period more recent than that of the financial statements last reviewed by the Commission.

Rationale: To clarify that what constitutes "New Financial Information" in an appeal of a withdrawal for failing to comply with Standard VII, Criterion 1(g); specifically, to clarify that for these purposes, Criterion 1(g) is included among the other "noncompliant as to form or content" Sub-Criteria of Standard VII, Criterion 1.

AMENDMENTS

<p>9.5(c) <u>Significance and Materiality of New Financial Information (Standard VII, Criterion 1(d)-(fg))</u>. Institutions may demonstrate compliance with Standard VII, Criterion 1(d), 1(e), <u>1(f) or 1(g)</u> or 1(f) by submission of audited 12-month financial statements covering a period more recent than that of the financial statements last reviewed by the Commission (which, for purposes of appeal, need not be the institution's regular fiscal year).</p>
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It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this change is consistent with the CFR.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-12E**

Yes

Proposal 2020-12E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in June 2020 the Commission amended Rules Section 9.8 as set out below (effective July 1, 2020).

Rationale: These amendments are required to conform Section 9.8 to the requirements of revised 34 CFR 602.25(f) scheduled to go into effect on July 1, 2020.

AMENDMENTS

Section 9.8 Authority and Recommendations of the Appeal Review Panel

- (b) The Appeal Review Panel may either:
- (1) Affirm the Appealable Action of the Commission, in which case the decision shall be final;
 - ~~(2) Reverse the Appealable Action of the Commission, in which case the Commission shall implement the decision of the Appeal Review Panel, as provided in Section 9.8(c) of these Rules;~~
 - (2) Amend the Appealable Action of the Commission, in which case the Commission shall implement the decision of the Appeal Review Panel as provided in Section 9.8(c) of these Rules; **or**
 - (3) Remand the Appealable Action to the Commission for further consideration, in which case the Commission shall reconsider the original decision as provided in Section 9.8(d) of these Rules.

In all cases, the Appeal Review Panel shall provide the Commission with a written statement of the result of the appeal and of the basis for that result, together with the record on appeal, including the Appeal Document and transcript of any Personal Appearance hearing.

- (c) If the Appeal Review Panel ~~reverses or~~ amends the Appealable Action, the Commission shall implement the Appeal Review Panel's decision in a manner consistent with the Panel's decision and (if applicable) instructions, and with the Commission's accreditation standards and these Rules.

- (d) **The Appeal Review Panel may remand an Appealable Action to the Commission (i) because it has determined that the matter raises policy issues or requires further factual investigation beyond the purview of the Panel and/or (ii) because it has determined that the appeal satisfies the grounds for reversal set forth in Section 9.1 of these Rules.**

- (1) If the Appeal Review Panel remands **an** Appealable Action to the Commission for further consideration **on the basis of policy considerations or necessary additional factual investigation**, it shall provide the Commission with a written statement identifying specific issues that the Commission must address in rendering its final decision.
- (2) **Commission because it has determined that the appeal satisfies the grounds for reversal set forth in Section 9.1 of these Rules, it shall**

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-12E**

provide the Commission with a written statement explaining the basis for a decision that differs from that originally rendered by the Commission.

In undertaking its reconsideration of a decision remanded by the Appeal Review Panel, the Commission shall act in a manner consistent with the Panel's decision and instructions (including with respect to the addressing the specific issues identified by the Panel), and with the Commission's accreditation Standards and these Rules. A decision by the Commission upon a matter remanded to it by the Appeal Review Panel shall be final and not subject to further appeal. The Commission shall send an official notification to the appellant in accordance with Section 8.17 of these Rules.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this appears to be a reasonable change.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-13E**

No

Proposal 2020-13E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, in June 2020 the Commission amended Rules Section 10.2 as set out below (effective July 1, 2020).

Rationale: This amendment is required to conform Section 10.2 to the requirements of revised 34 CFR 602.21(d)(3) scheduled to go into effect on July 1, 2020.

AMENDMENTS

Section 10.2 Publication of Final Changes

After evaluating and taking into account the comments submitted pursuant to [Section 10.1](#) (above) of these *Rules*, as well as all other information available to it, the Commission shall prepare and publish in final form the change in the NACCAS requirements or procedures. Such publication shall **provide a summary response to comments received and shall** specify the effective date of the change.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that this would not be in compliance with the CFR. In addition, there appears to be inconsistency with this, and actions taken by the Commission under “emergency action.”

