



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 20, 2023

FROM: CITY MANAGER'S OFFICE WARDS: ALL

SUBJECT: MATCHING FUNDS TO INLAND SOUTHERN CALIFORNIA UNITED WAY FOR
GRANT-FUNDED GUARANTEED INCOME PILOT PROGRAM –
SUPPLEMENTAL APPROPRIATION

ISSUE:

Consideration of matching funds to Inland Southern California United Way for a grant-funded Guaranteed Income Pilot Program and authorize a supplemental appropriation in the amount of \$1,000,000.

RECOMMENDATIONS:

That the City Council:

1. Receive a report and consider matching funds to Inland Southern California United Way for a grant-funded Guaranteed Income Pilot Program;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record a supplemental appropriation from American Rescue Plan interest earnings, for grant match purposes, in the amount of \$1,000,000 in the Grants & Restricted Programs Fund, United Way Guaranteed Income Program; and
3. Authorize the City Manager to execute all documents necessary to complete the transaction, including making minor and non-substantive changes.

COMMITTEE RECOMMENDATION:

The Financial Performance and Budget Committee met on May 10, 2023, with Vice Chair Cervantes and Member Fierro present, and Chair Hemenway recusing himself from hearing this item. After discussion, Vice Chair Cervantes and Member Fierro voted to recommend that the City Council approve matching funds for a Guaranteed Income Pilot Program.

BACKGROUND:

Guaranteed Income programs are premised on the concept that people with low incomes know best how to spend their limited resources, and that, when they have access to additional financial resources, they typically make decisions that advance their goals. Studies of similar programs support this concept and show that program participants largely spend their stipends on necessities including food, rent, utilities, clothing, and transportation, that they pursue education and employment opportunities, and that the influx of additional resources measurably improves participants' ability to work full-time as well as their financial stability and overall well-being.

Since the City of Stockton Economic Empowerment Demonstration (SEED) began in early 2019 (the earliest city-led GI program in the nation), Guaranteed Income programs have gained traction, and dozens of programs with thousands of participants have been implemented and are being studied by such institutes as the Stanford University Basic Income Lab and the University of Pennsylvania Center for Guaranteed Income Research.

California Department of Social Services Grant Opportunity

In July 2022, the California Department of Social Services (CDSS) announced the grant application period for the Guaranteed Income Pilot (GI Pilot) program to be deployed throughout the state. The purpose of the GI Pilot program is to provide grants to eligible entities to administer pilot programs that provide participants with guaranteed income. The GI Pilot Program provides unconditional, individual, regular cash payments intended to support the basic needs of the recipients. In November 2022, CDSS issued its Notice of Intent to Award for State Fiscal Year 2022-23 through FY 2025-26. The proposed grant awards included:

- Inland Southern California United Way in the amount of \$5 million
- Expecting Justice (Heluna Health dba Public Health Foundation Enterprises) in the amount of \$5 million
- iFoster, Inc. in the amount of \$4,763,010
- Los Angeles Section National Council of Jewish Women, Inc. in the amount of \$3,681,949
- San Francisco Human Services Agency in the amount of \$3.3 million
- McKinleyville Community Collaborative in the amount of \$2,354,841
- Ventura County Human Services Agency in the amount of \$1.5 million

Inland Southern California United Way

Inland Southern California United Way (ISCUW) was established in 1931 and originally named United Way of the Inland Valleys. In 2020, three agencies merged and renamed to reflect service across Riverside and San Bernardino Counties. The mission of the ISCUW is to unite people, ideas, and resources to empower our community and improve lives. ISCUW serves over 1 million low-income people each year, through more than 40 direct service programs across a spectrum of community needs. ISCUW works together with community members to move children, youth, adults, and seniors with zero or low-income from poverty to self-sufficiency and upward mobility while also engaging leaders and stakeholders to collaboratively address long-term goals of systems change and equity.

