

# CALIFORNIA STATE PUBLIC BANK AB 310

## REINVEST. REBUILD. RECOVER.

In 2019, the people of California passed the Public Banking Act, empowering cities and regions to create our own banks.

In 2020, economic fallout from the COVID-19 pandemic is forcing local governments across the state to cut staff, services, and vital programs at a time when they are most needed. We urgently need the means to bring desperately needed funds into urban and rural communities ignored by Wall Street banks.

AB 310 will provide local governments and agencies much-needed emergency funding, and keep local tax revenue from leaking out to Wall Street. This bill will reallocate idle money from the state's "checking account" into the existing California Infrastructure Bank (IBank). By moving a small part of California's Pooled Money Investment Account (PMIA) into the IBank's loan fund, and then converting the IBank into a depository bank, the State Public Bank will be able to leverage its capital up to ten times in loans. This money will be directed towards the most impacted parts of our economy: local governments, schools, affordable housing, locally-owned renewable energy, small businesses, and low-income communities of color.

The Pandemic has revealed the inadequacy of our current financial system to meet the credit needs of our local agencies or to serve our most disenfranchised populations. Currently, most federal relief funds are going to big corporations on Wall Street, not to working-class and middle-class households or small businesses on Main Street.

The California State Public Bank will strengthen the financial positions of local governments and local financial institutions to facilitate a just and speedy economic recovery for the people of California.



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## OUR CALIFORNIA STATE BANK WILL:

- Lend to small businesses so they don't have to rely on predatory Wall Street lenders.
- Provide a long-term source of stable financing for local governments, redirect existing investment funds into the state economy, and lay the foundation for equitable growth.
- Partner with our community banks and credit unions so they can continue to make much-needed loans in their neighborhoods.