DATE:       May 12, 2020
TO:         Board of Supervisors
FROM:       Miguel Marquez, Chief Operating Officer
SUBJECT:    Transition-Age Youth Basic Income Pilot Program

RECOMMENDED ACTION

Under advisement from April 21, 2020 (Item No. 21): Consider recommendations relating to implementing a Transition-Age Youth Basic Income Pilot Program for former foster youth. (Office of the County Executive)

Possible action:

a. Approve Request for Appropriation Modification No. 221 - $900,000 transferring funds from the General Fund Contingency Reserve to the Office of the County Executive budget relating to implementing a one-year pilot program for Transition-Age Youth who were in foster care. (4/5 Vote)

b. Receive report relating to the evaluation component of the pilot.

FISCAL IMPLICATIONS

Approval of the recommended action would have a $900,000 cost to the General Fund.

The original budget for the FY 2019-20 General Fund Contingency Reserve was $164,105,457. Per Board of Supervisors Policy 4.3, contingency reserve should be 5% of general revenues net of pass-through revenue. Since the use of contingency reserve impacts compliance with this policy, the midyear budget analysis included a $6,905,228 replenishment of this reserve. The balance of this reserve as of May 5, 2020 was $135,930,419 indicating that $28,175,038 has been allocated for other purposes. There may be additional pending actions that will impact this balance once they are approved and processed.

REASONS FOR RECOMMENDATION

At the April 21, 2020 Board of Supervisors meeting (Item No. 21), the Board provided direction to Administration at the request of Supervisor Cortese, to report to the Board with a proposed budget allocation for implementation of a pilot program from approximately June 2020 through May 2021 with the following additional components:
• The program should be responsive to the current needs of County foster youth during and after the COVID-19 public health emergency.
• The program objective should be to serve all youth aging out of foster care who are between 21 years old and 24 years old in Santa Clara County.
• The program should provide a basic income of $1,000 dollars per month to each youth in the program.
• Administration is to engage in partnerships with service providers experienced in mentoring and assisting transition-age foster youth and continue efforts to seek public-private partnerships and private foundation funding.

At the request of President Chavez and Supervisor Simitian, the Board further directed Administration to report to the Board with an explicit and robust evaluation component of the recommended pilot program prior to implementation, including financial implications and determining factors of those designated as foster youth.

Since the April 21, 2020 Board meeting, the project team (which includes staff from the Office of the County Executive and the Social Services Agency) has received significant interest and support from entities operating other basic income projects and service providers committed to working with current and former foster youth. Below is a table of a few of the pilot programs and research projects that have served as inspiration for the project team and/or contain relevant research to inform this pilot program. Though no other basic income pilot program targets Transition-Age Youth (TAY), they serve as invaluable resources for how the pilot program can be designed and what program evaluation components should be considered.

<table>
<thead>
<tr>
<th>Project</th>
<th>Location</th>
<th>Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finding from the California Youth Transitions to Adulthood Study (CalYouth): Conditions of Youth at Age 21</td>
<td>Chapin Hall at the University of Chicago</td>
<td><a href="https://www.chapinhall.org/wp-content/uploads/CY_YT_RE0518_1.pdf">https://www.chapinhall.org/wp-content/uploads/CY_YT_RE0518_1.pdf</a></td>
</tr>
<tr>
<td>Magnolia Mother's Trust</td>
<td>Jackson, MS</td>
<td><a href="http://springboardto.org/index.php/blog/story/introducing-the-magnolia-mothers-trust">http://springboardto.org/index.php/blog/story/introducing-the-magnolia-mothers-trust</a></td>
</tr>
<tr>
<td>Mountain Tough</td>
<td>Sevier County, TN</td>
<td><a href="https://www.mountaintough.org/">https://www.mountaintough.org/</a></td>
</tr>
<tr>
<td>Stockton Economic Empowerment Demonstration</td>
<td>Stockton, CA</td>
<td><a href="https://www.stocktonempowerment.org/">https://www.stocktonempowerment.org/</a></td>
</tr>
</tbody>
</table>
### Service Provider Partnerships

The Administration has been engaging in insightful conversations with existing service providers who have well established relationships with the pilot program’s target population. They have helped to shape operational considerations regarding the pilot program. Given their history of serving this population, the project team will continue to partner with service providers to conduct outreach to TAY and encourage participation in the pilot program. Service providers will also play a role in developing lists of resources and services available to all TAY who complete the surveys and interviews as part of the pilot program.

