



Staff Report: Guaranteed Income Ordinance

Ord 21-10

February 24, 2021



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MINNESOTA

PEOPLE'S
PROSPERITY
GUARANTEED INCOME PILOT PROGRAM



Timeline: People's Prosperity Pilot

- **September 3:** Mayor Carter announced the People's Prosperity Pilot (PPP) through Executive Order
- **September 16:** City Council approved the use of CARES Funding for PPP
- **January 13:** 1st installment of private philanthropic funding (\$700,000)
- **Today:** Guaranteed income pilot ordinance 3rd Reading
- **Winter/Spring 2022:** Participants exit program after receiving 18 cash transfers (Exit date depends on enrollment date)



Purpose of Ordinance 21-10

- To transition the existing guaranteed income program from executive order to ordinance, which will authorize the program after a state of emergency ends.

- This is not expanding the programming to more participants; we are only serving the 150 participants already enrolled.
- The City is not committing additional funding by passing this ordinance. Already committed funding will be used to support the 150 families.



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“I am now convinced that the simplest approach will prove to be the most effective — the solution to poverty is to abolish it directly by a now widely discussed measure: the guaranteed income.”



- MARTIN LUTHER KING JR.

Civil Rights Leader



**MAYORS FOR A
GUARANTEED
INCOME**

What is a guaranteed income?

A guaranteed income is a monthly, cash payment given directly to individuals. It is **unconditional**, with **no strings attached**, and **no work requirements**.

A guaranteed income is meant to supplement, rather than replace, the existing social safety net and can be a tool for racial and gender equity.



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STPAUL.GOV/PROSPERITY

150

Families

\$500

**Per
Month**

18

Months

\$180

**CollegeBound
Deposits**

**(total over 18 months,
not monthly)**

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STPAUL.GOV/PROSPERITY

By the numbers...

150

**Families
Enrolled**

\$421,000

**Cash
Transfers**

\$8,800

**CollegeBound
deposits among
PPP families**

As of February 2021

Circle of Advisors

THE KRESGE FOUNDATION



Wrong About
Everything Podcast

MCKNIGHT
FOUNDATION

ST PAUL
AREA CHAMBER



Economic Stability Indicator



The **Economic Stability Indicator (ESI)** is a web-based tool that calculates public program eligibility and benefits for any family size and configuration using a basic needs budget.

The **goals** of ESI are:

- Demonstrate the interactions between wages, work support programs, tax credits and tax liability and how they can and can't fill the gap between low-wages and basic expenses.
- Illustrate the difficult decisions low-income families must make to make ends meet, especially when programs aren't fully funded.
- Educate policymakers and legislators on how current and proposed legislation and tax policies create “cliff effects” and other unintended consequences.
- **Educate families about wage and program interaction so they can make informed choices about program participation.**



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Income and Asset Exclusion Bill

This Document can be made available
in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 1339

02/18/2021

Authored by Pinto

The bill was read for the first time and referred to the Committee on Human Services Finance and Policy

1.1

A bill for an act

1.2

relating to human services; excluding certain payments from income and assets

1.3

for purposes of determining or redetermining eligibility for certain economic

1.4

assistance and health care programs; requiring a report.

1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6

Section 1. **DIRECTION TO COMMISSIONER; INCOME AND ASSET EXCLUSION**

1.7

FOR ST. PAUL GUARANTEED INCOME DEMONSTRATION PROJECT.

The bill outlines the public programs where income and asset exclusions are needed, based off an analysis conducted by MN DHS.

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Hold Harmless Fund

- OFE has established a \$50,000 hold harmless fund to mitigate the potential loss or reduction of a public benefit that PPP participants may experience as a result of received payments
- We are partnering with Ramsey County and MN DHS to ensure that families are not further financially harmed by the reimbursement payments



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National Evaluation: People's Prosperity Pilot

Research Plan

- In-depth surveys administered every 6 months
- In-depth qualitative interviews
- Key outcomes being evaluated
 - Income volatility
 - Economic agency
 - Financial situation (debt, savings, wealth)
 - Physical and mental health
 - Parenting
 - Engagement and savings in CollegeBound Saint Paul

Research Partner



CENTER FOR GUARANTEED
INCOME RESEARCH
Social Policy & Practice
UNIVERSITY of PENNSYLVANIA

- Centralized research infrastructure that will coordinate research across cities
- Research sponsored by
Mayors for a Guaranteed Income



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National Evaluation: Key Learning Questions

1. How can guaranteed income function as a financial vaccine to assist households in weathering unexpected shocks?
2. What are the pathways and barriers to guaranteed income policy take-up across geographically diverse locations?
3. How can guaranteed income be paired with other policy initiatives to generate structural change?
4. How do households perceive and utilize guaranteed income differently than the Educational Improvement Tax Credit (EITC) Program, CARES Act, and other safety net benefits?
5. Which individual-level outcomes are most impacted by guaranteed income?
6. How do outcomes of guaranteed income differ by subpopulation?
7. How can guaranteed income programs utilize data-driven solutions to reduce inefficiency in government program to build trust and support for cash-transfer initiatives?



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“In a country that works for all of us, no one who works full time should be stuck in poverty or worried about making ends meet. It's time to reimagine and rethink our economic structures by piloting a guaranteed income.”



- MELVIN CARTER
Mayor of St. Paul, MN