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-14E**

Yes

Proposal 2020-14E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended Appendix #8 (effective July 1, 2020) as set forth below.

Rationale: This amendment is required to conform Appendix #8 to the requirements of the amendment to 34 CFR 602.22 scheduled to go into effect on July 1, 2020.

AMENDMENTS

Appendix #8 – Requirements For Contracting For Educational Programs Or Courses

NACCAS encourages accredited schools to institute Additional Classroom Space, Secondary Facilities and/or Additional Locations 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 Section 4.14 of the Rules and the following applies:

6. In the event that an accredited institution contracts with ~~a non-accredited institution~~ **an institution not certified to participate in title IV, HEA programs**, in addition to the foregoing, the total contracted portion cannot exceed 10% of a student's total course or program of study.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that this is a reasonable change.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-15E**

Yes

Proposal 2020-15E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission amended the definition of a Clock Hour (effective July 1, 2020) as set forth below.

Rationale: To ensure NACCAS Standards & Criteria are consistent with the US Department of Education regarding the academic measurement of clock hour programs.

AMENDMENTS

Clock Hour: A measure of time: 60 minutes (as opposed to a class hour that may be of fewer minutes, typically 50). It defines the amount of time a student spends in education or training activities. The number of clock hours required of a student is based on individual state requirements. A minimum of 50 minutes of instruction during a 60 minute period. **A clock hour may consist of**

- a) supervised classroom lecture or recitation,**
- b) supervised laboratory, shop training or externship**
- c) in distance education, a class lecture or recitation where there is opportunity for direct interaction between the instructor and students. An institution must be capable of monitoring a student's attendance in 50 out of 60 minutes for each clock hour awarded to the student for distance-learning.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) feels that this is a reasonable change. However, the rationale provided seems to be inconsistent with the operations of schools in our sector.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-16E**

Yes

Proposal 2020-16E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission created a new Standard II, Criterion 2 (effective immediately) as set forth below, and renumbered the remaining Criteria accordingly.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

D 2. If applicable, instructors (including substitutes) who teach via distance education are provided training on teaching modalities and technological resources utilized in the Distance Education environment.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this is a reasonable change, given the increased administration of curriculum using distance learning modalities.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-17E**

Yes

Proposal 2020-17E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission created a new Standard IV, Criterion 22 (effective immediately) as set forth below.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

D 22. If applicable, before enrollment, each applicant is provided and acknowledges receipt of written information that clearly describes the distance education technologies (hardware and software) that will be required to successfully complete the course.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) that this is a reasonable change.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-18E**

No

Proposal 2020-18E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission revised Standard VI, Criterion 4 (effective immediately) as set forth below, and renumbered the remaining Criteria accordingly.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

- D 4. The course and/or program outline(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 **and, if applicable, clearly indicates those units of instruction that are delivered via distance education;**
 - e. Instructional methods used to teach the course and/or program, **to include a description of distance education technologies, if applicable;** and
 - f. Grading procedures.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that this is an unnecessary change. It seems to be duplicative considering other proposed changes.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-19E**

No

Proposal 2020-19E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission created a new Standard VI, Criterion 19 (effective immediately) as set forth below.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

- D 19. The quality of education provided via Distance Education within courses and/or programs is measured through a variety of methods to ensure the content is effectively delivered to students in a manner that is congruent with the mission of the institution and its educational objectives through:**
- a. **Assessments of student competence upon completion of Distance Education curriculum;**
 - b. **Student assessments (written exams, quizzes, projects, etc.) during the delivery of Distance Education curriculum;**
 - c. **Student Surveys**
 - d. **Instructor Self-Assessments**
 - e. **Comparative analysis of student academic performance through components of program curriculum delivered via distance education as opposed to on-campus.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) completely disagrees with the adoption of this change. It does not appear that these extra regulations, and documentation required to provide compliance in any way increases the student experience.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-20E**

No

Proposal 2020-20E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission revised Policy VI.02 (effective immediately) as set forth below, and renumbered the remaining Criteria accordingly.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

if an institution offers distance education as a method of delivery it must have a policy containing, at a minimum, the elements listed below. An institution's distance education policy must be in compliance with all local, state and federal laws and regulations and NACCAS Standards and Criteria.