### Public-Private Partnerships

By launching the first basic income pilot targeting TAY in the nation, the County has an opportunity to develop a model pilot program consisting of public and private stakeholders working towards a unified vision of promoting financial stability for former foster youth, a vulnerable population in our County, who are especially in need of our support during these unprecedented times. The County’s pilot program will build upon methods used in basic income pilot programs that serve different target populations.

An initial funder briefing was held on Friday, May 8, 2020 with 35 representatives from the funder community to make them aware of the County’s pilot program and to brief them on where we are at in this process to encourage participation in the pilot program through monetary and/or non-monetary contributions.

Outreach and collaboration efforts will be ongoing, and the project team’s goal is to solidify thought partnerships and financial support that would create a more robust pilot program. While County funding is sufficient to complete the first year of the pilot program, it could benefit from enhancements realized with private funding or in-kind services including, but not limited to:

- Additional program evaluation resources to compare our findings to those of similar pilot programs and/or to enhance survey collection methods
- Incentives for survey and interview participants not in the pilot program
- Financial Mentorship services for pilot program participants
- Individualized service/assistance beyond current offerings identified during the pilot

The project team will also engage academic institutions to gauge their interest and availability to partner with the County in program evaluation. The project team will provide
quarterly updates to the Children, Seniors, and Families Committee meetings, which will include updates regarding public-private partnership efforts.

Pilot Program Eligibility

In collaboration with the Office of County Counsel and Technology, Services & Solutions Department (TSS), the project team was able to review anonymized data from January 1, 2012 through April 29, 2020 for (1) all former foster youth who were eligible for extended foster care and are now 21-24 years old; and (2) former foster youth who are currently between age 21-24 and whose cases were closed when they were age 16-17 and therefore were not eligible for extended foster care. More specifically, these two groups are:

- **Previously Non-Minor Dependents (NMDs):** an open foster care case until the age of 18 and eligible to participate in extended foster care as NMDs between the ages of 18-21 and eligible for TAY services until age 24; or
- **Left Foster Care Prior to NMD Eligibility:** a foster care case was closed between the ages of 16-17 and they were no longer eligible for NMD status or TAY services. Case closures between the age of 16-17 years old can be the result of many factors including, but not limited to: Adoption finalized; Reunification; Refusal of services; Kinship placement; or Family Stabilization.

<table>
<thead>
<tr>
<th>Age in 2020</th>
<th>Previously Non-Minor Dependents (NMDs)</th>
<th>Left Foster Care Prior to NMD Eligibility</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>71</td>
<td>44</td>
<td>115</td>
</tr>
<tr>
<td>22</td>
<td>85</td>
<td>33</td>
<td>118</td>
</tr>
<tr>
<td>23</td>
<td>68</td>
<td>37</td>
<td>105</td>
</tr>
<tr>
<td>24</td>
<td>88</td>
<td>43</td>
<td>131</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>312</strong></td>
<td><strong>157</strong></td>
<td><strong>469</strong></td>
</tr>
</tbody>
</table>

The pilot program will consist of 72 of the 131 who are 24 years old as of April 29, 2020. The pilot program is for one year with the intention to serve those who will be ineligible for existing age-based services in the nearest future. As County services available to former foster youth reduce steeply after age 24, the pilot program will serve 72 eligible youth and will prioritize those youth who turned 24 between January 1, 2020 and April 29, 2020. Eligible individuals born between January 1, 1996 and April 29, 1996 will be rank ordered by birthday and will be invited to participate in the study from oldest to youngest. Those individuals who consent to an intake process will receive a monthly basic income of $1,000 during the one-year pilot program. Once a participant is in the pilot program, they will remain in the pilot program for the one-year term unless they opt out. Those who join the pilot after the first month will only receive the basic income until May 2021.

After outreach to this first group of eligible individuals, if there are remaining spots in the
pilot program, the project team will repeat the rank-ordered process by birthday with the next oldest former foster youth. Additional spots may become available if a participant elects to opt out early and time remains to provide the basic income to another former foster youth. To summarize, the following factors will determine the initial eligibility for the pilot program:

- Born between January 1, 1996 and April 29, 1996,
- Santa Clara County dependency case between age 16-21,
- Currently residing in Santa Clara County, and
- Consent to intake process, which includes information to process the gift.

Eligible former foster youth who are not receiving the basic income will be invited to participate in surveys and interviews to gain their insight. They will also be made aware of available services and resources promoted as part of the pilot program. The project team is exploring incentives to increase participation from this group in surveys and interviews.

