

**February 19, 2015 Testimony** by Barbara A. Barry of Wethersfield, CT and Secretary of the Green Party of Connecticut at the CT Legislative Banking Committee regarding **HB R2B in support for a Bank of Connecticut.**

Benefits:

- The CT Public Bank i.e. **the Bank of Connecticut would: be cost free to CT taxpayers** i.e. not raise taxes or fees. Approximately 3 billion people in the world participate in public banks. The public Bank of North Dakota has been in existence since 1919 without failing even during the Great Depression, WWII, or our recent Great Recession.
- **Provide greater financial security and stability of income to state coffers** which would provide consistency for state budget planning.
- **It would partner with state-chartered community banks, credit unions or other financial institutions.** This would keep greater portions of (but not all) money within the state garnered from state coffers, residents, businesses and tourists.
- **Promote CT economic development:** support job creation, growth and sustainability of businesses. Increase access to capital for farms and businesses (including the banking and finance businesses and their highly skilled workers to help run the Bank of CT) within the State in partnership with local financial institutions.
- **Infrastructure development:** facilitate investment in, and financing of, public infrastructure systems including dams. This will increase public health, safety, and quality of life, improve environmental conditions, and promote community vitality and economic growth including tourism. E.g. the \$1.1 million provided by the State with the \$850,000 from Wethersfield was used in the early spring of 2014 to dredge the Wethersfield Cove. It was done by a NJ company. The money and business could have stayed in CT if done by a CT dredging company.
- **Basic banking services:** reduce costs paid by the State for basic banking services while leveraging Connecticut's financial capital and resources in partnership with financial institutions, community-based organizations, economic development organizations, guaranty agencies, and other stakeholder groups.

- **Return profits:** return profits, beyond the revenue needed to achieve the mission and continue sound operation of the Bank of CT through the most efficient use of taxpayer revenues and public resources for the benefit of the people, their farms, their businesses, their education, and the overall economy of the State
- **In practice, the Bank of CT** seamlessly works with all front facing commercial, savings and loans, community banks, credit unions, etc. so literally nothing looks different for retail facing bank customers. People would still go to their local branch, e.g. Bank of America, Chase, First Niagra, Webster and do their daily banking, access their money through ATMs, etc.
- **What is different is that now the Bank of Connecticut is a bank for banks.** It supplements and works with any and all private front facing banks by:
  - a)** participating in loans originated by with local banks, either by increasing the total loan size, buying down the interest rate, or providing loan guarantees;
  - b)** loaning to small businesses that create 67% of all new jobs and spur broader economic growth;
  - c)** helping in qualification and doing due diligence for private and public projects that benefit local communities. And guarantees loans;
  - d)** strengthening local banks by purchasing loans originated from local banks to allow more loan origination on Main Street vs. Wall Street and
  - e)** fostering loans to lower debt costs for state and local government projects and infrastructure.