[Draft House Letter]

Dear [House Member]:

On behalf of [Institute], I am contacting you in support of the language in the House version of the Fiscal Year 2017 Labor, HHS, and Education Appropriations Committee which would prevent use of appropriated funds for that fiscal year to implement the Department’s Gainful Employment Rule. That delay would permit the U.S. Department of Education to address a serious problem with the rule’s use of Aggregated Earnings that do not fully reflect tip and other wage income by some cosmetology school graduates. That “tax gap” – so called by the IRS – is likely to result in many cosmetology programs being harmed by the use of the current Aggregated Earnings definition in the Gainful Employment rule which does not account for the known tax gap in reported earnings.

Without Congressional intervention,the Department's gainful employment regulations – with draft rates expected to be released as soon as October 2016- have the potential to cause serious harm to our school, employees and students within your district. The destructive impact will come in the form of lost commerce within the beauty and wellness industry, the potential loss of a significant number of licensed professional within the workforce, and quite possibly the loss of one or more cosmetology institutions and all of its employees that has served your community for decades and longer.

A coalition of Aveda Institutes from around the country has been working actively with the IRS and the Department to find a solution to this issue but more time is needed to develop the details of that solution before the rule has a negative impact on cosmetology school programs.

For this reason, we support the language in the House bill that would provide additional time for implementation of the GE Rule.

Please contact [ ] with any questions about this request.

Sincerely

[Aveda Institute School Owner]