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**THE COUNCIL OF THE CITY OF NEW YORK**

**COMMITTEE REPORT OF THE  
HUMAN SERVICES DIVISION**

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**COMMITTEE ON GENERAL WELFARE**

*Hon. Diana Ayala, Deputy Speaker*

**June 7, 2023**

**PROPOSED INT. NO. 561-A:**

By Council Members Hudson and Rivera, the Public Advocate (Mr. Williams), and Council Members Williams, Cabán, Hanif, Brooks-Powers, Brewer, Joseph, Avilés, Nurse, Sanchez, and Richardson Jordan

**TITLE:**

A Local Law to amend the administrative code of the city of New York, in relation to unconditional direct cash assistance pilot

programs

**ADMINISTRATIVE CODE:**

Adds a new chapter 10 to title 21.

**I. Introduction**

On June 7, 2023, the Committee on General Welfare, chaired by Deputy Speaker Diana Ayala, will hold a hearing on Proposed Introduction Number (Int. No.) 561-A. Expected to testify are representatives from the Department of Social Services (DSS), advocates, legal service providers and other interested parties.

**II. Background**

The poverty rate in New York City is well above the national average.<sup>1</sup> Before the pandemic, roughly one in five New Yorkers lived in poverty in a given year, and half of the population lived below the poverty line in at least one year over a four-year period.<sup>2</sup> Further, poverty rates among Black and Latino New Yorkers were twice those of white New Yorkers.<sup>3</sup> The economic downturn of the pandemic threatened to push New Yorkers further into poverty, but government action to strengthen the safety net during the pandemic and the period immediately after prevented disaster.<sup>4</sup>

In 2020, the federal government responded to the pandemic through the Family First Coronavirus Relief Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security Act

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<sup>1</sup> Poverty Tracker Research group at Columbia University. *The State of Poverty and Disadvantage in New York City*. Volume 4. Available at: <https://www.povertycenter.columbia.edu/nyc-poverty-tracker/2022/the-state-of-poverty-and-disadvantage-in-new-york-city>

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

(CARES).<sup>5</sup> These legislative packages brought economic impact payments, also known as “stimulus checks,” expansions to unemployment insurance (UI) and the Supplemental Nutrition Assistance Program (SNAP), the federal eviction moratorium, as well as additional State and City level assistance.<sup>6</sup> The FFCRA and CARES Act resulted in the poverty rate in New York City falling from 18% to 16%, and these policies kept 1 in 3 children out of poverty.<sup>7</sup>

In March 2021, the federal government went even further with the American Rescue Plan, which provided income support to families through more stimulus checks, reauthorization and expansion of the CARES Act UI and SNAP provisions, and a historic expansion to the Child Tax Credit (CTC).<sup>8</sup> The CTC sent almost \$300 per child to most families.<sup>9</sup> The CTC reduced child poverty nationwide to a record low.<sup>10</sup> These policies cut the adult poverty rate in New York City by 44% and the child poverty rate by 68%, keeping close to 1 million adults and 574,000 children above the poverty line.<sup>11</sup> Unfortunately, many of these policies were temporary and the monthly CTC payments ceased in January 2022.<sup>12</sup> This led to an immediate increase in the national poverty rate, and 4 million children in the United States entered poverty from December 2021 to January 2022.<sup>13</sup>

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<sup>5</sup> See H.R. 6201, Families First Coronavirus Response Act. Available at: <https://www.congress.gov/bill/116th-congress/house-bill/6201/text> ; See also H.R. 748, CARES Act. Available at: <https://www.congress.gov/bill/116th-congress/house-bill/748>

<sup>6</sup> *Id.*

<sup>7</sup> *Supra* note 1

<sup>8</sup> Poverty Tracker Research Group at Columbia University. *The State of Poverty and Disadvantage in New York City*. Volume 5. Available at:

<sup>9</sup> Jason DeParle, *The Expanded Child Tax Credit is Gone. The Battle Over It Remains*. November 25, 2022. Available at: <https://www.nytimes.com/2022/11/25/us/politics/child-tax-credit.html>

<sup>10</sup> *Id.*

<sup>11</sup> *Supra*. Note 8 at 12.

