



UNITED STATES GENERAL ACCOUNTING OFFICE
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MANPOWER AND WELFARE
DIVISION

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AUG 29 1975

The Honorable Alan Steelman
House of Representatives

Dear Mr. Steelman:

Your letter of December 18, 1974, requested a review of certain problems in the Cosmetology Accrediting Commission. Your office agreed later that we would review (1) the commission's ability to promptly and fairly handle accreditation applications and (2) the oversight responsibility of the Office of Education (OE), Department of Health, Education, and Welfare, toward accrediting bodies. On April 30, 1975, we briefed your office on the results of our work.

Our review included talking with OE and commission officials, attending a meeting of the Commissioner of Education's Advisory Committee on Accreditation and Institutional Eligibility to consider the commission's petition for continued recognition, and examining records at OE headquarters and the commission's offices that included samples of accreditation approvals made in 1973 and 1974. We did not attempt to evaluate the commission's decisions to grant or deny accreditation of applicants.

SUMMARY

The commission was created in late 1968 by the merger of the Accrediting Commission for Cosmetology Education with the National Accrediting Commission for Cosmetology Schools, both of which began accrediting schools in 1965. Since 1970 the commission has had three permanent administrative positions--an executive director and two clerk-secretary positions. In addition, the commission uses teams paid on a fee basis--consisting of an educator, an accredited cosmetology school owner, and a salon owner--to visit and evaluate schools seeking accreditation. Based on their current method of operation, the administrative staff appears to be adequately performing its duties in accordance with criteria approved by OE. The commission's average accreditation processing time--about 8 months--appears reasonable com-

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pared with other accrediting agencies. We do, however, have the following reservations regarding the commission's method of operation.

- Commission staff generally does not revisit or reinspect cosmetology schools to insure that deficiencies cited during the initial visit have been corrected. Instead, it relies on a school's word and written documentation that corrective action has been taken.
- In seven of nine cases from our sample of accreditation approvals made in 1973, commission files did not document whether deficiencies had been corrected.
- Commission files for 4 of 20 accreditation approvals made in 1974 lacked such documentation. In one other case, corrective actions described in the documentation the commission obtained did not appear sufficient to constitute compliance with commission standards.
- Commission administrative staff does not accompany visitation teams. While this is not an OE requirement, it appears to be common practice among most other accrediting commissions to insure that commission standards are fairly and uniformly applied.
- There is no assurance that commission standards are consistently applied. One decision to defer accreditation was based on what the executive director called considerable stretching of the standards.
- The commission has had a complete changeover in clerical positions. Consequently, the effectiveness of the commission's administrative operation may decrease for a while until the new staff is adequately trained.
- Although the executive director of the commission said that the commission had a good relationship with about 75 percent of the State cosmetology boards and that the boards are contacted before schools are accredited, the files contained documentation that the commission had contacted State cosmetology boards in only 11 of the 40 cases reviewed.

The Office of Education's oversight responsibility toward accrediting associations is basically to assure that the associations adhere to OE's criteria for recognition. OE exercises its oversight authority while reviewing associations' applications for initial and continued recognition and when complaints against them are received. OE's criteria for recognizing an accrediting agency provide, in part, that an agency demonstrate the administrative personnel and procedures to carry out its operations promptly and effectively. We reviewed OE's analysis of the commission's petition for continued recognition and noted that OE apparently found this aspect of the Commission's organization adequate.

We have no basis, at this time, for questioning the adequacy of OE's reviews. We are surveying the use of accreditation in postsecondary education as an eligibility criterion for Federal education assistance programs, in which we will examine OE's policies and procedures for recognizing accrediting agencies.

ORGANIZATION OF THE COMMISSION

The activities and affairs of the commission are managed by 17 commissioners selected for 3-year terms by commission members (accredited school owners). The commissioners include nine school owners, four licensed cosmetologists (salon owners), and four educational administrators.

The commission's administrative office in Southfield, Michigan, is staffed with an executive director--hired from outside the commission's membership--and two clerk-secretaries. Also, professional personnel are hired on a fee basis to visit and evaluate cosmetology schools requesting accreditation.

Commissioners' functions

The commission's constitution and bylaws state that the commissioners shall meet once a year. However, minutes of meetings show that the commissioners met twice a year for 3 days during 1973 and 1974 to review, evaluate, and act upon requests for accreditation.

The commission's executive director said that before a meeting, all information and reports on an applicant school are packaged. He then prepares an agenda and classifies each school into one of two groups--those which he believes meet the commission's standards and those with problems. At the

meeting, the commissioners are divided into two- or three-member review teams which review and evaluate the packages and recommend actions to be taken. The entire commission membership then votes on the final action to be taken. The action is documented and the school notified.

