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July 13, 2021

**TO:** Each Supervisor

**FROM:** Antonia Jiménez, Director

**SUBJECT: DEVELOPING A GUARANTEED BASIC INCOME PILOT PROGRAM IN LOS ANGELES COUNTY (ITEM NO. 57-C, AGENDA OF MAY 18, 2021)**

On May 18, 2021, the Board instructed the Department of Public Social Services (DPSS) to report back:

1. Within 60 days on a comprehensive roadmap to implement a Guaranteed Income (GI) program. The report should include the process for implementing GI, coordination with the State's Universal Basic Income program, what it takes to fund this program, any funding considerations, approvals needed, any required waivers, wrap around services to enhance program outcomes including financial coaching, and the populations that could be served.
2. Within 120 days develop options for demonstration projects to test the GI concept with various populations regardless of immigration status such as CalWORKs families, transition-aged youth, formerly incarcerated individuals, individuals on General Relief, low-income individuals, along with the type of funding and amount of recurring cash being proposed to support these demonstration projects.

The attached report provides the detailed roadmap for launching a demonstration project, along with the state requirements for excluding GI from public assistance programs provided by LA County DPSS.

It also provides recommendations for possible demonstration projects to serve the various populations: CalWORKs families, transition-aged youth, individuals on General Relief, low-income individuals, families not receiving public assistance, and formerly incarcerated individuals. This responds to the 60 and 120-day directives.

Each Supervisor  
July 13, 2021  
Page 2

If you have any questions or need additional information, please contact me at (562) 908-8383 or via email at [antoniajimenez@dpss.lacounty.gov](mailto:antoniajimenez@dpss.lacounty.gov).

AJ:tp

Attachment

c: Chief Executive Office  
Executive Office, Board of Supervisors  
County Counsel



County of Los Angeles  
**dps**  
DEPARTMENT OF  
PUBLIC SOCIAL SERVICES

**JULY 2021**

**GUARANTEED INCOME  
DEMONSTRATION PROJECT ROADMAP**

## Background

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Guaranteed Income (GI) is defined as an unconditional regular cash payment to an individual or household. Unlike Universal Basic Income, which is designed to provide the entire amount needed to meet basic needs, GI is designed to provide an income floor, but it is not meant to replace wages and should target those individuals who need it the most. The GI demonstration project can incorporate additional supports and services to help participants achieve the desired outcome.

### The Guaranteed Income Demonstration Project is Designed to:

- Provide to a defined population a guaranteed cash amount, without a means test or work requirements.
- Supplement, rather than replace, and should be enough to support the basic needs of the individuals or households to provide financial security.
- Provide a predictable flat monthly stream of cash to individuals or households with no limitations and more choices on how the money could be spent.
- Support participants for a maximum of three years.

