

Sunnyvale: Creation of a Universal Basic Income Pilot Program

FINAL REPORT
MARCH 2024

Dalberg



Sunnyvale

Executive Summary

I. Introduction and methodology

The Sunnyvale City Council introduced Study Issue CDD 22-07 in January 2022, initiating an exploration of a Universal Basic Income (UBI) pilot. Originally, City staff indicated that there was not sufficient capacity to work on the study; the City Council opted to hire external consultants through a competitive application process so that the study could be added to the list of projects for the Community Development Department.

Funding for this contract was approved in June 2022, and the study commenced in August 2023. Although the study referenced UBI, in these materials, the term “GBI” is employed to denote Guaranteed Basic Income, a concept similar to UBI but tailored for a specific targeted population.

Dalberg Advisors was engaged in mid-August 2023 to undertake the assessment of existing GBI programs and provide recommendations for Sunnyvale’s potential pilot. The study aimed to answer four fundamental questions: “Why fund GBI?”, “Who is the pilot for?”, “What are the design characteristics?”, and “How to fund and execute it?”.

To address these questions, Dalberg consulted with ~60 stakeholders and experts through a four-stage process. Dalberg also engaged with potential beneficiaries through two focus group discussions, gaining insights into their needs, challenges, and preferences. Additionally, Dalberg held two community outreach meetings that involved the broader Sunnyvale community, seeking input on strategic goals, potential beneficiaries, program characteristics, and success metrics to measure.

This comprehensive approach was meant to ensure that the pilot design and execution align with the unique needs and dynamics of Sunnyvale, setting a robust foundation for a potential GBI pilot program.

Executive Summary

II. Key findings

Poverty in Sunnyvale: Despite its affluence, Sunnyvale grapples with a significant poverty issue, with approximately 8,000 residents in ~3,000 households (5.2% of the population) living below the Federal Poverty Line. Although people of color tend to have lower average incomes, poverty affects individuals of all races. Testimonies from community organizations and residents highlight the specific challenges that low-income residents face and emphasize the pressing need for intervention.

Overview of GBI pilots: Guaranteed Basic Income is gaining momentum nationally, with over 100 pilots established in the U.S. as of December 2023, and significant interest in California and Santa Clara County. Successful GBI pilots have demonstrated positive effects on employment, housing stability, mental health, and income volatility.

These pilots have served various objectives, ranging from addressing very specific local needs to serving as ‘proof points’ for the broader UBI movement. Eligibility criteria in GBI pilots also vary across a spectrum from broad (e.g., anyone with income under a given threshold) to very targeted populations (e.g., expectant/new mothers of color or foster youth aging out of the system). Based on Dalberg’s review of 35+ pilot programs and interviews with experts, common characteristics of GBI pilot programs include participant numbers of 100-325, monthly payments of \$500-\$1,000, durations of 1 to 2 years, and additional administration costs of at least 15%. A few programs have recently offered larger upfront payments as well. Execution typically involves collaboration with an implementer, distributor, and researcher, each with distinct roles to ensure day-to-day support, efficient fund distribution, and data tracking and analysis, respectively. Funding sources for GBI pilots have comprised state, county, and local funds, private donors, and philanthropic grants.

Executive Summary

III. Conclusions and recommendations (1 of 2)

Why? Dalberg recommends that Sunnyvale implement a GBI pilot, as there is robust support for the idea within Sunnyvale, and as evidence from across the nation demonstrates that GBI programs can make a meaningfully positive difference in beneficiaries' lives. The pilot program should focus on addressing local needs, acting both as a "safety net" for immediate challenges or a "step ladder" for upward economic mobility. Contributing evidence to the national GBI movement is less important than addressing the needs of low-income residents of Sunnyvale.

Who? Dalberg recommends adopting broad eligibility criteria, such as residents earning under 30% of Area Median Income or those with income below 200% of the Federal Poverty Line. Although some groups were most mentioned by interviewees (e.g., low-income families with children, unhoused residents, and residents at risk of becoming homeless or recently housed individuals), there is no consensus on a specific target group. This broad approach allows for a diverse participant pool, encompassing many of the target groups highlighted by community stakeholders, with recognition that evidence so far does not favor one population over another for GBI programs. Additionally, this approach allows for comparison of impact across participants with different profiles.

What? An optimal pilot for Sunnyvale would incorporate several key features. These include a minimum of 100 participants, the flexibility to opt for either monthly or hybrid payments (i.e. an upfront payment of part of the total), an annual amount ranging from \$12,000 to \$14,400, and a two-year duration. The design must also address the "benefits cliff" (i.e., when additional income reduces public benefits for low-income residents). City measures for this should involve ensuring informed consent, structuring benefits as tax-free gifts, securing waivers from local and state agencies to exclude GBI from benefit calculations, and considering establishing a "hold-harmless" fund for potential benefit losses. Sunnyvale might also consider offering *optional* support services to pilot participants, specifically focusing on benefits counseling and day-to-day support.

Executive Summary

III. Conclusions and recommendations (2 of 2)

How?: To enhance community engagement, Dalberg recommends a comprehensive outreach approach, utilizing virtual platforms (e.g., online newspapers, email, text messages, the City’s website, and social media), physical channels (e.g., newspapers, RV flyers, posters, and event presence), and collaboration with existing networks such as schools, food banks, places of worship, shelters, and local community organizations. A multi-step beneficiary identification process is suggested, involving outreach, application, randomized selection, and verification. The distribution of funds through reloadable debit cards is recommended for streamlined transactions and reducing potential barriers. For efficient execution, Dalberg suggests engaging a trusted community-based organization as project administrator (or ‘implementation partner’), who would also subcontract a distribution partner for fund disbursement. Even with outsourced project administration, the Community Development Department will need to allocate some staff time for oversight. In addition, Dalberg recommends tracking basic indicators (e.g., stable housing, food security, income, among others) through self-reporting surveys every six months or through existing mechanisms, avoiding costly research studies. Active participation in GBI communities of practice at the national, California, and Santa Clara County levels is also encouraged for collaborative knowledge-sharing.

Estimated pilot costs are a minimum of \$1.4M to \$2M annually, and securing external funding appears challenging. Potential contributions from major employers hinge on factors beyond the City's control, the County and State’s support for new initiatives is unlikely to materialize, and philanthropic funders are showing pilot fatigue, favoring initiatives contributing to the broader UBI movement and the transition from pilot to policy. This situation prompts consideration of using the City's own funds or waiting for a suitable co-funding source.

Executive Summary

IV. Next steps and decision points for City Council

Following Dalberg's recommendations, the City Council is at a pivotal stage for a GBI pilot in Sunnyvale. For the program design, they must determine:

- 1) Their willingness to fund the pilot independently, facing estimated costs of \$1.4M to \$2M annually, or to wait until an external funding source is identified
- 2) The target demographic, deciding between broad or specific criteria for beneficiaries
- 3) The pilot's characteristics and budget, including participant numbers, support amounts, frequency, and duration
- 4) Their desire to engage appropriate partner(s) for implementation.

Finally, the City must identify and specific funding sources and allocate funds after refining the budget.

Regarding pilot execution, the City is tasked with (1) assigning roles for implementation, including outreach, participant screening, and day-to-day support; (2) designating responsibility for benefits cliff mitigation and securing waivers; (3) designating responsibility for fund distribution; (4) defining the desired metrics and data collection methods; (5) allocating responsibilities for the measurement and evaluation of these metrics, including collection, analysis, and insights sharing; and (6) formulating a communication strategy for the broader community, specifying responsibilities, desired levels of proactivity, and suitable communication channels.

1. Introduction and methodology

2. Key findings

- A. Poverty in Sunnyvale
- B. Overview of GBI pilots

3. Conclusions and recommendations

- A. Why?
- B. Who?
- C. What?
- D. How?

4. Next steps and decision points for City Council

Sunnyvale's City Council introduced a Study Issue for a Universal Basic Income pilot

In January 2022, the City Council of Sunnyvale introduced **Study Issue (SI) CDD 22-07** to evaluate a **Universal Basic Income (UBI) pilot program**

Initially planned for in-house completion, the Study Issue faced challenges due to limited staff capacity in the Community Development Department and Housing Division in 2022, and therefore the project officially began in August 2023

The City opted to hire consultants through a Request for Proposals (RFP) and conduct a competitive application process

While UBI offers financial assistance to everyone, GBI targets specific populations

- **Universal Basic Income (UBI)** provides **all individuals** a regular unconditional payment
- **Guaranteed Basic Income (GBI)** refers to a similar concept for a **targeted population**

We use the term “**GBI**” in these materials

Dalberg Advisors was engaged to support Sunnyvale's GBI pilot study with a defined scope

Dalberg Advisors has been supporting this Study since mid-August 2023

Pursuant to the Study Issue, our work will cover the following elements¹:

- An assessment of other GBI programs, including those in California**
- Identification of potential funding sources, including public and philanthropic funding sources**
- Identification of participant pool size, process to apply for the pilot, and amount distributed**
- Outreach process**
- Program administration requirements, including evaluation metrics**
- Process for distributing funds**

Throughout this study, Dalberg and the City collectively considered four fundamental questions

NON-COMPREHENSIVE

Sub-questions

Why?	Who?	What?	How?
<ul style="list-style-type: none"> • What are the fundamental objectives of the pilot? 	<ul style="list-style-type: none"> • Who is the pilot for? <i>The target population can be defined broadly (e.g., anyone with 30% of Area Median Income) or narrowly (e.g., new or expectant mothers)</i> 	<ul style="list-style-type: none"> • What is the size of the pool of participants? • What is the amount of support provided? • What is the frequency of support provided? • What is the duration of the support provided? • What complementary services will be included, if any (e.g., benefits counseling)? • What potential risks should be considered? (e.g., recipients losing other benefits) 	<ul style="list-style-type: none"> • How will the City execute the pilot? <ul style="list-style-type: none"> – How will the City verify eligibility criteria? – How will the City disburse payments? – How will the pilot be governed? • How will the City measure impact (e.g., Randomized Controlled Trials)? • How will the City fund the pilot?

To address these questions, Dalberg consulted a wide range of ~60 stakeholders and experts, and conducted desktop research (1 of 2)



Stage 1

Engage **community stakeholders** and **City staff**, as well as **conduct desktop research** and external benchmarking



Stage 2

Share **initial findings** with the **City Manager**, and engage **external GBI experts** and **potential co-funders**



Stage 3

Share **intermediate findings** with the **City Council**, hold two **community outreach meetings**, and conduct two **focus group discussions** with potential beneficiaries



Stage 4

Re-engage stakeholders as needed and share **final findings** with the **City Council**

Note: Please see annex for the full list of engaged stakeholders.

To address these questions, Dalberg consulted a wide range of ~60 stakeholders and experts, and conducted desktop research (2 of 2)

	Why?	Who?	What?	How?
 Community stakeholders	✓	✓	✓	✓
 Community members & potential beneficiaries	✓	✓	✓	✓
 External experts & potential co-funders			✓	✓
 Elected officials and City staff	✓	✓	✓	✓

✓ Will help answer entire question
✓ Will help partially answer question

Dalberg engaged potential beneficiaries through two focus group discussions, co-facilitating them with local service providers in Sunnyvale

Objective

The purpose of these sessions was to **understand the needs, challenges, and preferences of individuals who could potentially benefit from Sunnyvale's GBI pilot program**. By engaging directly with potential recipients, the goal was to ensure that the program's design and implementation align with their realities and perspectives.

Description

The City of Sunnyvale, Dalberg, and local community organizations, **collaborated to plan two focus group sessions**. These were held on December 13, 2023, at the Columbia Neighborhood Center in Sunnyvale.

Community organizations assisted in nominating participants and potential co-facilitators. Dalberg curated the list of attendees and selected front-line staff, who were familiar with some of these participants, to serve as co-facilitators, ensuring a comfortable environment.

The sessions, characterized by **informal conversations, aimed to understand potential GBI recipients' perspectives through prompt questions**, while maintaining flexibility in the discussions.

Everyone was given the **option to share openly or submit anonymous written responses**, fostering a safe and participant-centric space for genuine dialogue.