According to the executive director, the commissioners spend about 2 to 2-1/2 days of the 3-day sessions evaluating applications in their review teams. The commission's workload for 1973 and 1974 averaged about 124 cases a meeting and ranged from 103 to 150.

THE ACCREDITING PROCESS

The commission has established four possible actions on an initial request for accreditation. The criteria for these actions follow.

1. Accredited--A school meets all of the commission's standards, with only minor weaknesses overcome by outstanding strengths.
2. Accredited provisionally--A school is generally qualified, with deficiencies overbalanced by recognized and obvious strengths. The school is given 6 months to correct specific deficiencies in order to retain accreditation.
3. Defer--A school's deficiencies outweigh strengths or there is insufficient information about it to warrant other action. Deferral enables a school to keep its application active for a reasonable time, eliminating the expense of reapplication.
4. Withhold accreditation--The school is so far below the commission's standards that it can not make sufficient improvement in a reasonable time to be provisionally accredited. When accreditation is withheld, the school must wait at least a year to file a new application.

Schools obtaining accredited status must report annually to the commission on changes and improvements during the past year. Each school is reexamined every 5 years to determine whether it has continued to meet commission standards. The commission has established four actions it may take on a reexamination. They are:

1. Continue accreditation.
2. Probation--Deficiencies are found during the re-examination which must be corrected within a maximum of 12 months or accreditation will be withdrawn.
3. Show cause--An accredited school is asked to document why its accreditation should not be withdrawn.
4. Withdrawal of accreditation--There are major deficiencies or a documented unwillingness to meet and maintain the commission standards.

The normal accreditation process is as follows:

1. The school submits a formal application.
2. Commission staff reviews the application and either (a) suggests the school confer with a consultant to upgrade its standards or (b) advances the school to the next step--self-evaluation.
3. The school is requested to complete a self-evaluation report, a 64-page document that covers every phase of the school's operations.
4. Commission staff reviews the self-evaluation report. If the report is complete, an inspection team consisting of (a) an educator, (b) an owner of an accredited cosmetology school, and (c) a salon owner is selected to visit and evaluate the school. The commission staff does not accompany the inspection team.
5. Commission staff reviews the completed inspection report and sends the school a letter describing those areas not up to the commission's standards. The school is requested to correct these items.
6. Commission staff evaluates the school's responses to the weaknesses noted by the inspection team. Additional information or support is requested as needed. The school is generally not revisited to determine whether the corrective actions reported by the school have actually been implemented and are adequate to correct the weaknesses.

7. Commission staff packages all of the information and reports obtained for each school. An agenda is prepared for semiannual meetings, classifying the schools into two groups--those meeting the commission standards and those with problems.
8. At their semiannual meetings, the commissioners review the packages and vote on the action they want to take.
9. This action is documented and the school notified.

TIMELINESS OF ACCREDITATION PROCESS

The commission's normal processing cycle corresponds with the commissioners' semiannual meetings. The executive director informed us that a school submitting its application on time, with no weaknesses or only minor ones that can be promptly corrected, can expect to be accredited within this 6-month cycle. However, accreditation can take from 12 to 18 months, due to factors such as the time required to correct deficiencies or delay by the school in submitting required reports and information.

The commission has not established criteria for determining what it would consider prompt processing for each step in the accreditation process. It has, however, established a deadline--about 4 months before a commissioners' meeting--for submission of the application and self-evaluation report to be considered at that meeting.

To verify the average timeframe for initial accreditation, we reviewed the files for 40 cosmetology schools that were either fully or provisionally accredited during calendar years 1973 and 1974. Our sample consisted of 10 schools randomly selected from each of the 4 meetings held during that time, about 15 percent of the schools accredited in that period.

The accreditation process took an average of 8 months for these 40 schools. The following is a frequency distribution of the time required for these schools.

<u>Number of months from application to accreditation</u>	<u>Number of schools</u>
2-4	4
5-6	6
7-8	12
9-10	8
11-12	4
13-14	4
Over 14	<u>2</u>
Total	<u>40</u>

To determine the reasons for the delays, we reviewed in detail those cases in which accreditation took over 10 months, with these findings:

<u>Reason</u>	<u>Number of cases</u>
The school had deficiencies which needed to be corrected before accreditation (deferred).	5
The school had returned its self-evaluation report late.	4
The school had been deferred and had returned the self-evaluation report late.	1

To determine other areas of delayed processing, we reviewed in detail those 20 schools accredited in 1974. One major reason for processing delays was that schools submitted their applications after the commission's cutoff date. No action is taken on applications filed after the cutoff date until a new processing cycle begins. In 1974, 15 of the 20 applications were filed after the cutoff date. This accounted for an average delay of 43 days, or 36 percent of the average processing time (118 days) for these 15 cases.

