

EXECUTIVE ORDER NO. 91

WHEREAS, New Jersey residents could meaningfully benefit from expanded access to below market rate capital for creditworthy and socially beneficial projects, including support for public infrastructure, affordable housing and neighborhood revitalization, small business lending, and higher education financing; and

WHEREAS, my administration inherited a state where over one million New Jerseyans had outstanding student loans totaling more than \$40 billion at the end of 2018, a state that lost thousands of small businesses since the Great Recession, a state that had the nation's highest foreclosure rate and where almost 20 percent of New Jerseyans spend more than half their income on housing costs, and a state that was given a D+ grade in infrastructure by the American Society of Civil Engineers in 2017; and

WHEREAS, the lack of access to small business loans, affordable higher education, and affordable housing contributes to startling wealth gaps in New Jersey where the median net worth of a white family is over 38 times that of a Latino family and over 45 times that of an African-American family; and

WHEREAS, a state-owned public bank could leverage public and private dollars to finance and support sustainable and forward-thinking projects that would benefit the public interest; and

WHEREAS, a public bank could address the declining market share and unique goals of community and minority-owned banks and strengthen non-profit entities such as credit unions, community development corporations ("CDCs"), and community development financial institutions ("CDFIs"); and

WHEREAS, the State should consider working to reduce "economic leakage" by responsibly retaining capital within New Jersey instead of relying on institutions seeking returns in other states and countries; and

WHEREAS, the State has dozens of authorities and commissions, which may be coordinated better so that they can more adequately fulfill residents' needs for access to capital; and

WHEREAS, public banking remains a powerful model for public accountability and democratic control of a government's financial resources;

NOW, THEREFORE, I, PHILIP D. MURPHY, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby ORDER and DIRECT:

1. There is hereby established a Public Bank Implementation Board, hereinafter referred to as "The Board."

2. The Board will be responsible for planning the development of a public bank for New Jersey.

3. The Board shall consist of at least 14 members and shall be chaired by the Commissioner of Banking and Insurance. The Board will also include the Chief Counsel to the Governor, the Chief Policy Advisor to the Governor, the Senior Advisor for Diversity and Urban Affairs to the Governor, the Deputy Chief of Staff for Economic Growth, the Deputy Chief of Staff for Outreach, the State Treasurer, and the Chairpersons of the Boards of the Economic Development Authority, the Higher Education Student Assistance Authority, and the Housing and Mortgage Finance Agency. The Governor shall appoint at least four public members to the Board, who shall serve at the pleasure of the Governor. All public members of the Board shall serve without compensation.

4. The Board shall organize as soon as practicable after the appointment of its members and shall meet within thirty days from the effective date of this Order.

5. The Board is authorized to call upon any department, office, division, or agency of this State to supply it with data and

any other information, personnel, or other assistance available to such agency as the Board determines to be necessary to discharge its duties under this Order. Each Executive Branch department, office, division, or agency of this State is hereby required, to the extent not inconsistent with law and consistent with budgetary constraints, to cooperate fully with the Board and to furnish the Board with such assistance on as timely a basis as is necessary to accomplish the purposes of this Order.

6. The objectives of the Board shall include, but not be limited to, the following:

a. To assess capital needs for New Jersey's small businesses, students, and local infrastructure and affordable housing projects;

b. To conduct at least three public meetings to better understand how the State can reduce communities and residents' unmet capital needs, with a special emphasis on supporting low-income and minority populations;

c. To support and enhance the coordination and services of state authorities, including but not limited to the Economic Development Authority, the Higher Education Student Assistance Authority, the Housing and Mortgage Finance Agency, and the New Jersey Infrastructure Bank;

d. To identify how a public bank can strengthen the capacity of local financial institutions and non-profit entities, including community and minority-owned banks, credit unions, CDCs, and CDFIs;

e. To develop a business plan for a public bank that determines its capitalization needs and outlines a governance and operation structure; and

f. To consult with experts or other knowledgeable individuals in the field of public banking.

7. The Board, which shall be purely advisory in nature, shall prepare and publicly release its implementation plan within one year from the effective date of this Order.

8. Nothing in this Order shall be construed to supersede any federal, State, or local law.

9. For purposes of this Order, "Executive Branch departments and agencies" shall mean any of the principal departments in the Executive Branch of State government and any agency, authority, board, bureau, commission, division, institution, office, or other instrumentality within or created by any such department, and any independent State authority, commission, instrumentality, or agency over which the Governor exercises executive authority, as determined by the Attorney General.

10. This Order shall take effect immediately.

GIVEN, under my hand and seal this
13th day of November,
Two Thousand and Nineteen, and
of the Independence of the
United States, the Two Hundred
and Forty-Fourth.

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor