

# American Association of Cosmetology Schools

## Our Students Need Your Help

### **Protect Students' Interest**

AACS supports the recent efforts within both the U.S. House of Representatives and U.S. Senate to extend, for an additional year, the reduction in student loan interest rates originally contained in the Student Aid and Fiscal Responsibility Act.

Without this important extension, beginning on July 1, 2012, student borrowers will see the interest on their Federal Direct Stafford Loans double from 3.4 to 6.8 percent, at an estimated cost of \$1,000 in additional interest over the life of the loans.

AACS supports Congress' efforts to preserve student access and applauds the steps which are being taken to find the \$6 billion in federal resources necessary to assist in keeping student loan indebtedness from rising precipitously.

AACS is confident that Congress will be able to work out their differences on the most appropriate funding offset, and hope that in doing so there may be just enough money left over to help address another student access provision detailed below.

### **Preserve Ability-to-Benefit Students' Access**

AACS is deeply concerned with the impact the removal of the Ability-to-Benefit provisions contained in Section 484(d) of the Higher Education Act of 1965 (HEA), as amended will have on students.

Included in Division F, Title III of the Consolidated Appropriations Act, 2012 (Department of Education Appropriations Act, 2012) is a provision which strikes portions of the HEA providing students who do not possess a high school diploma, GED, or their equivalency with access to Federal Student Financial Assistance (Title IV federal grants and loans).

Unfortunately, unlike the student loan interest rate provision, without similar Congressional action, beginning on July 1, 2012, students who first enroll without proper credentials will see their potential pathway to postsecondary education severely restricted, if not eliminated.

At a minimum, the elimination of this expedient form of basic skills assessment and determination of student competencies as a means of access to higher education will lengthen potential students time to:

- entry into an institution of higher education;

- completion of the state-regulated program in the cosmetology arts and sciences; and – ultimately
- employment in a licensed, profession classified as "in-demand" by the U.S. Department of Labor.

AACS understands that Congress did not make the decision to strike this provision lightly, and that the judgment was made in an effort to help preserve and sustain the Federal Pell Grant maximum award. Unfortunately, in many cases, it is the same population of students who gain the greatest benefit from the preservation of this maximum grant assistance who would not be eligible but for the opportunities provided through the ability-to-benefit provisions.

Therefore, AACS is calling upon Congress to reconsider the elimination of the ability-to-benefit student access and eligibility. We urge both chambers to reverse course and preserve ability-to-benefit students' access through the inclusion of an extension similar to the student loan interest rate on or before July 1, 2012. The \$18 million cost of continuing access can be absorbed from the likely surplus in federal savings which are being targeted for deficit reduction.

AACS understands the need to continue to find ways to appropriately reduce the federal deficit, and that hard choices will continue to have to be made. Nevertheless, in this particular case, we respectfully request that a small portion of the remaining funds which are provided for in both the House and Senate student loan interest rate proposals be used to support this additional delay. To do otherwise would be denying access to the very students who need access to Federal Pell Grants the most.