**Program Design & Evaluation Component**

This section describes preliminary plans for the program design and evaluation, which will require further assessment by the project team in consultation with the Office of the County Counsel.

Outreach and recruitment to former foster youth eligible for the pilot program will be done by the Department of Family and Children’s Services’ (DFCS) Hub program. Attempts to contact eligible individuals will predominately happen through phone calls. The County will partner with foster youth service providers to promote the pilot program and to encourage eligible youth to contact the County to confirm eligibility with DFCS and/or update their contact information for future outreach. Outreach will also include discussions with eligible youth about whether participation in the pilot program would negatively impact their eligibility for public assistance programs, as discussed further below.

The County seeks to contract with an independent, outside evaluator that has experience with pilot program evaluation for transition-age former foster youth and/or basic income programs. The Contractor will work in close coordination with the project team.

All data will be securely stored, and participants’ privacy and anonymity will be maintained. Data reported to the Board of Supervisors or posted publicly will be reported in aggregate and no individual data will be attributed or in any way linked solely to them. Descriptive and inferential statistics will be used to answer the evaluation questions outlined later in this report.

To the extent possible, data will be collected from TAY formerly in foster care who are pilot program participants and those who consent to participating in interviews and surveys. It is crucial to obtain similar data for all TAY in order to truly understand the extent to which the pilot program is working as intended.

Data specific to the pilot program itself, such as perceptions about the benefits and challenges of the program as implemented, will be collected from participants in the pilot program, as well as other stakeholders, such as mentors/case workers who conduct check in
conversations, service partners, and County program staff serving TAY.

The project team, in coordination with the Office of County Counsel, TSS, and the Contractor will develop a process for collecting and storing data about participants consistent with legal requirements to maintain confidentiality of the data and to limit access to the data only to those legally authorized.

The project team intends to use surveys to obtain quantitative and qualitative data, which may include check ins, either via phone or in person as appropriate. Data collected through the pilot program surveys would include perception data about participants; satisfaction with the initiative, including utilization and satisfaction with financial mentoring support that is offered, self-reporting of County service utilization, and other services that participants would benefit from.

**Logic Model**

The proposed 1-year pilot program builds on other previous initiatives[^1] for basic income and consists of three major activities for all pilot program participants:

1. The provision of a monthly $1,000 unrestricted basic income to all pilot programs participants;
2. Follow up data gathering check-ins with a mentor/case worker at the three, six, nine, and twelve-month mark over the course of the pilot (1 year) for all who consent to surveys and interviews, and
3. Increased access to financial mentoring and educational services to the TAY participants for all who consent to surveys and interviews.

Anticipated outcomes from these activities include:

**Near-term:**

- Increased financial stability/decreased financial volatility
- Improved health (subjective well-being and objective health, as well as financial health)
- Increased positive behaviors, mindset, and attitudes

**Longer-term:**

- Positive community effects (effects on parenting, increased support network outside of their household)
- Earlier intervention against barriers to long-term self-sufficiency
- Insight to inform public services on how to address challenges unique to Tay participants.

---


Additionally, due to current COVID-19 pandemic circumstances, secondary outcomes may include:

- Earlier intervention against negative economic impacts experienced by participants due to the COVID-19 pandemic
- Insight to inform public services on challenges unique to former foster youth as a result of the COVID-19 pandemic

**Evaluation Questions**

The County is looking to measure whether the pilot program assists Tay to shift towards financial and personal stability and increases their quality of life.

The preliminary design of the proposed evaluation would focus on the following questions and strives to compare outcomes for the pilot program participants to those who consent to surveys and interviews, but are not receiving the basic income:

1. What is the feasibility of long-term of implementation of basic income for TAY based on this pilot program?
   a. Is this pilot program implementable as designed?
   b. Why or why not?

2. What are the perceived benefits of the pilot program?
   a. Do stakeholders (including, but not limited to, program staff and participants) experience the pilot program as beneficial?
   b. Why or why not?

3. Is implementation of basic income for TAY related to improved outcomes for said youth?
   a. Does this pilot program lead to improved financial stability of participants?
   b. Does this pilot program lead to improved physical and emotional health of participants?
   c. Does this pilot program lead to improved behaviors and attitudes of participants?
   d. Does this pilot program support long-term self-sufficiency of participants?
   e. Why or why not?

