



**Senate Committee on Financial Institutions and Insurance
Testimony in Support of House Bill 2152- Public Funds Modernization
Presented by Eric Stafford, VP of Government Affairs, Kansas Chamber**

Thursday, March 13, 2025

Madam Chair 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 House Bill 2152, which modifies Kansas' investment strategies for the Pooled Money Investment Board, to encourage public fund deposits in Kansas financial institutions.

According to the Fort Hays State University study, "When municipal funds are transferred outside their local market, fewer funds may be available for loans to local customers, leading to reduced economic activity." Unfortunately, today only .5% of state funds are invested in Kansas banks.

Today the Kansas Chamber is finalizing a competitiveness report focusing on areas of improvement to help grow our state and make Kansas more attractive for investment. HB 2152 fits perfectly in that vision by making taxpayer funds readily available for investment attractive with local banks, increasing capital for businesses and families seeking financing for homes, cars, renovations, or other improvements in their lives.

HB 2152 makes several positive changes to how public funds are invested in Kansas, making it a safer and easier process for banks to accept local government deposits. Again, quoting the FHSU study, "More loans to Kansas borrowers mean more capital for production, leading to increased state income and higher tax payments as state income rises."

Policies that support taxpayers and provide a positive return and access to more capital through Kansas institutions will result in a stronger economy for Kansas businesses and individuals.

In closing, we encourage all legislators to start thinking about their vision of the state. What policies should we consider to help increase the state's GDP, achieve stronger population and economic growth, and therefore, have more tax revenues to invest in delivering government services? House Bill 2152 is a step in the right direction and we respectfully encourage your support. I'd be happy to answer questions at the appropriate time.