The policy must contain the following at minimum:

- 1. Distance Education will not be utilized as a method for delivery of clinical instruction in which the student is to perform practical applications on a live model or client.**
- 42. The interaction with the instructor must be validated by regular measurable participation (clock hour, credit hour, or competency based) in the academic programs; Participation must be documented within a log of all student activity comprised of (at a minimum) a record of regular and substantive interaction between student(s) and instructor(s).**
- 23. All assessments that will be used for calculating a student's GPA must be executed while the student is physically on campus; The institution must evaluate the student's qualitative academic performance for each 10% of the distance education (modules) component actually completed within the program at the institution (in-person) by a qualified instructor.**
- 3. The student participates in learning activities while physically present at the contracted campus at least once every 10 business days for the length of a scheduled class day as outlined in the enrollment contract;**
- 4. Upon completion of all curriculum requirements, the student must pass a comprehensive Academic and Practical final exam, to include any applicable competencies required by the State licensure agency, prior to graduation from the program.**
- 45. All transcripts or other documents, (official or unofficial), listing academic attainment received must identify the distance education component;**
- 56. Prior to enrollment, students are provided with a disclaimer that academic achievement earned via distance education may not be accepted for reciprocity or eligible for licensure in other states. A signed and dated copy of this disclosure must be found in the student file.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) completely disagrees with this adoption. The committee feels that these additional requirements on schools are impractical during the global pandemic we are currently experiencing, for example.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-21E**

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-21E**

No

Proposal 2020-21E: Pursuant to Section 10.3(b) of NACCAS' Rules of Practice and Procedure, the Commission revised Section 4.14(c) of the *Rules of Practice and Procedure* (effective immediately) as set forth below.

Rationale: In light of the increased utilization of Distance Education by NACCAS-accredited institutions, this amendment is necessary to ensure that programs that now include a Distance Education component are of comparable educational quality to those programs previously provided exclusively via on-campus classroom and clinical instruction.

AMENDMENTS

Section 4.14 Definition of Non-Substantive Changes

- (c) Non-Substantive Additions or Changes to Program Offerings:
- (1) A program not leading to licensure that an institution offers to its employees(s) at no charge.
 - (2) The length of a program already approved by NACCAS is increased or decreased by 25% or less (one time only).
 - (3) **The amount of a program already approved by NACCAS to be delivered via distance education is increased or decreased by 25% or less, relative to the amount of the program previously offered by distance education (one time only).**
 - (34) A change is made in compliance with a State mandate by another program previously approved by NACCAS.
 - (45) A crossover program is added that allows completers in one program previously approved by NACCAS to meet the requirements for licensure in the area covered by another program previously approved by NACCAS.
 - (56) A program already approved by NACCAS at one campus is added to the program offerings at another campus in the same state, under the exact same ownership.
 - (67) The institution offers a course for continuing education or professional development that is deemed approved within the aegis of the institution's institutional accreditation under *Section 1.3*, of the Rules.
 - (78) 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 4.9(a)(1)*).
 - (89) Elimination of a program.
-

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) overwhelmingly feels that these changes are unwarranted, and not based in academic/educational research.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-22E**

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-1**

Yes

Proposal 2020-1: **The Commission proposes to amend Standard VI, Criterion 5 as set forth below.**

Rationale: To provide clarification of Standard VI, Criterion 5 that it permits working tools, equipment and supplies to be shared by the student population in all offered programs which utilize the resources at any one time.

AMENDMENTS

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; and
- d. Products and supplies, as applicable.

Materials, instructional resource(s), equipment, tools, products and supplies may be shared by students enrolled in multiple programs so long as the resource(s) are provided in sufficient quantities to accommodate the number of students that need to utilize the resource(s) at one time.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this change has merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-2**

No

Proposal 2020-2: **The Commission proposes to amend Policy IX.01, as set forth below, to bring the policy in line with U.S. Department of Education regulations.**

Rationale: To ensure effective alignment with regards to student achievement requirements among various regulatory entities that might oversee an accredited institution.

