

AB 310

CALIFORNIA STATE PUBLIC BANK STRENGTHENS WORKING PEOPLE

A California State Public Bank will create jobs and support labor.

In the midst of the COVID-19 pandemic, the federal government has failed to mount a meaningful response to the jobs crisis. Wall Street has compounded that failure by prioritizing their biggest customers over small businesses in need. AB 310 will do what the feds and the banks should have done: make existing funds available NOW to create jobs, strengthen unions, and rebuild the economy. By lending available money from California's Pooled Money Investment Fund (PMIA) through California's existing Infrastructure Bank (IBank), money can start flowing within weeks of this bill becoming law.

As the loans begin, the IBank will start transitioning into a true depository public bank which will be able to leverage the bank's capital into targeted recovery loans. Our State Bank can quickly and efficiently distribute assistance to individuals and make low-interest loans to small businesses, school districts, and other reparative projects. We must recover from this crisis with a healthy and regenerative social and economic order by creating a new financial institution that invests in our communities—accountable to the people, not Wall Street.

OUR STATE BANK WILL CREATE JOBS & SUPPORT LABOR.

Small and medium-sized businesses remain the core economic driver for California. Working with all available stimulus funds and federal programs, the state bank will provide small and medium-sized businesses with needed lending and capital access to develop and scale, and will ensure the continued functioning of critical services. The public bank would conform to the same standards set by unions, bolstering wages and a more equal distribution of power towards labor. The California State Public Bank Act is supported by UFCW, SEIU CA, LA County Federation of Labor with many more endorsements on the way.

OUR STATE BANK WILL SAVE CALIFORNIA MONEY.

California pays billions per year in interest to private banks which are reaping record profits from COVID-19 manipulations. Nearly 50% of the cost of all state infrastructure projects goes towards paying interest and fees. Money from our cities and counties, deposited into the new public bank, will fund public projects, cut the cost of infrastructure needs in half, create thousands of good new jobs, and double our power to invest in our own communities. A state bank can leverage capital up to ten times—every dollar of capital enables ten dollars of loans, providing funds to pay workers living wages for needed projects from affordable housing to climate change infrastructure to hospital and school expansion.

OUR STATE BANK WILL KEEP MONEY IN CALIFORNIA.

A state bank will invest in California projects, with California labor and California results. Unlike Wall Street banks that funnel the money to where the bank can make the most profit, our bank will strengthen our state and our communities by keeping money here in California and investing for the public good.