

Testimony of Gary Murphy on S.220

I am here to address a small part of this bill. Although it may be a small part, my colleagues I and who support the creation of a state bank in VT do not consider it unimportant.

Sec. 18 of draft 1.1 of S.220 calls for the creation of the Treasurer's Local Investment Advisory Committee consisting of the State Treasurer, CEO of VEDA, CEO of VSAC, Executive Director of VHFA, Director of the Municipal Bond Bank and the Director of Efficiency Vermont. Subsection (f) would require the Advisory Committee “to include a recommendation on whether to grant statutory authority to VEDA to engage in banking activities”.

My colleagues and I feel that the membership of the authority is too narrow to objectively make such a recommendation. With the exception of the director of Efficiency Vermont, all of the proposed members of the authority have basically testified already that no way, no how should full banking powers be extended to VEDA.

Several reasons for not extended banking powers to VEDA, or creating any form of a state bank, have been listed by some of these individuals. My colleagues and I have been through this list and have come up with responses to most of them which have yet to be considered in a public forum. Beyond that, there are several considerations which have not been included in the discussion by those who are opposed to the state bank concept, not the least of which are the risks of continuing to expose our state funds to the whims of the global financial system.

We believe that this attitude of no way, no how which seems to be prevalent among the proposed membership of the authority needs to be counterbalanced by an equal number of members who will bring an attitude of lets see if we can find a way to make this work and who have an appreciation for the grave risks of continuing with the status quo. If it is deemed that expanding the membership of the authority is something that can not be accomplished, then we would like to see subsection (f) deleted from the bill.