

# **CITY OF MILWAUKEE UNIVERSAL BASIC INCOME PILOT PROGRAM**

**Briefing by Department of Administration**

**Community and Economic Development Committee**

**September 9, 2020**

# Background Information

- Common Council adopted Resolution 191463 on January 21, 2020
- Requires Administration Director to develop and present a plan for implementing a pilot Universal Basic Income (UBI) program modeled after the Stockton Economic Empowerment Demonstration (SEED) program
- SEED is America's first city-led guaranteed income program
- SEED provided 125 Stockton residents \$500 a month over 18 months to city residents

# SEED Participant Purchasing

- SEED program purchasing data is continually tracked and shared on a public dashboard site
- Top purchase categories include food (37%), sales and merchandise (22%), and utilities (11%)
- Food purchases increased to 46.5% in March 2020, helping participants weather the economic effects of the COVID-19 pandemic

# UBI Pilot Project Key Consideration

- What is the primary purpose of the program
- Eligibility criteria
- Selection process
- Program implementation
- Interaction with public benefits
- Budgeting/finance

# DOA Recommendations

## Proposed Next Steps

- DOA supports Resolution 191463
- Recommended approach:
  - Seek private donations to fund the program
  - Provide 50 Milwaukee families a \$500 monthly stipend for 18 months
  - Evaluate and report program results

# Garner Philanthropic Support

- SEED amassed \$3 million in private funding
- No funding attached to Council adopted UBI resolution
- To garner funding, City must build support with a combination of funders –
  - Philanthropic sector
  - Corporate sector
  - Individual donors
- Providing 50 residents \$500 a month for 18 months costs \$450,000
- Additional costs for project management, program manager, professional financial coaching services and researcher to track program results

# Adopt Community Centric Approach

- To increase the possibility of securing private funding for Milwaukee UBI pilot program, it is essential to take a community centric approach
- Important to hear firsthand from residents and community stakeholders on their vision for UBI
- Involving residents and stakeholders will create a more practical and effective program backed by community

# Form a UBI Work Group

- DOA recommends forming Milwaukee UBI Work Group consisting of community leaders from across sectors (business, education, funders, etc.)
- Work group is tasked with –
  - Researching UBI best practices
  - Reviewing successful UBI examples from other cities
  - Seeking community input on vision, goals and program structure
  - Addressing challenges (fair selection, potential loss of public benefits, grant making restrictions)



# Develop UBI Project Implementation Plan

The project implementation plan will include the following –

- Vision Statement
- Program Goals
- Measureable Strategic Objectives

# Develop Project Implementation Plan

- Program design elements including (but not limited to) –
  - Governance structure
  - Process for selecting and enrolling participants
  - Process for distributing funds
  - Process for tracking program participants
  - Implementation timeline
- Implementation and program partners
- Process for measuring results
- Budget and fundraising strategy

# Timeline/Next Steps

- It took Stockton two years and a coalition of many people, including philanthropic partners to secure funding needed to start SEED
- Design phase of SEED took six months itself
- Administration believes it can make significant progress within 12 months

# Questions

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