AMENDMENTS

Policy IX.01 – Revised Checklist Items:

~~_____~~ 7. Includes the institution’s policy regarding the status of Specifies **that** students who exceed the **maximum time frame shall be terminated from the program and clarifies if the student would thereafter be permitted to re-enroll in the program on a cash-pay basis in a manner consistent with the re-enrollment provisions of the institution’s admissions policy.**

...

~~_____~~ 11. Establishes evaluation periods whether in clock hours, weeks, or months, that are similar in length.

~~_____~~ ~~42~~11. Establishes the total length, measured in clock hours or competencies, and corresponding **academic year** of each course or program offered by the institution.

12. Establishes evaluation periods (which may coincide with payment periods established with the US Department of Education for purposes of Title IV funding, if applicable) in accordance with the following:

- a. **For courses or programs with a total length that is one academic year or less, the course or program is divided into two equal evaluation periods wherein the first evaluation period is the period in which the student successfully completes both (1) half of the clock hours or competencies and (2) half of the academic weeks while the second evaluation period is the period in which the student completes the course or program; and**
- b. **For courses or programs with a total length that exceeds one academic year, each full academic year is divided into two equal evaluation periods in accordance with subsection (a) above and the remainder of the course or program is either:**
 - i. **Treated as a single evaluation period if the remainder is less than or equal to half of an academic year; or**
 - ii. **Divided into two equal evaluation periods wherein the first evaluation period is the period in which the student successfully completes both (1) half of the clock hours or competencies and (2) half of the academic weeks while the second evaluation period is the period in which the student completes the course or program.¹**

¹ The following four examples demonstrate the correct evaluation periods for programs of various lengths in which each program utilizes an **academic year** of 900 clock hours to be completed in 30 **academic weeks**:

- a) Program #1 (600 Clock Hours) –
 - 1st Evaluation Period Ends: 300 Clock Hours and 10 weeks
 - 2nd Evaluation Period Ends: 600 Clock Hours and 20 weeks

- b) Program #2 (1000 Clock Hours) –

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-2**

1st Evaluation Period Ends:

450 Clock Hours and 15 weeks

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-3**

_____ 13. ~~The first evaluation must occur no later than the mid-point of the academic year or the course and/or program, whichever occurs sooner.~~ **Establishes that the institution shall evaluate students' (academic and attendance) Satisfactory Academic Progress at the conclusion of each evaluation period. (The institution may elect to omit evaluations at the conclusion of the last evaluation period within a course or program.** (Note: All evaluations must be completed within seven (7) school business days (see Glossary of Terms) following the established evaluation ~~points~~ **periods.**)

_____ 21. Requires the institution to notify students of ~~any~~ **all** evaluation **results** that impacts the student's eligibility for financial aid, if applicable.

Glossary of Terms – Revised Definition for “Academic Year”:

The amount of the academic work students enrolled in a course or program must complete each year, and the ~~time period~~ **number of Academic Weeks** in which they are expected to complete it, as defined by the institution, **but not less than 900 Clock Hours (or the equivalent in credits or competencies) over at least 26 Academic Weeks of instruction.**

Glossary of Terms – New Definition for: “Academic Week”:

A period of seven (7) consecutive calendar days including at least one (1) day of regularly scheduled instruction or examination.

_____ 2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks
3rd Evaluation Period Ends: 1000 Clock Hours and 34 weeks

c) Program #3 (1500 Clock Hours) –
1st Evaluation Period Ends: 450 Clock Hours and 15 weeks
2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks
3rd Evaluation Period Ends: 1200 Clock Hours and 40 weeks
4th Evaluation Period Ends: 1500 Clock Hours and 50 weeks

d) Program #4 (1800 Clock Hours) –
1st Evaluation Period Ends: 450 Clock Hours and 15 weeks
2nd Evaluation Period Ends: 900 Clock Hours and 30 weeks

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) that these changes are unnecessary, and confusing. It also seems that a student's SAP status, and their financial aid eligibility become more unclear with these amendments.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-4**

Yes

Proposal 2020-3: **The Commission proposes to amend Rules Section 1.2(c) to eliminate the restrictions of 1.2(c)(9) to specialized schools of cosmetology arts and sciences.**

Rationale: The Commission believes that the provisions of 1.2(c)(9) should be applicable to all NACCAS-accredited schools.

