



STATEMENT OF PAULINE ABERNATHY
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Statement on Court Ruling Upholding Gainful Employment Regulation

“For the fourth time, the U.S. Department of Education’s gainful employment rule has been upheld by a federal court. Today’s decision by Judge Rudolph Contreras denies the American Association of Cosmetology Schools’ (AACCS) motion for a preliminary injunction, noting that AACCS had “not provided any information” that would meet the ‘irreparable harm’ standard for a preliminary injunction.

“Only 9% of cosmetology programs failed the gainful employment rule’s modest tests – the same share as all other career education programs – and 89% of colleges offering cosmetology programs had no failing cosmetology programs. AACCS could only name *three* failing cosmetology programs that were currently providing warnings to students under the regulation. Under today’s court ruling, these programs will now have additional flexibility in submitting alternate earnings appeals, but their dreadful outcomes, including a [14% job placement rate](#), only underscore the urgent need to implement the rule without further delay. Students should be warned about programs with such abysmal outcomes, and taxpayers should not have to keep subsidizing them.

“The judge narrowly tailored his ruling to give AACCS member schools more flexibility in submitting alternate earnings appeals, but took care “to avoid upending the entire regulatory scheme” for gainful employment. In a court filing last week, the U.S. Department of Justice had argued that continued implementation of the current regulation serves the public interest, and that allowing the alternative earnings appeal process to go forward may help inform the upcoming rulemaking process. We agree.”

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see www.ticas.org or follow us on [Twitter](#) and [Facebook](#).