September 20, 2017

Ms. Hilary Malawer

U.S. Department of Education

400 Maryland Avenue, SW

Room 6E231

Washington, D.C. 20202

RE: Docket ID: ED-2017-OS-0074

Dear Ms. Malawer:

On behalf of the over 600 member institutions of the American Association of Cosmetology Schools (AACS), the students these institutions prepare to become licensed professionals in the thriving U.S. beauty and wellness industry, and the employers who rely on these trained professionals to meet the ever increasing consumer demand for spa and salon services, we respectfully submit comments in response to the February 24, 2017 Executive Order 13777, “Enforcing the Regulatory Reform Agenda” and the June 22, 2017 Federal Register Notice (Notice) requesting comments on regulations that may be appropriate for repeal, replacement, or modification.

AACS is a national, non-profit association founded in 1924. Our members educate students to work in the beauty and wellness industry. These include courses of instruction in cosmetology, hair design, esthetics, nail, barbering and massage therapy. Nearly all of these programs result in a licensed outcome, i.e. graduates work in a profession that is licensed by the state in which they work and for which they must pass a state exam in order to enter the profession. These programs vary in state requirements governing length of instruction, curriculum, faculty, examinations, and licensure prerequisites. AACS members include schools of all sizes, but the overwhelming majority are small, single location schools owned by families or individuals.

In this letter, we summarize many of the areas in the regulations where our membership would like to work with the Administration, Secretary of Education DeVos, and the Department on the development and implementation of changes benefiting students, institutions, and our nation’s skilled workforce.

On October 4, 2017, at the second of the two field hearings to be held in conjunction with President Trump’s Executive Order and Secretary DeVos’ Notice, we will provide additional details for the Department’s consideration.

Our comments may not represent all the comments or recommendations that each AACS member school may have individually submitted or other topics which they may request for inclusion. Further, AACS reserves the right to raise, with the Department and other stakeholders, any other issue associated with this rulemaking deemed problematic even if not covered specifically in these comments.

AACS SEEKS CHANGES IN THE FOLLOWING AREAS

34 CFR CHAPTER VI – OFFICE OF POSTSECONDARY EDUCATION

PART 600 – INSTITUTIONAL ELIGIBILITY UNDER THE HIGHER EDUCATION ACT OF 1965, AS AMENDED

§600.2 – Definitions

* Clock Hour
* Distance Education
* Nationally Recognized Accrediting Agency
* Recognized Equivalent of a High School Diploma

§600.5 – Proprietary Institution of Higher Education

* Special Provisions of Incarcerated Students
* Special Provisions for Non-profit Institutions

§600.7 – Conditions of Institutional Eligibility

§600.9 – State Authorization

§600.11 – Special Rules Regarding Institutional Accreditation or Preaccreditation

PART 682 – FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM

§682.200 – Definitions

* Third-party Servicer

§682.209 – Repayment of a Loan

§682.215 – Income-based Repayment Plan

PART 685 – WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

§685.210 – Choice of Repayment Plans

§685.221 – Income-based Repayment Plan

PART 668 – STUDENT ASSISTANCE GENERAL PROVISIONS

§§668.1 & 668.2 – Scope & General Definitions

* Third-party Servicer

§668.4 – Payment Period

§668.6 – Reporting and Disclosure Requirements for Programs that Prepare Students for Gainful Employment in a Recognized Occupation

§668.8 – Eligible Program

* Calculation of Completion Rates
* Calculation of Placement Rates

§668.10 – Direct Assessment Programs

§668.13 – Certification Procedures

§668.15 – Factors of Financial Responsibility

§668.16 – Standards of Administrative Capability

§668.23 – Compliance Audits and Audited Financial Statements

§668.28 – Non-Title IV Revenue (90/10)

§668.43 – Institutional Information

§668.46 – Institutional Security Policies and Crime Statistics

Subpart E – VERIFICATION AND UPDATING OF STUDENT AID APPLICATION INFORMATION

Subpart F – MISREPRESENTATION

Subpart G – FINE, LIMITATION, SUSPENSION AND TERMINATION PROCEEDINGS

Subpart H – APPEAL PROCEDURES FOR AUDIT DETERMINATIONS AND PROGRAM REVIEW DETERMINATIONS

Subpart J – APPROVAL OF INDEPENDENTLY ADMINISTERED TESTS; SPECIFICATION OF PASSING SCORE; APPROVAL OF STATE PROCESS

Subpart K – CASH MANAGEMENT

Subpart L – FINANCIAL RESPONSIBILITY

Subpart M – TWO YEAR COHORT DEFAULT RATES

Subpart N – COHORT DEFAULT RATE

Subpart R – PROGRAM COHORT DEFAULT RATE

PART 690 – FEDERAL PELL GRANT PROGRAM

§690.8 – Enrollment Status for Students Taking Regular and Correspondence Courses

§690.12 – Application.

**SUMMARY**

In conclusion, AACS would like to begin by thanking the Administration and Department for the actions that you have already taken to revise, postpone, and/or delay harmful, potentially devastating, regulations promulgated by the previous Administration. Subjecting the borrower defense to repayment, financial responsibility, and gainful employment regulations to a new round of Federal Negotiated Rulemaking was a bold first step in reforming the regulations, and we applaud you for it.

For our part, AACS will be submitting a full slate of nominees for your consideration by the September 29, 2017 deadline, and we have already begun developing our recommendations and revisions in preparation for the Committee meetings beginning in November.

We look forward to helping address the issues contained in those vitally important negotiations with you and the rest of the higher education community, as well as the continuation of discussions around additional regulatory reforms like those we will present on October 4, 2017.

Sincerely,

O. David Jackson

Interim Executive Director, AACS