PROPOSED AMENDMENTS

Section 1.2	<u>Institutional General Eligibility Requirements</u> (c) A private cosmetology school (or department of cosmetology or cosmetology program of study) or specialized school of cosmetology arts and sciences, massage, or related program, located within the United States and/or internationally is eligible to apply for accreditation, provided: (9) In the case of a specialized school of cosmetology arts and sciences, the school must also meet the following criteria <u>It also:</u> (i) Be <u>Is</u> open at least 25 hours per week; (2) Operates and offers instruction for a minimum of 40 weeks per year; and (3) Meets all applicable State requirements.
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It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) feels that this change has merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-4**

Yes

Proposal 2020-4: **The Commission proposes to amend Rules Section 1.3 to clarify that apprenticeships and other on-the-job training provided solely to an employee of an institution toward skills required for their current position do not require NACCAS approval.**

Rationale: The Commission does not consider apprentices or employees being trained in their job functions to be students enrolled in a program.

PROPOSED AMENDMENTS

Section 1.3	<u>Programs Approved Within the Aegis of Institutional Accreditation</u> (f) <u>Apprenticeship Exclusion. An apprenticeship or other on-the-job training provided solely to an employee of an institution toward skills required for their current position is not considered a program, course or curricula which requires approval within the aegis of NACCAS accreditation.</u>
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It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this change has merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-5**

No

Proposal 2020-5: **The Commission proposes to amend Rules Section 4.7(a)(4) to clarify that the programs described in that Section do not include the crossover programs as described in Section 4.14(c)(4).**

Rationale: This amendment addresses a potential overlap between the substantive changes described in Section 4.7(a) and the non-substantive changes described in Section 4.14(c).

PROPOSED AMENDMENTS

<p>Section 4.7 <u>Definitions</u></p> <p>(a) The following additions or changes to program offerings are substantive:</p> <p style="padding-left: 40px;">(4) <u>Except for the addition of crossover programs described in Section 4.14(c)(4), the</u> The school combines into one program those complete programs previously approved by the Commission and the total length for the new combined course is the same, longer, or shorter than the sum of length for the individual measurement.</p>

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) feels that this adoption requires more explanation. There are remaining questions as to the fee structures associated with these changes, as well as more specific information regarding the combination of hours.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-6**

No

Proposal 2020-6: **The Commission proposes to amend Rules Section 4.14 to require that institutions report all increases or decreases in contiguous Facility space.**

Rationale: The Commission believes that NACCAS should be made aware of any expansion or reduction of an institution's facilities.

PROPOSED AMENDMENTS

Section 4.14	<u>Definitions of Non-Substantive Changes</u>
(b)	Expansion or Reduction of Campus Facilities:
(i)	Addition to or reduction of the contiguous space comprising a Facility, where the aggregate change in total contiguous space (either in increase or decrease) is greater than 25%.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) feels that this is overreaching on the part of NACCAS, into a school's day-to-day operations. There used to be no requirements regarding changes to contiguous space. It has been changed a number of times, and the feeling is that NACCAS is micromanaging schools, and that this addition has nothing to do with compliance, or ensuring a sound education.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-7**

No

Proposal 2020-7: The Commission proposes to amend Rules Section 7.1 to permit the Executive Director to close a Letter of Inquiry if he concludes that the school has demonstrated compliance.

Rationale: The Commission believes that it is in NACCAS’ best interest that the Executive Director have the authority to close a Letter of Inquiry when he reasonably determines that the school has demonstrated compliance and that the issuer of the Letter of Inquiry did not intend to reserve to itself the authority to make that determination.

PROPOSED AMENDMENTS

Section 7.1 Letters of Inquiry

(b) Response to Letter of Inquiry.