Participants

The focus groups had **6-8 participants per session**. Participants were **individuals with low incomes**, such as those below the Federal Poverty Line (~\$30,000 annually for a family of four).

The group was arranged to ensure a **diverse mix of participants, including individuals from different genders, age groups, ethnicities, and life experiences**. This included residents experiencing homelessness, facing rent burdens, or encountering housing insecurity, as well as parents of preschool or school-aged children.

Dalberg also held two community outreach meetings with the extended Sunnyvale community

Objective

The objective of these meetings was to **gather the community's perspectives on Sunnyvale's potential GBI pilot program**. The goal was to actively involve residents and the broader community in providing input for the potential design and execution of the pilot.

Description

The City of Sunnyvale and Dalberg organized **two community outreach meetings**. These were held on December 14, 2023, one fully virtual and the other one hybrid (virtual and in-person at Sunnyvale City Hall).

The agenda included i) **Introduction and context of GBI**, ii) **Discussion on key questions**, and iii) **Closing remarks**.

Key questions focusing on the "Why?", "Who?", "What?", and "How?" of the GBI pilot were presented to participants to gather their input on strategic goals, potential beneficiaries, program characteristics, and success metrics.

The meetings utilized an **interactive approach**, incorporating the use of Mentimeter (menti) to facilitate engagement.

Both sessions were **led by Dalberg and City staff**, offering attendees the option to contribute through written submissions and oral participation.

Participants

The **broader Sunnyvale community was invited** to participate. Anyone interested was welcome to join.

The city promoted participation in these meetings by **leveraging existing lists of interested individuals or relevant stakeholders and groups**.

Each meeting attracted **10-30 participants**.

Attendees included **members of community organizations and general Sunnyvale residents**, both those with a broad interest in the topic and those keen on potentially participating as beneficiaries.



In the next section, we will present
the results of all this work



1. Introduction and methodology

2. Key findings

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- B. Overview of GBI pilots

3. Conclusions and recommendations

- A. Why?
- B. Who?
- C. What?
- D. How?

4. Next steps and decision points for City Council

1. Introduction and methodology

2. Key findings

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B. Overview of GBI pilots

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A. Why?

B. Who?

C. What?

D. How?

4. Next steps and decision points for City Council

The FPL for a family of four is \$30K, which may be an unrealistically low measure of need given Sunnyvale’s high living costs and median income

Federal Poverty Line (FPL)¹

Family size	2023 income numbers	2024 income numbers
Individuals	\$19,720	\$20,440
Family of 2	\$19,720	\$20,440
Family of 3	\$24,860	\$25,820
Family of 4	\$30,000	\$31,200
Family of 5	\$35,140	\$36,580
Family of 6	\$40,280	\$41,960

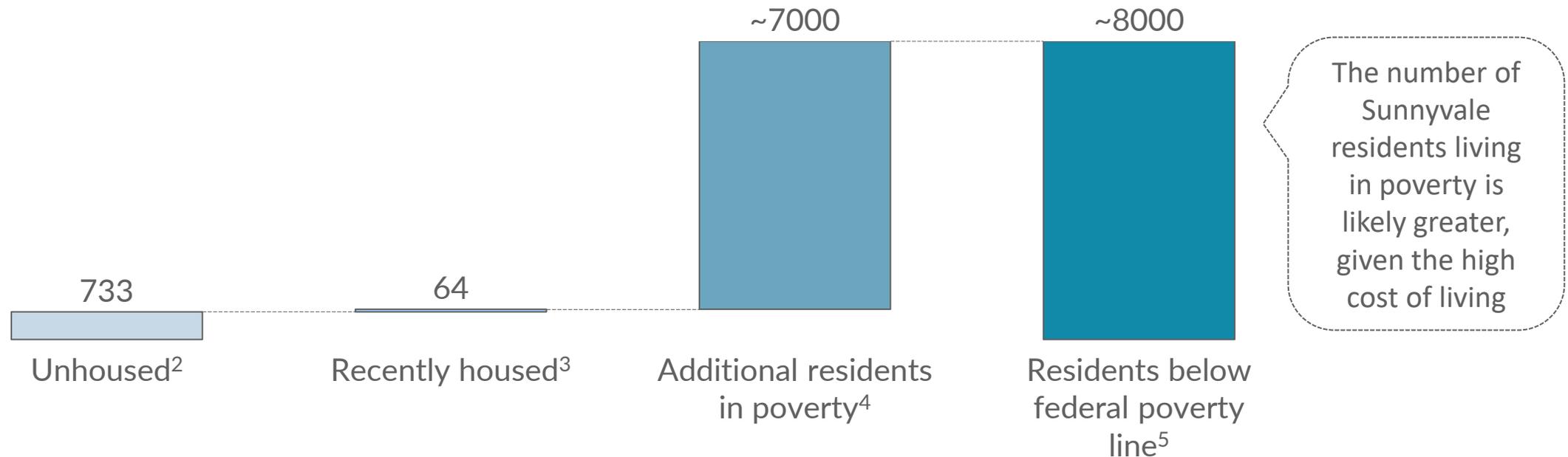
Area Median Income (AMI)²: Sunnyvale's Median Household Income (2018-2022) is \$174,506

Sources: [1] HealthCare.gov, [Federal poverty level \(FPL\)](#), 2024; [2] U.S. Census Bureau, [Data for Sunnyvale City](#), 2022.

Although Sunnyvale is a wealthy community, approximately 8,000 residents still live below the federal poverty line

Even though Sunnyvale's median household income is over \$170K per year, **5.3% of residents live under the poverty line (~8k residents)**¹

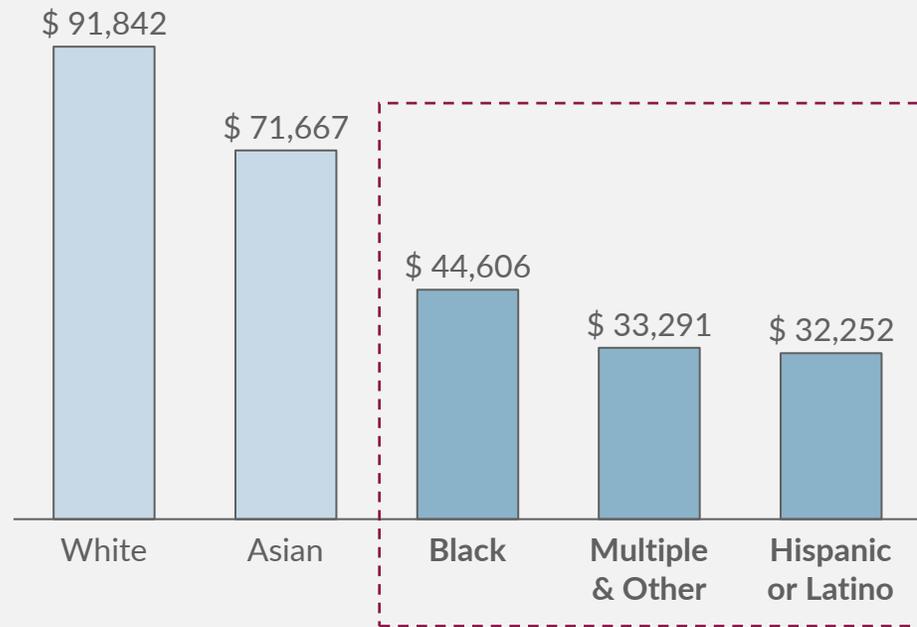
Number of Sunnyvale residents living in poverty



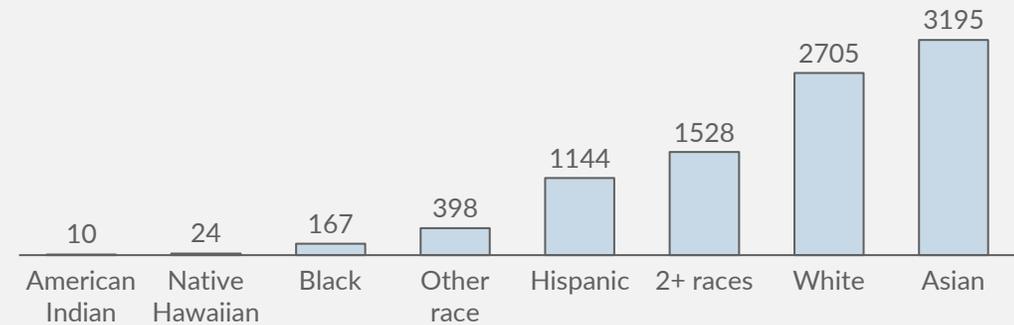
Sources: [1] U.S. Census Bureau, [Data for Sunnyvale City](#), California, 2023; [2] Santa Clara County Office of Supportive Housing, City of Sunnyvale HOME-ARP Allocation Plan Data Analysis, 2022; [3] Sunnyvale Community Services; 2023; [4] Dalberg analysis; [5] U.S. Census Bureau, [Data for Sunnyvale City](#), 2022.

While residents of color tend to have lower average incomes, poverty impacts individuals of all races in Sunnyvale

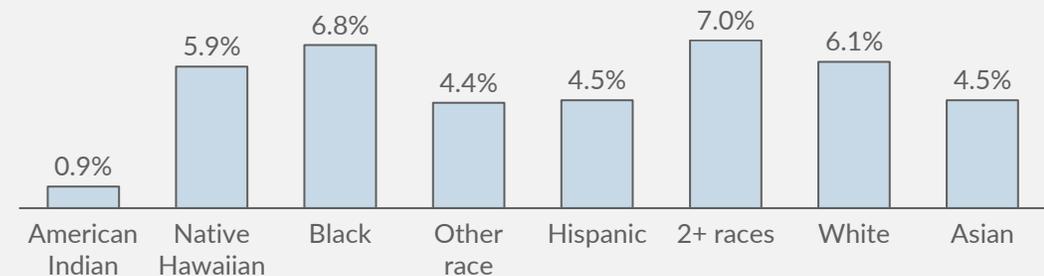
Per Capita Income by Race in Santa Clara & San Mateo Counties (2021)¹



Break-down of poor residents in Sunnyvale by race (# of people with income below poverty level, 2022)²



Break-down of residents in Sunnyvale by race (% with income below poverty level, 2022)²



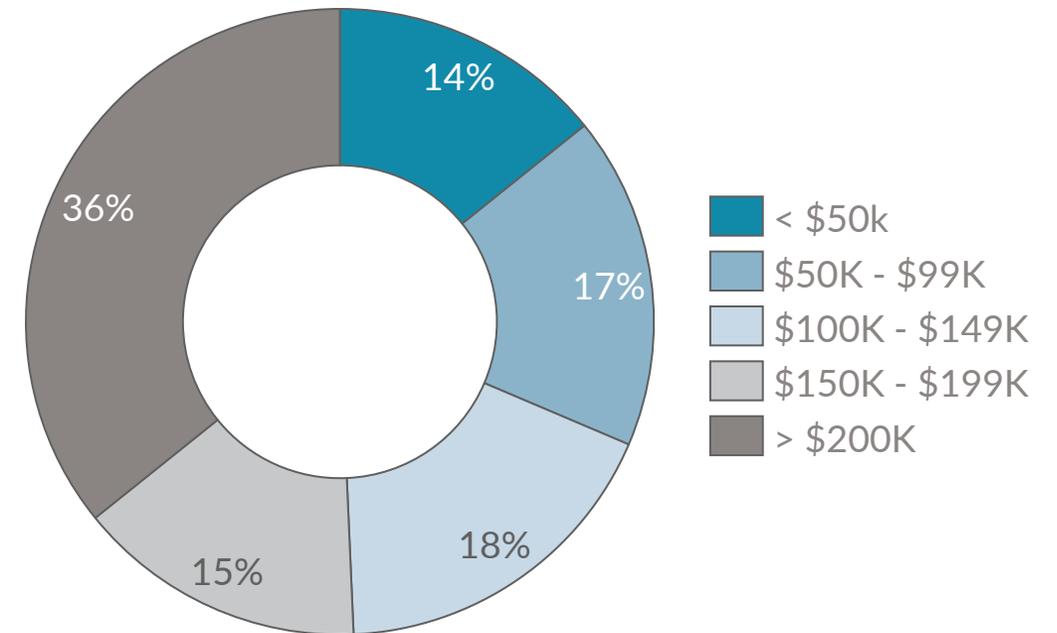
Sources: [1] Joint Venture Silicon Valley, [2023 Silicon Valley Index](#), 2023; [2] City-Data, [Sunnyvale, California \(CA\) Poverty Rate Data](#), 2021.

