



City of Santa Fe New Mexico

Memorandum



DATE: June 16, 2021

TO: Mayor Alan Webber and Governing Body
Quality of Life and Finance Committee

FROM: Kyra Ochoa, Community Health and Safety Department Director *KO*
KO

RE: Mayors for a Guaranteed Income Resolution

EXECUTIVE SUMMARY:

The proposed Resolution expresses the Governing Body approval for an MOA and support for a partnership with Mayors for Guaranteed Income (MGI), the Santa Fe Community College (SFCC), and the SFCC Foundation to support a pilot project that provides direct cash payments to enrolled low-income SFCC parents using funding received from MGI.

BACKGROUND:

The City of Santa Fe, in partnership with the Santa Fe Community Foundation and the Santa Fe Community College, applied for a \$500,000 grant from MGI to pilot a guaranteed income project. The grant was awarded and will be disbursed to the Santa Fe Community College foundation, which will act as fiscal agent. The City has an opportunity to make a meaningful difference in the lives of young parents who are dedicated to improving their circumstances through education by providing a \$400-\$500 monthly payment that will assist 100 families for the next year.

ACTION REQUESTED:

Staff requests approval of the Resolution as presented.

ATTACHMENTS:

FIR
MOA
Resolution

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CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2021-__

INTRODUCED BY:

Mayor Alan Webber

Councilor Carol Romero-Wirth

Councilor Jamie Cassutt

A RESOLUTION

RELATING TO INCOME DISPARITY AND INEQUITY; ADOPTING A MEMORANDUM OF AGREEMENT WITH MAYORS FOR A GUARANTEED INCOME AND SANTA FE COMMUNITY COLLEGE, TO LAUNCH A PILOT PROJECT TO SUPPORT YOUNG PARENTS ENROLLED AT THE SANTA FE COMMUNITY COLLEGE AND TO BUILD SUPPORT FOR A GUARANTEED INCOME IN THE CITY OF SANTA FE.

WHEREAS, Congress passed the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act at the end of March, 2020, which included a package of relief and stimulus programs, including \$500 billion for large corporations and one-time \$1,200 Economic Impact Payment (“EIP”) checks to individuals; and

WHEREAS, Americans spent their EIP checks quickly, with most people spending the stimulus on food, rent, utilities, and debt, according to a May 14, 2021 Peterson Foundation study; and

WHEREAS, recognizing the importance of residents impacted by the pandemic

1 having cash-in-hand, the City of Santa Fe (“City”) used CARES Act funding to partner with
2 the national advocacy organization, Family Independence Initiative (“FII”), to disburse just over
3 \$3,000,000 in economic relief funds to residents ineligible for federal relief and unemployment,
4 those facing eviction, and other City residents unable to meet basic needs due to the pandemic; and

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

7 **WHEREAS**, the EIP checks to individuals were the primary reason that the number of
8 persons living in poverty in the United States fell by as many as 4 million at the start of the
9 pandemic-caused recession; and

10 **WHEREAS**, the EIP checks boosted the economy by increasing spending from all income
11 levels, with the largest increase from low-income earners; and

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

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

17 **WHEREAS**, direct cash payments to the American people help state and local economies
18 recover by putting more cash into local households and state budgets; and

19 **WHEREAS**, numerous national and international studies, including the Stockton
20 Economic Empowerment Demonstration (“SEED”) study from Stockton, CA, have been conducted
21 that indicate the positive impact of direct cash payments on poverty, such as increases in mental
22 and physical health, less income volatility, and increased employment rates, as described in the
23 Center for Guaranteed Income Research Social Policy and Practice at the University of
24 Pennsylvania’s Learning Agenda for the Mayors for a Guaranteed Income (“MGI”) project; and

25 **WHEREAS**, Santa Fe residents have been deeply impacted by the COVID-19 pandemic;

1 and

2 **WHEREAS**, the local Santa Fe economy is based in tourism and hospitality, and the
3 COVID-19 pandemic has slowed visitation; and

4 **WHEREAS**, many local businesses that depend on tourism have been temporarily or
5 permanently shuttered; and

6 **WHEREAS**, according to the US Census Bureau and PolicyLink/PERE, prior to the
7 COVID-19 pandemic, 10.5% of the U.S. population was living in poverty, including 2.6% of
8 employed people who did not have resources to cover even the most basic necessities, despite being
9 employed; and

