

Oregon Public Banking Alliance

To: House Committee on Commerce & Consumer Protection
From: Madeline West, Chair, Oregon Public Banking Alliance
Date: January 28, 2025
Subject: Testimony in Support of HB 2966

Dear Chair Sosa, Vice Chair Chaichi, Vice Chair Osborne and Members of the Committee:

My name is Madeline West, and I'm submitting this testimony on behalf of the Oregon Public Banking Alliance, and our coalition of community organizations, which includes financial justice advocates, environmental organizations, youth advocates, housing and farmworker groups, labor unions, credit unions, and small business alliances. Our support includes partners like the Working Families Party, League of Women Voters, League of Conservation Voters, Friends of Family Farmers, AFT Oregon, Next Up Action Fund, Music Oregon, Main Street Alliance and Northwest Housing Alternatives **who all recognize that our current financial system is failing to meet the needs of Oregonians.**

Together, we support HB 2966 because it lays the groundwork for addressing systemic gaps in Oregon's financial system.

Despite claims that existing financial institutions & state programs adequately meet the needs of Oregonians, the reality tells a different story. Small businesses and family farmers face mounting barriers to accessing affordable credit, particularly during times of economic uncertainty. Underbanked communities, especially in rural and low-income areas, remain underserved, often relying on predatory lenders as a last resort, and municipalities seeking to finance essential infrastructure projects frequently encounter prohibitively high interest rates and fees, driving up costs for taxpayers.

HB 2966 does not seek to create a public bank today. Rather, it establishes a task force to **thoughtfully explore public financing solutions tailored to the unique needs of Oregon.** This approach ensures that all stakeholders have a voice in identifying strategies to fill the gaps left by the private financial system and current state programs. Public financing models have the potential to complement existing financial institutions, enabling community banks and credit unions to expand their reach while providing lower-cost solutions for infrastructure, affordable housing, and small business loans. Furthermore, public financing mechanisms would allow taxpayer dollars to remain within Oregon, working to benefit local economies rather than enriching out-of-state financial institutions.

Opposition to this bill often hinges on the idea that existing financial services are sufficient or that this task force is duplicative. However, our coalition and the thousands of Oregonians we represent see things differently. The need for alternative solutions is clear, especially when we consider the growing inequities in access to credit, the high costs of borrowing for public projects, and the limited resources of institutions like community development financial institutions (CDFIs) and the Local Government Investment Pool.

This task force is not a wasteful exercise. It is a necessary step toward creating a more equitable and resilient financial system in Oregon—one that prioritizes public financial health over short-term private profits. Public financing solutions can offer lower costs for public projects and greater economic opportunity for small businesses, family farms, and underserved communities. By leveraging innovative tools, we can enhance Oregon's financial resilience and ensure that our state remains economically competitive while addressing urgent needs like infrastructure modernization, climate resilience, and affordable housing development.

In conclusion, HB 2966 provides a measured and responsible path forward, ensuring that our public dollars are utilized effectively to benefit Oregonians. We need to establish systems that serve and protect local economies, instead of the short term profit interests of multinational corporations. This task force is the first step in ensuring that our public dollars work for the public good. I urge you to vote in favor of this important legislation.

Thank you for your time and consideration.

Sincerely,
Madeline West
Chair, Oregon Public Banking Alliance
chair@oregonpublicbanking.com

Attachment: Partial List of Endorsing Organizations

Endorsing Organizations Include:

