Legislation Details (With Text)

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Title: Resolution to Approve an ARPA Subrecipient Grant Agreement with Regents of the University of Michigan for Research and Administration of the Ann Arbor Guaranteed Income Pilot Program in the amount of $1,600,000

Sponsors: Linh Song, Ayesha Ghazi Edwin, Cynthia Harrison

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Attachments: 1. AWD023695_PE_ARPA Subrecipient Agreement UM Poverty Solutions.pdf

Date	Ver.	Action By	Action	Result
6/5/2023	1	City Council		
6/5/2023	1	City Council	Amended	
6/5/2023	1	City Council	Amended	
6/5/2023	2	City Council	Approved as Amended	Pass

Resolution to Approve an ARPA Subrecipient Grant Agreement with Regents of the University of Michigan for Research and Administration of the Ann Arbor Guaranteed Income Pilot Program in the amount of $1,600,000

In April of 2022, City Council approved the allocation of ARPA funds through Resolution R-22-096. In that resolution, a total of $1.6 million ($1,600,000) was dedicated to a universal basic income pilot. Since that time, staff has worked to research and develop a project scope, competitively bid an RFP to determine the best contractor, and now recommends the award of the contract to Poverty Solutions at the University of Michigan.

The city made several decisions around this guaranteed income pilot that set it apart from similar programs implemented nationally. First, we knew that we wanted to leave something meaningful for other cities or organizations to pick up on and build upon when this program was over. With that in mind, we chose to design the program so that academically rigorous social science concerning the nature of poverty and the impacts of guaranteed income would be one of the results of our work. In service of that goal, we asked RFP respondents to propose a novel research question or questions for study to expand our understanding of the utility and importance of these projects. Many organizations nationally produce research on their guaranteed income initiatives, but it is low-level survey research, and it does not reach the standard of peer-reviewable social science. In addition, we wanted an outside agency to serve as the fiscal agent for the disbursement of funds. This is to facilitate a more cost-efficient program, that is easier for program participants to use generally but especially if they are unbanked.

The proposal from Poverty Solutions at the University of Michigan met these requirements. They are proposing to administer the funds directly to program recipients through a partnership with Steady, a company that specializes in disbursement of funds like this to both banked and unbanked populations as inexpensively as possible, which preserves more of the funding to go directly to program recipients.

Poverty Solutions has also proposed an interesting and novel set of research questions that they will pursue with a high quality mixed-methods study, a novel approach to the guaranteed income pilot. The program will target individuals who live in low- and moderate-income households who are also engaged in some form of entrepreneurship, whether it be gig work, an informal business run out of their home or in their neighborhood, or some other more formal business activity. The research questions that will be explored include:

- Whether the monthly payments from the guaranteed income pilot program positively contribute to participants' social determinants of health, specifically through increased housing, food, and transportation security, improvements in physical and mental health and access to care, and improvements in access and quality of child care.
- Whether the monthly payments help small businesses and entrepreneurs stabilize and/or grow their businesses or not;
- Whether the monthly payments allow entrepreneurs the time and resources to focus on their business or not; and
- Whether the monthly payments contribute to the positive economic growth of the community.

The payments to participants in the program are planned to last two years. Payments will be roughly $528 per month to 100 participants. Details on how individuals may be selected for participation in the program will be announced after the contract is executed. This program will be funded entirely by federal ARPA dollars.
Prepared by: John Fournier, Deputy City Administrator
Reviewed by: Michelle Landis, Senior Assistant City Attorney
Approved by: Milton Dohoney Jr., City Administrator
Whereas, In April 2022 the City Council directed the creation of a guaranteed income pilot program using some of the funds received from the federal government through the American Rescue Plan Act (ARPA);

Whereas, Over the last year, staff have worked to study other successful pilot programs and to prepare an RFP to hire a research and administration team to administer our pilot;

Whereas, Poverty Solutions at the University of Michigan has created a research and administrative proposal that provides an innovative approach to provisioning resources and researching the effects of a guaranteed income program;

Whereas, Studying the impact that guaranteed income has on individuals' housing, food, transportation security, improvements to physical and mental health, access to care, and improvements to the quality of child care, in addition to studying the impact guaranteed income will have on low-level entrepreneurship, and the expansion of economic opportunity among families most in need, is a novel and important approach to understanding the effects of poverty and strategies to ameliorate them; and

Whereas, The plan to provide $528 monthly to 100 families over 24 months would make this program one of the largest guaranteed income pilot programs in the nation;

RESOLVED, The City Council authorizes and directs the City Administrator to enter into an ARPA Subrecipient Agreement with the Regents of the University of Michigan for $1,600,000 for the research and administration of the City of Ann Arbor's guaranteed income pilot program;

RESOLVED, That the guaranteed income recipients enrolled in this program shall be city residents;

RESOLVED, That priority will be given to residents who receive any existing form of public assistance such as housing assistance (including those on a waiting list for housing assistance), Medicaid, SNAP, or who have dependents eligible for free or reduced price lunch, and that other residents who engage in entrepreneurial work will need to demonstrate economic need or hardship to be eligible to participate;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the, the ARPA Subrecipient Agreement with the Regents of the University of Michigan, substantially in the form on file with the City Clerk, following approval as to substance by the City Administrator, and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution and to approve any amendments to the agreement that are deemed administratively necessary, which do not exceed the amount of the grant approved or alter the material terms of the agreement.

Sponsored by: Councilmembers Song, Ghazi Edwin, and Harrison

As Amended and Approved by Ann Arbor City Council on June 5, 2023

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