Meeting Summary for 2025 Legislative Preview ZoomFest - Reboot Our Democracy, Session 1

Recording Link and passcode are [here]

https://us02web.zoom.us/rec/share/ojfTQctge-kxWwHj5ytuyUF_fpkIdaGhqr00-4z38mm2O3YjIx3ef-e3OeS3Oz43.cbXKXhzLGLAqtd1p

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Quick recap

Reboot and Bekah discussed the setup for a ZoomFest event, including the sharing of slides and the management of a chat for questions, with Angela, the executive director of Alliance for Local Economic Prosperity, as the guest speaker. Angela then presented on the advocacy for a State public bank, discussing its potential benefits for local economic prosperity, community wealth building, and small business development. The conversation ended with Angela discussing the progress of the bank initiative, its potential impact, and the potential resistance from the Senate Finance Committee.

Next steps

Attendees interested in supporting the Public Bank Bill to email alerts@rebootourdemocracy.org to receive alerts and a survey about their legislative districts.

Angela Merkert to pre-file the Public Bank Bill with sponsors by the end of the week.

Reboot Our Democracy to send alerts to supporters when specific legislators need to be targeted for support of the Public Bank Bill.

Angela Merkert and team to continue discussions with tribal communities and CDFIs about how the public bank can support investments on sovereign lands.

Public Bank advocates to prepare for a 12-15 month implementation timeline if the bill passes, including bank chartering, board recruitment, and site selection.

Summary

Advocating for State Public Bank Bill

Angela discussed the advocacy for a State public bank, which will be called the Public Bank Bill. She explained that the public bank is a tool for developing local economic prosperity and supporting community wealth building. The aim is to have a more equitable distribution of resources, strengthen communities, and get capital into multiple communities, particularly in rural areas. Angela mentioned that the bill will be introduced with sponsors, including Senator Jeff Steinborn, and will focus on making space for loans to small businesses in partnership with community banks, credit unions, and community development financial institutions. She highlighted the need for more accessible capital for small businesses and farmers, as evidenced by data from the Federal Reserve and Fdic.

Credit Union Oversight and Revenue

Angela discussed the tight scrutiny of credit unions by regulators, contrasting it with the lack of oversight for Wall Street banks. She expressed concern about the distribution of funds for small business development, stating that it may not be circulating within New Mexico. Angela emphasized the benefits of keeping revenue in New Mexico banks, as it would strengthen communities and create sustainable businesses. She also mentioned a study by the New Mexico finance authority and the need for further study on public banking legislation. Reboot offered to share a document Angela had sent him.

Public Bank of New Mexico Benefits

Angela discussed the benefits of the Public Bank of New Mexico, emphasizing its focus on local business development and transparency. She explained that the bank would be chartered by the State of New Mexico and managed independently, with a model of participatory democracy. The Public Bank would not be a retail bank, but a banker's bank, with the State as the only account holder. Angela also highlighted the differences between a community bank and a public bank, noting that the Public Bank's primary focus would be on maximizing public good rather than profits. She mentioned the Bank of North Dakota as a successful model for public banking. Angela also addressed concerns about the timing of the bill, given the upcoming end of the Inflation Reduction Act and potential reductions in small business development funding. She suggested that the Public Bank could be a go-to for financial support by the state of New Mexico. Reboot confirmed that there were several questions in the chat that needed addressing.

Public Banking Legislation and Impact

Angela discussed the public banking legislation and its potential impact on small businesses and the state's economy. She mentioned that over 30 initiatives are underway in the US, with California's East Bay area being the furthest along. Angela also highlighted the success of the Bank of North Dakota and the potential for local control of banking. She noted that New Mexico has not yet adopted this legislation, but there have been attempts in the past. Angela also addressed the concerns of the banking industry and the potential for the bank to support affordable housing and adapt to climate disruption. She emphasized the importance of grassroots support for the legislation and the need to educate legislators about the benefits of public banking.

Bank Collaboration for Rural Expansion

Angela discussed the potential for collaboration between banks, public banks, and credit unions to support business expansion and development in rural areas. She mentioned the possibility of partner lending between the Public Bank and the Credit Union, which could enhance the quality of life in rural communities. Angela also mentioned discussions with tribal communities and community development financial institutions about how to make loans on sovereign lands. She clarified that the State Bank would have restrictions similar to those of the treasurer's office, and would not be allowed to speculate in the shadow market. Angela also shared that the primary opposition to the legislation has come from community banks and Wall Street banks, who are concerned about the potential impact on their deposits.

Bank Initiative Progress and Resistance

Angela discussed the progress of the bank initiative, which is expected to be chartered by the state and not insured by the Federal Deposit Insurance Corporation (FDIC). The oversight would be handled by the state and the Federal Reserve. The board of directors would consist of the State Treasurer, the CEO of the New Mexico Finance Authority, the Secretary of the Department of Economic Development, and eight other members with community development and banking finance experience. The board would be nominated by the governor and legislative leadership. The implementation timeline for the bank is estimated to be 12 to 15 months. Angela also mentioned the potential resistance from the Senate Finance Committee and the interest from new members in the House. Reboot encouraged attendees to join their sessions and sign up for alerts about the bill.