



**House Committee on Financial Institutions and Rural Development
Testimony in Support of Senate Bill 15
Presented by Eric Stafford, Vice President of Government Affairs**

Monday, February 8, 2021

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 Senate Bill 15 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. We do not have a position on the field of membership/privilege tax deduction components of the bill. Our comments are specifically in support of the economic recovery loan program.

Often 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 SB 15’s economic recovery loan program, 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.

As the pandemic caused economic havoc on small businesses across the country, many of them were not able to withstand long-term closures and were forced to permanently close their doors. While the economic recovery remains slow, any effort to make capital available at low costs to businesses should be fully supported. When the Small Business Administration released the Paycheck Protection loans, we saw how fast the initial \$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 of Senate Bill 15. I’d be happy to answer any questions at the appropriate time.