

United States Senate

April 17, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

The Honorable Jovita Carranza
Administrator
U.S. Small Business Administration
403 3rd Street, SW
Washington, D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

As you know, Iowa is home to many outstanding private colleges and universities. The COVID-19 pandemic – which forced schools across the nation to close down – has resulted in a significant loss of tuition and room and board revenue for these schools and poses a truly unprecedented challenge. In Iowa, these financial challenges are especially acute for our smaller nonprofit schools, which tend to be located in our rural communities.

To address these shortfalls, many schools in our state were eager to apply to the Paycheck Protection Program (PPP) to use these funds to keep their employees on payroll ultimately helping to serve students as effectively as possible through this time. However, a number of Iowa schools were unable to receive a PPP loan because part-time student workers are counted toward the overall number of employees at the school – leading many schools to exceed the 500 employee threshold (even with less than 500 full and part-time non-student workers).

Preventing schools from receiving a PPP loan because they had opportunities for student workers is not fair for colleges, students, or the communities. These schools play a vital role not only in educating our state's future workforce, but in supporting our state's economy, particularly in rural areas. Once Congress adds funds to the PPP, I respectfully ask that you provide guidance clarifying that student workers are not counted toward the PPP's requirement for entities to have fewer than 500 employees in order to be eligible for the loan.

Thank you for all your efforts to support our small businesses and nonprofit institutions during these unprecedented times.

Sincerely,



Joni K. Ernst
United States Senator



Charles E. Grassley
United States Senator