10 **WHEREAS**, according to the same study, low-wage workers have lost more jobs and
11 wages than top earners due to the coronavirus pandemic; and

12 **WHEREAS**, the same study found that women account for 55% of overall net job loss
13 since the start of the crisis;

14 **WHEREAS**, according to an April 2021 CDC report, workers of color are more likely to
15 have experienced COVID-19-related unemployment, as well as higher levels of food insecurity and
16 nearly twice as much difficulty meeting household expenses; and

17 **WHEREAS**, across the United States low income communities of color have historically
18 held positions in the hospitality industry and have thus been disproportionately impacted by high
19 levels of unemployment due to the COVID-19 pandemic; and

20 **WHEREAS**, many hospitality jobs make minimum wage or just over; and

21 **WHEREAS**, according to the 2014-2018 American Community Survey and NMDOH
22 Indicator-Based Information System, in Santa Fe County there are approximately 900 young
23 parents of color ages 18 to 24; and

24 **WHEREAS**, 20% of children of color ages 0-3 have a parent between the ages of 18 and
25 24, and 26% of births in Santa Fe County are to mothers under age 24; and

1 **WHEREAS**, of these young parents, over 75% live under 200% of the federal poverty
2 level, and 90% of their children are enrolled in Medicaid,; and

3 **WHEREAS**, during the pandemic, the City saw restaurants and hotels which employ many
4 young parents close; and

5 **WHEREAS**, according to the 2014-2018 American Community Survey and NMDOH
6 Indicator-Based Information System, in Santa Fe County 48% of children live in households that
7 receive SNAP and 45% of families experience a housing cost burden greater than 30% of income,;
8 and

9 **WHEREAS**, nationally, African American, Hispanic/Latino, and Native American
10 college students are disproportionately more likely to have children than college students of other
11 racial groups according to the Institute for Women’s Policy Research C404 report from 2013; and

12 **WHEREAS**, parenting students have a higher proportion of unmet financial need than
13 their non-parenting peers according to the Institute for Women’s Policy Research C404 report
14 from 2013; and

15 **WHEREAS**, parenting students (53%) are also more likely than non-parenting students
16 (31%) to leave college without a degree, and to report financial strain as their reason for leaving.
17 Parenting students also leave college with more debt than their peers according to the Institute for
18 Women’s Policy Research C404 report from 2013; and

19 **WHEREAS**, one of the challenges young student parents face is juggling both work and
20 school to pay for school and support their families; and

21 **WHEREAS**, those who successfully combine educational attainment and financial
22 stability earn higher wages at age 30 than those who do only one or those who are disconnected
23 from work and school, according to the Urban Institute’s paper “Supporting Young Parents as
24 they Advance their Education and Careers”; and

25 **WHEREAS**, students who are also parents spend more time working to provide an

1 income for their families than engaging in school work;

2 **WHEREAS**, a study from the Borough of Manhattan Community College showed that
3 student parents of young children have less time on average to study, and lower quality of study
4 time, than student parents of older children and students without children, largely due to childcare
5 demands, according to a 2018 article “No Time for College?”, from the Journal of Higher
6 Education; and

7 **WHEREAS**, these same student parents show lower rates of college persistence and
8 credit accumulation than their peers; and

9 **WHEREAS**, young parents of color represent a substantial portion of families in the City
10 of Santa Fe and disproportionately experience low-incomes and barriers to overall family
11 wellbeing, according to the 2014-2018 American Community Survey and NMDOH Indicator-
12 Based Information System; and

13 **WHEREAS**, as a member of the Mayors for a Guaranteed Income (“MGI”), the City and
14 partners received a \$500,000 grant and additional administrative support that would help lay the
15 groundwork for a guaranteed income pilot in the City focusing on young parents attending the Santa
16 Fe Community College; and

17 **WHEREAS**, partners in obtaining the grant funding included Mayor Webber, Santa Fe
18 Community College President Rebecca Rowley, and the Santa Fe Community Foundation
19 (administrator for the Early Opportunities for Young Families Project); and

20 **WHEREAS**, Santa Fe’s pilot project is one of many being funded across the country with
21 plans to use the compiled data to inform national policies impacting not only families in Santa Fe,
22 but young families across the nation; and

