



MEMORANDUM

To: Mayor and City Council

From: Brion Oaks, Chief Equity Officer

Date: December 9, 2021

Subject: Response to Resolution No. 20210603-073

This memo provides an update on the Fiscal Year 2021-2022 Council adopted Guaranteed Income Budget Amendment in response to [Resolution No. 20210603-073](#). This amendment directed staff to re-purpose the existing \$250,000 budget line item for a Guaranteed Income Study and add \$888,000 in one-time funding to the line item to contribute to an existing guaranteed income pilot at the level of \$1,138,000. In addition, during discussion of the amendment, Council expressed a desire to learn more about the concept of guaranteed income programs and pilots taking place in other cities.

In this memo we provide information on the goals and impact of guaranteed income programs nationwide, as well as an update on the Equity Office's implementation of the pilot.

Guaranteed Income Findings and Promising Practices

Staff reviewed literature and key learnings from over 20 jurisdictions with existing guaranteed income initiatives. A guaranteed income program is a type of cash transfer program that provides continuous, unconditional cash payments to individuals or households. A guaranteed income differs from other social safety net policies by providing steady, predictable cash to spend however the recipient sees fit, without limitation.

These programs have begun to gain broad popularity and implementation in municipalities, non-profits, and foundations across the country. The [Mayors for a Guaranteed Income Coalition](#), launched in summer 2020, is advocating for pilots and policies across the nation. Additional emerging pilots include the cities of Newark, St. Paul, Compton, Pittsburgh, and Los Angeles, among others. In response to [Resolution No. 20210603-073](#), the Intergovernmental Relations Office has added the following language to the City of Austin Federal Legislative Agenda regarding support for a guaranteed income program:

“The City of Austin has made it a priority to keep Austin affordable and understand and mitigate the impacts of emergency events such as the COVID-19 pandemic and the 2021

Winter Storm. As the City rebuilds from emergency events, it believes a guaranteed income initiative would serve as an effective tool in building financial resilience for its residents and boosting the local economy. The City of Austin supports Federal legislation or initiatives to implement a guaranteed income or cash-based program for the purpose of supporting residents and families to become more resilient to financial emergencies, make rent, cover childcare, or other unmet needs.”

According to research performed by Brandeis University in collaboration with the Universal Income Project, [Accelerating Equity and Justice Basic Income and Generational Wealth](#), guaranteed income programs stand as one of the most effective and least burdensome ways to alleviate poverty. Cash transfers allow people the freedom to use their resources on the things that they require most, rather than adhering to administrative prescriptions and one-size-fits-all program. Guaranteed income, and a related set of cash transfer policies, have been [tested, studied, and implemented](#) throughout the US and internationally. In the US, the largest long-term cash transfer policy is the [Alaska Permanent Fund](#)—a yearly transfer to residents of Alaska. The [Stockton Economic Empowerment Demonstration](#), in California, and the [Magnolia Mothers Trust](#), in Jackson Mississippi, are two recent pilots that have demonstrated significant positive impact in the lives of participants. Research has shown the welfare impacts of a guaranteed income are widespread, including positive health outcomes, higher educational achievement, and lower crime rates.

For the City of Austin, a Guaranteed Income Pilot could serve to greatly improve performance in the Economic Opportunity and Affordability area, but beyond that would serve to improve performance in metrics of success across all six Strategic Direction 2023 Outcome Areas, as well as in places that are more difficult to measure, such as social cohesion and community connections.

One common aspect of these programs is to go beyond just the monetary transfers, and to add a component of relationship building between individuals in similar circumstances. As an example, the Magnolia Mother’s Trust out of Jackson, Mississippi, brought together Black mothers as members of a cohort, and gave them space to talk to each other about their experiences. The research on the importance of these connections and this social capital is extensive, with demonstrated impacts on [health](#), [neighborhood stability](#), and [more](#). Most pressingly, the lack or elimination of these connections has been shown to be one of the major impacts and drivers of displacement. As people are forced to move out due to rising costs, the networks of care within a neighborhood are weakened, which then drives even greater displacement as those remaining in the neighborhood experience shocks and no longer have neighbors to turn to for assistance.

Administration of a Guaranteed Income Pilot

The other major advantage to a Guaranteed Income Program, beyond the external impacts on those whose lives are positively impacted, is the lower administrative burden of a Guaranteed Income Program. In the past, the City of Austin has taken on programs with the same core aim of providing direct financial assistance. Last year, in response to the COVID-19 pandemic, City Council directed the implementation of two Relief in a State of Emergency (RISE) programs, as well as two rounds of Relief of Emergency Needs for Tenants (RENT). In administering these programs, it was the low-barrier, minimal limitations funds administered through the Equity Office and Austin Public Health that were disbursed most quickly. In particular, the Equity Office was able to administer and distribute more than \$3 million in less than a month, utilizing the time of just one Business Process Specialist, one representative from Purchasing, and the Chief Equity Officer. Locally, the non-profit UpTogether has been distributing millions of dollars with just two dedicated staff people. The ability of guaranteed

income programs to alleviate poverty with a low load of administrative cost and support is a promising practice in our ability to drive greater impact on vulnerable populations with limited resources.

Next Steps of Implementation

The Equity Office will build off learnings from RISE, the Displacement Mitigation Action Accelerator and recommendations from the Reimagining Public Safety Task Force to develop a guaranteed income prototype for the City of Austin. Per the direction given by Council in the Guaranteed Income Budget Amendment, staff is seeking to collaborate in conjunction with UpTogether and its philanthropic partners. UpTogether is currently conducting a privately funded pilot assisting 115 Austin families for 12 months. According to the guidance of the amendment, City staff have met with the pilot organizers and are in the process of developing a repeatable program design that integrates guaranteed income with other public support services and a participant selection process that emphasizes areas of key priority to the City such as homelessness, displacement, and equity.

Staff is anticipating bringing forth an item for Council action no later than February 2022 to execute a contract to launch the City's guaranteed income prototype pilot. It will seek to examine what it will take to launch a full scaled guaranteed income program for Austin.

For further information please contact Brion Oaks, Chief Equity Officer, at brion.oaks@austintexas.gov.