 (2) The issuer of a Letter of Inquiry (Commission, committee or Executive Director) may: ~~(a) — Issue~~ issue such additional, follow-up Letters of Inquiry as it deems necessary to reach a conclusion as to whether the institution has demonstrated compliance with NACCAS’ requirements; and

~~(3)(b)~~ **The Executive Director may:**

 (i) **Close the investigatory process if s/he concludes that the institution has demonstrated compliance; or**

 (ii)) **Forward the response to the issuer of the Letter of Inquiry, which may close** ~~Close~~ the investigatory process if it concludes that the institution has demonstrated compliance; or

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) Accreditation is intended to be “a peer review process” as is stated in the Handbook. The Board of Commissioners is comprised of peers, and decisions like this should be adjudicated by a voting board.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-8**

No

Proposal 2020-8: **The Commission proposes to amend Rules Sections 7.2 and 7.4 to provide that the Executive Director may close any Administrative Show Cause Order upon a determination that the school has demonstrated compliance with the applicable noncompliance issue(s).**

Rationale: By definition, an Administrative Show Cause Order relates to one (or more) of a limited number of types of “administrative” noncompliance issues, whether it was issued by the Commission or the Executive Director. Because the Commission has determined that the Executive Director is competent to assess whether an institution has demonstrated compliance with these issues (by permitting the Executive Director to close an Administrative Show Cause Order that he himself issued), the Commission believes that it would be efficient and in NACCAS’ interest to permit the Executive Director to make the same determination with respect to Administrative Show Cause Orders issued by the Commission.

PROPOSED AMENDMENTS

Section 7.2	Show Cause Proceedings
(a)	Issuance of Show Cause Orders. <u>Administrative Show Cause Orders may be issued by the Commission or the Executive Director. All other</u> (4) Except as provided in Section 7.2(a) (2) below, Show Cause Orders may be issued only by the Commission.
	(2) Administrative Show Cause Orders shall be issued by the Executive Director of NACCAS if an institution’s response to a Letter of Inquiry issued by the Executive Director fails to demonstrate that the institution is compliant with any of the following NACCAS-administrative requirements:
	(a) Compliance with NACCAS’ workshop policy;
	(b) Timely submission of:
	i. Application for renewal of accreditation;
	ii. Institutional self study;
	iii. Any annual, financial, monitoring or special report under Part 5 of these Rules;
	iv. Annual report verification study;
	v. Stipulation or report;
	vi. Plan for improvement;
	(c) Timely payment of assessed fees or fines; or
	(d) Has an official default rate in no greater than the threshold established by the U.S. Department of Education.
	* * * * *
Section 7.4	Decision on Show Cause Order
	Upon expiration of the time limits for submission of the Response to the Show Cause Order or any progress report or additional requirements placed on an institution in relation to the Show Cause Order, a decision will be made on the institution’s compliance with the accreditation standard, procedure or other requirement cited in the Order.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-8**

- (a) Decision on Administrative Show Cause Orders: The Executive Director of NACCAS shall:
- (1) Rescind the Administrative Show Cause Order if the institution's response gives evidence that it was unwarranted;
 - (2) Remove the institution from Show Cause if the response shows the institution now complies with the accreditation standard, procedure or other requirement cited in the Order; or
 - (3) Refer the institution's record to the full Commission to take action.
- (b) Commission Decision on Show Cause Orders: With respect to all **other** Show Cause Orders ~~issued by the Commission, or~~ **(including Administrative Show Cause Orders** referred to the Commission by the Executive Director) ~~or committee~~, the Commission shall:
- (1) Rescind the Show Cause Order if the institution's response gives evidence that it was unwarranted;
 - (2) Remove the institution from Show Cause if the response shows the institution now complies with the accreditation standard, procedure or other requirement cited in the Order; or
 - (3) Take one or more of the actions authorized in Part 8 of these Rules.

* * * * *

GLOSSARY

Administrative Show Cause Order: A Show Cause Order, which may be issued by the Commission or the Executive Director, if an institution's response to a Letter of Inquiry fails to demonstrate that the institution is compliant with any of the following NACCAS administrative requirements:

- (a) **Compliance with NACCAS' workshop policy;**
- (b) **Timely submission of:**
- i. **Application for renewal of accreditation;**
 - ii. **Institutional self-study;**
 - iii. **Any annual, financial, monitoring or special report under Part 5 of these Rules;**
 - iv. **Annual report verification study;**
 - v. **Stipulation or report;**
 - vi. **Plan for improvement;**
- (c) **Timely payment of assessed fees or fines; or**
- (d) **Has an official default rate in no greater than the threshold established by the U.S. Department of Education.**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) Accreditation is intended to be "a peer review process" as is stated in the Handbook. The Board of Commissioners is comprised of peers, and decisions like this should be adjudicated by a voting board.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-9**

No

Proposal 2020-9: **The Commission proposes to amend Rules Section 8.2(a) to revise the list of “Accreditation Statuses That May Be Granted.”**

Rationale: The revised list below more completely reflects the range of existing accreditation (and pre-accreditation) statuses currently utilized by the Commission.

