

# Challenges and Opportunities for Our Sector in 2024



Cecil Kidd, Executive Director

# Challenges & Opportunities in Our Sector

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CECIL KIDD,  
EXECUTIVE  
DIRECTOR

AMERICAN ASSOCIATION  
OF COSMETOLOGY  
SCHOOLS

100 *Years*  
1924-2024

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AACS

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# Who is AACCS?



- Industry focused national association that proactively represents cosmetology, barbering, and wellness schools.
  - Based in Washington DC
  - 2024 – 100<sup>th</sup> Anniversary
- Primary Activities
  - Networking
  - Education
  - Legislative and Regulatory Affairs
    - National
    - State
  - Diverse membership of beauty barber and wellness schools. Vast majority of members are small businesses with single campus ownership. Primary accreditor, National accrediting Commission of Career Arts & Sciences (NACCAS)

# Gainful Employment



- We have retained counsel—Duane Morris—
  - Duane Morris was our counsel in our successful litigation against the last version of this rule in 2021.
  - The team is led by Ed Cramp and John Simpson. Ed has worked in higher education for 20 years. John is a highly experienced trial lawyer who has represented trade associations for almost 40 years in challenges to regulatory agencies.

# What is AACCS Doing to Fight the GE Rule



- A complaint was filed in Federal Court, Northern District of Texas, Fort Worth Division opposing the new rule December 2023 by AACCS & Duvall's School of Cosmetology, Bedford, TX
- Case assigned to Judge Reed Charles O'Connor (Appointed by Pres. George W. Bush)
- The Department of Ed has responded
- Judge issued the scheduling order

# GE Lawsuit Recent Developments



- Second complaint filed against DOE regarding GE. Ogle School Management, LLC & Tricocci University of Beauty Culture in the same federal district court.
  - Owned by NCK Capital – Michael Kornman
  - Represented by Paul Clement (Chevron Case)
  - Complaints are very similar
  - Ogle & Tricocci also filed Temporary Restraining Order (TRO) – Must show immediate, irreparable harm.
  - Lawsuits may be consolidated

# GE Lawsuit Recent Developments



- Department of Education announced that it is delaying the initial GE reporting until October 1, 2024.

# DOE in Hot Water



- Multiple lawsuits filed against the Department
- Recent major ruling on BDR in favor of plaintiff
- Higher Education and Workforce Development Subcommittee attacks DOE for mismanaging the rollout of the new FAFSA
- Rep. Virginia Foxx calls for Secretary Cardona's resignation and pressed Government Accountability Office to investigate the department of Education



# 150% Certification Rule



- The Department of Education will no longer approve programs that above the state minimum Hours
- The new rule takes effect July 1, 2024
- Department of Education released guidance that it will use discretion before enforcing punitive measures for failure to comply with the new rule.
- Support the Clock House Program Student Protection Act (HB 7810)

# New Draft Rules



- DOE is proposing to eliminate asynchronous delivery of online education by non-degree programs
- DOE is examining how students agree to the bundling of books and kits into their financial aid packages.

# The Future



## Best Outcome

- President – Republican - Trump
- House – Republican Majority
- Senate – Republican Majority

## Worst Outcome

- President – Democrat – Biden?
- House – Democrat Majority
- Senate – Democrat Majority

# Opportunities



## Changes in Republican Leadership

Virginia Foxx stepping down as Chair of the House Committee on Education and the Workforce.

- Rep. Burgess Owens, Chair, House Subcommittee on Higher Education and Workforce Development
- Rep. Tim Walberg, Serves on House Committee on Education and the Workforce, Subcommittee on Health, Employment, Labor, Pensions.

# Opportunities



## Become Part of the Solution

- Get involved with state and national organizations and get other school owners engaged and involved
- Develop an action plan

## Engage with your Members of Congress

- Invite them to your schools
- Attend their fundraisers