

FACT SHEET**CITY OF SHREVEPORT, LOUISIANA**

<u>TITLE</u>	<u>DATE</u>	<u>ORIGINATING DEPARTMENT</u>
A RESOLUTION IN SUPPORT OF THE CITY OF SHREVEPORT'S GUARANTEED INCOME PROGRAM, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.	August 23, 2021	Department of Community Development
		<u>CITY COUNCIL DISTRICT</u>
		City-wide
		<u>SPONSOR</u>

PURPOSE

This Resolution would serve as support for the initiation of a non-City funded Guaranteed Income Pilot Program which would offer a small group of low income single-parent families at least six hundred (\$600.00) dollars per month for a period of one (1) year, as well as authorize the execution of a Memorandum of Understanding with the Mayors for Guaranteed Income coalition (MGI) the Shreveport Financial Empowerment Center (SFEC) and United Way of Northwest Louisiana.

BACKGROUND INFORMATION

Prior to the COVID-19 pandemic, nearly 45 million Americans, or 12% of the U.S. Population were living in poverty, including about 7 million employed people who did not have resources to cover even the most basic necessities despite their employment. Many residents of the City of Shreveport struggled to support themselves and their families, and the economic shock of the pandemic has left them more vulnerable than ever.

During the pandemic, approximately forty-six (46%) of American households have experienced serious financial trouble, including running out of savings, trouble affording food, paying utility bills, and paying their rent or mortgage. A guaranteed income would empower recipients to address their most urgent day to day needs and provide a cushion for unpredictable expenses.

Previous and ongoing experiments of guaranteed income programs have included some of the following results for participants: better educational outcomes, substantive improvements in physical and mental health, significant reduction of predatory debt, and greater confidence in having basic necessities met, with no appreciable impacts on the labor market.

This one (1) year program would pay a random selection of up to one hundred ten (110) citizens of the City of Shreveport at least six hundred (\$600) dollars per month based on the following criteria: (1) participants must be single parents with school aged children (2) all incomes of those selected shall be up to 120% of the federal poverty level (3) Fifty percent (50%) of participants will be selected from the poorest zip codes within the city limits of Shreveport which include 71101, 71103, 71107, 71108 and 71109 with the remainder being selected from any applicant residing within the city limits of Shreveport. These monthly payments are meant to supplement, rather than replace existing social safety nets.

Following passage of this resolution, the City will receive funds in the amount of \$500,000 from the Mayors for Guaranteed Income Coalition (MGI), and matching funds in the amount of \$450,000 will be obtained from other non-City sources for a total of \$950,000 in funding for this program. Administrative costs for this program will be no more than 10% of the total funds over a 12-month period.

These funds will be deposited into the Special Revenue Fund for Community Development, who will oversee all expenditures and ensure that the goals of the program, including but not limited to data collection are achieved. Further, the Department of Community Development will partner with the United Way of Northwest Louisiana,

who will serve as a third-party administrator of the program in conjunction with the Shreveport Financial Empowerment Center.

TIMETABLE

Introduction: September 14, 2021
Final Passage: September 28, 2021

ATTACHMENT(S)

Exhibit "A" Work Plan
Exhibit "B" Memorandum of Understanding

SPECIAL PROCEDURAL REQUIREMENTS

None

FINANCES

\$950,000.00

SOURCE OF FUNDS

Mayors for a Guaranteed Income Coalition
Non-City of Shreveport Sources

ALTERNATIVES

(1) Adopt the Resolution as submitted, or (2) Amend the Resolution, or (3) Reject the Resolution.

RECOMMENDATION

It is recommended that the City Council adopt the Resolution.

FACT SHEET PREPARED BY: Thea R. Scott,
Bureau Chief of
Administration

RESOLUTION NO. _____ OF 2021

A RESOLUTION IN SUPPORT OF THE CITY OF SHREVEPORT'S GUARANTEED INCOME PROGRAM, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.