ISCUW has already found success in implementing new financial assistance models. During the pandemic, ISCUW distributed \$190 million in federal Emergency Recovery Assistance Program (ERAP) rent relief to 21,000 households and disbursed more than \$4 million in financial aid to low-income families with young children ages 0-5 in the form of \$500 payments.

DISCUSSION:

Inland Southern California United Way is a vital community hub with a history of delivering much-needed resources to the community. With an established system for distributing various assistance funds, ISCUW is prepared to implement the Guaranteed Income (GI) Pilot Program in Riverside County to provide monthly income to pregnant individuals in Riverside County. The ISCUW's target populations are California residents in Riverside County who are in their first or second trimester of pregnancy at the time of program enrollment, and California residents who age out of the extended foster care program at or after 21 years of age during the enrollment period in both Riverside and San Bernardino Counties. The goal for serving pregnant individuals is to decrease the burden of new costs related to pregnancy and to improve financial stability in the first year of life. The goal for serving transitional age youth is to increase opportunity for youth who aged out of foster care and do not have support systems. ISCUW's GI Pilot Program will serve 500 pregnant individuals and 150 transitional age youth financially through direct payments and by offering benefits counseling to help GI recipients stretch their income and maximize the support to the household. In order to be eligible, prospective participants must also be low-income. ISCUW estimates there are 29,000+ eligible pregnant individuals (based on U.S. Census American Community Survey (ACS) 2022 data for Riverside County) and 1,600+ eligible transitional age youth (based on data provided to ISCUW by Riverside Community College District).

To mitigate fraud, the call for applications will not be public; pregnant participants will be identified through direct referrals from verifying agencies (e.g. hospitals, clinics, WIC offices); transitional age youth participants will be identified from the Counties' lists of foster youth turning 21 during the enrollment period. Applications will be submitted using the AidKit platform, followed by a lottery for final selection.

A six-month "ramp-up" period officially begins on May 1, 2023, during which the United Way will continue to fundraise and coordinate the logistics of implementing the program. The ramp-up period will be followed by a three-month application period. Following enrollment, payments of \$600 unconditional stipends for 18 months will begin by May 2024, using the AidKit platform as required by the State (total of \$10,800 per participant over the course of the 18-month program).

The Urban Institute, a Washington, DC-based nonprofit research organization that provides data and evidence to help advance upward mobility and equity, and Claremont McKenna College in Claremont, California, will study the program and assess its local effectiveness. Metrics for success are presently being developed.

If the program is successful, there is a likelihood that the State will continue funding Guaranteed Income programs to continue assisting low-income individuals and families find stability and self-sufficiency.

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 2 – Community Well-Being** and **Goal 2.4 - Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.**

This item aligns with the five Cross-Cutting Threads as follows:


1. **Community Trust** – This Guaranteed Income Pilot Program builds community trust by bringing together community resources to empower the community and improve lives.
2. **Equity** – Program applicants have an equal chance of being selected, as the process is through a lottery.
3. **Fiscal Responsibility** – Matching funds for Guaranteed Income is an eligible use of ARPA funds and does not impact the General Fund.
4. **Innovation** – Inland Southern California United Way's Guaranteed Income Pilot Program is the first of its kind for the region.
5. **Sustainability & Resiliency** – ISCUW will study whether the Guaranteed Income Pilot Program increases family sustainability and resiliency in Riverside County.

FISCAL IMPACT:

The total fiscal impact of this action is \$1,000,000. Funds are available in American Rescue Plan Act interest earnings. Upon City Council approval, a supplemental appropriation of \$1,000,000 will be recorded in the Grants & Restricted Programs Fund, United Way Guaranteed Income Program account number 8820210-421000.

Prepared by: Lee Withers, Principal Management Analyst
Certified as to
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer
Approved by: Mike Futrell, City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Concurs with;


Clarissa Cervantes, Vice Chair
Financial Performance and Budget Committee

Attachment: Presentation