Numerous households are falling short each month in their ability to fully support themselves

In Sunnyvale, nearly 1 in 3 households earn under \$100k, likely facing monthly shortfalls

- Some local faith-based organizations have estimated that **the cost of living for a family of four is at least ~\$90k annually¹**
- MIT's living wage model* suggests that in Sunnyvale:
 - A household of two adults working full-time and one child must earn at least ~\$115k to support themselves²
 - A household of one adult working full-time and one child must earn at least ~\$108k to support themselves²
- In 2020, **31.2% of households earned less than \$100k (~17k households)³**

Household share by income (2020)³



Note: (*) The living wage model, as an alternative to federal poverty measures, calculates the minimum employment earnings needed for a family's basic needs, factoring in geographically specific costs for food, childcare, health care, housing, and other necessities.

Sources: [1] Dalberg interviews and community engagement; [2] Living Wage Calculator MIT, [Living Wage Calculation for San Jose-Sunnyvale-Santa Clara, 2023](#); [3] Data USA, [Sunnyvale, CA - Household income, 2020](#).

As a result, low-income Sunnyvale residents face severe challenges, as proven by interviews with local organizations and community members

Community Organizations



The growing number of people on the streets, including families with young children, is a significant concern [...] There is a big need. Evictions and low-paying jobs are key factors. It's basically a money game at this point.

- Community-based organization that supports vulnerable individuals



The high cost of rent in Sunnyvale forces families to squeeze into single households. We've observed people renting parts of living rooms or kitchens, with residents alternating [...] Many children and their families face food insecurity. We are underserving those who need assistance the most.

- Nonprofit emergency assistance agency in Sunnyvale



Housing is a major challenge. Finding employment is also a hurdle due to Sunnyvale's size. People keep running into roadblocks [...] People have a very small cushion month over month. They struggle to build savings. There is a very small window for a medical emergency, a car breakdown, etc.

- Nonprofit organization in California that addresses homelessness

Community Members



It doesn't matter how many times you do a budget if you're on a deficit. You can only cut expenses so far.

- Low-income Sunnyvale resident (potential GBI beneficiary)



I have four children, and I'm the only one working. After reaching earnings of two thousand per month, you don't get any more help. It can be very tough to get help. I became depressed and stopped asking for resources.

- Low-income Sunnyvale resident (potential GBI beneficiary)



There is no breathing room [...] In the past, an amount that might seem small, would seem big at that point, causing me to spiral negatively. If I just had received help at that time, everything wouldn't have piled up because of one issue.

- Low-income Sunnyvale resident (potential GBI beneficiary)

The data shows that there are many
Sunnyvale residents who could
benefit from a Guaranteed Basic
Income program

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots**
3. Conclusions and recommendations
 - A. Why?
 - B. Who?
 - C. What?
 - D. How?
4. Next steps and decision points for City Council

Guaranteed Basic Income is gaining momentum across the U.S., and in Santa Clara County in particular



- There have been around 100+ GBI pilots established in U.S. cities since late 2018¹
- Policymakers have become more receptive to GBI and UBI, given actions taken by the federal government during the onset of the COVID-19 pandemic²
- While there is active **opposition to race-based or other non-economic targeting in CA**, broader opposition to GBI is largely **unorganized and concentrated in “red” states***



- The **Stockton Economic Empowerment Demonstration (SEED)** was the first city-led GBI pilot program in the country³
- **California has allocated \$35M** over five years for local governments interested in setting up a GBI pilot program^{1,2}
- **20+ GBI pilots** have been launched in California, with more on the way^{1,2}



- In August 2023, Santa Clara County announced 4 new GBI pilots focused on former foster youth, young moms, justice-involved individuals, and unhoused high school seniors⁴
- **Mountain View** has invested ~\$2M in a GBI pilot for 166 parents with 30% of the Area Median Income (AMI)⁵
- The **Silicon Valley Guaranteed Income Project** provides \$1,000 per month, for 24 months, to 150 Santa Clara County families experiencing or at risk of homelessness⁶

Note: (*) See annex on potential opposition for more information.

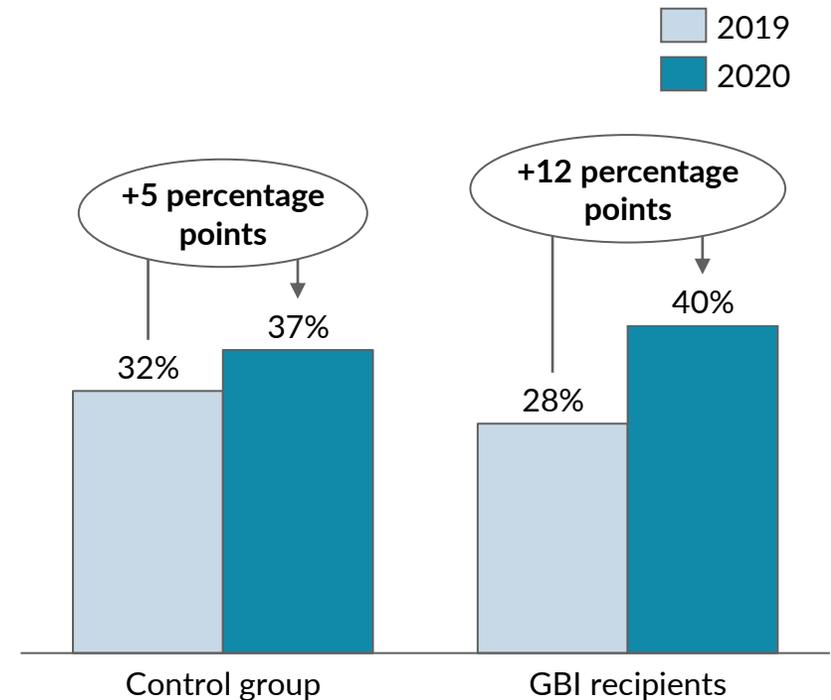
Sources: [1] Economic Security Project, [Champions for Guaranteed Income Celebrate](#), 2022; [2] New York Times, [Guaranteed Income Programs Spread, City by City](#), 2022; [3] Stockton Economic Empowerment Demonstration, [Preliminary Analysis: SEED's First Year](#); [4] Santa Clara County, [County of Santa Clara Expands Guaranteed Basic Income Pilot Program to Additional Vulnerable Populations - Office of Communications and Public Affairs - County of Santa Clara](#); [5] City of Mountainview [Elevate MV | Guaranteed Income Pilots Dashboard](#), 2023; [6] Destination: Home, [Announcing the Launch of the Silicon Valley Guaranteed Income Project](#), 2022.

Building on the success of other pilots, Sunnyvale's pilot can help improve social outcomes for residents

Research on Guaranteed Basic Income has shown it has significant effects on people's livelihood, including:

- **Higher probability of finding full-time employment**^{1,2}
- **Increased housing stability** (e.g., in the New Leaf project in Vancouver, beneficiaries saw a drop in days homeless from 77% to 49% in the first month)³
- **Improved mental health**, with fewer signs of depression and anxiety among participants²
- **Reduction in household income volatility** (e.g., in Stockton, monthly income fluctuation was 46.4% for participants and 67.5% for non-participants)²
- **Increased opportunity for self-determination**, agency, goal-setting and risk-taking²

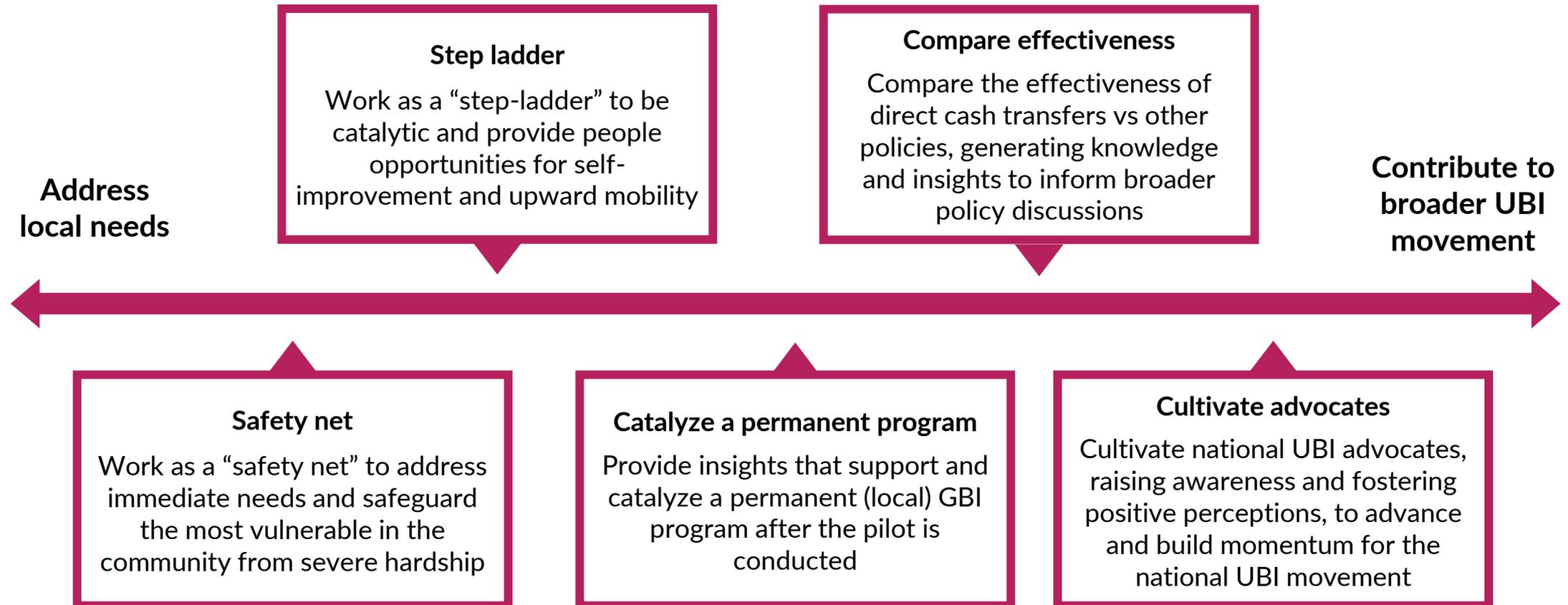
Percentage of population having full-time employment, from Stockton Economic Empowerment Demonstration⁴



Sources: [1] Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [2] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022; [3] Foundations for Social Change, [Statement of Impact](#), 2021; [4] Stockton Economic Empowerment Demonstration, [Preliminary Analysis: SEED's First Year](#), 2021.