<sup>12</sup> *Id.*

<sup>13</sup> Zachary Parolin, Sophie Collyer, and Megan Curran. *Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022*. Poverty and Social Policy Brief 20417, Center on Poverty and Social Policy at Columbia University. Available at: <https://ideas.repec.org/p/aji/briefs/20417.html>

The success of these pandemic-era policies demonstrate that economic well-being is potentially improved by anti-poverty tools such as direct cash payments. Today, the Committee will hear a piece of legislation aimed at authorizing the city to establish and fund pilot programs to further study and evaluate the impact and benefits of such unconditional direct cash payments.

### **III. Bill Analyses**

Proposed **Int. No. 561-A** – A Local Law to amend the administrative code of the city of New York, in relation to unconditional direct cash assistance pilot programs.

Proposed Int. No. 561-A would authorize the City to establish or fund one or more pilot programs to provide direct cash assistance to certain eligible low-income individuals. The bill would include research and reporting requirements for pilot programs. It would also exempt assistance provided under a pilot program from being considered income for purposes of other city-administered public benefits or assistance program and would require the Commissioner of Social Services to petition the State and Federal governments for similar waivers under State and Federal programs.

Proposed Int. No. 561-A

By Council Members Hudson and Rivera, the Public Advocate (Mr. Williams), and Council Members Williams, Cabán, Hanif, Brooks-Powers, Brewer, Joseph, Avilés, Nurse, Sanchez, and Richardson Jordan

A Local Law to amend the administrative code of the city of New York, in relation to unconditional direct cash assistance pilot programs

Be it enacted by the Council as follows:

1 Section 1. Title 21 of the administrative code of the city of New York is amended by adding  
2 a new chapter 10 to read as follows:

3 CHAPTER 10

4 UNCONDITIONAL DIRECT CASH ASSISTANCE

5 § 21-931 Legislative findings. a. The council hereby finds that over 40 percent of New  
6 Yorkers are affected by poverty or near poverty; that residents of impoverished communities are  
7 at increased risk for housing instability and homelessness, mental illness, chronic disease, and  
8 lower life expectancy; that in the city of New York, significant differences in poverty rates across  
9 race, ethnicity, and gender have persisted for many years as a result of historic and ongoing  
10 systemic inequalities; that child poverty affects nearly 1 in 4 children aged 0 to 3 years in the city  
11 of New York; that poverty is more likely to affect children, foster youth, young adults, and families  
12 of color as well as female-headed households; that single mothers of young children are more  
13 likely to drop out of the work force or work low-paid jobs, and to report that they would seek  
14 higher paid work if they could access childcare, compared to mothers in two-parent households;  
15 that economic disadvantage in a child's early years has a profound effect on subsequent health,  
16 development, and educational attainment; that young adults aging out of foster care in the city of  
17 New York face significant barriers to education, employment, and access to housing; that over  
18 4,500 young adults experience homelessness and housing instability in the city of New York each

1 night; that many local and federal policies that were effective in reducing housing instability and  
2 child poverty during the COVID-19 pandemic have been discontinued, causing a rebound in  
3 homelessness and child poverty; that studies suggest that unconditional direct cash transfer  
4 programs offer a cost-effective tool that, in combination with other public benefits programs, can  
5 reduce short- and long-term poverty and its negative effects while improving recipients' well-  
6 being across a range of domains; and that additional evidence is needed to determine what  
7 characteristics of unconditional direct cash transfer programs are most effective, and to what  
8 extent, in reducing poverty and its negative effects while supporting the well-being of children,  
9 families, young adults, and other vulnerable individuals.

10 b. Therefore, it is the purpose of this chapter to authorize the city to establish and fund 1  
11 or more pilot programs to study and evaluate the impact and potential benefits of unconditional  
12 direct cash payments on eligible participants' quality of life; to ensure that any participants in such  
13 a program receive counseling as to the potential effects of such payments on other public benefits  
14 that they may receive; and to ensure that any assessments of the effects of such programs collect  
15 consistent, meaningful data about participants and the impacts of unconditional direct cash transfer  
16 payments, and assess the processes by which this chapter is implemented so as to maximize the  
17 utility of such programs and assessments to inform future policymaking.

18 § 21-932 Definitions. For the purposes of this chapter, the following terms have the  
19 following meanings:

20 Benefits counseling. The term “benefits counseling” means individualized counseling  
21 offered to potential pilot program participants concerning the foreseeable effects of participation  
22 in a pilot program on an individual's eligibility for any other public benefits or assistance the  
23 individual receives or could receive.