The commission's executive director cited another cause of the long processing time, i.e., delays by the schools in completing their self-evaluation studies. Although the commission's files generally did not indicate how long it took the schools to complete this report, four schools had failed

to return their self-evaluation reports by the cutoff date, even though they had been sent reminder letters requesting the studies. As a result, the schools had to wait 6 months longer to be considered for accreditation.

Another delay occurs after schools have complied with commission requirements but have to wait for the commissioners to meet and act on their applications. The commission's files stated the time involved at this stage of the process for only 14 of the 20 cases reviewed for 1974. Twelve schools incurred delays of 30 days or more, 6 of these between 60 and 130 days.

ADMINISTRATIVE STAFF CAPABILITY

The commission's executive director is Dr. James Taylor. His education and professional experience include:

- Ph.D. from the University of Michigan in Business Administration and Administration of Higher Education.
- Professor, Wayne State University School of Business Administration.
- Chairman, Department of General Business and Director of Education, Wayne State University.
- Business education consultant to the Chile Government for the U.S. State Department.
- Lt. Col., U.S. Air Force Reserve.
- Executive Commissioner for the Accrediting Commission for Business Schools.

His responsibilities include:

- Supervising daily operations and dealing with personnel from the cosmetology industry.
- Preparing the commission's monthly newsletter, guidelines or standards for accrediting a cosmetology school, minutes of meetings, and correspondence to commissioners and/or accredited schools to keep them informed of problem cases and other commission activities.

--Reviewing and evaluating information about cosmetology schools seeking accreditation.

The responsibilities of the commission's two clerk-secretaries include:

--Typing, transcribing dictation, and filing.

--Bookkeeping and billing accredited schools for annual fees.

--Arranging for inspection team visits.

--Preparing correspondence.

--Determining the adequacy of a cosmetology school's catalog.

The commission had the same administrative staff from 1970 to 1974. In January and February 1975 the two secretaries resigned. The executive director has hired two recent high school graduates, who had worked for the commission less than 3 weeks at the time of our fieldwork.

The executive director said the commission's administrative staff is smaller than that of other accrediting groups. However, the commission's administrative staff does not accompany the inspection team, as is the custom of most other accrediting groups. He believes that while they have to work some overtime, his current staffing is adequate, and he does not plan to hire any additional staff.

Commission files on 40 cosmetology schools accredited during 1973 and 1974 showed, in the cases we were able to review, the staff had promptly processed all correspondence. Acknowledgments of applications for accreditation were prepared and sent within 2 business days. Schools slow in submitting required information were sent reminders. Letters notifying the schools of the inspection teams' findings and the schools' deficiencies were prepared an average of 8 days after the field inspections. Replies to other correspondence were typed a few days after receipt. We could not review the timeliness of responses in 8 percent of the cases, because the files lacked the necessary documentation.

Commission files of 20 schools accredited during 1973 show that for 9 schools which had some deficiency the files

for only 2 contained documentation showing that the deficiencies had been corrected. However, for 1974 accreditations the commission's staff had notified the schools of deficiencies and had satisfactory evidence of correction in 15 of the 20 cases reviewed. In four of the remaining cases, pertinent correspondence was missing from the files and, therefore, we could not determine whether deficiencies had been satisfactorily resolved. In the other case, corrective actions described in the documentation obtained by the commission did not appear sufficient to comply with commission standards.

The commission's executive director said evidence supporting the correction of deficiencies for schools accredited in 1973 was available when the commissioners made their decisions but was later destroyed by mistake.

Future workload

There are about 2,800 licensed cosmetology schools in the United States. As of December 31, 1974, the commission had fully or provisionally accredited only 624 of these. Therefore, a large number of unaccredited schools might apply for accreditation within a short timeframe.

The commission's executive director believes that the commission will experience its largest workload in 1975 and that the current staff is adequate. He expects the workload to level off and the number of initial applications to decrease after 1975. He bases his belief on the following.

--When the Office of Education recognized the commission in March 1970, it set April 1, 1975, as the deadline for eligible schools to be accredited in order to remain eligible for Federal education assistance. (Eligibility previously depended on approval by State agencies.)

--The commission has already received applications from most of the qualified cosmetology schools. The remaining schools are mostly small institutions that do not meet commission standards and therefore will not apply for accreditation.

The executive director stated that even if the commission's workload increased substantially in a short period, it has sufficient financial resources to increase its

administrative capabilities. He said much of the evaluation process is performed by the inspection team, which is paid on a fee basis, and the commission would have no trouble obtaining additional qualified personnel to evaluate cosmetology schools. The commission has sufficient cash reserves (over \$70,000) to hire additional personnel to deal with an increase in applications.