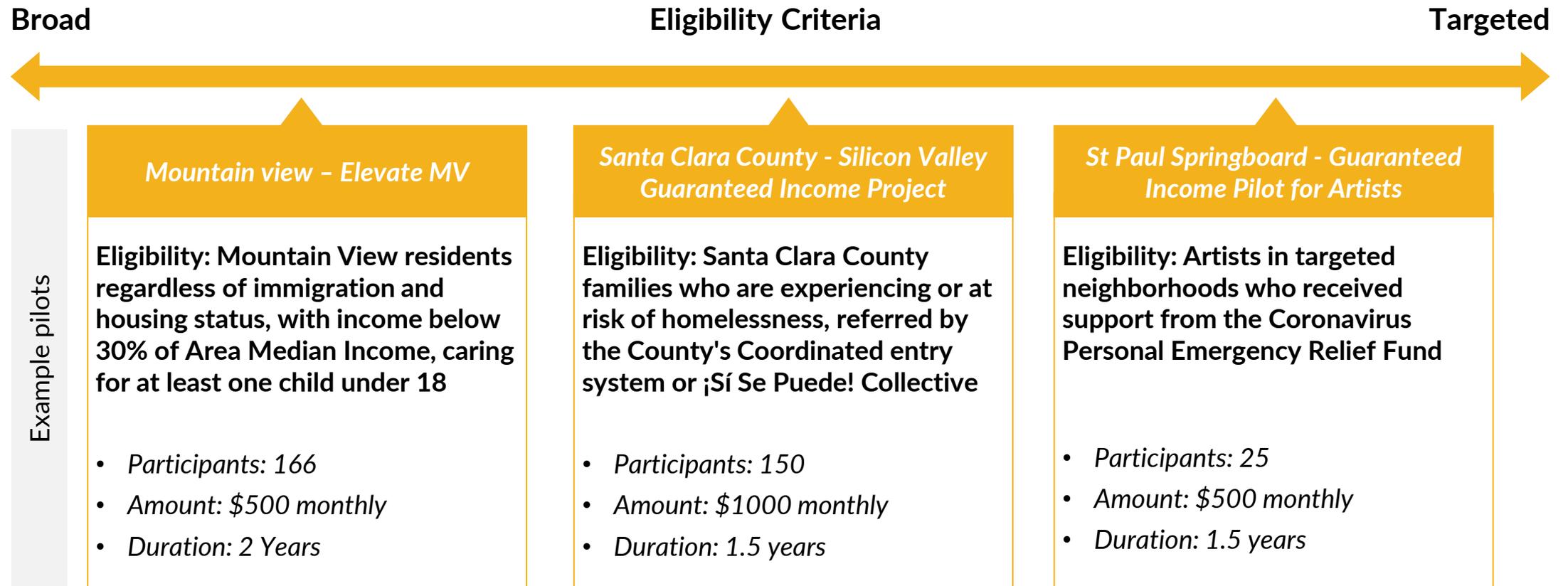
Why? | Other GBI pilots have served different objectives, ranging from addressing local needs to contributing to the broader UBI movement

Based on our prior work and a review of 35+ pilots, GBI pilots may serve various objectives, that are not necessarily mutually exclusive:



Who? | GBI pilots in California and beyond vary in terms of the degree to which their eligibility criteria are targeted or broadly defined (1 of 2)

Based on our prior work and a review of 35+ pilots, GBI pilots exhibit a spectrum of eligibility criteria, ranging from broad to targeted approaches



Sources: [1] Dalberg Analysis; [2] The Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [3] Mayors for a guaranteed income, [Resources](#), 2022; [4] Mayors for a guaranteed income, [End of Year Report](#), 2022.

Who? | GBI pilots in California and beyond vary in terms of the degree to which their eligibility criteria are targeted or broadly defined (2 of 2)

Broad

Targeted

Example pilots

Atlanta - Income Mobility Program for Atlanta Community Transformation (I.M.P.A.C.T)

Eligibility: 18 years old, Atlanta city residents, with an income up to 200% the Federal Poverty Line

Cambridge - Cambridge Recurring Income for Success + Empowerment (RISE)

Eligibility: Single (unmarried) caregiver of at least one child under the age of 18, resident in Cambridge, with an income below 80% of the Area Median Income

Madison - Madison Forward Fund

Eligibility: Madison residents 18 and older with a household income less than 200% of the Federal Poverty Line, and with a child under 18 years old living at home

Gainesville - Just Income

Eligibility: Alachua County residents who are within six months of their release from federal/Florida state prison, released from jail with a felony or beginning felony probation

Santa Clara County

Eligibility: Young adults exiting out of the foster care system

Louisville - Young Adult Louisville Income for Transformation (YALift!)

Eligibility: 18-24 years old and residing in specific neighborhoods (California, Russell, and Smoketown)

Sources: [1] Dalberg Analysis; [2] The Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [3] Mayors for a guaranteed income, [Resources](#), 2022; [4] Mayors for a guaranteed income, [End of Year Report](#), 2022.

What? | Our review of 35+ pilots and expert interviews indicate common pilot traits

Typical Characteristics of GBI pilots^{1,2,3}

- Participants: **100 – 325**
- Frequency: **Monthly or Hybrid** (lump sum payment upfront + monthly)
- Amount: **\$500 - \$1,000** per month
- Duration: **1-2 Years**
- Complementary services: **Optional**

Note: The ranges for number of participants, frequency of payment and duration of pilot reflect the 20th to 80th percentile of the pilots reviewed. The range for the amount of support provided is based on expert interviews.

Sources: [1] Dalberg analysis and interviews; [2] Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023; [3] Mayors for a Guaranteed Income, [Resources](#), 2022.

How? | Similar pilots have been implemented with partner organizations and funded with some help of private donations (1 of 2)

Execution and Funding

Execution:

GBI pilots tend to be implemented through collaborative efforts. These partnerships may involve:

- i) **An implementer**, ideally equipped with an understanding of beneficiaries and the capacity to provide them the necessary support
- ii) **A distributor**, who ensures efficient fund distribution
- iii) **A researcher**, in charge of collecting data, conducting analysis, and generating reports

Funding:

Most GBI pilots have been **funded at least in part by private donations**¹. For example:

- In 2023, California launched the Guaranteed Income Pooled Fund to support GBI pilots. Contributors include Sierra Health Foundation, California Wellness Foundation, Silicon Valley Community Foundation, Blue Shield of California Foundation, May and Stanley Smith Charitable Trust, and the Weingart Foundation²
- The Silicon Valley Guaranteed Income Project has been supported by Google.org, the David and Lucile Packard Foundation, Silicon Valley Community Foundation, and Sobrato Philanthropies³

Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021. [2] California Government, [California Partners With Philanthropy to Boost Guaranteed Income Pilot Program](#), 2022; [3] Joint Venture Silicon Valley, [Modeling Guaranteed Basic Income & Household Income Adequacy In Santa Clara County](#), 2023; [4] City of Mountain View, [Council Report: Guaranteed Basic Income Pilot Program—“Elevate MV”](#), 2022.; [5] Dalberg interviews.

How? | Similar pilots have been implemented with partner organizations and funded with some help of private donations (2 of 2)

Spotlight: Elevate Mountain View^{4,5}

Execution:

The pilot program is conducted in collaboration with Community Services Agency (CSA) for implementation and counseling, Community Finance Resources (CFR) for money distribution, and the University of Pennsylvania (UPENN) for research

- **Community Services Agency (CSA)** is responsible for implementation, including benefits counseling, screening applicants, income verification, and providing general support to participants
- **Community Finance Resources (CFR)** manages the distribution of funds to participants through reloadable debit cards and tracks spending data
- **University of Pennsylvania (UPenn)** conducts surveys every six months to collect data on participants' health, well-being, and livelihood improvements, and will publish report after the pilot is completed

Funding:

Primarily funded by Mountain View with **ARPA funds** (American Rescue Plan Act) + **\$100,000 grant** from Silicon Valley Community Foundation

Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021. [2] California Government, [California Partners With Philanthropy to Boost Guaranteed Income Pilot Program](#), 2022; [3] Joint Venture Silicon Valley, [Modeling Guaranteed Basic Income & Household Income Adequacy In Santa Clara County](#), 2023; [4] City of Mountain View, [Council Report: Guaranteed Basic Income Pilot Program—“Elevate MV”](#), 2022; [5] Dalberg interviews.

1. Introduction and methodology

2. Key findings

A. Poverty in Sunnyvale

B. Overview of GBI pilots

3. Conclusions and recommendations

A. Why?

B. Who?

C. What?

D. How?

4. Next steps and decision points for City Council

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots
3. Conclusions and recommendations
 - A. Why?**
 - B. Who?
 - C. What?
 - D. How?
4. Next steps and decision points for City Council

A GBI Pilot should be implemented in Sunnyvale to address community needs, as endorsed by community stakeholders, members, and officials

Based on our engagement with community stakeholders, community members, city staff, and elected officials, there is strong community support for a GBI Pilot in Sunnyvale with the main objective of addressing community needs.



Recommendation: Align the pilot's strategic objective with the community's preference for addressing local needs.

Rationale: The community is inclined to support a GBI Pilot with the objective of addressing local needs. Sunnyvale's pilot should aim to function as a "safety net" (addressing immediate needs and safeguarding the most vulnerable from severe hardship) and/or a "step ladder" (being catalytic and providing opportunities for self-improvement and upward mobility), depending on the target population of the program. The community does not seem very interested in a pilot that seeks to contribute to the broader UBI movement, so it is advised to deprioritize this as an objective.

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots
3. Conclusions and recommendations
 - A. Why?
 - B. Who?**
 - C. What?
 - D. How?
4. Next steps and decision points for City Council

Given the absence of a clear consensus on a specific target group, it is advisable for the pilot to adopt broad eligibility criteria

Based on our engagement with community stakeholders, community members, city staff, and elected officials, there is no clear consensus on a specific target group for the pilot program.

Broad

Targeted



Recommendation: Have a broad eligibility criteria (e.g., Sunnyvale residents under 30% of Area Median Income, income below 200% of the Federal Poverty Line, etc.).*

Rationale: The community lacks a consensus on a specific target group for the pilot program, and various options have been proposed by different stakeholders and community members (e.g., low-income families with children, residents at risk of becoming homeless or recently housed, unhoused residents, among others). There is no compelling reason to favor one narrow group, and existing evidence doesn't suggest that GBI pilots are more effective for one population over another. As a pilot program, a broad approach also facilitates learning by including a diverse mix of people. This will help capture many of the target groups suggested by stakeholders, assess effectiveness for different groups in Sunnyvale, and allow for potential future tailoring based on insights gained.

Note: (*) According to the U.S. Census, Sunnyvale's Median Household Income in 2018-2022 was \$174,506. This means that households earning 30% of the AMI would have an income of approximately \$52,000. Similarly, the Federal Poverty Line (FPL) for a family of four in 2024 was \$31,300. Therefore, families of four with 200% of the FPL would have an income of approximately \$62,000.

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots
3. Conclusions and recommendations
 - A. Why?
 - B. Who?
 - C. What?**
 - D. How?
4. Next steps and decision points for City Council

The pilot design should blend proven practices from other programs with Sunnyvale's characteristics, incorporating community and expert input

Recommendation:

- i. **Participants: 100 minimum.**
- ii. **Frequency: Give the option for monthly or hybrid (lump sum payment upfront + monthly).**
- iii. **Amount: \$12,000 – \$14,400 per year.**
 - a) **Monthly: \$1,000 – \$1,200.**
 - b) **Hybrid: Up to 50% upfront from the first-year total (i.e., up to \$6,000 – \$7,200 the first month), with the remaining amount from the first-year total equally distributed (i.e., \$500 - \$600 the eleven subsequent months).**
- iv. **Duration: 2 Years (if possible).**

Rationale:

According to expert interviews, pilots typically require a minimum of 100 participants to be meaningful and suitable for study.

Most pilots have provided monthly cash assistance, with only a few experimenting with a lump sum payment upfront (e.g., The Denver Basic Income Project and the New Leaf Project in Vancouver). However, based on our focus group discussions with potential beneficiaries, it makes sense that individuals have the choice to receive a larger upfront sum if they are in need to cover a bigger expense (e.g., car repair) and have the remaining amount equally distributed in the subsequent months.

While many pilots offer a \$500 monthly stipend, in pricier areas like Sunnyvale, a larger sum is needed to be meaningful. For instance, pilots like 'Breathe: LA County's Guaranteed Income Program' and 'The Silicon Valley Guaranteed Income Project' provide \$1,000 per month, and the upcoming pilots by Santa Clara County aim for \$1,200 per month.

Pilots usually have a duration of 1 to 2 years, with the latter option serving as a means of providing participants with support for a more extended period.

The City must also work with beneficiaries and different agencies to avoid any “benefits cliff”-related challenges

The Benefits Cliff^{1,2}

GBI pilots commonly encounter a hurdle known as the “benefits cliff”. This cliff signifies the point at which additional income triggers reductions in important public benefits that low-income residents may already have access to, such as food assistance and health insurance. Additionally, GBI payments may also inadvertently lead participants into a “benefits trap”, in which taxation or benefit rules hinder them from increasing total income by reducing or ending eligibility for benefits when working.

