



**COMMUNITY
INVESTMENT
FOR FAMILIES
DEPARTMENT**
Paths to Prosperity



ERIC GARCETTI, MAYOR
ABIGAIL R. MARQUEZ, GENERAL MANAGER

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Council File: 21-0717; 20-0600-S83
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REPORT BACK REGARDING THE STATUS OF THE BASIC INCOME GUARANTEED: LOS ANGELES ECONOMIC ASSISTANCE PILOT PROGRAM

SUMMARY

The General Manager of the Los Angeles Community Investment for Families Department (CIFD) respectfully requests that your office review this transmittal and forward it to the appropriate committees for further consideration. On May 2, 2022, the Budget and Finance Committee requested that CIFD provide a six-month status update on the Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP) program. Through this transmittal, CIFD provides an update on the implementation of the program and respectfully requests that the Mayor and the City Council approve various actions related to the BIG:LEAP program.

RECOMMENDATIONS

- I. That the City Council, subject to the approval of the Mayor:
 - A. **AUTHORIZE** the City Controller to:
 - a. Transfer appropriations within the Public Assistance Benefit Fund 10E as follows:

From:

Account No.	Account Name	Amount
21V121	Community Investment for Families	95,000.00
	Total	95,000.00

To:

Account No.	Account Name	Amount
21W121	Community Investment for Families	95,000.00
	Total	95,000.00

b. Increase appropriations within the Community Investment for Families Department Fund No. 100/21, as follows:

Account No.	Account Name	Amount
001010	Salaries General	90,000.00
006010	Office and Administrative	5,000.00
	Total	95,000.00

- B. **AUTHORIZE** the CIFD General Manager, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required and are consistent with the intent of this action with the approval of the City Administrative Officer (CAO) and instruct the Controller to implement these instructions.

BACKGROUND

On July 30, 2021, the Mayor and City Council approved a proposed framework for the Guaranteed Basic Income Pilot Program (CF #21-0717) as well as various actions relative to implementing the program. On September 7, 2021, CIFD provided a report back to the Council regarding the program's implementation timeline; efforts to not impact participants' reportable income, inadvertently disqualifying them from other support service(s); processing benefits waivers with L.A. County's Department of Public and Social Services (DPSS); coordinating with L.A. County and California State Guarantee Basic Income programs; illustrating the need for additional staff resources; and transferring program administration from the former Los Angeles Housing and Community Investment Department to CIFD.

The current report provides a summary of program implementation, including program application, customer service, participant selection, participant enrollment, fund distribution, benefit waivers,

storytelling, and research evaluation. In addition, this report provides initial program data, the status of program administration, and plans for next steps, including efforts to off-board BIG:LEAP participants and the application for the State of California's Guaranteed Income Pilot program for a second guaranteed income initiative.

DISCUSSION

Program Application

The BIG:LEAP program was launched with a press conference on October 27, 2021. The participant application period was open from October 29, 2021, through November 7, 2021, allowing eligible members of the public 10 days to apply. The program was designed with five eligibility criteria as identified below.

Eligibility Criteria:

- Resident of the City of Los Angeles
- 18 years of age or older
- Living at or below the federal poverty level
- Have a dependent in the household or be pregnant (dependent is under 18 or under 24 if enrolled in secondary education)
- Experienced significant financial or medical hardship due to COVID-19

The BIG:LEAP team worked with the University of Pennsylvania Center for Guaranteed Income Research (CGIR) team to create an application that served as the baseline survey for research, which is further described below. The application was available online in nine languages. To ensure community access, CIFD activated FamilySource Centers (FSC) and worked with community-based organizations and Council District offices to establish application centers with computers and internet connectivity. Over 75,000 applications were started and 50,000 eligible applications were submitted.