BY: COUNCILMEMBER

WHEREAS, prior to the COVID-19 pandemic, nearly 45 million Americans, or 12% of the U.S. Population were living in poverty, including about 7 million employed people who did not have resources to cover even the most necessities despite their employment.

WHEREAS, many residents of the City of Shreveport struggled to support themselves and their families, and the economic shock of the pandemic has left them more vulnerable than ever.

WHEREAS, 46% of American households have experienced serious financial trouble during the pandemic, including running out of savings, trouble affording food, paying utility bills, and paying their rent or mortgage; and

WHEREAS, the U.S. Congress passed Coronavirus Aid, Relief, and Economic Security (CARES) Act at the end of March, which included a package of relief and stimulus programs including \$500 billion for large corporations and one-time \$1,200 Economic Impact Payment (EIP) checks to individuals; and

WHEREAS, in December of 2020, the U.S. Congress passed the second pandemic relief package, which included a \$600 EIP check to most Americans; and

WHEREAS, in March of 2021, President Biden signed the American Rescue Plan, which included a \$1,400 EIP check for most Americans and \$1,400 for each of their qualifying dependents; and

WHEREAS, the American Rescue Plan increased the child tax credit to \$3,600 for kids under age 6, and to \$3,000 for children 17 and under, and will be made through direct payments in 2021; and

WHEREAS, prior to the COVID-19 pandemic, nearly 45 million Americans, or 12% of the U.S. population, were living in poverty, including about 7 million employed people who did not have resources to cover even the most basic necessities, despite working; and

WHEREAS, nearly 40% of Americans could not afford a single \$400 emergency prior to the pandemic, and rising income inequality is compounded by an ever-growing wealth divide; and

WHEREAS, technology and automation are forecasted to further exacerbate the economic insecurities of working class Americas, potentially eliminating as much as 25% of the workforce; and

WHEREAS, providing an income floor through which no American family could fall will benefit individuals and communities both now and in the future; and therefore the City of Shreveport should initiate a polite Guaranteed Income Program that offers a small group of low income single-parent families at least \$600 dollars a month for a year; and

WHEREAS, a guaranteed income would empower recipients to address their most urgent day to day needs and provide a cushion for unpredictable expenses; and

WHEREAS, these payments would be generated from money received from the Mayors for Guaranteed Income Fund, as well as other public, philanthropic and private funds.

WHEREAS, previous and ongoing experiments of guaranteed income programs have included some of the following results for participants: better educational outcomes, substantive improvements in physical and mental health, significant reduction of predatory debt, and greater confidence in having basic necessities met, with no appreciable impacts on the labor market.

NOW THEREFORE BE IT RESOLVED, that the Mayor and City Council supports a pilot program through the Mayors for Guaranteed Income coalition to provide direct cash payments for a year to qualifying recipients in accordance with the Work Plan annexed hereto as Exhibit A, or a Work Plan substantially similar in form and substance; and

BE IT FURTHER RESOLVED, that the Shreveport City Council urges President Biden, Speaker Pelosi and Leader Schumer to develop an ongoing federal guaranteed income that provides an income floor for all Americans.

BE IT FURTHER RESOLVED by the City Council of the City of Shreveport, in due, legal and regular session convened, that the Mayor of the City of Shreveport, or his/her designee, shall be and is hereby authorized to do any and all things and to sign any and all documents, in a form acceptable to the City Attorney, or his/her designee, necessary to effectuate the purposes set forth herein. Such documents shall include the Memorandum of Understanding annexed hereto as Exhibit B or a document substantially similar in form and substance.

BE IT FURTHER RESOLVED that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution which can be given effect without the invalid provisions, items or applications and to this end the provisions of this Resolution are hereby declared severable.

BE IT FURTHER RESOLVED that this Resolution shall become effective in accordance with the provisions of Shreveport City Charter Section 4.23.

BE IT FURTHER RESOLVED that all resolutions, ordinances or parts thereof in conflict herewith are hereby repealed.

THUS DONE AND RESOLVED by the City Council of the City of Shreveport, Louisiana.

APPROVED AS TO LEGAL FORM:

City Attorney's Office