Recommendation: The City should take proactive measures to address challenges linked to the benefits cliff. This should involve:

- A) Collaborating thoughtfully with beneficiaries to ensure informed consent and benefits counseling.
- B) Structuring GBI payments as a gift to avoid issuing tax forms and prevent them from impacting eligibility for other benefits.
- C) Securing waivers by engaging local and state government agencies to exclude GBI from benefit calculations.
- D) Considering the establishment of a “hold-harmless” fund to compensate participants for potential losses in benefits.

Rationale: The recommendations draw from established best practices observed in other GBI pilots.

Ensuring informed consent empowers participants to make educated decisions by providing comprehensive information on benefit impacts, financial-aid eligibility, and tax implications.

Structuring payments as gifts prevents tax form issuances and helps safeguard eligibility for other benefits.

Obtaining waivers from relevant agencies excludes GBI from benefit-income calculations, and also fosters a collaborative environment between the pilot program and regulatory bodies.

Having a hold-harmless fund serves as a last-resort safety net, compensating for benefit losses and ensuring financial security.

Offering optional benefits counseling and day-to-day support services for participants throughout the pilot *might* also prove advantageous

Recommendation: Provide optional support services for participants throughout the pilot, specifically benefits counseling and general day-to-day support.

Rationale:

The pilot should draw from the best practices of other programs and offer optional support services to participants.

Benefits counseling can be particularly crucial for a) navigating the benefits cliff and b) maximizing the impact of Sunnyvale's GBI pilot by also informing beneficiaries about additional benefit programs from the city, county, state or local non-profits that they may not be using (e.g., Tenant-Based Rental Assistance).

Focus group discussions also revealed the desire among potential beneficiaries to receive ongoing support and have a reliable point of contact.

Research suggests deprioritizing financial coaching as a complementary service, as it does not seem to add value and would imply additional costs.

In any case, it is essential to maintain the optional nature of any complementary services so that it aligns with GBI's no-strings-attached approach, empowering individuals to take decisions for themselves.

I would recommend benefits counseling and working with folks who already do these things. Benefits counseling in general exists, but having a dedicated service specifically for guaranteed income would be good for a pilot.

- GBI external expert

Receiving support and having communication is very important [...] Some may prefer to communicate over email because you don't want to take time off to go to appointments, some will prefer a phone call with an advisor. In any case, it's good to have somebody to support you - have someone to go to.

- Low-income Sunnyvale resident (potential GBI beneficiary)

When it comes to adding financial services, many researchers would say no [...] I believe data has not suggested that financial coaches have added to results and have only added costs.

- GBI external expert

For complementary services, one key thing is being very clear that this is an option people have, not something mandatory [...] Because of the nature of the program, it's easy to set coercive dynamics if you're not careful.

- Leading advocate for GBI

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots
3. Conclusions and recommendations
 - A. Why?
 - B. Who?
 - C. What?
 - D. How?**
4. Next steps and decision points for City Council

A comprehensive outreach approach will maximize engagement and reach potential beneficiaries with different characteristics

Recommendation: Adopt a comprehensive approach to communicate the pilot and reach out to potential participants by utilizing varied methods and strategies. This should include:

- **Virtual channels:** Online newspapers, email, text messages, the City's website, and social media.
- **Physical channels:** Physical newspapers, flyers on RVs, posters in physical spaces (e.g., library), sharing information at fairs and events, and word of mouth.
- **Leveraging existing networks:** Spread information through the school system, food banks, churches, shelters, and all relevant local community organizations or service providers.

Rationale: Adopting a comprehensive approach using virtual, physical, and existing network avenues is key for inclusiveness and maximizing engagement. The use of virtual channels caters to those inclined towards digital communication, while physical channels acknowledge individuals without internet access or digital literacy. Additionally, leveraging existing networks taps into established connections, allowing for targeted outreach. This strategy recognizes diverse community preferences, aiming for an inclusive effort to ensure program visibility and maximize participation.



Just use all methods: email, flyers, news outlets for public visibility, social media, etc.

- Low-income Sunnyvale resident (potential GBI beneficiary)



The best way to reach out to people depends on age and generations. The younger ones may prefer email, but having other alternatives is also necessary.

- Low-income Sunnyvale resident (potential GBI beneficiary)

Drawing from successful pilot practices, a multi-step approach has been deemed effective for the identification and screening of beneficiaries

Recommendation: Follow a multi-step approach for identification and screening of eligible beneficiaries.

1. Outreach and application.
2. Initial screening (based on applications) and randomized selection of participants.
3. Final screening to verify income and other desired criteria (potentially with help of an implementation partner).
4. Refinement of participant pool after screening and verification.

Rationale: The recommendation to employ a multi-step approach for the identification and selection of eligible beneficiaries is based on its success in similar pilot programs. Starting with extensive outreach and a simple application process facilitates broad community engagement. The subsequent randomized selection minimizes bias and fosters transparency. Screening for eligibility and income verification, possibly with an implementation partner, efficiently maintains program integrity. The last step refines the participant pool after screening, ensuring alignment with all intended criteria.

Spotlight: Elevate Mountain View^{1,2}

Mountain View's beneficiary identification and screening process began with extensive community outreach, resulting in over 800 applications.

The University of Pennsylvania (UPenn), the research partner, screened applicants for eligibility and randomly selected 166 participants who met the criteria based on their applications.

Community Services Agency (CSA), the implementation partner, handled income verification and eligibility confirmation. If an applicant failed verification, they were excluded from the program, prompting UPenn to add another randomly selected person until reaching 166 participants who truly met all desired criteria.

Once this refined group was established, CSA managed paperwork to set up accounts with the distribution partner (CFR) and initiate the pilot.

The use of reloadable debit cards for fund distribution allows for streamlined deposits and minimizes barriers for participants

Recommendation: Use reloadable debit cards for the distribution of funds.

Rationale: The use of reloadable debit cards is a streamlined and convenient method for depositing funds that draws from potential beneficiaries' input, as well as insights from external experts and successful practices from similar pilots. This empowers participants by putting them in control, aligning with their needs and preferences, and minimizing barriers, such as the requirement for a bank account or potential residency issues. Additionally, the use of debit cards allows for easy tracking of spending patterns if desired.

However, a limitation is that individuals may use the debit cards for responsible spending while resorting to cash for other expenses, making it difficult to gauge and understand how other income is utilized.



I would prefer reloadable debit cards to not depend on a bank account.

- Low-income Sunnyvale resident (potential GBI beneficiary)



We are doing reloadable debit cards. It's designed so that if you have certain paperwork, it works as a bank card, and if you don't, you could still debit money into it without getting into residency issues. We wanted to make sure everyone would be able to get money.

- GBI pilot implementer



The standard is either direct deposits or a debit card. I would say that it makes sense to lean into debit cards more than bank accounts. With a debit card, you can set the situation for people to have more control.

- GBI external expert

The combination of strategic implementation partners and in-house oversight allows to maximize efficiency

Recommendation: Engage a project administrator to serve as the implementation partner (ideally trusted by the community, possessing an understanding of beneficiaries, and with the ability to provide necessary support).

Ensure that the implementer is also tasked with subcontracting the distribution partner, who will be responsible for disbursing the funds every month to beneficiaries and tracking spending data.

Allocate internal resources from the community development department to oversee the implementation partner, anticipating heavier involvement initially followed by a reduced workload throughout the implementation process.

Rationale: Sunnyvale's limited in-house capacity necessitates hiring an external project administrator, as research suggests that GBI staffing models range from one to three full-time equivalent positions. Additionally, best practices indicate that establishing partnerships with trusted entities embedded within the target community is the best pathway for success. Furthermore, comparable pilots (e.g., Mountain View) have effectively adopted the approach of having implementation partners.

Subcontracting fund distribution under the implementation partner streamlines operations for the City, centralizing communication and decision-making. Given that the implementation partner may lack the necessary capabilities for fund distribution, it is essential to have another partner who is capable and accountable for carrying out this task efficiently. Moreover, subcontracting facilitates close collaboration between the implementer and distributor, fostering smooth program execution.

Oversight using internal resources is also crucial for effective project management and accountability. This capitalizes on the City's valuable in-house expertise while also ensuring continuous alignment with the established program goals. Moreover, the community development department can serve as a point of contact and project leader, potentially managing transparent communication with relevant stakeholders. Initially, intensive tasks are anticipated, such as supporting outreach, applications, and selection. However, when execution begins, workload should decrease, shifting focus to program monitoring.

The effective selection of an implementation partner entails defining the desired role and specific requirements

Potential role of implementation partner^{1,2}

The specific role for the implementation partner will depend on the City's needs and preferences, but potential tasks may include:

- Facilitate **outreach** and initial participant engagement
- Support **application processes**, verify **eligibility**, and assist with the **selection** of participants
- Provide **benefits counseling**, including informed consent, share additional benefits information, and facilitate connections with other services
- Aid with **relevant documentation, enrollment** and **onboard** selected beneficiaries (e.g., assist with paperwork to set up accounts for debit cards)
- Offer **general participant support** and provide **case management**
- Ensure smooth program **administration** and **daily operations**
- **Oversee fund disbursement** through subcontracting
- Assist with **data collection**, as needed
- Engage broader community and **share updates**, if desired

Potential requirements for implementation partner^{1,2}

Selecting an implementer partner should be a competitive process (e.g., through an RFP) and potential requirements may include:

1. **Trusted community presence:** Established reputation and connections within the community
2. **Administrative capacity:** Ability to handle tasks like application, eligibility verification, participant enrollment, etc.
3. **Subcontractor engagement ability:** Capability to identify and engage subcontractors for payment distribution.
4. **Relevant experience and expertise:** Proficiency in providing ongoing support, case management, benefits counseling, et.
5. **Regulatory compliance and transparency:** Adherence to regulations and demonstrated commitment to transparency and accountability
6. **Program comprehension:** General understanding of program, eligibility requirements for participants, objectives, etc.
7. **Flexibility and adaptability:** ability to respond flexibly and adaptively to changing circumstance.

Even with outsourcing, some resources will still be required from the Community Development Department to oversee implementation

In alignment with the fundamental objectives of the pilot, it should track basic metrics through simple or existing mechanisms (1 of 2)

Recommendation: Track basic indicators through existing systems and self-reporting, de-prioritizing a more rigorous study like a randomized controlled trial (RCT).

Suggested metrics to track include:

- i) Stable housing
- ii) Food security
- iii) Income & income volatility
- iv) Employment & full-time jobs
- v) Mental health, vi) Physical health
- vii) Education & attendance of school children
- viii) Sense of self-determination.

Metrics can be monitored via self-reported surveys every six months, and/or by leveraging existing tracking mechanisms.

Although not a priority, if the City desires to monitor participant spending, it can do so through the debit card data.

Consider refraining from prioritizing having a research partner, and if necessary, explore cost-effective partnerships.

In alignment with the fundamental objectives of the pilot, it should track basic metrics through simple or existing mechanisms (2 of 2)

Rationale: Conducting a rigorous study ranks low in priority for Sunnyvale's community, as evidenced by stakeholder engagement and community outreach. Additionally, potential high costs associated with elaborate studies have been observed in other pilots.

Suggested metrics are drawn from variables measured in other successful pilots, expert insights, and priorities identified during community engagement. These metrics also encompass areas where the GBI payments are expected to have a positive impact on beneficiaries.

The use of self-reported surveys, while less rigorous, allows for optimized tracking without incurring high costs or requiring excessive time and resources. The city can also potentially leverage existing tracking mechanisms (e.g., school attendance may be tracked through the established systems within the school district, local community organizations may possess tracking capabilities of variables such as housing status among the individuals they assist, etc.). This aligns with the need for a practical and efficient approach, primarily serving to internally measure the success of the pilot in a simplified manner.

Spending data from participants should not be a prioritized metric based on input from the broader community outreach and external experts, and caution should be exercised to prevent unintended coercive dynamics.

Research partnerships would introduce additional costs, and conducting a rigorous study is not a primary objective as previously stated. Alternatively, if a research partner is deemed necessary, cost-effective options should be explored to ensure efficient resource allocation.

The City should consider participating in relevant communities of practice, both to continue acquiring knowledge and to share learnings

Communities of practice

A community of practice refers to a network where individuals with shared interests or expertise convene to exchange knowledge and experiences. Through collaborative efforts and formal or informal interactions, members collectively enhance their expertise and contribute to the advancement of the field.

