June 8, 2020

To Whom It May Concern:

I write to you on behalf of the National Association of Independent Colleges and Universities (NAICU) and the undersigned member associations, to comment on SBA-2020-0024 “Business Loan Program Temporary Changes: Paycheck Protection Program-Nondiscrimination and Additional Eligibility Criteria,” specifically on #2 on the guidance “Student Workers and PPP Loan Eligibility.”

As the unified national voice for, and reflecting the diversity of, private, nonprofit higher education in the United States, NAICU, which represents more than 1,000 institutions and associations, is deeply appreciative of the proposed rule by the Small Business Administration (SBA) to exempt students who are employed through Federal Work-Study (FWS) and other governmentally-run programs from the employee count for eligibility in the Paycheck Protection Program (PPP). This is an important step. These new regulations will allow some institutions that were previously ineligible to now participate in the program.

However, we believe the ruling is too narrow. Many institutions have far more students working on campus who are not funded by federal or governmental grants than there are FWS students. So while this will help some institutions, it does not solve the larger problem of including student workers in the eligibility requirements for institutions to participate in the PPP and will continue to keep most institutions with fewer than 500 employees ineligible for critically-needed funds.

There are more than 1,700 degree-granting private, nonprofit colleges and universities, located in all 50 states and territories and in 392 congressional districts. Private colleges enroll over 5.1 million students and provide more than 1.2 million jobs. Many of these institutions are very small. As a matter of fact, there are 650 private, nonprofit colleges with 500 students or less. As with other small businesses, the stresses put on these institutions because of the pandemic are enormous and threaten their very livelihood and that of the towns and communities they serve. For colleges, every revenue stream has been strained: student enrollments are down; room and board revenues are gone; fundraising has declined; and back up investments are underwater.

The PPP has been a lifeline for many American colleges and businesses, and the people they employ. Our members would benefit enormously from this program, but many have been excluded from eligibility because of the consideration of student workers in the employee count. Without this fix, many institutions that are vital employers in their communities will be denied a valuable tool to economic recovery.

The administration should exclude all student workers from its employee count for both this program and any other federal requirements being developed that are based on employee count, including the Main Street Lending Program.

In the proposed rule, the SBA uses the following rationale for excluding FWS students from consideration in employee count for the PPP:
• Student work programs generally provide part-time jobs for students with financial need, and their services are incident to and for the purpose of pursuing a course of study.
• Student work programs are distinct from traditional employment in that its primary purpose is to advance education.
• Counting student workers prevents some small educational institutions from receiving PPP loans due solely to their provision of financial aid to students in the form of work study.
• Counting student workers would result in the exclusion of small educational institutions whose part-time work study headcount dwarfs their full-time faculty and staff head counts.

This is a sound and smart rationale that the administration should also use as justification for exempting all student workers.

If Congress appropriated more funding for FWS, more of our student workers could participate in that program. But because there are not enough federal resources, our members supplement this federal effort through their own institutional funds to give more students work-study opportunities. Institutions should not be penalized for providing these additional student educational opportunities.

To add to the complexity, many FWS students earn all their allotted funds before the end of the school year. In such cases, NAICU member colleges and universities will often provide additional work hours to these students by continuing their work through institutional funds. These students are then technically no longer FWS students, adding to non-FWS student worker numbers.

We are hopeful you will see the exclusion of all student workers from the employee count as a reasonable way to modestly increase the program’s reach and to remove the unintended consequence of including student workers in previous employee counts.

Thank you for your consideration of our views and for your efforts to recognize the unique educational value of student workers on campus. I hope you will give careful consideration to expanding the exemption of student workers to include all students so that many more private, nonprofit colleges can access the much needed funding intended for smaller employers like our members, and to ensure they can sustain their role in local economies.

Regards,

Barbara K. Mistick, D.M.
President

On behalf of:

Alabama Association of Independent Colleges and Universities
Arkansas' Independent Colleges & Universities
Association for Biblical Higher Education
Association of Catholic Colleges and Universities
Association of Chiropractic Colleges
Association of Independent California Colleges and Universities
Association of Independent Colleges of Art & Design
Association of Jesuit Colleges and Universities
Association of Independent Kentucky Colleges and Universities
Association of Independent Colleges and Universities in Massachusetts
Association of Independent Colleges and Universities of Ohio
Association of Independent Colleges and Universities in Pennsylvania
Association of Private Colleges and Universities of Puerto Rico
Association of Independent Colleges and Universities of Rhode Island (AICURI)
Association of Presbyterian Colleges and Universities
Conference for Mercy Higher Education
Council of Independent Colleges
Council of Independent Colleges in Virginia
Georgia Independent College Association
Great Lakes Colleges Association
Independent Colleges and Universities of Florida
Independent Colleges of Indiana
Independent Colleges and Universities of Missouri
Independent Colleges and Universities of Texas
Independent Colleges of Washington
Iowa Association of Independent Colleges and Universities
Kansas Independent College Association
Louisiana Association of Independent Colleges and Universities
Maryland Independent College and University Association (MICUA)
Michigan Independent Colleges & Universities
Minnesota Private College Council
National Association of Schools and Colleges of the United Methodist Church
Network of Colleges and Universities, Evangelical Lutheran Church in America
North Carolina Independent Colleges and Universities
Oregon Alliance of Independent Colleges & Universities
Tennessee Independent Colleges and Universities Association
Transnational Association of Christian Colleges and Schools
UNCF (United Negro College Fund, Inc)
West Virginia Independent Colleges and Universities
Wisconsin Association of Independent Colleges and Universities
Work Colleges Consortium
Yes We Must Coalition