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August 6, 2020

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

Re: Paycheck Protection Program and Main Street Lending Program in the next COVID-19 relief package

Dear Speaker Pelosi, Minority Leader McCarthy, Leader McConnell, and Minority Leader Schumer:

On behalf of the American Council on Education and the undersigned higher education associations, we write in support of changes to the Small Business Administration (SBA) Paycheck Protection Program (PPP) and the Main Street Lending Program (MSLP) in the next congressional COVID-19 relief package that will allow more colleges and universities to access these important programs.

Institutions of higher education, often one of the largest employers in their local communities, are facing a major cash flow crisis in light of the reduced revenues and increased expenses resulting from the COVID-19 pandemic. For our nation's colleges and universities, access to affordable capital is a necessary lifeline as they navigate the economic fallout. Institutions are incurring additional costs to move instruction online, securing materials to meet public health and safety demands, and a host of other expenditures. They also are losing substantial auxiliary revenues, and are facing a range of other challenges unique to each campus. At the same time, many colleges and universities provided significant refunds to students during the spring semester, such as for on-campus housing and meal plans. Additional losses for the summer and certain losses this fall compound the problem, as do potentially deep cuts in state funding for public higher education institutions. A recent letter from over 100 business leaders to

congressional leadership noted, “the hardest-hit sectors will need much more significant and sustained support.”¹

Many of our colleges and universities are seeking low-cost loans to help address the financial impact of the COVID-19 crisis. However, the PPP and MSLP loans created in the CARES Act and implemented by SBA and the Federal Reserve are unworkable for the majority of our institutions. Like businesses, colleges and universities need federally guaranteed loans, at favorable terms, that would enable institutions to sustain themselves for several years, rather than for just several months. In addition, the hardest hit institutions should receive all or partial loan forgiveness.

Sec. 90001 of the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act (H.R. 6800) would expand the SBA PPP program to nonprofits of any size. This expansion would help institutions of higher education of all sizes address the financial issues caused by COVID-19, especially given the forgiveness options for this important program. As you begin to consider the next COVID-19 bill, we urge you to include this important provision in any final package. We also urge you to explicitly make all nonprofit and public higher education institutions eligible for PPP, just as the HEROES Act did for the MSLP.

H.R. 6800 would require the Federal Reserve to expand the MSLP to nonprofits, including nonprofit private and public institutions of higher education. While the Federal Reserve has released final guidance around a new nonprofit facility, we are concerned that it does not explicitly allow public colleges and universities with no separate 501(c)(3) status to participate. We urge the Senate to include the language in H.R.6800 that makes public institutions of higher education eligible for this nonprofit facility.

Regarding the PPP Second Draw Program and the Long-term Recovery Sector Loans included in the Continuing Small Business Recovery and Paycheck Protection Program Act (S. 4321), we believe these programs could potentially be helpful for our smaller schools, if the final bill makes some changes to the eligibility requirements. This includes striking the 50 percent revenue decline from the eligibility requirement for the Long-term Recovery Sector Loans, making the employee cap at no less than 500 employees, and making the program available to all small colleges regardless of location.

In addition, for this and the creation of any new loan program with a maximum employee threshold, we ask that all student workers be exempt for the purpose of determining the employee eligibility threshold. Institutions of higher education often employ student workers as a part of their overall financial support to help pay for college and provide students with work experiences. With the majority of our campuses closed for the spring semester and transitioned to online learning, all or most of these student employees have left campus and therefore should not be included in the employee threshold. Removing student workers from calculations of eligibility for any loan program established to address financial difficulties

¹ August 3, 2020 letter from business community to congressional leadership:
<https://www.howardschultz.com/lettertocongress/>

because of COVID-19 would accurately reflect the size of institutions in their roles as employers and would allow more colleges and universities to access these important loan programs.

We look forward to working with you and your committee as Congress works to support businesses and other organizations and strengthen the economy during the COVID-19 crisis.

Sincerely,



Ted Mitchell, President

On behalf of:

ACPA-College Student Educators International
American Association of Colleges of Nursing
American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
American Indian Higher Education Consortium
Associated Colleges of the Midwest
Association for Biblical Higher Education
Association of Advanced Rabbinical and Talmudic Schools
Association of American Colleges and Universities
Association of American Universities
Association of Catholic Colleges and Universities
Association of Community College Trustees
Association of Governing Boards of Universities and Colleges
Association of Independent Colleges of Art & Design
Association of Jesuit Colleges and Universities
Association of Independent California Colleges and Universities
Association of Independent Colleges and Universities in Massachusetts
Association of Independent Colleges and Universities of Pennsylvania
Association of Independent Colleges and Universities of Rhode Island
Association of Presbyterian Colleges and Universities
Association of Public and Land-grant Universities
Association of Research Libraries
College and University Professional Association for Human Resources
Conference for Mercy Higher Education
Connecticut Conference of Independent Colleges
Council for Advancement and Support of Education
Council for Christian Colleges & Universities
Council for Higher Education Accreditation

Council of Independent Colleges
Council on Social Work Education
Council of Independent Colleges in Virginia
EDUCAUSE
ETS
Georgia Independent College Association
Great Lakes Colleges Association
Hispanic Association of Colleges and Universities
Iowa Association of Independent Colleges and Universities
Independent Colleges and Universities of Florida
Independent Colleges and Universities of Missouri
Independent Colleges and Universities of Texas
Independent Colleges of Indiana
Independent Colleges of Washington
Kansas Independent College Association
Maryland Independent College and University Association
Michigan Independent Colleges & Universities
Minnesota Private College Council
NAFSA: Association of International Educators
NASPA - Student Affairs Administrators in Higher Education
National Association for College Admission Counseling
National Association of Independent Colleges and Universities
National Association of Colleges and Employers
National Association of College and University Business Officers
National Association of College Stores
National Association of Student Financial Aid Administrators
National Collegiate Athletic Association
Network of Colleges and Universities, Evangelical Lutheran Church in America
North Carolina Independent Colleges and Universities
Oregon Alliance of Independent Colleges & Universities
State Higher Education Executive Officers Association
Tennessee Independent Colleges and Universities Association
Transnational Association of Christian Colleges and Schools
UNCF (United Negro College Fund, Inc.)
Wisconsin Association of Independent Colleges and Universities
Yes We Must Coalition

Cc: The Honorable Nydia M. Velázquez, Chairwoman, Committee on Small Business
The Honorable Steve Chabot, Ranking Member, Committee on Small Business
The Honorable Maxine Waters, Chairwoman, Committee on Financial Services
The Honorable Patrick McHenry, Ranking Member, Committee on Financial Services
The Honorable Marco Rubio, Chairman, Committee on Small Business and
Entrepreneurship
The Honorable Ben Cardin, Ranking Member, Committee on Small Business and

Entrepreneurship

The Honorable Mike Crapo, Chairman, Committee on Banking, Housing, and Urban Affairs

The Honorable Sherrod Brown, Ranking Member, Committee on Banking, Housing and Urban Affairs