California's local governments face increased needs and revenue shortfalls, exacerbated by the COVID-19 pandemic. With the federal government in deadlock, local governments are being forced to cut critical services such as schools and food programs, and spend far more on public health than could have been anticipated before 2020. Limitations in these services disproportionately harm communities of color and poor communities.

California public banks will not only provide California's municipal governments with inexpensive depository services and cash management, they will also be able to supply funding that supplements government spending, freeing up money for the crucial services.

**CALIFORNIA PUBLIC BANKS WILL PROVIDE STABLE FINANCING.**

By accepting deposits and handling banking services for California local governments and agencies, California public banks will allow these institutions to move their money out of the Wall Street banks which prioritize shareholder profits and finance activities which many of our cities and counties have voted to divest from. The result is more customized service at less cost, while keeping our money local and our values front and center.

**CALIFORNIA PUBLIC BANKS WILL CONTRIBUTE STRONG ECONOMIES.**

Our local governments pay hundreds of millions of dollars per year in interest to private banks, which continued to be profitable during the worst of the COVID-19 pandemic and are reaping huge rewards now. Nearly 50% of the cost of our infrastructure projects goes to bank fees and interest. By depositing our tax revenues in California public banks, local governments can cut infrastructure creation and repair costs in half! Banks can leverage capital up to ten times with every dollar deposited representing up to ten dollars available to loan, to fund much-needed projects. Public banks will make available funds for affordable housing to climate change infrastructure, while also providing extra cash to meet smaller but equally pressing needs such as keeping illegally dumped trash off the streets or building a basketball court for underserved teens.