### Benefits to Guaranteed Income:

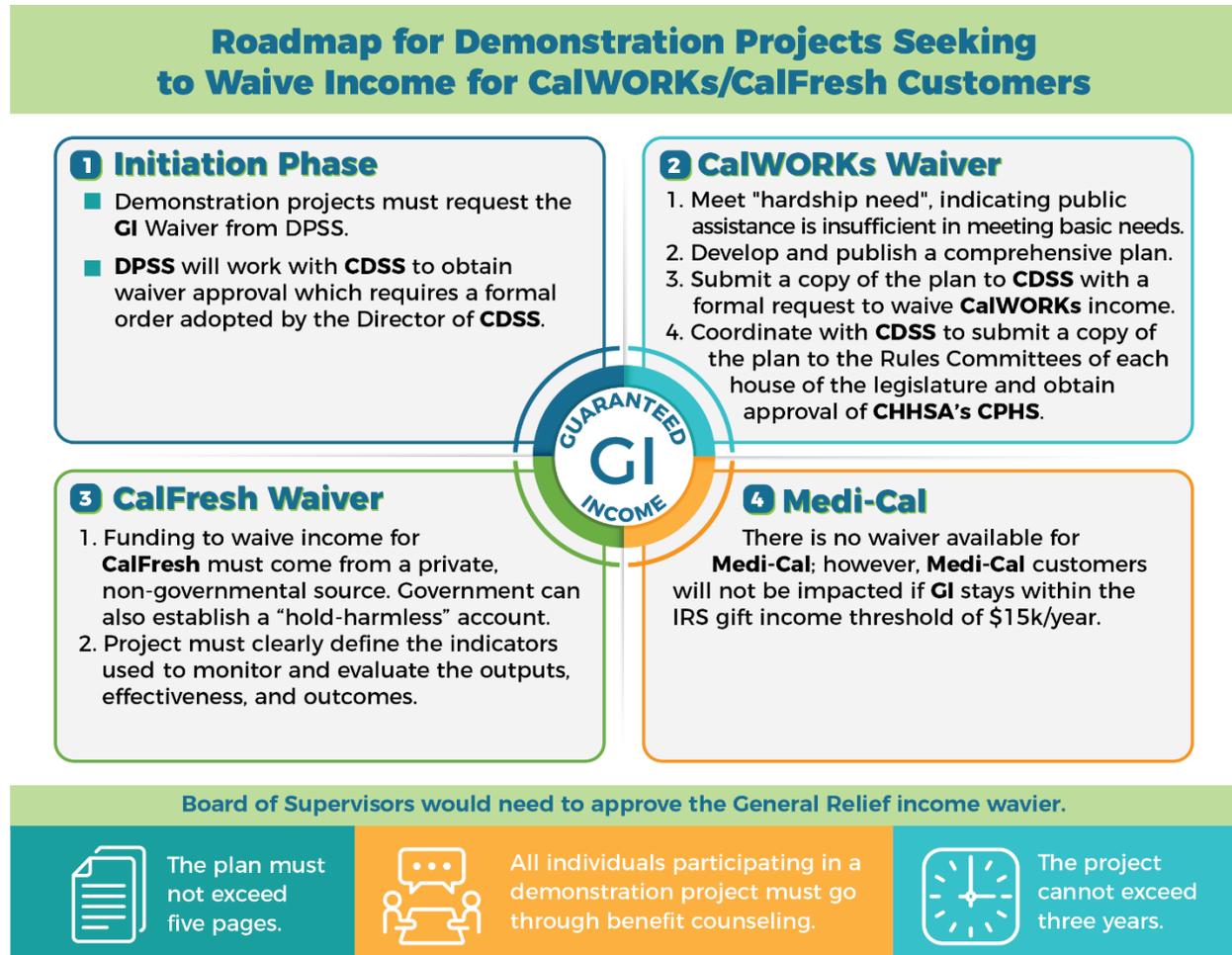
- Helps to alleviate the “poverty trap” that is traditionally associated with social service programs that often leads to a “benefit cliff”. A “benefit cliff” occurs when individuals or households exceed the extremely low-income levels, resulting in loss of benefits.
- Provides individuals and households with steady dependable income that can lead to more financial security.
- Gives individuals and households the freedom of investing in their education or participating in job training programs that could lead to higher paying jobs.

### Demonstration Project Goals:

Demonstration projects should establish clear project objectives and goals. In addition, it is important that demonstration projects are structured in a manner that helps identify and support future state and federal policy changes. Each demonstration project will require a Benefit Counselor to work closely with the individuals participating in the program to develop a plan to follow upon completion of the project.

## Demonstration Project Approval Process

The below pictorial highlights the requirements for establishing a GI program when requesting to have GI excluded for individuals receiving public assistance provided by LA County DPSS.



1. **Initiation** – The demonstration project must submit a letter to LA County DPSS to request approval to waive GI from the CA Department of Social Services (CDSS). Demonstration projects requesting to have the GI excluded from public benefit programs require a formal order adopted by the Director of CDSS. **Demonstration projects providing GI to individuals not receiving public assistance do not require the approval of CDSS.**
2. **CalWORKs Waiver** – The following steps must be adhered to when requesting a GI waiver from the CalWORKs program:
  - a. Provide a brief overview of the needs-based problem that the demonstration project seeks to address. Income provided through a demonstration project must meet a hardship need which demonstrates that public benefits are insufficient to reasonably address. Hardship can be defined as high local cost of living, housing instability, food insecurity, or unequal access to resources due to racial disparity.