Customer Service

CIFD provided direct customer service throughout the application and enrollment processes. The CIFD team implemented several pathways by which individuals could ask questions and raise concerns. These included the following:

- Creation and monitoring of a program email inbox
- Monitoring of a program phone hotline
- Procurement of Simpletexting, a text message service that allows for both mass communication and individual follow-up
- Procurement of a call center to assist with selection notification, enrollment appointment scheduling, and frequently asked questions

Furthermore, the CIFD team guaranteed language accessibility via the following:

- All program materials and communication are available in English and Spanish

- All selection notification emails were translated into the preferred language that the applicant indicated on their application
- Live interpretation was available for all applicants who needed it
- All program materials were available for translation upon request

Participant Selection

In November 2021, the CGIR team removed ineligible applications and randomly selected the treatment and control groups. The “treatment group” is the group of participants who are enrolled and receive monthly funds. The “control group” is the group of participants in the research study who will not receive monthly cash deposits, but will participate in surveys and interviews about well-being; this will be addressed further in the Research and Initial Program Data section below.

Participant Enrollment

In December 2021, the CGIR team provided CIFD with a list of applicants selected for the treatment group. Selected applicants were informed to bring eligibility documents to support program enrollment; however, some applicants never responded or did not meet eligibility requirements. Therefore, additional applicants were selected and participant enrollments did not conclude until April 2022. Table 1 shows enrollment of BIG:LEAP participants by month:

TABLE 1: BIG:LEAP Enrollment

Month	# Enrollees
January 2022	2,194
February 2022	667
March 2022	247
April 2022	96
Total	3,204

In total, approximately 4,000 appointments were held between January and April 2022, resulting in 3,204 program enrollments. These appointments were coordinated by the CIFD team and held at the 16 FSCs across the City, involving over 100 FSC staff members facilitating participant enrollments. Appointments consisted of eligibility verification, optional benefits counseling, and debit card distribution, with various data points collected throughout each step.

The eligibility verification involved collecting and reviewing documentation that demonstrated each selected applicant met the program eligibility requirements. Documents and enrollment data were utilized to secure the integrity of the program, protecting the identities of participants, preventing ineligible individuals from receiving program funds, and ensuring every participant understood and consented to how their information would be used to administer and evaluate the program.

Fund Distribution Process

On the 25th of each month, beginning January 25, 2022, the program disburses \$1,000 to enrolled participants. The funds are uploaded monthly through a debit card received during enrollment. If any issue arises with the card or payment, CIFD and Mobility Capital Finance (MoCaF), the City's contracted financial disbursement partner, will provide support.

Benefit Waivers

One of the primary challenges CIFD faced while planning and implementing BIG:LEAP was mitigating the impact of BIG:LEAP funds on participants' other government benefits. CIFD requested and successfully secured waivers from the California Department of Social Services (CDSS) for CalFresh and CalWORKS programs, effective January 2022, the beginning of the first disbursement. These waivers ensure that BIG:LEAP income is excluded from the calculation when determining eligibility and benefit amounts for these State programs. However, the waivers for public housing and Supplemental Security Income (SSI) were not secured, and unfortunately, there is no path forward at this time. CIFD is actively working with the Mayors for Guaranteed Income coalition on federal advocacy for benefit reform.

Storytelling

The BIG:LEAP program is founded on the belief that individuals enduring financial instability are best positioned to make informed financial decisions that address their immediate household needs. This model provides an opportunity to shift the social narrative about poverty and support programs. As a large-scale, innovative anti-poverty program, BIG:LEAP has garnered media attention and recognition. CIFD has facilitated a storytelling community of BIG:LEAP participants in which participants are empowered to share their experience with the program and provide suggestions on how Guaranteed Income programs can be improved. These storytellers have been connected to opportunities to provide insight into the impact that guaranteed income has had on their lives.

To date, we have received and approved 11 high-profile media opportunities for our participants, including a documentary featuring Guaranteed Income programs by the BlowBack production company, a podcast for KPCC (an educational radio station under NPR News for Southern California), a public dashboard for the Mayors for a Guaranteed Income, articles for the New York Times, Teen Vogue, The Nation magazine, and various media requests from Council Districts. All published pieces are available on the media page of bigleap.lacity.org.