PROPOSED LIST OF STATUSES

Pre-Accreditation Statuses:

Applied for Candidate Status
Candidate
Applied for Initial Accreditation
Application for Initial Accreditation Denied (Pending Appeal)
Applied for Additional Location Accreditation
Application for Additional Location Accreditation Denied (Pending Appeal)
Removed from Candidate Status (Pending Appeal)

Accreditation Statuses:

Accredited
Additional Location Accreditation
Provisional Additional Location Accreditation

Modifiers:

... on Monitoring
... on Probation
... (Pending Appeal of Withdrawal of Accreditation)

NOTE: **Corresponding amendments to Rules Sections 8.2(b)&(c) will be made to accommodate a more nuanced list of statuses. (For example, placing a school on Monitoring will be a change of accreditation status, but not an appealable action.)**

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACCS) feels that this change is unnecessary. There are already requirements regarding “Accreditation on Probation,” etc. This requirement makes enrollment for schools in our sector more challenging than it needs to be.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-10**

Yes

Proposal 2020-10: **The Commission proposes to amend Rules Section 8.6 to eliminate the cap on renewals after a successful non-administrative appeal.**

Rationale: Under NACCAS' current appeal process, a school may prevail on appeal of a non-administrative withdrawal only upon a showing that the withdrawal decision was erroneous, unsupported by the facts or otherwise the result of reversible error. The Commission believes that in such circumstances, the original withdrawal decision should not be a basis for restricting a future renewal term.

PROPOSED AMENDMENTS

Section 8.6

Status: Accreditation

(b)(1) On renewal the period of accreditation granted to an institution shall be for a maximum of six (6) years, ~~except that if renewal follows an appeal of a non-administrative withdrawal of accreditation, the maximum period of accreditation the Commission may grant is three (3) years.~~

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this is a positive change, with merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-11**

Yes

Proposal 2020-11: **The Commission proposes to amend Rules Section 8.11 as set out below.**

Rationale: The Commission wishes to clarify that Section 8.11 is a non-exhaustive list or requirements that the Commission may impose to ensure that a school is taking appropriate action to bring itself back into compliance with NACCAS' requirements.

PROPOSED AMENDMENTS

Section 8.11	<u>Requirements Incorporated into Commission Actions</u>
(b)	<u>Deferral, Accreditation with Stipulations, Reporting Requirement, or On Probation:</u> When the Commission defers its decision on an application or process, grants an institution any of these accreditation statuses, or continues an institution's accreditation in any of these statuses following any process, including a complaint or issuance of a Show Cause Order, it may require the institution to comply with one or more of the following directives, <u>including (but not limited to) any of the following:</u>
	(1) <u>To view webinars or undergo other forms of remedial training in NACCAS' Requirements;</u>
	(2) <u>To undergo a consultation with NACCAS staff (either by telephone or at NACCAS' offices or elsewhere);</u>
	(3) Submit specific documents or reports;
	(4) Submit additional information;
	(5) Attend a NACCAS Accreditation Workshop and/or default management workshop;
	(6) Undergo an on-site evaluation by a full or partial team, the cost to be borne by the institution unless otherwise determined by the Commission;
	(7) Undergo early renewal of accreditation.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this change has merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-12**

Yes

Proposal 2020-12: **The Commission proposes to amend Appendix #9 to expressly cross-reference the Workshop requirements of Appendix #3.**

Rationale: In order to prevent the possibility of inadvertent conflicts in the Workshop requirements under Appendices 3 and 9, the Committee believes that Appendix #9 should simply state that New Owners must demonstrate compliance with the requirements of Appendix #3.