1 Commissioner. The term “commissioner” means the commissioner of social services.

2 Contractor. The term “contractor” means a person or entity that has entered into a contract  
3 or other agreement with the city to administer a pilot program.

4 Department. The term “department” means the department of social services.

5 Eligible participant. The term “eligible participant” means an individual who, at the time  
6 of entering a pilot program, is under the age of 67, resides in the city, and either:

7 1. Resides in a household that has an annual gross income of no more than 80 percent of  
8 the area median income, as defined annually by the United States department of housing and urban  
9 development (HUD) for the New York, NY HUD Metro FMR Area (FMRA), adjusted for the size  
10 of the household; provided, however, that a pilot program established or funded pursuant to this  
11 chapter may establish a lower maximum income limit for eligible participants; or

12 2. Is a runaway youth or a homeless youth as defined in section 532-a of the executive law.

13 Existing approved pilot program. The term “existing approved pilot program” means an  
14 unconditional direct cash transfer pilot program operating in the city that has obtained approval  
15 from an institutional review board and obtained an income disregard waiver from the New York  
16 state office of temporary and disability assistance that has been submitted by the department.

17 Participant. The term “participant” means an individual who, after receiving benefits  
18 counseling, receives cash payments through a pilot program.

19 Pilot program. The term “pilot program” means an unconditional direct cash transfer pilot  
20 program established or funded, in whole or in part, pursuant to section 21-933.

21 Relevant agencies. The term “relevant agencies” means the department of consumer and  
22 worker protection, the department of youth and community development, the center for innovation  
23 through data intelligence, the mayor’s office of data analytics, the mayor’s office of economic

1 opportunity, any successor of an agency specified in this definition and any other agency that the  
2 commissioner deems relevant.

3 Support services. The term “support services” means, at minimum, benefits counseling,  
4 and may include other social services provided to participants.

5 § 21-933 Unconditional direct cash assistance; authorization. a. Subject to appropriation,  
6 the city may establish or fund, in whole or in part, 1 or more pilot programs for the provision of  
7 unconditional direct cash payments to eligible participants. Any such program shall offer benefits  
8 counseling to each participant before providing direct cash payments and may provide other  
9 support services.

10 b. The city, in accordance with applicable procurement requirements, may select a  
11 contractor to administer the pilot program.

12 § 21-934 Impact evaluation; reporting. a. Purpose and guidelines for impact evaluation.  
13 The commissioner or the contractor, as applicable, shall conduct assessments and provide reports  
14 as required by this section. Such assessments and reports shall be in furtherance of a systematic  
15 investigation, including research development, testing, and evaluation, designed to develop or  
16 contribute to generalizable knowledge about the impacts and potential benefits of unconditional  
17 direct cash transfer programs. All assessments and evaluations of participants for purposes of this  
18 section shall be voluntary and subject to informed consent. A participant’s choice whether or not  
19 to take part in such assessments shall not be a basis for denying or reducing unconditional direct  
20 cash payments or support services in connection with a pilot program. City funds made available  
21 in accordance with this chapter may be used to provide incentives to take part in research activities  
22 and to cover other pilot program-related research costs.



1           b. Participant assessment. 1. The commissioner or the contractor, as applicable, shall  
2 develop a plan to assess, or to have a contractor assess, as applicable, a pilot program’s impacts on  
3 participants and, where appropriate, other members of their households. Such assessment shall  
4 include, but need not be limited to, assessment of participant outcomes on education, employment,  
5 food security, physical and mental health, access to stable housing, income level, financial well-  
6 being, and experiences with and access to public benefits.

7           2. The commissioner or contractor, as applicable, shall employ participatory research  
8 methods appropriate to each pilot program’s participants in order to develop an evaluation plan  
9 and to inform the choice and implementation of research methods and analytical frameworks.  
10 Such research may be subject to institutional review board approval from the city or another  
11 research institution. Research methods may include surveys of participants, interviews, focus  
12 groups, or other narrative methods; an assessment of participants’ experiences with program  
13 implementation or processes; administrative data analysis; or a combination of approaches.

14           3. Notwithstanding any contrary provision of this subdivision, if the city funds an existing  
15 approved pilot program, the research methods approved by the institutional review board for such  
16 program shall be deemed to meet the requirements of this subdivision.