23 **WHEREAS**, ongoing, direct cash payments put real money in the pockets of people across
24 the country, and increase spending in our communities; and

25 **WHEREAS**, eligibility for these payments must include dependents, non-citizens,

1 including undocumented residents, permanent residents, and temporary visitors whose stay exceeds
2 three months; individuals who do not have a bank account, social security number, or permanent
3 address, people living in unincorporated territories or protectorates, and Americans living abroad;
4 and

5 **WHEREAS**, in October 2020, Mayor Webber joined the Mayors for a Guaranteed Income
6 Project (“MGI”) and recognized that a pilot project of this magnitude would have a substantial
7 impact on Santa Fe’s families whose members are working to better their educational attainment;
8 and

9 **WHEREAS**, Mayor Webber and the City are committed to equity and justice for the
10 children and families of Santa Fe.

11 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
12 **CITY OF SANTA FE**, that Exhibit A, Memorandum of Agreement with the Mayors for a
13 Guaranteed Income and the Santa Fe Community College, is hereby approved and that the
14 Governing Body commits to participating in a pilot project in partnership with Mayors for a
15 Guaranteed Income and the Santa Fe Community College to provide a guaranteed income to one
16 hundred young, low-income parents enrolled in certificate or degree programs at the Santa Fe
17 Community College.

18 **BE IT FURTHER RESOLVED** that a goal of the guaranteed income pilot project in the
19 City of Santa Fe is to the learn the impact of guaranteed income on young student parents who live
20 below 200% of FPL and offers an opportunity to specifically examine the impact of guaranteed
21 income on higher education outcomes and family wellbeing for young parents with young children;
22 and

23 **BE IT FURTHER RESOLVED** that the Governing Body supports supplementing the
24 initial \$500,000 grant from MGI by raising funds from the community to provide an additional year
25 of funding and to increase the monthly payment from \$400 to \$500.

1 ATTEST:

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KRISTINE MIHELICIC, CITY CLERK

5 APPROVED AS TO FORM:

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ERIN K. McSHERRY, CITY ATTORNEY

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25 *Legislation/2020/Resolutions/Guaranteed Income Pilot Project*

FISCAL IMPACT REPORT**General Information:**(Check) Bill: _____ Resolution: X Short Title(s): Guaranteed Income Pilot ProjectSponsor(s): Mayor WebberReviewing Department(s): Community Health and Safety DepartmentStaff Completing FIR: Julie Sanchez Date: 06/02/21 Phone: (505) 955-6678Reviewed by City Attorney:  Date: Jun 16, 2021Reviewed by Finance Director:  Date: Jun 17, 2021
Alexis Lotero (Jun 17, 2021 16:41 MDT)**Summary:**

The City will work in partnership with Mayors for Guaranteed Income (MGI), the Santa Fe Community College and the college's foundation as they provide direct cash payments to enrolled low-income parents using funding received from MGI. The City will work with MGI and in support of the development of a federal guaranteed income program.

Departments Affected:Community Health and Safety Department**Consequences of Not Enacting Legislation:**

The City of Santa Fe, through the Santa Fe Community College and its foundation, will not receive \$500,000 in funding for a pilot project and will not join the growing national movement of support for a federal guaranteed income program.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

This Resolution does not relate to other legislation but relates to an MOA with the Santa Fe Community College – a partner in the pilot project.

Performance and Administrative Implications:

By supporting this Resolution the City of Santa Fe will join a national movement and support the work of the Mayors for Guaranteed Income (MGI). Locally, there may be a movement to build a guaranteed income into young parents striving to further their education.

Fiscal Implications:

Consultants of the Community Health and Safety Department will track and provide updates on the project, and will be paid out of the grant and fundraising. Funds will be provided from a grant and private donations. Staff time associated with the project is accordance with expected duties and will not incur additional costs.

Fiscal Impact X Check here if no fiscal impact

Expenditures

Expenditure Type	FYE __	FYE __	FYE __	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Benefits*</u>							
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

* This includes all staff time associated with executing the job functions of the proposed legislation.

Expenditure Narrative:

Revenue

Revenue Type	FYE __	FYE __	FYE __	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

Signature: Kyra Ochoa
Kyra Ochoa (Jun 16, 2021 17:14 MDT)

Email: krochoa@santafenm.gov