RESEARCH

BIG:LEAP is a research study in partnership with the Mayors for a Guaranteed Income and the University of Pennsylvania Center for Guaranteed Income Research (CGIR). Participants applied to the program by completing a baseline application (survey) created by the CGIR team. This survey was similar to previous surveys created for other municipalities that implemented Guaranteed Basic Income programs, measuring mental, physical, and financial health. In addition, the City was given the opportunity to add Los Angeles-specific questions ("research domains") and chose to include questions regarding community safety, domestic violence, justice

involvement, and pregnancy to contribute to the body of research on guaranteed income and gain insights into priorities for the City. The application period served as the initial collection point for baseline data to be used in the final project report, which will be available in early 2024. In accordance with standardized evaluation protocol, Individuals that applied to the program were randomly selected and placed into a treatment and control group. The creation of the control group allows CGIR to compare the information with the treatment group” which is the group selected to receive the monthly cash deposit. If an individual chooses to participate in the research study as part of the control group, they will be compensated by CGIR. To maintain research validity and separation between treatment and control groups, CIFD only interacts with the treatment group, those participants receiving the \$1,000 monthly disbursement. CGIR subcontracts with the University of Southern California to locally manage the control group, including overall communications and surveys.

INITIAL PROGRAM DATA

In partnership with the Stanford Basic Income Lab, UPenn’s CGIR has released a dashboard with BIG:LEAP program demographic and spending data alongside the data from a number of other Guaranteed Income pilots. The program demographic data is attached in Attachment I, which is summarized below:

- The average age for BIG:LEAP participants is 38 years old
- 80% of participants are female
- The average household size is 3 people (roughly 1 adult and 2 children on average)
- 65% of participants are single, while 22% are married
- 59% of participants identify their ethnicity as Hispanic
- Participant race breakdown: Latino - 49%, African American - 29%, White - 12%, Asian - 4%, American Indian/Alaskan Native - 1%, Native Hawaiian/Pacific Islander - 1%, Other/Mixed Race - 4%
- English is spoken at home by 67% of participants; Spanish is spoken at home by 29%
- Mean and median annual household income are \$14,600 and \$11,100, respectively

PROGRAM ADMINISTRATION

Staffing

In order to support the full implementation of the BIG:LEAP program, CIFD has received Council authority for one targeted local hire position and two Management Analysts. The staff are focused on addressing questions from the participants, coordinating with MoCaFi for invoicing and payments, and other tasks related to the overall success of the program. The BIG:LEAP staff will soon focus on the closeout of this program and on identifying additional funding opportunities to continue this important work.

CIFD also relies on administrative staff to support the program. As such, this transmittal includes a request to transfer \$95,000 to appropriately fund the administrative positions supporting the accounting and budgeting efforts.

Partnerships and Contractors

Mayors for a Guaranteed Income - CIFD has entered into a Letter of Agreement dated May 16, 2022, with Mayors for a Guaranteed Income (MGI). MGI is one of the leading organizations advancing Guaranteed Income programs across the country. This letter of agreement secures supplemental grant funds of \$500,000 facilitated through the Mayor's Fund of Los Angeles to support programmatic costs not already provided through public dollars. These funds have allowed CIFD to hire additional staff and procure translation, interpretation, call center, scheduling, and text messaging services. Dollars unused by BIG:LEAP will go towards the City's next Guaranteed Income program, supporting participants with direct funds and ensuring the program receives a waiver for CalFresh benefits, which is dependent on private funding.

Mobility Capital Finance (MOCAFI) ([C-137261 RA-1](#)) - To provide BIG:LEAP participants with debit cards automatically loaded with funds monthly, CIFD partnered with MoCaFi, a payment disbursement platform. Our department utilized a contract that was already established for the Angeleno Card; this was done to ensure that program funds were provided to participants as quickly as possible and that no additional programmatic fees were incurred.