There are several communities of practice around GBI that convene policy experts, advocates, researchers, leaders, funders, practitioners, elected officials, and interested stakeholders to facilitate knowledge sharing and collaboration. These include the national community of practice (~9,500 people) and the California community of practice (~50 active group members). Additionally, an informal community of practice is developing in Santa Clara County, fostering local engagement and exchange.

Recommendation: Join the national community of practice, California community of practice, and emerging Santa Clara County community of practice.

Rationale: Joining GBI communities of practice positions the City to actively contribute to and benefit from collaborative knowledge-sharing and synergy. By engaging with all three, the City can tap into a spectrum of experiences and ideas, ranging from a wide network offering diverse insights at the national level, to more localized spaces for focused discussions and exchanges specific to regional challenges. Additionally, this has been endorsed and advised by external GBI experts and leaders within these communities.

Note: Here is the [link](#) to join either the national or California GBI Community of Practice, where the City should specify the group(s) they would like to join. Additionally, coordination with relevant Santa Clara County staff (e.g., Deputy County Executive) is advised to explore participation in the emerging local community of practice.

Based on the design recommendations, estimates indicate minimum total costs of \$1.4 million per year

Potential characteristics of Sunnyvale's pilot

- Participants: **~100**
- Amount: **~\$1,000 per month**
- Duration: **1-2 Years**
- Administration costs: **~15%* of distribution (~\$180,000 per year)**

This implies minimum total costs of at least \$1.4M - \$2M per year

Note: (*) Administration costs may reach up to 40%, depending on choices related to research, implementation partners, and fund distribution methods.

Significant external funding is unlikely, with uncertain prospects from the public sector, and growing pilot fatigue from philanthropic funders (1 of 2)

Major employers

Receiving funding from major employers is **potentially feasible, but contingent on external factors the City may not have control over.**

Major employers in Sunnyvale appear to adopt a flexible approach to initiatives, without specific requirements. The decision-making process for financial support is influenced by alignment with their priorities and resource availability. Employers seem to prefer backing community-led projects with local support and appear to be cautious about maintaining transparency (e.g., they may not support requests that come directly from elected officials to prevent perceptions that they're engaged in transactions).



If we have the resources, it aligns with our priorities, and there aren't other competing initiatives in Sunnyvale, we can evaluate programs [...] As long as it's community-led and folks feel good, then it's a question if it falls under our funding priorities.

- Major employer in Sunnyvale

County & State

While the County and State have contributed to GBI funding, **it now seems unlikely for Sunnyvale's pilot to receive their support.**

Funding from the public sector seems unlikely to materialize at this point. Insights from interviews reveal that the State-funding rounds for GBI pilot programs have concluded, with no anticipation of additional rounds in the foreseeable future. Meanwhile, the County, having already committed funds to four county-level GBI pilots, including programs for various demographics, poses challenges for allocating additional resources specifically for Sunnyvale.



We can't allocate funds to match Sunnyvale's pilot [...] We are not going to have that money, and we have already put in funds for our County-level pilots.

- Santa Clara County



We did complete our round of funding for GBI pilot programs. We don't anticipate any additional rounds at this point.

- California State

Significant external funding is unlikely, with uncertain prospects from the public sector, and growing pilot fatigue from philanthropic funders (2 of 2)

Philanthropic funders

After 100+ pilots in the nation, there is **growing pilot fatigue from philanthropic funders**, and interest is likely to be strongest in a **pilot that contributes to the broader UBI movement and the transition from pilot to policy**.

Currently, funder interest is anticipated to be most pronounced towards a pilot that contributes to either the broader UBI movement or the path to policy. Foundations seem to be more interested in initiatives that expand the body of knowledge by addressing remaining research questions or serving unstudied populations. Moreover, funders wish to see the transition to policy development, as GBI is perceived to be the government's responsibility long-term, and there is currently political momentum to create windows of opportunity and garner attention from policymakers.

If philanthropic funders do consider supporting a new GBI pilot, they may have specific considerations or preferences (e.g., prioritizing the active involvement of the target population in the design, having a rigorous evaluation framework with a reputable research partner, among others).

Based on this context, Sunnyvale should design its pilot based on its own objectives and then seek a co-funder interested in supporting it, rather than tailoring the initiative to meet specific funder requirements.

☞ While we are managing a grant in support of a GBI pilot, I do not have additional grant funding available for other GBI pilots at this time.
- Philanthropic funder

☞ We are now looking into shifting the movement from pilot to policy [...] Frankly, we don't need a whole bunch more pilots to prove that this works.
- Philanthropic funder

☞ The current wave of pilots is intended to answer some of the final research questions, such as serving target populations that haven't been studied [...] There are some scenarios in which I can see us supporting Sunnyvale's pilot, depending on its design and objectives. Of course, I can't commit to that.
- Philanthropic funder

☞ I don't think philanthropy long-term will just continue to sustain GBI because that doesn't seem like the proper role of philanthropic dollars, it does seem like the role of the government.
- Philanthropic funder

Funding for the pilot most likely has
to come from the City

Alternatively, the City can also wait
until a co-funding source is found

As an additional consideration, it will be helpful to keep gender-related factors in mind during design and implementation of the pilot

Gender considerations

Although the pilot program does not utilize gender as part of the criteria for targeting, it is imperative to consider gender-related factors throughout outreach, application, screening, disbursement, and monitoring. This may include:

- **Design inclusive materials:** Ensure outreach and application materials are designed inclusively and are accessible to all genders
- **Prevent gender bias:** Avoid inadvertently disadvantaging any gender through the screening criteria and verification processes
- **Offer tailored assistance:** Provide support for potential gender-specific barriers, considering gender norms that may influence comfort levels in seeking assistance (e.g., have suitable schedules and spaces for assistance, facilitate childcare support if needed during any stage, etc.)
- **Validate gender inclusivity:** Confirm gender inclusivity and representativity in the final participant pool, despite the randomized selection process
- **Recognize household financial dynamics:** Consider power dynamics within households during screening and implementation, and ensure that the delivery mechanism of debit cards allows recipients, especially women, to control how money is spent
- **Address financial barriers:** Evaluate potential financial inclusion barriers across genders (e.g., financial literacy, required documentation, etc.)
- **Monitor gender-related issues:** Continuously monitor and proactively assess for unintended gender-related consequences, taking prompt action to address any issues that arise

While Dalberg has endeavored to integrate a gender lens into the development of this study (e.g., by incorporating insights from gender experts familiar with local contexts, considering gender during research inquiries and interviews, ensuring representativity in focus group discussions, etc.), we recommend that the City remain mindful of gender considerations moving forward

1. Introduction and methodology
2. Key findings
 - A. Poverty in Sunnyvale
 - B. Overview of GBI pilots
3. Conclusions and recommendations
 - A. Why?
 - B. Who?
 - C. What?
 - D. How?
4. Next steps and decision points for City Council

The City Council has five decision points regarding pilot design

Decision points:

1

Are you willing to fund the pilot if no co-funding is available, considering an estimate of minimum total costs of \$1.4M - \$2M per year? *(yes or no)*

2

Who will be the target population in the pilot program? *(Broad or targeted criteria. If targeted, which specific group and why?)*

3

What will be the design characteristics and what budget will they imply? *(i. Number of participants, ii. amount of support, iii. frequency, iv. duration of the pilot program, v. complementary services, if any)*

4

After the budget has been refined, where will the funds come from?

5

Will the City partner with outside agencies to implement and manage the pilot? *(If yes, what types of partners and how to select them?) – see next slide*

The City Council has six decision points regarding pilot execution

Decision points:

1

Who will be responsible for the implementation of the pilot? (*outreach, screening of participants, benefits counseling, day-to-day support, etc.*)

2

Who will be responsible for mitigating the benefits cliff? (*secure waivers*)

3

Who will be responsible for the distribution of funds to participants?

4

What metrics do you want to measure and how will you gather the data? (*Potential metrics: full-time job, mental health, etc. Potential methods: Self-reported surveys, interviews, etc.*)

5

Who will be responsible for measuring and evaluation? (*Collecting and analyzing data, generating reports, sharing learnings, etc.*)

6

What will the communication to the broader community be like, and who will be responsible for it? (*How proactively does the City want to communicate, and through which channels?*)

Annex

- **BACKGROUND ON OTHER GBI PILOTS**
- COMMUNITY ENGAGEMENT
- KEY FINDINGS FROM THE COMMUNITY ENGAGEMENT PROCESS
- POTENTIAL OPPOSITION
- BENEFITS CLIFF

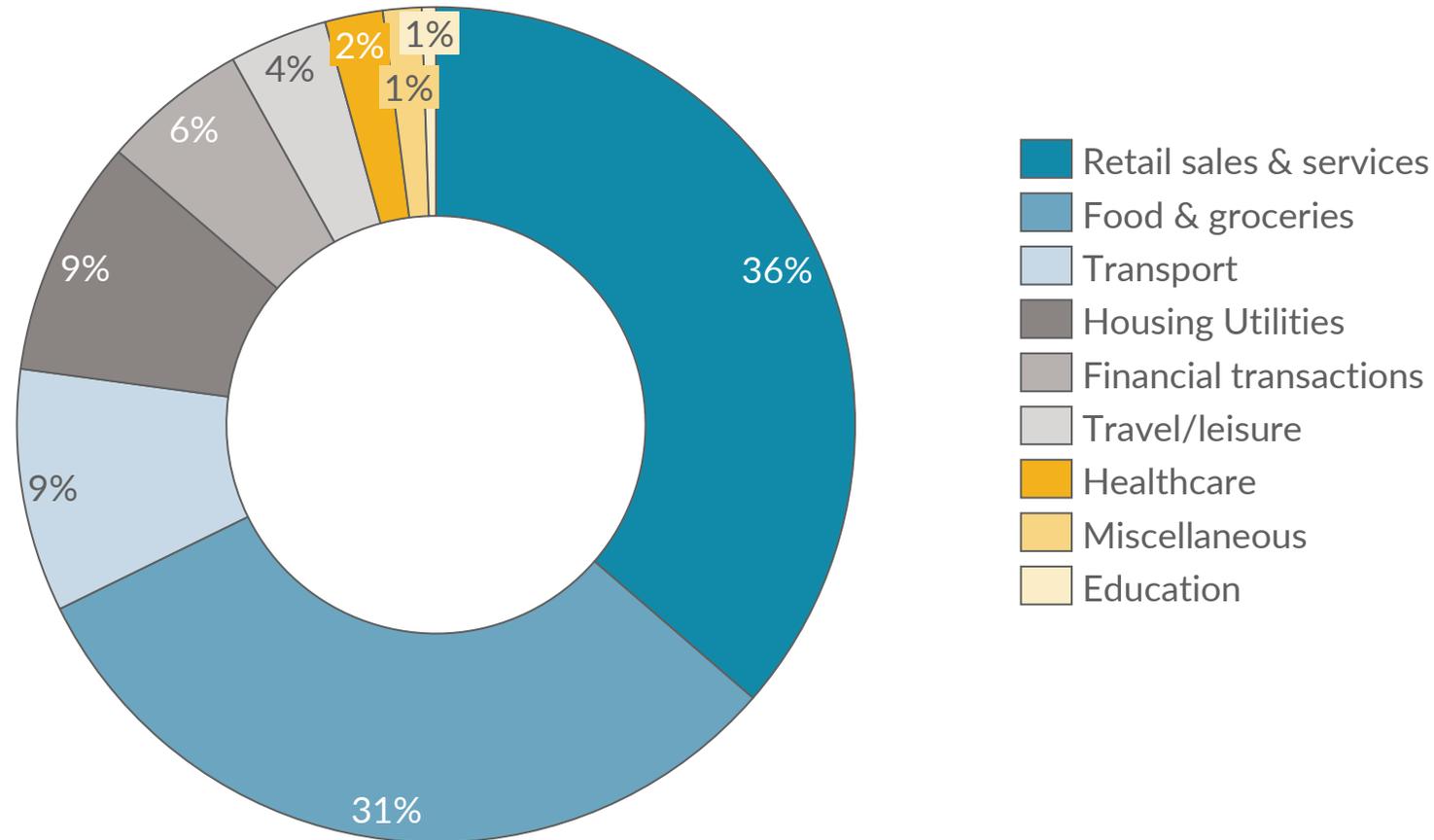
In order to understand best practices, we reviewed 35+ GBI pilots from around the country, including those in California

Pilots reviewed:

- Alameda
- Atlanta
- Baltimore
- Birmingham
- Cambridge
- Chapin Hall
- Columbia
- Denver
- Durham
- Gainesville
- Ithaca
- Long Beach
- Los Angeles
- Los Angeles County
- Louisville
- Madison
- Mountain View
- New Orleans
- Indianapolis
- New York City
- Newark
- Oakland
- Paterson
- Providence
- Richmond
- San Diego
- San Francisco
- Santa Clara County
- Santa Fe
- Shreveport
- Silicon Valley Guaranteed Income Project
- South San Francisco
- St Paul PPP
- St Paul Springboard
- Tacoma
- Vancouver (New Leaf Project)
- West Hollywood
- West Sacramento

Retail sales & services along with food & groceries make up over 67% of participants' expenditures

Spending data from 7500+ participants show that GBI Beneficiaries use the money for¹:



Sources: [1] Stanford Basic Income Lab, [The Guaranteed Income Pilots Dashboard](#), 2023.

