

Proposal to Develop a Guaranteed Basic Income Pilot Program



Alameda City Council
Tuesday, May 17, 2022

Presentation Outline

- Guaranteed Basic Income (GBI) Program Overview
- GBI Program Elements and Considerations
- Administrative Structure and Program Costs
- Proposed Implementation Timeline and Next Steps
- Staff Recommendation

Background

- The Alameda City Council requested a report on basic income programs
- A note on terminology
- City staff conducted extensive research and has developed a proposed approach and program scope

What is Guaranteed Basic Income (GBI)?

- Basic income programs provide **cash payments** to a defined population:
 - Unconditional and unrestricted
 - Regular payments for a period of time
 - Often administered concurrently with a research component
- Positive outcomes of GBI:
 - Increased expenditures on education and training, improved food security, and improved measures of well-being among the recipients.
- Currently nearly 100 pilot programs in the U.S.
- The State of California has launched a \$35M grant program

GBI Program Elements and Considerations

GBI Program Size and Scope

- Number of recipients
 - Minimum of 110 persons
 - **Common range for GBI pilots: 100 – 600 individuals/families**
- Monthly cash payment amount
 - Minimum \$400/month
 - **Common range for GBI pilots: \$400 - \$1,300/month**
- Duration of pilot program (e.g. number of months/years)
 - **Common range: 12 – 36 months**
- Recipient population

GBI Program Elements and Considerations

- **Potential impacts on other benefits** such as CalWORKS, CalFresh, and housing assistance
 - A small increase in earnings or savings can lead to a reduction in public benefits
 - Eligibility for safety net programs vary significantly and can include calculations of both earned and unearned income and savings

GBI Program Elements and Considerations

Mitigation Efforts Best Practices

- Securing income exemptions
- Benefit Conservation Fund
- Transparency and communication

Administrative Structure

- **City sponsor** -- City staff provides oversight and promotion
- **Implementing partner** -- Responsible for administering the program
- **Research partner** – Responsible for research design and implementation; necessary to secure State benefits waiver
- **Mayors for a Guaranteed Income (MGI)**

Program Costs

Estimated program cost allocation:

- 60% for disbursement of cash payments
- 20% administrative cost
- 20% for research