University of Pennsylvania Center for Guaranteed Income Research (CGIR) - While BIG:LEAP is designed to be an anti-poverty and disaster response effort, it also presents an opportunity to measure the impact of obligation-free cash disbursement programs on affecting generational poverty. Therefore, our department contracted with the University of Pennsylvania Center for Guaranteed Income Research (CGIR) to facilitate a randomized controlled trial element of the pilot, administering periodic qualitative and quantitative surveys, and the production of a final report summarizing the findings from the pilot program. UPenn was a critical partner throughout the entire design, recruitment, and enrollment process of BIG:LEAP.

NEXT STEPS

Financial Coaching

CIFD is currently working with the Cities for Financial Empowerment to develop a standardized city-wide financial coaching curriculum. It is the department's goal to assist BIG:LEAP participants in developing a personalized financial plan to support them beyond the duration of the program. Pursuant to the philosophy behind guaranteed income, participation will be voluntary. In addition, any intervention that is shared with the treatment group must also be shared with the control group to protect the integrity of the BIG:LEAP research study. Therefore, both groups (treatment and control) will be informed of these free resources via email and text in October and November 2022. The email correspondence will describe what financial coaching is and where the individuals can go to access these free financial coaching services if they choose to, prior to the conclusion of BIG:LEAP.

State Grant for Guaranteed Income Pilot Program

CIFD's long-term goal is to craft and incubate innovative programs and policies that can employ a forward-thinking, multi-generational approach to breaking the cycle of poverty. On July 25, 2022,

the California Department of Social Services (CDSS) released a Request for Application (REA) for a State Guaranteed Income Pilot Program. The CDSS State Guaranteed Income Pilot Program grant presents an opportunity to support additional Angeleno families experiencing poverty and demonstrate the impact of Guaranteed Income on a specific population. Councilmember Price introduced a motion on August 26, 2022 (CF #22-0986), to authorize the application submission for a \$5M grant and identify the local required 50% programmatic match of \$2.5M for a \$7.5M total program. CIFD's program design will support individuals in interim housing and also be inclusive of the State's priority populations: youth aging out of foster care and pregnant individuals. In addition, the City's application further targets participants with a child age five or younger in order to address the developmental needs of the City and State's youngest residents and work towards alleviating family and childhood poverty in the City by 2035 (CF #22-0041). CIFD has taken the lessons learned from the implementation of BIG:LEAP, incorporated the State's priorities and designed a new Guaranteed Basic Income program that, if funded, will provide \$1,000 per month for 18 months to approximately 385 individuals who are working to obtain stability and exit homelessness. CIFD submitted the application to the State on September 2, 2022. The Department expects to learn of the results of the REA process by November 2022.

FISCAL IMPACT STATEMENT

The BIG:LEAP participant funds were originally appropriated through the FY 2021-22 budget process. This transmittal seeks to transfer prior year savings to fund the administrative support for FY 2022-23. There is no fiscal impact to the General Fund.



ABIGAIL R. MARQUEZ
General Manager

ARM:VM:JR:CR:TC

City	Los Angeles, California	
Sample size (Treatment group)		3202
Avg. Age of respondent (Years)		38
Children in Households (%)	Yes	92.75%
	No	7.25%
Avg. children in HH		2
Avg. HH size		3
Gender (%)	Male	19.68%
	Female	79.92%
	Other	0.4%
Ethnicity (%)	Hispanic	59.40%
	Non-Hispanic	40.60%
Race (%)	White	12.08%
	African American	29.20%
	American Indian/Alaska Native	1.34%
	Asian	3.65%
	Native Hawaiian/Pacific Islander	0.46%
	Latino	48.58%
	Other/Mixed	53.27%
Marital Status (%)	Single	65.14%
	Married	21.56%
	Partnered/in-relationship	13.30%
Primary language at Home (%)	English	66.67%
	Spanish	28.64%
	Other	4.69%
Annual HH Income (in \$)	Mean	\$ 14,585
	Median	\$ 11,097