PROPOSED AMENDMENTS

Appendix #9 – Change of Control Categories and Requirements

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:
 - e. The name of the Owner or employee designated as liaison with NACCAS for accreditation purposes and provide evidence that the **institution is in compliance with the requirements of Appendix #3 regarding Workshop attendance by a prospective New Owner** ~~liaison has attended a workshop within the previous 24 month, or evidence the liaison is registered to attend a workshop within 90 days of the application date.~~

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this is a positive change, with merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-13**

No

Proposal 2020-13: **The Commission proposes to amend Article III, Sections IV.A(4) and IV.B(4) of NACCAS' By-Laws to (i) require Commissioners representing schools to have an actual ownership interest in a NACCAS-accredited school and (ii) to permit one (but no more than one) Commissioner representing the administration of schools to have a de minimis (less than 10%) ownership interest in a NACCAS-accredited school.**

Rationale: The Commission believes that the current By-Laws language unnecessarily excludes well-qualified candidates holding de minimis ownership interests (as, for example, through employee incentive plans).

PROPOSED AMENDMENTS

SECTION IV - Eligibility: Qualifications of Commissioners

A. All Commissioners representing schools in fields of training within NACCAS' scope shall meet the following qualifications:

4. In addition, all Commissioners representing schools in fields of training within NACCAS' scope 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.~~;~~
- iii. ~~Be an officer of a publicly held corporation that owns school(s) accredited by the Commission.~~

B. All Commissioners representing the administration of schools in fields of training within NACCAS' scope shall meet the following qualifications:

3. Have no interest in any institution that 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 (5) years; **and**

4. Have no ownership interest in, ~~nor be an officer of a publicly held corporation that owns,~~ school(s) accredited by the Commission; **provided that one (1) Commissioner representing the administration of schools in fields of training within NACCAS' scope (but no more than one such Commissioner at any time) may have an ownership interest of less than 10% in school(s) accredited by the Commission;**
and

NOTE: **This Proposal is independent of a second Proposal in this Call for Comment which also affects the terms of Article III, Section IV.B(4). The Commission may adopt either, both or neither of these Proposals.**

2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-14

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this is a negative adoption. It does not seem to improve the make-up of the Board of Commissioners with this added language.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-14**

Yes

Proposal 2020-14: **The Commission proposes to amend Article III, Section IV.B(4) of the NACCAS By-Laws to provide that Commissioners representing the administration of schools may not have an interest in any post-secondary school, whether or not such a school is accredited by NACCAS.**

Rationale: The amendment is intended to clarify that non-owner administrator Commissioners should be true non-owners.

PROPOSED AMENDMENTS

SECTION IV - Eligibility: Qualifications of Commissioners

- B. All Commissioners representing the administration of schools in fields of training within NACCAS' scope shall meet the following qualifications:
4. Have no ownership interest in, nor be an officer of a publicly held corporation that owns, **post-secondary** school(s), **whether or not** accredited by the Commission; and

NOTE: This Proposal is independent of a second Proposal in this Call for Comment which also affects the terms of Article III, Section IV.B(4). The Commission may adopt either, both or neither of these Proposals.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this change has merit.

**2020 NACCAS CALL FOR COMMENT
PROPOSAL 2020-15**

Yes

Proposal 2020-15: **The Commission proposes to amend Article III, Section IV.G of the NACCAS By-Laws as set forth below.**

Rationale: To ensure NACCAS By-Laws are consistent with the revisions to the Code of Federal Regulations (32 CFR § 602.14(b)) with regards to conflicts of interest and to further improve conflict of interest provisions for Commissioners.

PROPOSED AMENDMENTS

G. No person may serve simultaneously as a member of the Commission and ~~as an officer or member of the Board of Directors of an organization dedicated to the interests of any field within NACCAS' scope~~ **be elected or selected by the board or chief executive officer or otherwise employed as a staff member of any related, associated, or affiliated trade association, professional organization, or membership organization. By no means does this provision prohibit an individual from serving as a member of the Commission and simultaneously being a general member of such a related organization.** A person holding such other office **or other appointed or staff position** may be nominated as a Commissioner but if elected, must immediately tender a resignation from such office to the other organization, such resignation to be effective no later than the commencement of his or her term as Commissioner. A Commissioner-elect may not be seated until such resignation has been tendered.

It is the opinion of the Accreditation Committee of the American Association of Cosmetology Schools (AACS) feels that this is a negative adoption. It does not seem to improve the make-up of the Board of Commissioners with this added language