Program Pilot Program Scope

Provides
payments of
\$1,000 /
month



For 24 months



To 150 low-
income
households

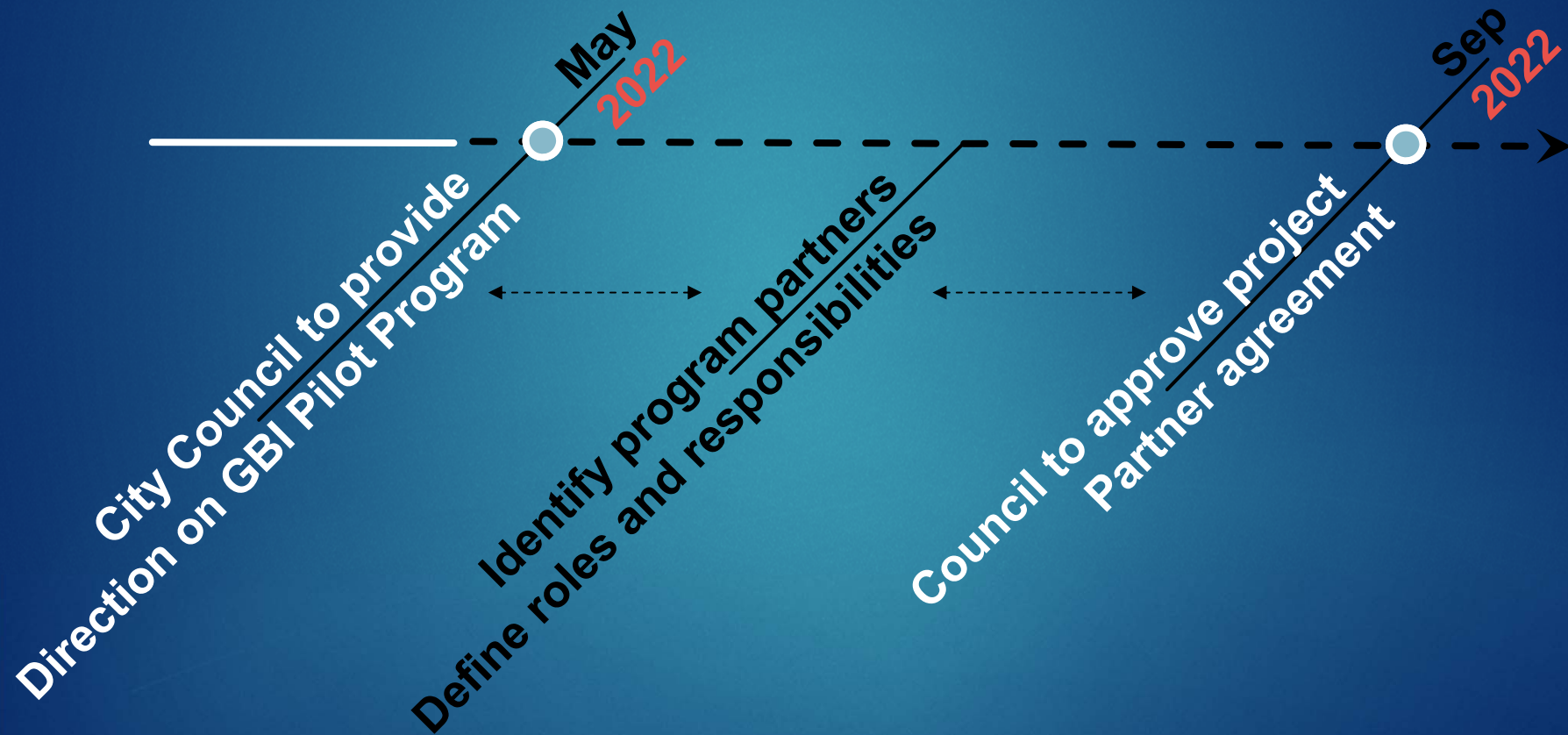


Pilot program cost estimate: **\$4.6 million**

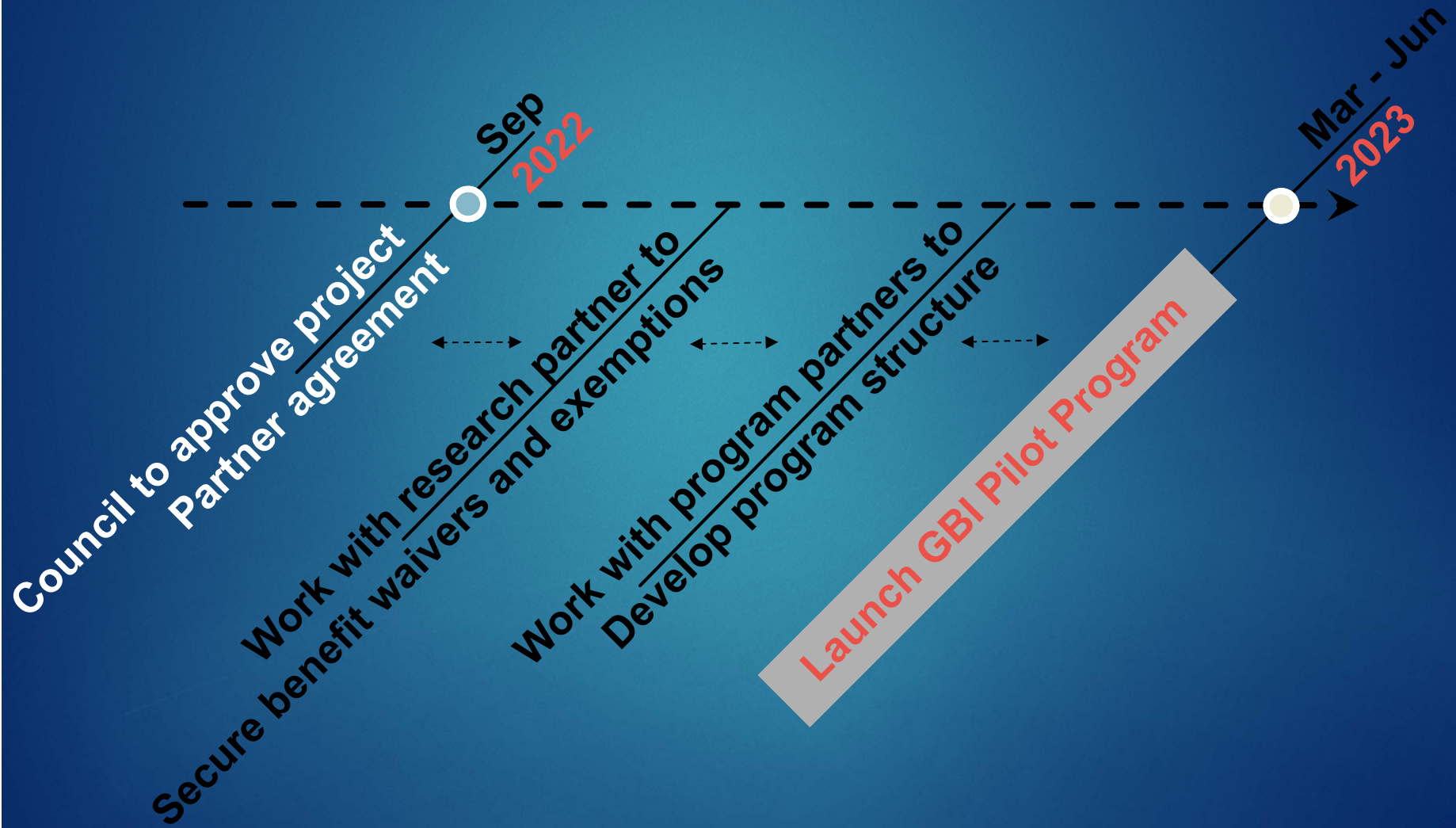
Financial Impact

- **City's ARPA allocation: \$28,679,908**
 - Obligated to ARPA-eligible programs to-date :
\$11,044,600
 - Eligible for general revenue replacement: \$10,000,000
 - **ARPA funds remaining to be allocated: \$7,635,308**
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- **Staff requests an allocation of \$4.6 million in ARPA funds to reserve funds for this program.**
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- **If allocated, approximately \$3M in ARPA funds would remain to be allocated** by City Council for other ARPA-eligible uses.

Recommended Pilot Program Timeline



Recommended Pilot Program Timeline



Recommendation

- Approve recommended approach to **designing and developing a GBI program** for the City and **allocate \$4,600,000 in ARPA funds** in order to proceed with the program.