

Congress of the United States
House of Representatives
Washington, DC 20515

May 14, 2020

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

The Honorable Jovita Carranza
Office of the Administrator
Small Business Administration
409 3rd Street SW
Washington D.C. 20416

Dear Secretary Mnuchin and Administrator Carranza:

Thank you for your continued efforts to stabilize our economy during this unprecedented time. I am writing today to request that the Treasury Department coordinate with the Federal Reserve and take into consideration staffing firms' unique business models as you move forward in finalizing, administering, and overseeing various financial assistance programs pursuant to the Sec. 4003 of the CARES Act.

In the U.S., there are approximately 20,000 staffing firms, which altogether operate approximately 39,000 offices. Over the course of the year, America's staffing companies hire 16 million temporary and contract employees and contributed \$167 billion to the economy in 2018. During one of the worst economic downturns our country has ever faced, businesses and governments alike are turning to the staffing industry to supply temporary and contract employees to help produce and deliver food, pharmaceuticals, and other necessities; provide critically-needed health care services and medical professionals to hospitals and other facilities; and assist state and local governments in managing the massive unemployment and financial assistance programs.

Despite all this, for most staffing firms, delivering these vital services has made up only a small fraction of their pre-crisis revenue. Many are facing catastrophic declines in work orders because temporary workers are always the first to go during economic downturns. The Bureau of Labor and Statistics (BLS) data shows that while temporary workers are only two percent of the nonfarm workforce, they accounted for a disproportionate seven percent of overall March job losses.

One of the problems that they face when taking a PPP or Main Street loan is that they cannot control the hiring of their deployed employees. Staffing companies have the ability to retain their internal full-time employees but the decision to hire their temporary employees is made by client firms which do business with staffing company. Thus, it is not possible for them to guarantee the job of these employees. This challenge is exacerbated by the fact that some states classify staffing as essential while other states classify it as non-essential. Another problem faced by staffing companies is that they must pay their deployed employees weekly but they are not reimbursed from the client for several weeks. In fact, many are still owed money for employees that were deployed in January and February.

To enable staffing firms to survive the downturn and continue providing critical essential services, we would like to request two adjustments to the PPP and Main Street Facility programs,

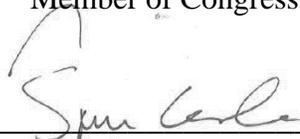
respectively. For small staffing firms, we would like to request that the loan forgiveness allow temporary staffing agencies until August 31, 2020 to determine forgiveness. For all staffing companies, small and large firms, we request that a portion of the funds allocated for financial assistance under Sec. 4003 of the CARES Act be set aside for staffing firms.

Please contact Elle Ciapciak (elle.ciapciak@mail.house.gov) in my office if you have any questions or need further information. Thank you for your consideration, and I look forward to working with you.

Sincerely,



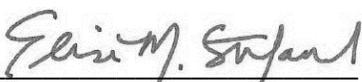
Daniel P. Meuser
Member of Congress



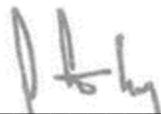
Tom Cole
Member of Congress



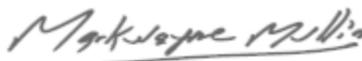
Mike Kelly
Member of Congress



Elise Stefanik
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Trent Kelly
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Markwayne Mullin
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Frank D. Lucas
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Adam Kinzinger
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