17           c. Program assessment. The commissioner or the contractor, as applicable, shall conduct  
18 an annual program assessment to assess the effectiveness of pilot program administration and  
19 outcomes.

20           d. Program assessment report. Not later than 12 months following the last payment  
21 disbursed pursuant to section 21-933, the commissioner or the contractor, as applicable, shall  
22 submit a report on such pilot program to the mayor and speaker of the council and publish such

1 report on the department’s website. The information in such report shall be aggregated and  
2 anonymized and shall include, as applicable, the following:

3 1. Descriptive statistics on the numbers and percentages of participants across the following  
4 domains, and analysis of program outcomes, as applicable, with respect to the following domains:

5 (a) Age;

6 (b) Community district of residence or, if inapplicable, status as housing unstable;

7 (c) Disability status;

8 (d) Ethnicity;

9 (e) Gender;

10 (f) Household size;

11 (g) Primary language;

12 (h) Race;

13 (i) Sexual orientation; and

14 (j) Veteran status;

15 2. The following information on implementation fidelity:

16 (a) The dollar amount, frequency, and form of the direct cash payments provided to each  
17 participant;

18 (b) The number of payments received by each participant through the pilot program;

19 (c) The length of time each participant has been enrolled in a pilot program; and

20 (d) A classification of how city funds allocated to the pilot program were spent, in the  
21 following categories: (i) funds used for direct cash payments that were not research incentives; (ii)  
22 funds used for research incentives for participants; (iii) funds used for other research costs; and  
23 (iv) funds used for administrative costs or costs not otherwise classified under this subparagraph;

1           3. Recommendations, including the research basis for such recommendations, for  
2 improving future pilot programs and city policy for future unconditional direct cash transfer  
3 programs, including, as applicable, with respect to the size, number, and frequency of payments,  
4 criteria for eligible participants, and any additional research questions concerning the effective  
5 design of unconditional direct cash transfer programs that future programs or city policy might  
6 consider or address.

7           e. Follow-up evaluations; report appendix. To the extent feasible, the commissioner shall  
8 evaluate each participant’s public benefits usage 2 years and 5 years after a participant ceases to  
9 receive payments from a pilot program. For each pilot program, the commissioner shall submit the  
10 data in anonymized form as an updated appendix to the most recent program assessment report  
11 submitted pursuant to subdivision d of this section. The appendix shall be submitted to the mayor  
12 and speaker of the council and published on the department’s website no later than 1 year after the  
13 necessary data becomes available.

14           f. Meta-analysis and blueprint report. On or before March 1, 2027 and every third year  
15 thereafter, the center for innovation through data intelligence, or any successor office for inter-  
16 agency research and data analysis on the provision of human services, shall coordinate with the  
17 commissioner and each contractor, as applicable, to collect and submit to the mayor, the speaker  
18 of the council, and the commissioner a meta-analysis of pilot program findings with regard to  
19 participant outcomes, models and processes employed, lessons learned through each pilot  
20 program, a description of any implementation challenges and efforts made to address such  
21 challenges, if any, and recommendations with respect to structuring and implementation of future  
22 pilot programs or any other potential unconditional direct cash transfer program.

1           § 21-935 Data sharing. For the duration of each pilot program, the relevant agencies shall  
2 share relevant data with the department.

3           § 21-936 Effect on other public benefits or assistance programs. a. Except as otherwise  
4 required by applicable law, cash payments provided to eligible households pursuant to this chapter  
5 shall not be considered income or resources for purposes of determining eligibility for any other  
6 public benefits or assistance programs administered by the city.

7           b. For each pilot program established or funded, in whole or in part, pursuant to section 21-  
8 933, the commissioner shall petition the New York state commissioner of social services or, as  
9 applicable, the New York state commissioner of health to grant any state waivers, seek any waivers  
10 from other state agencies, and seek any federal waivers that may be necessary to exclude payments  
11 provided to an individual through a pilot program authorized under this chapter for the purposes  
12 of eligibility determinations for any public benefits or assistance program where such waiver may  
13 be granted. Where applicable, the commissioner shall consult with relevant agencies and the  
14 contractor in relation to submitting such petitions. A failure to secure a waiver shall not affect the  
15 city’s authority to establish or fund a guaranteed income pilot program subject to the requirements  
16 of this chapter.

17           § 2. This local law takes effect immediately.

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