



CITY OF SOMERVILLE, MASSACHUSETTS  
ARPA OFFICE  
KATJANA BALLANTYNE  
MAYOR

ERICA SATIN-HERNANDEZ  
ARPA Director

January 17<sup>th</sup>, 2024

To: Finance Committee

From: Erica Satin-Hernandez, ARPA Director

Requesting approval to accept a \$5,000 gift from the Cummings Foundation for the Basic Income Pilot.

Dear Members of the Finance Committee,

The ARPA Office requests your approval to accept and expend a \$5,000 grant from the Cummings Foundation for the forthcoming ARPA-funded Guaranteed Basic Income (GBI) pilot. This grant was awarded to the city on October 24<sup>th</sup>, 2023 and will be expended before December 31<sup>st</sup>, 2024. There is no match required for these funds.

The City of Somerville has committed \$2,500,000 of American Rescue Plan Act (ARPA) funds to a Guaranteed Basic Income Pilot as a means of alleviating poverty and combatting the negative impacts of the COVID pandemic on lower-income Somerville residents. In particular, the pilot will target up to 300 families in transitional crisis or who are experiencing severe housing instability and homelessness to receive one year of monthly Basic Income payments.

A key hurdle in the start-up of this pilot is that Basic Income payments can be counted as additional household income by administrators of benefits programs like SNAP (formerly known as food stamps), WIC, and Social Security. Thus, participation in the pilot could be detrimental to a family's financial wellbeing if their income is increased during the pilot year, causing them to lose their benefits and forcing them to go through the arduous process of reapplying after the pilot ends. Our team has been working to apply for waivers from the various public benefits agencies, but the Department of Transitional Assistance (DTA), the agency that administers SNAP, requires that a philanthropic investment augment any public funding committed to a Basic Income Pilot in order to receive a waiver.

This grant enables us to receive a waiver from the DTA and keep this pilot accessible to families who need it.

Please let the IGA team know if there are any further questions on any of the above information.

Thank you,  
Erica Satin-Hernandez  
ARPA Director