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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.”<sup>1</sup>

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

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<sup>1</sup> 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 Dental Education Association  
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