RELATIONSHIP WITH STATE COSMETOLOGY BOARDS

According to the executive director, the commission's relationship with the State licensing boards is good in about three-fourths of the States. He said that his policy is to ask the State boards whether they are having any problems with the school requesting accreditation. However, our review of initial accrediting actions showed that the commission had contacted the State boards in only 11 of the 40 cases reviewed. The executive director could not explain this discrepancy. He suggested that either the State did not answer his request or the answer was misfiled.

COMPARISON WITH OTHER ACCREDITATION AGENCIES

We attempted to compare the commission's accreditation processing time and staffing capability with those of other accrediting agencies. We solicited certain information from each of the accrediting agencies. The time involved in processing applications for initial accreditation ranged from 1 to 36 months. The following shows the frequency distribution for the 42 accrediting agencies responding to our request.

Accreditation processing time (<u>in months</u>)	Number of accrediting <u>agencies</u>
1-3	5
4-6	4
7-9	8
10-12	9
13-15	4
16-18	6
Over 18	6

The commission's executive director estimated that its accreditation process took about 6 months. Our analysis of 40 schools accredited during calendar years 1973 and 1974 showed an average processing time of 8 months.

In comparing the administrative staffing of the accrediting agencies with that of the commission, we selected those agencies with approximately 100 or more accrediting actions taken during calendar years 1973 and 1974. The average administrative staff size for the 13 agencies selected was 3.1 professional and 3.8 clerical staff members. Size ranged from only part-time to 11 full-time professionals and from only part-time to 11 full-time clerical positions.

OE OVERSIGHT RESPONSIBILITY

The Commissioner of Education is required to publish a list of nationally recognized accrediting agencies and associations that are reliable to evaluate the training offered by educational institutions. The Office of Education is responsible for assuring that accrediting bodies adhere to its criteria for recognition. Basically, OE exercises its oversight responsibility during reviews of petitions for recognition and continued recognition and when complaints against accrediting agencies are brought to its attention. OE's reviews of petitions for recognition and continued recognition normally consist of the following steps.

1. Applicant submits a petition for recognition or renewal to the Commissioner, Office of Education.
2. OE's Accreditation and Institutional Eligibility Staff reviews the petition and requests additional information from accrediting agency, if necessary.
3. OE's accreditation staff members visit accrediting association to obtain firsthand knowledge of its operations.
4. An OE accreditation staff member or consultant observes an accrediting agency site-visitation team.
5. An OE accreditation staff member or consultant attends an accrediting commission meeting.
6. OE's accreditation staff compares the accrediting agency's policies, procedures, and method of operation with OE's criteria for recognition.
7. OE's accreditation staff reports findings to the Commissioner's Advisory Committee on Accreditation and Institutional Eligibility for consideration.

8. The Commissioner's Advisory Committee considers the petition and forwards its recommendation to the Commissioner.
9. The Commissioner decides to grant or deny recognition after considering his Advisory Committee's recommendation.

The Office of Education's criteria for recognizing an accrediting agency require that an agency show that it has the administrative personnel and procedures to carry out its operations promptly and effectively. We reviewed OE's analysis of the commission's petition for continued recognition and noted that OE apparently found this aspect of the Commission's organization to be adequate.

An OE official said that based on the commission's average caseload per meeting it appeared to be understaffed, but that is a problem with most accrediting associations, and under the commission's current method of operation it appeared to be getting the job done. In OE's opinion, an accrediting body should be more actively involved in the accrediting process and a staff member should accompany visiting teams to evaluate their performance. OE will not normally recommend increased staffing except when serious problems are noted. An OE official stated that when the visitation teams note serious problems, the school should be revisited within 1 to 2 years to insure correction of deficiencies.

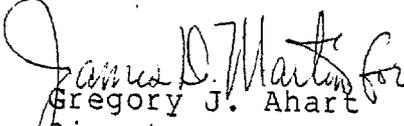
OE felt that the commission's assumption that its workload will peak in 1975 was reasonable.

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- We attended the Commissioner's Advisory Committee on Accreditation and Institutional Eligibility meeting in January 1975, when the committee considered the commission's petition for continued recognition. Because of a complaint by the National Hairdressers and Cosmetologists Association that the commission has excluded beauty salon owners from onsite evaluation teams, renewal of recognition was deferred until the committee's September meeting. During the interim, an OE task force will review the complaint in detail. 020 3

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We did not obtain formal comments on this report from the Office of Education; however, its contents were discussed informally with OE officials.

Sincerely yours,


Gregory J. Ahart
Director