## 2. CalWORKs Waiver (Cont.)

- b. Publish a comprehensive plan, including the analysis of expected costs, in a newspaper of general circulation. However, since the GI demonstration project is new, CDSS has agreed to review the comprehensive plan prior to publication.
- c. Identify the indicators that will be used to monitor and evaluate the demonstration project's outputs, effectiveness and performance outcomes.
- d. Submit a copy of the comprehensive plan with a formal request to waive income to the Director of CDSS.
- e. In collaboration with CDSS, submit a copy of the comprehensive plan to the Rules Committees of each house of the legislature.
- f. In collaboration with CDSS, obtain review and approval through the CA Health and Human Services Agency's (CHHSA's) Committee for the Protection of Human Subjects (CPHS).
- g. Upon waiver approval, the demonstration project must work with DPSS to ensure the income is waived and the CalWORKs cases are appropriately documented.

## 3. CalFresh Income Exclusion – The following steps must be adhered to when excluding a GI benefit for CalFresh purposes:

- a. The GI demonstration project must have received a waiver to exclude the GI payment for purposes of determining CalWORKs eligibility (as described above).
- b. The GI payment must be funded from a private, non-governmental source.

**NOTE:** If a GI payment is funded from a public source, the GI payment cannot be excluded for CalFresh purposes. As a result, some households may lose CalFresh eligibility or experience a reduction in CalFresh benefits. A **“hold-harmless” account may be established** with government funds that can be used to mitigate the loss of any federal CalFresh benefits. Under this model, the GI demonstration project would provide the household additional assistance from the hold harmless fund equal to the value of lost CalFresh benefits. It is recommended that the demonstration project provide benefit counseling to these individuals to ensure that they understand the process and to accurately identify the impact on CalFresh.

## 4. Medi-Cal – There are currently no waivers; however, to avoid any impact to the Medi-Cal benefit, the GI amount cannot exceed the Internal Revenue Service (IRS) gift threshold of \$15,000 per year.

All demonstration projects will require a benefit counseling component as there may be impact to other government programs, such as Section 8, SSI, etc.

**The Board will need to pass a motion to waive the GI for General Relief participants.**

## Demonstration Project Administrative Requirements

There are some administrative issues that demonstration projects should consider prior to launching. The following will need to be identified prior to implementation:

1. An organization to provide overall leadership and management to the demonstration project.
2. A research evaluation firm to identify and measure the expected performance outcomes.
3. A benefit counseling firm to work with the identified participant, not only at the beginning of the demonstration project, but throughout the length of the demonstration project. The firm will need to continue to monitor the income changes that may result in changes to their public assistance program. For example, a CalWORKs recipient's income may increase beyond the CalWORKs income limit, which means they will no longer be eligible.
4. An entity to distribute and monitor the monthly income payments.

## Recommendations for Potential Demonstration Projects

The below are recommendations for potential demonstration projects for General Relief Transitional-Aged Youth, Homeless Family Reunification Families, Formally Incarcerated Women, Food Insecure Families, and Families Not Receiving Public Assistance. Funding used will dictate whether immigration status needs to be considered for individuals and/or families participating in the demonstration project(s).

### No. 1 – General Relief (GR) TAYportunity

Department: Department of Public Social Services			
<b>Demonstration Project Details</b>			
Project Description:	<p>The purpose of this demonstration project is to support the Transition-Aged Youth (TAY) between the ages of 18 and 24, who are actively participating in the TAYportunity project. These are primarily African American and Latino males. The GI funding could be used to incentivize the youth to actively participate in the TAYportunity projects so that they can focus on employment, apprenticeship, or entrepreneurship.</p> <p>Project goal is to demonstrate that when youth engage in focused activities with the appropriate supports, they can be successful.</p>		
Participants: 150	Duration: 3 Years	Budget: \$7.7M	Population: 18 to 24 GR Youth
Evaluator: TBD		Benefit Counseling: TBD	
Program Evaluation Indicators:		<ul style="list-style-type: none"> <li>• Employment</li> <li>• Business development</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in income</li> <li>• Education</li> </ul>

To initiate this demonstration project, the Board would need to waive GR income requirements and the 9-month time limit for program participants.