At the moment, there are few permanent programs or pilots that are committed to continue

NON-EXHAUSTIVE

Current permanent UBI programs:

Alaska Permanent Fund¹: It is direct cash assistance, but it is different from GBI pilots since funds are disbursed in one lump sum, rather than a recurring (monthly or bi-weekly) cash payment.

GBI pilots committed to continue:

Cook County (Illinois) - Promise Guaranteed Income Pilot²: Cook County spokesman Nick Mathiowdis said that county officials are “committed to a permanent program” after the pilot ends.

New York City - The Bridge Project³: Megha Agarwal (co-founder), said they are transitioning from a piloting-and-research phase into a more permanent one, and despite uncertain funding it is committed to continue indefinitely.

Annex

- BACKGROUND ON OTHER GBI PILOTS
- **COMMUNITY ENGAGEMENT**
- KEY FINDINGS FROM THE COMMUNITY ENGAGEMENT PROCESS
- POTENTIAL OPPOSITION
- BENEFITS CLIFF

Our community engagement included interviews with ~60 stakeholders, external experts, and potential co-funders (1 of 2)

Education & Youth:

- Bill Wilson Center (Pilar Furlong)
- Foothill-De Anza Board of Trustees (Patrick Ahrens)
- Sunnyvale School District (Mike Gallagher, Jeremy Nishihara, Paul Slayton, Bridget Watson)

Housing & Homelessness:

- Benioff Homelessness and Housing Initiative (Oanh Nguyen, Celeste Enriquez)
- Destination: Home (Chad Bojorquez)
- Downtown Streets Team (Chris Richardson, Erika Laguna, Jocelyn Chavez)
- HomeFirst (Maggie Crowder, Kelcy Fleming)
- Livable Sunnyvale (Agnes Vieth)
- Mid-Pen Housing (Brenda Castillo-Garza, Dominique Cohen)

Gender & Poverty

- YWCA (Cristal Olivas, Amie McClane)

Community & Faith-Based Organizations:

- Our Daily Bread (Donna Beres)
- Sunnyvale Community Services (Marie Bernard, Catherine Farry, David Hernandez)
- Helping Hands (Alpana Agarwal, Pratima Gupta)
- Trinity Church of Sunnyvale (Ernie Morales)
- Sunnyvale Presbyterian Church (Hardy Kim)
- Rotary Club of Sunnyvale (Michelle Lewis)

Employment, Training & Financial Services:

- Edward Jones (Shane Jacksteit)
- NOVAworks (Marléna Sessions)

Elected Officials and City Staff

- City Council (Larry Klein, Omar Din, Russ Melton, Richard Mehlinger, Murali Srinivasan, Linda Sell)
- City Manager (Kent Steffens)
- Community Development Director (Trudi Ryan) and other CDD Staff – Ernie DeFrenchi, Jenny Carloni, Ryan Dyson

Our community engagement included interviews with ~60 stakeholders, external experts, and potential co-funders (2 of 2)

National Experts:

- Economic Security Project (Mona Masri, Shafeka Hashash)
- Jain Family Institute (Jack Landry)
- Mayors for Guaranteed Income (Cameron Burns, Kathrine Cagat)
- Miracle Messages (Madeline Mazzocchi, Nelly Stastny, Benjamin Henwood)
- My Path San Francisco (Margaret Libby)
- Policy Engine (Max Ghenis)
- Stanford Basic Income Lab (Sean Kline)
- The Universal Income Project (Jim Pugh)
- City of Los Angeles Department for Community Investment For Families (Aaron Strauss)
- Mountain View (John Lang)

Public Sector Funders:

- Santa Clara County (Office of the County Executive)
- California Department of Social Services

Philanthropic donors:

- Blue Shield of CA Foundation
- California Endowment*
- California Wellness Foundation
- eBay Foundation*
- Golden State Opportunity*
- Irvine Foundation
- Packard Foundation
- Rosenberg Foundation
- San Francisco Foundation
- SH Cowell Foundation*
- Silicon Valley Community Foundation
- Tipping Point Community
- Y&H Soda Foundation

Major Sunnyvale employers:

- Google
- Intuitive Surgical

Note: (*) Engaged via email.

Our approach to engaging the focus groups & town halls was grounded in principles and best practices derived from other successful GBI pilots



1. Centering the community



2. Ensuring inclusion



3. Fostering participation



4. Guaranteeing respect



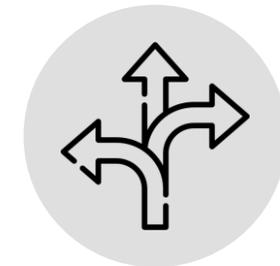
5. Ensuring transparency



6. Sharing timely and clear information



7. Applying a racial and gender justice lens



8. Remaining open and flexible

Sources: [1] Dalberg Expertise; [2] Queensland Government, [Community engagement toolkit for planning](#), 2017; [3] Oakland Thrives, [Oakland Rooted & Rising: A 10-Year Strategic Investment](#), 2023; [4] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022.

Mountain view had a budget of \$1.6M for their first year, without considering internal resources

Basic budget estimate

- *GBI payments: ~\$1 M*
- *Administration and implementation: ~\$270 K*
- *Payment distribution: ~\$38k*
- *Research and external evaluation: ~\$212 K*
- *Community engagement: ~\$2 K*
- *Benefits conservation fund: ~\$50 K*
- *Project contingency: ~\$8 K*

Total budget: ~\$1.6 M for the first year

Resources for implementation

- Research indicated that GBI staffing models range from one to three full-time equivalent positions
- Mountain View allocated funding to their implementation partner (CSA) equivalent to two full-time employees for case management-level assistance at \$240,000 for up to 18 months, along with \$30,000 for temporary hourly staff
- Mountain View did not allocate additional budget for City Staff, opting to use existing resources designated for the pilot as part of the Strategic Roadmap Action Plan for 2021-2023
- The City Staff's role encompassed helping with the coordination of the research design, communications, outreach, application development, and other general support efforts

Annex

- BACKGROUND ON OTHER GBI PILOTS
- COMMUNITY ENGAGEMENT PROCESS
- **KEY FINDINGS FROM THE COMMUNITY ENGAGEMENT PROCESS**
- POTENTIAL OPPOSITION
- BENEFITS CLIFF

Interviews with Sunnyvale stakeholders suggest a strong interest in a GBI pilot that addresses community needs and tracks success

Why?	Who?	What?	How?
<ul style="list-style-type: none"> • Most community stakeholders would prefer a low-risk pilot that addresses community needs and follows an already proven approach (e.g., GBI pilot for individuals with incomes below the Federal Poverty Line) 	<ul style="list-style-type: none"> • Community stakeholders highlighted a wide range of communities in need <ul style="list-style-type: none"> – Most mentioned groups by interviewees included: Unhoused residents, residents at risk of becoming homeless or recently housed, and low-income families with children – Less mentioned groups by interviewees: Low-income community college students, Domestic violence survivors, Low-income seniors, Undocumented residents, Foster youth, BIPOC communities, LGBTQ+ population 	<ul style="list-style-type: none"> • Suggested characteristics: <ul style="list-style-type: none"> – At least 100 participants – \$500-\$1000 monthly – Duration of 1-2 years • There was interest in offering financial coaching as support for GBI recipients • Other considerations include: <ul style="list-style-type: none"> – Losing other benefits due to an increase in income (i.e., the “benefits cliff”). – Amplifying the impact of the cash distribution by leveraging existing services or benefits GBI recipients may have (e.g., TBRA) 	<ul style="list-style-type: none"> • Stakeholders want to ensure the pilot has an evaluation component to track success and provide learnings • Some key metrics include: <ul style="list-style-type: none"> – Enabling access to housing or keeping beneficiaries in housing – Ensuring access to shelter (e.g., allowing those sleeping in vehicles to maintain their vehicles) – Boosting food security – Promoting emotional well-being and reducing stress and trauma

Community outreach meetings indicate support for a pilot that contributes to community well-being, even without available co-funding

Why?	Who?	What?	How?
<ul style="list-style-type: none"> The community supports a pilot focused on local needs, leaning towards a “safety net” approach to address immediate concerns and protect the most vulnerable, while acknowledging an overlap with the “step ladder” objective of fostering self-improvement and upward mobility A “successful” pilot would be characterized by enhanced stability in housing and food, increased self-sufficiency, and a positive shift in overall community well-being 	<ul style="list-style-type: none"> While there isn't a unanimous agreement on a specific target population for the program, there appears to be a slightly higher level of interest in addressing the needs of residents at risk of homelessness or those recently housed, along with low-income families with children 	<ul style="list-style-type: none"> The community generally supports the adoption of design characteristics observed in successful pilot programs and research recommendations (i.e., at least 100 participants, amounts of \$500-\$1000 monthly, duration of 1-2 years) There is backing for the concept of offering participants the option to choose between monthly and hybrid systems 	<ul style="list-style-type: none"> There is a desire to establish metrics for measuring success, and there appears to be interest in measurements related to stable housing, food security, income, employment, mental and physical health, and education, including school children's attendance The community generally endorses the idea that the city should undertake a GBI pilot, even in the absence of available co-funding

Focus groups with potential beneficiaries revealed their most pressing need is financial assistance and a positive outlook on GBI

Challenges & Needs

- **High living costs, particularly in rent**, present a significant challenge
- Individuals and families **experience monthly struggles and could benefit from additional financial support** to cover expenses such as rent, groceries, transportation, utilities, education, healthcare, and work-related needs (e.g., clothes)
- Some parents face **challenges in balancing childcare responsibilities with full-time employment**
- Residents acknowledge the value of assistance from various organizations and service providers but also highlight the **difficulty, exhaustion, and potential demotivation associated with navigating some support systems**
- Participants mention **difficulties related to entrepreneurship**, stemming from challenges in accessing information and advice, particularly among migrants expressing concerns about violating laws
- In some cases, residents may **lack knowledge about available programs and opportunities** from which they could benefit, especially among migrants

Perceptions on GBI

- **Strong enthusiasm exists for the GBI concept**, and potential beneficiaries express a desire to participate in such a program
- There is a **general desire to receive support** and have a reliable point of contact throughout the program
- Individuals have **different communication preferences and desire flexibility to receive support** (e.g., through email or phone calls, to avoid taking time off for appointments)
- Participants highlight the importance of offering **options for the frequency of disbursements**, recognizing that personal preferences vary between a stable monthly amount and a larger upfront sum to address immediate financial needs
- Suggestions were made **for diverse methods for outreach and program application, using both digital and physical approaches**, recognizing different community preferences, knowledge levels, and accessibility to digital media
- There is acknowledgment of **potential hesitancy among migrants to participate due to document concerns and fear of impacts on their status**

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While there has been opposition in California to racially-targeted programs, some other states have shown greater resistance to GBI

California tends to support and promote GBI, but there has been considerable opposition to the practice of targeting by race and other non-economic criteria

An evident instance of backlash in California is exemplified by the Abundant Birth Project (ABP)

- A lawsuit has been filed against the city of San Francisco and the state of California over the Abundant Birth Project, alleging violation of the Civil Rights Act of 1964 by providing exclusive funds to women of color¹
- The lawsuit also targets other San Francisco GBI programs, including those for artists, transgender individuals, and Black young adults²

Yet, general opposition to GBI in California does not appear to be widespread or organized, coming mainly from conservatives who dislike big government programs and some labor unions concerned about sacrificing other social safety net programs³



These government-sponsored and publicly funded programs are designed to select beneficiaries on a racially exclusionary basis. This is unconstitutional [...] Defendants' payment schemes also discriminate unlawfully on the bases of gender/gender identity and sexual orientation.¹

- Abundant Birth Project Lawsuit



Legal challenges to race explicit (vs. race conscious) and other non-economic targeting criteria probably represents the greatest risk to GBI programs.⁴

- GBI expert

At a national level, local GBI initiatives have recently been blocked in states that tend to be more conservative

In recent months, a small group of Republican state lawmakers in several states has emerged, proposing or passing laws preempting municipal governments from implementing GBI programs. For instance:

- In South Dakota, lawmakers mull banning guaranteed income programs, citing concerns about work dignity and government dependency⁵
- In Arkansas, Bill HB1681 was passed in 2023 prohibiting state or local governments from implementing universal basic income programs⁶
- In Texas, Senator Paul Bettencourt opposes GBI programs, aiming to declare them unconstitutional through the state attorney general⁷

Other states such as Wisconsin⁸, Iowa⁹, and Idaho¹⁰ also show significant opposition to GBI programs, although it is unlikely to impact support in more favorable states like California.

