



**Senate Committee on Financial Institutions and Insurance
Testimony in Support of the Economic Recovery Loan Program
Presented by Eric Stafford, Vice President of Government Affairs**

Friday, May 15, 2020

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber represents small, medium and large businesses of all industry segments across the state.

We appreciate the opportunity to testify in support of the proposal today that would establish the Economic Recovery Linked Deposit Program which is to be administered by the Office of the Kansas State Treasurer. We appreciate the efforts from the banking industry in crafting this proposal at a time when businesses are struggling and seeking access to low interest capital.

Often times in the membership organization world we see what other state chambers or associations are doing to provide value for their members. And instead of “recreating the wheel” we just copy the great ideas of our peers and implement them into our organizations. Just like the existing agricultural linked deposit program, this economic recovery program doesn’t look to “recreate the wheel.”

Under this proposal, low-interest loans would be made available through the state’s investment portfolio, managed by the Office of the Treasurer. Loans could be made up to \$250,000 and authorized for up to 10 years.

This economic crisis has shown the importance of capital to businesses of all sizes, especially small businesses. Just last week, the U.S. Chamber released survey results showing up to 40% of small businesses could go bankrupt in the next six months. Any effort to make capital available at low costs to businesses we fully support. When the Small Business Administration released the Paycheck Protection loans, we saw how fast \$250 billion in PPP funding was claimed by small businesses across the country. We would like to thank the financial institutions of our state for being able to rapidly respond to extraordinary needs of Kansas businesses. The survival of the business community would not have been possible without their expertise.

In closing, we greatly appreciate the efforts by the banking industry to bring this program forward and we ask for your support. I’d be happy to answer any questions at the appropriate time.