4. (Optional, secondary) Is implementation of the pilot program related to improved outcomes specifically address challenges arising from the COVID-19 pandemic?
   a. Does this pilot program support long-term self-sufficiency of TAY participants during the COVID-19 pandemic?
   b. Is this initiative related to quicker response from public services to challenges unique to TAY unique to COVID-19?

**Pilot Program Budget**
To ensure a robust pilot program evaluation and serve 72 participants in the pilot program, the budget request is for $900,000 in one-time funding.

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000 Monthly for 72 former foster youth</td>
<td>$864,000</td>
</tr>
<tr>
<td>Program Evaluation</td>
<td>$36,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$900,000</td>
</tr>
</tbody>
</table>

To incorporate a services component, pilot program participants will be coupled with a mentor who will be conducting their interviews, informing them of available resources, and encouraging but not requiring participation. Mentorship will include talking through potential financial implications associated with accepting the $1,000 monthly basic income and encouraging savings and participation through financial coaching/literacy services. There are some public assistance benefits that may be impacted, by receiving the $1000 monthly basic income, although the value of the $1,000 basic income is greater than the two types of widely accessed assistance reviewed and listed below:

<table>
<thead>
<tr>
<th>Program</th>
<th>Approx. Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalFresh</td>
<td>$194</td>
</tr>
<tr>
<td>General Assistance</td>
<td>$343*</td>
</tr>
</tbody>
</table>

*per person and depending on shared or non-shared living arrangements

Each participant’s eligibility will need to be reviewed on a case-by-case basis to determine the specific impact on these and other benefits, such as MediCal. Additional benefits that may be impacted by receiving a basic income are included in Appendix 1, “Support Available to Transition-Age Youth,” attached to this report. Appendix 1 outlines a variety of financial support that pilot program participants may currently be using or have available to them. These supports are only provided should these youth meet eligibility criteria (e.g., Pell grant funding is only available to TAY enrolled in college).

**CHILD IMPACT**

The recommended action will have a positive impact on children and youth by providing independent living and economic support for Transition-Age Youth aging out of the foster care system.

**SENIOR IMPACT**

The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**
The recommended action will have no/neutral sustainability implications.

**BACKGROUND**

At the August 13, 2019 Board of Supervisors meeting (Item No. 14), the Board approved a referral submitted by Supervisor Cortese requesting that Administration and County Counsel return to the Board, through the Children, Seniors, and Families Committee (CSFC), with options for implementing a basic income pilot program under which young people transitioning out of the foster care system would receive unconditional cash payments.

At the December 3, 2019 Children, Seniors, and Families meeting (Item No. 8), the Offices of the County Executive and County Counsel provided a report with options for implementing a basic income pilot program for current and/or former foster youth.

At the April 21, 2020 Board of Supervisors meeting (Item No. 21), the Board provided direction to Administration to report to the Board with a proposed budget allocation for the implementation of a Pilot Program from June 2020 through May 2021 that is responsive to the current needs of County foster youth during and after the COVID-19 public health emergency to serve all youth aging out of foster care who are 21 years old and up to 24 years old in Santa Clara County with a basic income of $1,000 dollars per month; that Administration engage in partnerships with service providers experienced in mentoring and assisting transition-age foster youth; and, that Administration continue efforts to seek public-private partnerships and private foundation funding. The Board also directed Administration to report to the Board with an explicit and robust evaluation component of the recommended Pilot Program prior to implementation, including financial implications and determining factors of those designated as foster youth.

This report is in response to the Board referrals from the April 21, 2020 (Item No. 21) Board of Supervisors meeting.

**CONSEQUENCES OF NEGATIVE ACTION**

The Board would not appropriate funding to begin the Transition-Age Youth Basic Income Pilot Program for former foster youth or receive the report on the evaluation component of the pilot program.

**LINKS:**

- References: 99229 : Receive report from the Office of the County Executive and County Counsel relating to options for implementing a basic income pilot program for current and/or former foster youth. (Referral from August 13, 2019 Board of Supervisors meeting, Item No. 14) (Office of the County Executive)
- References: 101026 : Under Advisement from August 13, 2019 (Item No. 14): Consider recommendations relating to options for implementing a basic income pilot program for current and/or former foster youth. (Office of the County Executive)
- Created: 98065 : Approve referral to County Counsel and Administration to return to the Board, through the Children Seniors and Families Committee, with options for implementing a basic income pilot program under which young people transitioning out of the foster care system would receive unconditional cash payments. (Cortese)
ATTACHMENTS:

- F85-221 FY20 (PDF)
- Appendix 1 (PDF)
- BOS Item 19 Presentation 05122020 (PDF)