January 27, 2022

The Honorable Aaron Michlewitz Chair, House Committee on Ways and Means
24 Beacon Street, Room 243
Boston, MA 02133

The Honorable Michael Rodrigues Chair, Senate Committee on Ways and Means
24 Beacon Street, Room 212
Boston, MA 02133

The Honorable James Murphy House Chair, Joint Committee on Financial Services
24 Beacon Street, Room 254
Boston, MA 02133

The Honorable Brendan Crighton Senate Chair, Joint Committee on Financial Services
24 Beacon Street, Room 109-C
Boston, MA 02133

Dear Chairs Michlewitz, Rodrigues, Murphy and Crighton:

We write to you today to reiterate the Metro Mayors Coalition’s support for state legislation which would create a Massachusetts public bank, as set forth in H.1223, S.655, and S.682. The Coalition, an organization of cities and towns in the urban core of metropolitan Boston, is a voluntary forum where members exchange information, create solutions to shared challenges, and drive civic innovation. Together, the municipal officials who make up this group represent more than 1.4 million people.

As our municipalities continue to respond to the impacts of COVID-19 and seek to advance an equitable economic recovery, the Commonwealth must explore creative financing vehicles to stimulate economic growth, particularly for the residents, businesses, and communities that were hardest hit by the pandemic. We recognize that small businesses, especially those businesses owned by women, people of color, and indigenous entrepreneurs have faced more barriers in accessing traditional capital. This was clearly demonstrated with the initial distribution of the Paycheck Protection Program loans in the Commonwealth. Our Coalition views the creation of a Massachusetts public bank as an important tool to advance an equitable recovery and ensure capital and financial assistance are available to historically marginalized business owners and residents.

According to the Public Bank Institute, such proposals would provide more flexible financing tools to residents, organizations, and municipal governments, establishing a permanent source of funding for continued investment in areas of highest need. The Coalition supports public banks reinvesting in local businesses with the revenue and profit generated from loans, further creating a
self-sustaining cycle of investment. Furthermore, we believe public banks can provide an important resource to Massachusetts-based companies that have historically been underserved by more traditional lenders.

A public bank can help to create a permanent funding resource that builds on the investments made with funds from the American Rescue Plan Act (ARPA). Capitalizing a public bank now will ensure sustainable investment in these areas beyond ARPA’s timeline and would be a permissible use of ARPA funds in subsequent allocations.

A Massachusetts public bank will provide small businesses, state government, and municipalities another important financial tool to make significant investments and provide financing to projects that will serve the public good. We again strongly encourage the Joint Committee on Financial Services to favorably report on these bills and ask that the House and Senate Committees on Ways and Means consider these bills as priorities for passage this session.

Sincerely,

Thomas Ambrosino  
City Manager, City of Chelsea  
Chair, Metropolitan Mayors Coalition

Paul A. Brodeur  
Mayor, City of Melrose  
Vice Chair, Metropolitan Mayors Coalition