In California, opposition to racially-targeted programs exists, but unlike in other states, there doesn't appear to be significant or coordinated resistance to the concept of GBI. While national negativity persists, it shouldn't be a local concern if non-economic targeting is avoided

Sources: [1] Philanthropy News Digest, [Is Helping Black Moms Out Financially Unconstitutional?](#), 2023; [2] Los Angeles Times, [Backlash to affirmative action hits pioneering maternal health program for Black women](#), 2023; [3] The Guardian, [Californians on universal basic income paid off debt and got full-time jobs](#), 2021; [4] Dalberg Interviews; [5] SDPB, [State lawmakers consider preemptive ban of guaranteed income programs](#), 2024; [6] State of Arkansas House of Representatives, [District Daily Summary](#), 2023; [7] Business Insider, [Texas state lawmaker criticizes 'universal basic income' programs: 'We can't just hand out money like popcorn on street corners'](#), 2024; [8] The Center Square, [New legislation seeks to ban government-backed guaranteed income programs in Wisconsin](#), 2023; [9] The Quad-City Times, [Proposal would bar universal basic income programs in Iowa](#), 2024; [10] BoiseDev, [Bill would preempt Idaho cities, counties starting universal basic income program](#), 2024.

The concept of GBI also received a few negative or hesitant comments from Sunnyvale residents via email and media

No hesitant comments were noted during the community outreach meetings and stakeholder engagement sessions, although the City did receive one email containing a negative comment and another one seeking clarification¹

Some negative comments were also observed under The San Jose Spotlight article covering the city council meeting of October 24, 2023, during which initial discussions were held regarding the potential GBI pilot program²



The San Jose Spotlight reports the Sunnyvale City Council is considering sending monthly checks to certain residents. It is appalling to learn my city is interested in joining the list of government agencies, from Washington down, who are actively working to increase the number of citizens who are dependent on the government for their income. This is Communism by whatever fancy name you wish to apply to it. Please drop this misguided scheme.

- Sunnyvale resident



Another California handout from the socialist state. Maybe we should build homes for these folks so they can live here. What a concept.

- Sunnyvale resident



If the city of Sunnyvale can find third-party funding sources to pay for this program other than local taxes, then great! If instead the city decides to burden residents and taxpayers I hope they have the courage to put it up for a vote, and live by the results.

- Sunnyvale resident



May I please get some additional details on this pilot program [...] I was a little concerned about the way it sounded. But it sounds more like a welfare assistance program based on socio-economic need.

- Sunnyvale resident



I wish Sunnyvale would stop giving away my money. The property tax here is obscene. Income tax, sales tax, gas tax are the most of anywhere. I'm low paid, but I have never taken a cent from the government (minus the covid direct deposits). Now you want to give another \$500 unearned money to my neighbors? Crazy.

- Sunnyvale resident

This situation reflects the landscape in California, where some opposition exists but does not appear to be substantial or organized. Thus, while there is some negativity present, it is unlikely to pose a significant concern for Sunnyvale.

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GBI poses a risk to participants because of the “benefits cliff”, where extra income reduces existing public benefits

GBI pilots often face a challenge referred to as the “**benefits cliff**”, a threshold at which additional income cause a reduction in public benefits

- Receiving basic income payments under current benefit rules **can trigger reductions in critical benefits** like housing, food assistance, and health insurance
- Participants may also get caught in a “**benefits trap**” due to taxation and rules, limiting their ability to increase total income through paid work
- Complexity arises from **differing state and federal laws**, agency interpretations, and income and savings calculations
- **Mitigating the 'benefits cliff' risk is possible** through strategic measures.

Low-income residents in Sunnyvale currently have access to several benefits (2 of 2)

NON-EXHAUSTIVE

Federal level	State level	County Level	City level
<ul style="list-style-type: none"> • Social Security or Social Security Disability Insurance (SSDI) • Supplemental Security Income (SSI) 	<ul style="list-style-type: none"> • MAGI Medi-Cal • Non-MAGI MediCal • CalWORKs • CalFresh • WIC (Supplemental Nutrition Program for Women, Infants, and Children) • Unemployment, state disability insurance, and paid family leave 	<ul style="list-style-type: none"> • Childcare Benefits 	<ul style="list-style-type: none"> • Rental and Ownership Below Market Rate Housing • Utility Discounts

Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021; [2] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022.

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<ul style="list-style-type: none"> ✓ Social Security or Social Security Disability Insurance (SSDI) ✓ Supplemental Security Income (SSI) 	<ul style="list-style-type: none"> ✓ MAGI Medi-Cal × Non-MAGI MediCal ○ CalWORKs ○ CalFresh × WIC (Supplemental Nutrition Program for Women, Infants, and Children) ✓ Unemployment, state disability insurance, and paid family leave 	<ul style="list-style-type: none"> ✓ Childcare Benefits 	<ul style="list-style-type: none"> ○ Rental and Ownership Below Market Rate Housing ✓ Utility assistance or discounts

- ✓ Unaffected
- Needs waivers
- × Probably cannot be saved

Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021; [2] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022.

Other GBI pilots have shown several lessons learned in terms of the benefits cliff

1

Locally controlled benefits are likely easiest to navigate, if the local government is in alignment

2

Benefits that exclude gift income from eligibility determinations can be protected

3

Pathways exist to waive cash transfers for federally funded welfare, food, and housing benefits

4

Some federal benefits are likely impossible to protect

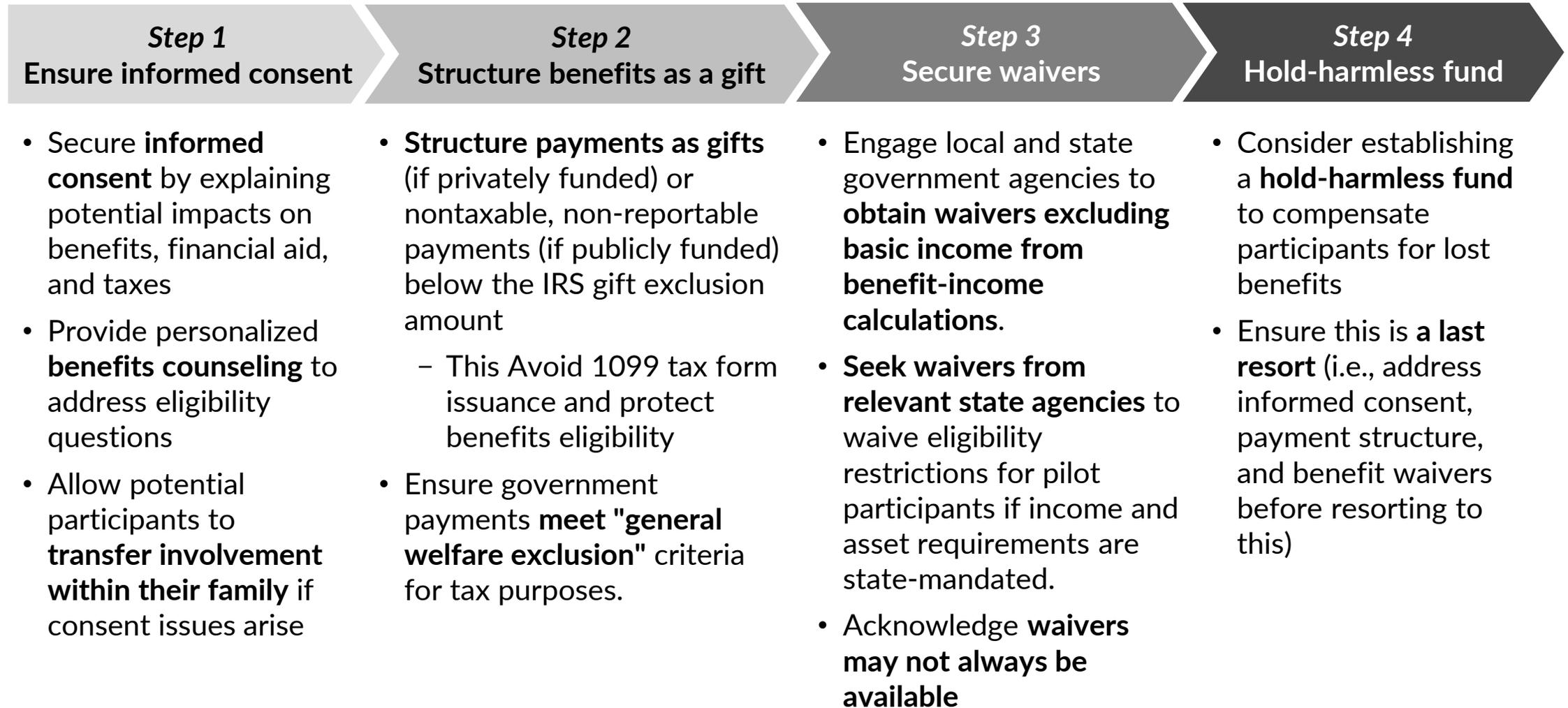
5

Other strategies exist to address the impact of GBI but are less effective than waivers (e.g., screening)

6

To secure long-term benefits protection, legislative and policy reforms are needed

Sunnyvale's GBI pilot should take four steps to help participants make the best choices and reduce benefit eligibility risks



Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021; [2] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022.

The pilot design should also remain aware of additional considerations

NON-EXHAUSTIVE

General Welfare Exclusion^{1,2}

Payments can qualify for the general welfare exclusion if they meet all these criteria:

- Made to individuals, not entities or businesses
- Part of a government program promoting general welfare
- Provided to participants based on need
- Not linked to specific services (e.g., job training)
- Not duplicating expenses covered by insurance

IRS Limit³

- The IRS sets an annual limit on the total amount of gifts an individual can receive
- This limit varies annually, with the 2024 annual exclusion amount being \$18,000

Acquisition of waivers⁴

Private donations may ease the acquisition of some waivers, especially at the state level, although this may vary depending on the benefits in question⁴

- For instance, for GI payments to be excluded from CalFresh, they must be partially funded by private dollars, irrespective of the amount or source⁵
- Collaborating with a research partner may also facilitate the acquisition of some waivers (e.g., by Santa Clara County Housing Authority)⁴

Sources: [1] San Francisco Office of Financial Empowerment, [Protecting Benefits in Guaranteed Income Pilots: Lessons Learned from the Abundant Birth Project](#), 2021; [2] Stanford Basic Income Lab, [Basic income and local government - a guide to municipal pilots](#), 2022; [3] IRS, [Frequently Asked Questions](#), 2024; [4] Dalberg analysis and interviews; 5. CDSS, [Guaranteed Income Exemption Requests](#).