

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

0220-05922-0000

Date: January 3, 2022

To: The Mayor
The City CouncilFrom: 
Matthew W. Szabo, City Administrative OfficerSubject: **INNOVATION FUND RECOMMENDATION – GUARANTEED BASIC INCOME
CONNECTIVITY SUPPORT****RECOMMENDATIONS**

That the Council, subject to the approval of the Mayor:

1. Establish and appropriate a new appropriation account entitled CIFD – Guaranteed Basic Income Connectivity Support in the amount of \$239,850 within the Innovation Fund No. 105/10 from the available cash balance of the Innovation Fund.
2. Transfer \$239,850 from the Innovation Fund No. 105/10, Account to be Established entitled CIFD – Guaranteed Basic Income Connectivity Support to Fund No. 10E/21 as follows:

<u>Fund/Dept.</u>	<u>Account No.</u>	<u>Account Name</u>	<u>Amount</u>
10E/21	21V210	GBI Connectivity Support	\$ 239,850

3. Instruct the Community Investment for Families Department to:
 - a. Separately track all encumbrances and expenditures of Innovation Fund monies so that unspent funds can be returned to the Innovation Fund at the end of the fiscal year;
 - b. Report to the Innovation and Performance Commission with an accounting of the funds, the lessons learned, and any obstacles faced;
 - c. Report to the Innovation and Performance Commission if, after the receipt of funds, the scope of the funded item differs from the scope approved for funding by the Mayor and the City Council; and,
 - d. As appropriate, include acknowledgment of the Innovation and Performance Commission on public materials, such as press releases or websites, that reference the Guaranteed Basic Income Connectivity Support project.
4. Authorize the City Administrative Officer to make technical corrections as necessary to those transactions included in this report to implement Mayor and Council intentions.

SUMMARY

The City Administrative Officer herewith transmits the recommendation of the Innovation and Performance Commission (IPC) to approve funding in the amount of \$239,850 from the Innovation Fund (IF) for the Community Investment for Families Department (CIFD) – Guaranteed Basic Income Connectivity Support project. Please note, as with all IPC recommendations, this report presents the idea as submitted by the Department and approved by the IPC along with the necessary recommendations to implement the idea as presented. If the scope of the Innovation Fund item changes after the Department receives funding, the Department must return to the IPC to present the revised scope to the Commission to determine whether alternative recommendations are required.

As part of the 2021-22 Adopted Budget, the Mayor and Council established a guaranteed basic income pilot program, referred to as Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG: LEAP; C.F. 21-0600). BIG:LEAP will provide \$1,000 per month to 3,000 Los Angeles households as part of the pilot project. An additional 3,500 households will participate in the pilot project as a control group without receiving any funding, for a total of 6,500 households participating in this project. The BIG:LEAP project aims to examine how a monthly subsidy can allow poverty-stricken households to improve their skills and health to seek better employment and increase psycho-social enrichment for adults and children. The City has allocated over \$43 million in funding to the BIG:LEAP program from various sources, which will fund the payments to participants, staff support in CIFD, and contract research and design services related to the program (C.F. 21-0717).

CIFD requested, and was awarded by the IPC, an additional \$239,850 in Innovation Fund monies to provide mobile phones to an estimated total of 1,625 BIG:LEAP project participants. CIFD reports that an estimated 25 percent of individuals living below the poverty line, which include participants in the BIG:LEAP project, do not have access to a mobile phone. CIFD believes that providing BIG:LEAP participants with a mobile phone will reduce barriers to their participation with the project and its research goals.

CIFD has partnered with T-Mobile for the Guaranteed Basic Income Connectivity Support project. T-Mobile has offered cell phone plans with unlimited voice calling and two gigabytes of data for \$12.30 per month. T-Mobile will donate the mobile phones for the pilot project, valued at \$80 per device. It is anticipated approximately 25 percent of the 6,500 BIG:LEAP participating households may not have a mobile phone, resulting in 1,625 households which will be provided a mobile phone through this program at a cost of \$12.30 per month, for total estimated project costs of \$239,850. At the end of the one-year BIG:LEAP pilot project term, the mobile phone will remain with the participant. CIFD indicates the Department will work with participants to help identify ways the participant can continue service independently.

FISCAL IMPACT STATEMENT

Approval of these recommendations will allocate \$239,850 of the remaining \$1,076,112 Innovation Fund 2021-22 available balance. The \$239,850 will be transferred to the Community Investment for Families Department to begin implementation of the pilot project that

has been approved by the Innovation and Performance Commission. In some cases, departments will incur ongoing costs.

FINANCIAL POLICIES STATEMENT

The recommendations of this report are in compliance with the City's Financial Policies as Innovation Fund monies are being utilized for an eligible project which will improve the quality, efficiency and effectiveness of City service through innovation, productivity, and performance measurement.

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