### No. 2 – Family Reunification Program

<b>Department: Department of Children and Family Services (DCFS) and DPSS</b>			
<b>Demonstration Project Details</b>			
<b>Project Description:</b>	<p>The purpose of this demonstration project is to support Homeless Family Reunification (FR) families with open cases with DCFS and DPSS who are either within or beyond 180 days from the removal date and are receiving Welfare-to-Work FR services. Families whose children were temporarily removed from their homes and have a Reunification Plan in place, and who are in the initial 180 days, may be legal/non-legal homeless residents, depending on the funding. These struggling families could benefit from GI funding to acquire and maintain a home where the children can return to at the time of reunification.</p> <p>Project goal is to demonstrate that when reunification families have a stable home, they can concentrate on completing the requirements set by DCFS or the Court so they can bring their children home within a reasonable lapse of time.</p>		
<b>Participants:</b> TBD	<b>Duration:</b> 3 Years	<b>Budget:</b> TBD	<b>Population:</b> CalWORKs Families
<b>Evaluator: TBD</b>		<b>Benefit Counseling: TBD</b>	
<b>Program Evaluation Indicators:</b>		<ul style="list-style-type: none"> <li>• Employment</li> <li>• Business development</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in income</li> <li>• Education</li> </ul>

### No. 3 – Formally Incarcerated Women

<b>Department: Chief Executive Office</b>			
<b>Demonstration Project Details</b>			
<b>Project Description:</b>	<p>The purpose of this demonstration project is to support women living at or below the poverty level (\$12,880) who were released from incarceration in the last seven years.</p> <p>Poverty can be correlated as a major contributor to recidivism. The GI funding could be used to assist these women with rebuilding their lives by pursuing education or securing living wage employment.</p> <p>Project goal is to demonstrate that when formally incarcerated women have a stable income, they can concentrate on rebuilding their lives.</p>		
<b>Participants:</b> TBD	<b>Duration:</b> 3 Years	<b>Budget:</b> TBD	<b>Population:</b> Formally Incarcerated Women
<b>Evaluator: TBD</b>		<b>Benefit Counseling: TBD</b>	
<b>Program Evaluation Indicators:</b>		<ul style="list-style-type: none"> <li>• Employment</li> <li>• Business development</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in income</li> <li>• Education</li> </ul>

#### No. 4 – Food Insecure Families

Department: TBD			
<b>Demonstration Project Details</b>			
Project Description:	<p>The purpose of this demonstration project is to support families living at or below the poverty level (\$26,500 for a household of 4) who experience food insecurity and do not receive public assistance.</p> <p>A vast majority of low-income families are unable to afford enough food which seriously impacts their physical and mental health. The GI funding could be used to provide these families with access to nutritionally adequate foods.</p> <p>Project goal is to demonstrate that when families are afforded quality foods, their overall physical and mental well-being greatly improves.</p>		
Participants: TBD	Duration: 3 Years	Budget: TBD	Population: Food Insecure Families
Evaluator: TBD		Benefit Counseling: TBD	
Program Evaluation Indicators:		Increase in income	

#### No. 5 – Families Who Do Not Receive Public Assistance

Department: TBD			
<b>Demonstration Project Details</b>			
Project Description:	<p>The purpose of this demonstration project is to support families living at or below the poverty level (\$26,500 for a household of 4) who do not receive public assistance.</p> <p>Countless low-income families are perpetually trapped in poverty. The GI funding could be used by families to supplement their basic needs so that they can invest in education or job training programs that could lead to higher paying jobs.</p> <p>Project goal is to demonstrate that when families have stable income, they can establish a safety net to meet their basic needs.</p>		
Participants: TBD	Duration: 3 Years	Budget: TBD	Population: Families Not Receiving Public Assistance
Evaluator: TBD		Benefit Counseling: TBD	
Program Evaluation Indicators:		<ul style="list-style-type: none"> <li>• Employment</li> <li>• Business development</li> <li>• Increase in income</li> <li>• Education</li> </ul>	