

Background on Assembly Bill 857 and Public Banking

Assembly Bill (AB) 857 is now in the California State Assembly, and we ask you to join in getting it through the three Assembly committees (see below), into the State Senate, and signed by Governor Newsom. Already, the California Banking Association and others are lobbying against this bill!

AB 857 adds language to current state banking regulations to permit cities, counties, and the state to apply for a public banking license in California. It is very important to our cities, counties and the state as Sylvia Chi, a member of Public Bank East Bay and the legislative chair of the California Public Banking Alliance, explains [here](#).

California can make a difference for public banking in the United States! A win in California sets the example for those working in other states to pass public banking bills. That's *all those* in colors on this [map](#)!

[The California Public Banking Alliance](#) has been working on this bill for some years. The Santa Cruz WILPF branch has a [website](#) where you can learn what a public bank is, how much good it can do for our communities, a map of the many states and cities considering public banking, and a wealth of related information.

For now, we want to get AB 857 through the three Assembly Committees with these steps:

Take action on future eAlerts on Public Banking!

1. Call your Assembly Member

Ask their support for AB 857. Find out when your Member will be in the District Office and go with some friends to ask for support. **This personal connection is essential.** You can also fax or email a short request for support using the information below.

If you don't know who your assembly member or senator is, enter your address [here](#) to find out.

What to Say: "My name is _____, I'm a constituent, and a member of the Women's International League for Peace and Freedom. If you are in a branch, name that branch. Ask your Assembly Member to commit to co-authoring and supporting AB 857. State that you support public banking as a way to strengthen both local and state economies. We need to pass AB 857 (for my city, county and the state) to provide low-interest loans to underserved small businesses, affordable housing developers, for building needed public infrastructure, and to make our cities climate resilient. Please co-author and support AB 857. Thank you."

2. Click each committee below for the list of Assembly Committee Members

If your Assembly Member is listed, please call that office and use the above script. Please also consider calling, or sending an email or fax to the chair and each committee member.

- [Banking and Finance Committee](#)
- [Local Government Committee](#)
- [Appropriations Committee](#)

Future eAlerts will update you as AB 857 gets through these committees and into the Senate.

3. Email our public banking eAlerts to your non-WILPF friends in California with a brief note asking them to "take action."

Let's seize this opportunity to get AB 857 passed. Take Action!

Legislative Background:

Assembly Members David Chiu (D-17 San Francisco) and Miguel Santiago (D-53 Los Angeles) authored AB 857 and submitted it on Feb. 20, 2019.

Assembly Member Mark Stone from Santa Cruz County, member of the Banking and Finance Committee, has signed on as a co-author; so have Assembly Members Phil Ting (D-19 San Francisco/northern San Mateo County), Ash Kalra (D-27 eastern San Jose), and State Senator Scott Wiener (D-11 San Francisco/San Mateo County).

Background on Public Banking:

Opposition in Sacramento Misrepresents the Facts!

Assembly Member Stone (D-29, portions of Santa Cruz/Monterey Counties) reported to the Santa Cruz Public Banking group that **the California Banking Association is not only vigorously lobbying against public banking legislation but also incorrectly claiming** that public banks are detrimental to credit unions and local banks.

The opposite is true! For example, in North Dakota, which has had a state public bank for the past hundred years, "the result of having a public bank has been profound (as of Sept. 2015): With 89 small and mid-sized community banks, and 38 credit unions, **North Dakota has six times as many locally owned financial institutions per person as the rest of the nation.** And these local banks and credit unions control a resounding 83 percent of the deposits of the state — more than twice the 30 percent market share that small and mid-sized financial institutions have nationally" (emphasis added, from the [Public Banking website](#)).

How Public Banks Benefit the Public

Public banks are the opposite of Wall Street banks. Public banks work for the public good — instead of giving our money to the corporate banks that put oodles of money into the pockets of their CEOs and investors; charge our cities, counties, and states high interest for loans; and take hard-earned revenues out of our communities.

Public banks work in public ways, to benefit the public! They get the capital they loan out from public money, such as taxes or reserve funds. They are run by elected boards. By operating as not-for-profit banks they can channel the tremendous amount of money collected in fees and loan interest into needed public projects — *instead of* high salaries! We can direct these "public monies" to affordable housing, lower charges on student loans, climate resiliency measures for our cities and counties, and environmental needs.

Public banks are governed by strict adherence to standards of racial, economic and community justice. Their very low-interest loan policies can be tailored to suit any community's ideals of benefits, desirable investments, and outcomes.

We consumers generally bank at *consumer banks*. Public banks generally do not provide a range of consumer services, but public banks can support and strengthen the credit unions and small local banks that we could beneficially use.

People wanting their cities to divest from fossil fuels found that small local banks and credit unions don't have the capacity that cities and states need for banking services. So these activists proposed public banks as a place where cities, counties, and states can put their money in good conscience.

Public Banks Are Gaining Ground — for Good Reasons!

[Presently over 20 states](#) are at some stage of instituting public banking. Many countries already have public banks: In Germany they helped the country reduce dependence on fossil fuels; and in Japan they helped reduce the national debt.

The reasons are clear! Too much money is being handed over by local and state governments to the Wall Street corporate banking establishment! We need to democratize money and credit. We need money to fund education, transportation, housing, cleaning up the environment, and responding to global warming for the public good.

Examples of County and City Support

The **Santa Cruz County** Board of Supervisors passed a resolution that states their reasons for supporting AB 857. Here is the summary:

(We vote to) Adopt the resolution supporting the establishment of a California municipal public banking license and supporting the concept of a state, regional, or network of public banks to provide cost-saving services to public entities and to serve local needs including affordable housing, transportation, and education

investment adhering to principles of economic, racial, and environmental justice, and direct the Clerk of the Board to distribute the resolution as indicated, as recommended by Supervisor Coonerty.

On April 4, the **Los Angeles City** Council threw its support behind [state-level municipal bank bill AB 857](#)

Your Actions Can Make Public Banking a Reality in California!

Many thanks!

Randa Solick, Co-Chair, Santa Cruz WILPF Branch and Member of People for Public Banking, Santa Cruz

Nancy Price, WILPF US Earth Democracy Issue Committee