Minutes
GCESG: Financial Services Committee Meeting
May 12th, 2020 10:00 am - 11:00 am

1. Attendees:
Blair Richardson, Phil Kalin, Jeff Kraft, Mary Wickersham, Peter Calamari, Colin Anonsen, Mike Van Nordstran, Dave Young, Dave Madsen, Derek Leung, Doug Friednash, Doug Price, Greg Anton, Jim Kelley, Pat Cortez, Patty Salazar, Ron Baker, Shannon Bird, Tim Dore, Virginia Davis, Che Sheehan

2. Meeting Notes:

- **Working Capital Fund Working Group Update**
  - Currently looking at two sources of funding for the State’s first loss money in the fund.
    - Exploring the use of Federal dollars if available. Uncertainty on whether this fund would be an eligible use of those dollars.
    - Exploring selling tax credits on insurance premium taxes. No technical red flags from using this source
  - Interest rate and default rate expectations for the fund
    - Focused on identifying a rate that investors would find attractive for investing in this fund that is also consistent with what community banks would charge.
  - Impact on General Fund
    - Working on a preliminary model to determine what the impact of the State’s first loss money in this fund would have on the state budget taking into account saving jobs that would be loss and lesser impact on unemployment programs.
      - Initial conservative assumptions show that this would have a positive impact on the general fund, however more work is needed.
  - **Updates from Lenders**
    - Demand for PPP has decreased significantly. Approximately $120B left and only consuming at a rate of 1-2B a day.
    - There is a growing concern about the overall economic impact of this crisis.
    - Continue pressure to get administration and/or Congress to ease on the forgiveness provisions meaning the “75-25 rule” and the 8 week rehire requirement.

3. Deliverables/Follow ups:
- Work on developing a better understanding of what default rate projections this committee should use for the working capital fund.
  - Model how the interest rates in the working capital fund impact the default rate.