

County of San Mateo

Inter-Departmental Correspondence

Department: BOARD OF SUPERVISORS

DISTRICT 1 **File #:** 23-29

Board Meeting Date: 1/17/2023

Special Notice / Hearing: None

Vote Required: Majority

To: Honorable Board of Supervisors

From: Supervisor Dave Pine, District 1

Supervisor Warren Slocum, District 4

Subject: Board Discussion re Guaranteed Income Programs in San Mateo County

RECOMMENDATION:

Receive report regarding different models of Guaranteed Income programs:

- A) Overview
- B) City of South San Francisco's guaranteed income program
- C) Mission Asset Fund (MAF) Immigrant Families Recovery Program
- D) San Mateo County Human Services Agency/County Health Guaranteed Income grant proposal

BACKGROUND:

As the County emerges from the COVID-19 pandemic and its aftermath, it is important to reflect on the lessons learned from the County's efforts to address the needs of the most vulnerable low-income residents. As emergency shelter-in-place orders were put in place and businesses shuttered, residents struggled to meet the basic needs of their families including rent, food security, employment, and remote learning.

In response, the County instituted, on an expedited basis, many new and innovative programs to meet these urgent needs. These programs included \$7,000,000 in supplemental funding for the County Emergency Financial Assistance Program administered by the Core Services Agencies, \$6,000,000 in grants to Second Harvest Food Bank for food pantries and distribution sites, an unrestricted \$500 one-time grant program that assisted 263 Coastside families in need administered

by Puente de la Costa Sur and Coastside Hope, and a \$5,000,000 contribution to the Mission Asset Fund Immigrant Emergency Assistance program that provided \$1,000 in unrestricted grants to 500 immigrant families. But in many cases, the challenges and systemic inequities of the County's vulnerable populations that existed before the pandemic were exacerbated during the pandemic and have not gone away.

DISCUSSION

As the County considers how to best address these needs now, especially with the likelihood of an impending recessionary economy, it is worth exploring the experience of the Guaranteed Income model.

A "Guaranteed Income" (also referred to as "GI") program, as defined by the Jain Family Institute, a leader in Guaranteed Income program design, is a "cash transfer program that provides continuous unconditional cash transfers to individuals or households." The Jain Family Institute explains that such programs differ "from typical social safety net policies by providing a steady, predictable stream of cash to recipients to spend however they see fit without limitations." Direct cash payments are seen as an anti-poverty tool that provides recipients the flexibility to prioritize their needs and spend the money where they need it most.

The Guaranteed Income model is generally presumed to have started with a demonstration program in Stockton, California, in 2017. Stockton's Economic Empowerment Demonstration (SEED) program provided 125 randomly selected residents in areas that met income requirements and who responded to a program notice with \$500 a month for 24 months. The cash was unconditional, with no work or other eligibility requirements beyond residence in an area meeting the income requirement. SEED's findings validate the success of the guaranteed income demonstration program.

Key findings of Stockton's demonstration include:

- Guaranteed Income reduced income volatility, or the month-to-month fluctuations that households faced;
- Unconditional cash enabled recipients to find full time employment;
- Recipients were healthier, showing less depression and anxiety and enhanced wellbeing; and
- Guaranteed Income alleviated financial insecurity, creating new opportunities for selfdetermination, choice, goal setting, and risk taking.

SEED allowed participants the financial stability to take time off of work to pursue full time employment, and the agency to complete internships, training, or coursework. In February 2019, 28% of SEED recipients had full time employment. One year later, 40% of recipients were employed full time. In contrast, a control group established to evaluate SEED recipients' progress against saw only a 5% increase in full time employment over the same one-year period.

Since then, many communities throughout the United States have experimented with various forms of the Guaranteed Income model. The advocacy group, Mayors for a Guaranteed Income (MGI), started with just 11 mayors in June 2020 and has since grown to over 50 mayors, and the number of Guaranteed Income programs nationwide continues to grow. Some guaranteed income programs focus on targeted vulnerable populations. In Oakland, the Abundant Birth Project focuses on Black

mothers; in San Francisco, a program targets struggling artists, and in Santa Clara County, a guaranteed income program focused on youth transitioning out of the foster care system.

In San Mateo County, there are two pilot programs which employ some form of the Guaranteed Income model and a grant proposal that was submitted to the state for a pilot GI program.

- The City of South San Francisco's guaranteed income program provides \$500 per month for 12 months to approximately 135 eligible families meeting the income requirements. The program requires case management at intake and incentivizes data collection throughout the process. Participants are offered financial resources and tools throughout the course of the program. Program administrators will provide the City with quarterly reports on client spending trends and data from pre- and post-program surveys. Post-program, participants will be incentivized to provide quarterly surveys to track their economic mobility and to provide connections to additional resources as needed. The \$1.2 million program is funded through the City's ARPA allocation (\$1M), support from Measure K District 1 District Discretionary Funds (\$100K) and the Silicon Valley Community Foundation (\$100K)
- The San Mateo County Children's Health Initiative Trust Fund contributed \$3.2 million so that 500 San Mateo County immigrant families could be included in the Mission Asset Fund (MAF) Immigrant Families Recovery Program launched in February of 2022. The participating families, who were excluded from federal COVID relief payments and the expanded child tax credit, receive \$400 a month for either 12 or 24 months. Along with the unrestricted cash payment, program participants can receive financial education and coaching. To be eligible for the program, families must be low-income, and have been negatively financially impacted by the pandemic; families with children under the age of 6 are prioritized. Invitations to participate in the program were sent to all families that received a \$1,000 grant through the Mission Asset Fund Emergency Financial Assistance Program that the County supported. MAF is conducting an ongoing evaluation of the program and recently heard from a participant that "[the program] provides me with financial relief..., and I've been able to buy shoes and clothes for my children which I have not been able to do for them."
- The Human Services Agency and County Health collaborated on a Guaranteed Income grant proposal to the state of California in 2022. Unfortunately, the proposal was not selected for funding. Had it been selected, the San Mateo pilot program would have provided \$1,000 a month for 18 months to 62 former foster youth and 256 pregnant women enrolled in County home visiting programs. The proposal noted that a statewide study of former foster youth found that 24% experienced homelessness and 36% had couch surfed. Furthermore, studies show that children from households with fewer resources are three times as likely to be substantiated for abuse and seven times more likely to be substantiated for neglect than other children. The proposal also noted that housing and food security are high predictors of positive outcomes for former foster youth and investments in low-income pregnant mothers and their babies provide multiple long-term health benefits, prevent high healthcare costs and can reduce dependency on cash assistance for subsequent generations.

The Board will hear presentations on the two programs and the County proposal, and discuss the benefits of this type of model for San Mateo County residents.