

Jovita Carranza, Administrator
Small Business Administration
Suite 7000
409 Third Street, SW
Washington, DC 20416

June 8, 2020

Dear Administrator Carranza,

On behalf of the American Council on Education (ACE) and the undersigned higher education associations, we write to you with comments on SBA-2020-0024, “Business Loan Program Temporary Changes: Paycheck Protection Program-Nondiscrimination and Additional Eligibility Criteria,” specifically regarding #2 on the guidance, “Student Workers and PPP Loan Eligibility.”

We are grateful that the interim final rule includes language that will allow eligible higher education institutions to exclude Federal Work-Study (FWS) students when determining the number of employees for purposes of the Paycheck Protection Program (PPP) loan eligibility. However, the interim final rule also states that non-FWS student workers generally will count as employees for purposes of PPP eligibility.

The interim guidance also notes that the Administrator has made this decision in consultation with the Secretary of Education, and has determined that the exclusion of students engaged in FWS is a reasonable interpretation of section 1102(a) of the CARES Act. The justification notes that federal work study jobs generally provide part-time employment for students with financial need, and their services are incidental to and for the purpose of pursuing a course of study.

However, many colleges and universities also regularly employ other student workers across campus, using institutional funds, as part of their overall financial support to help students pay for college and provide them with work experiences while keeping them close to campus for the purposes of their education.

As part of the guidance, the Administrator recognizes that requiring institutions of higher education to count FWS students as part of the employee headcount would result in an anomalous outcome in two respects. First, it would prevent some small colleges from receiving PPP loans due solely to their provision of financial aid to students in the form of Work-Study. Second, it would result in the exclusion of small higher education institutions whose part-time Work-Study headcount dwarfs the number of their full-time faculty and staff.

Although exempting FWS will help a few additional institutions access this important program, we believe the justification included in the interim guidance for those particular students should justify exempting all student workers from the employee count for eligibility purposes. In addition, 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 campuses and therefore should not be included for the purposes of the employee threshold. Removing all student workers from calculations of eligibility for any loan program established to address financial difficulties because of COVID-19 would more 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 continuing to engage with you and the SBA as you address these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is fluid and cursive, with the first name "Ted" being more prominent than the last name "Mitchell".

Ted Mitchell
President

On behalf of:

American Association of Collegiate Registrars and Admissions Officers
American Association of Community Colleges
American Council on Education
American Dental Education Association
American Indian Higher Education Consortium
Association of American Universities
Association of Catholic Colleges and Universities
Association of Jesuit Colleges and Universities
College and University Professional Association for Human Resources
Council for Higher Education Accreditation
Council for Opportunity in Education
EDUCAUSE
National Association of College and University Business Officers
National Association of College Stores
National Association of Independent Colleges and Universities
National Association for College Admission Counseling
UNCF (United Negro College Fund, Inc.)