



April 13, 2021

Senator Melissa Hurtado  
Chair, Senate Human Services Committee  
1020 N Street, Room 521  
Sacramento, CA 95814

**Subject: Support for SB 739 (Cortese)**

Dear Senator Melissa Hurtado,

I am writing on behalf of My New Red Shoes (MNRS), a California nonprofit organization working to improve the quality of life and well-being of children and youth experiencing economic hardship, to express our support for SB 739: The Universal Basic Income for Transition Age Foster Youth Act.

My New Red Shoes believes that providing stability and a pathway to success for our community's youth is the single most important investment we can make. This is what SB 739 does. By providing direct cash assistance to foster youth aging out of Extended Foster Care in California, this bill offers the stability that transition age foster youth need in order to focus on the future and reach their highest capacity.

SB 739 seeks to establish a three-year Universal Basic Income (UBI) Pilot Program that will provide monthly payments of \$1,000 to one cohort of youth who have aged out of Extended Foster Care at age 21, or approximately 2,500 youth. The bill requires the Department of Social Services to administer the pilot program and to conduct an evaluation upon completion of the pilot. The bill models the first-in-the-nation UBI Pilot Program for Transition Age Foster Youth currently being conducted by the County of Santa Clara. The program serves 24 year-old former foster youth who previously participated in Extended Foster Care. While the pilot program is still ongoing, the first quarterly report shows that program participants are primarily Hispanic, women, parents, and those reliant on food stamps.<sup>1</sup>

The current Extended Foster Care Program allows eligible foster youth to remain in care until age 21, rather than 18. Foster youth who participate in the program receive a monthly

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<sup>1</sup> The County of Santa Clara. "Report from the Office of the County Executive relating to the Transition-Aged Youth Basic Income Pilot program," (2021).

Supervised Independent Living Placement (SILP) payment of \$1,000, plus an additional monthly Infant Supplement payment of \$900 if they are custodial parents. However, as soon as these individuals turn 21 years old, they “age out” of care and become ineligible for the monthly cash benefits they rely on to meet their basic needs.

Foster youth already face significant disadvantages compared to their peers in the general population. A 2017 survey focused on young adults experiencing homelessness found that approximately 40% of survey participants had previously been in foster care.<sup>2</sup> What’s more, a recent report by the University of Chicago found that 1 in 4 California foster youth become homeless after leaving Extended Foster Care.<sup>3</sup> The report also found that foster youth are faring poorly compared to their age peers in educational attainment, employment, economic self-sufficiency, physical and mental health, and involvement with the criminal justice system. To no surprise, the COVID-19 pandemic has only exacerbated these struggles.

In recognition of the tremendous benefits a Universal Basic Income may offer, numerous cities across the State are set to launch their own UBI Pilot Program in the near future. The City of Stockton recently concluded the Stockton Economic Empowerment Demonstration (SEED), a UBI Pilot Program which provided 125 residents with unconditional monthly cash payments of \$500 for 24 months. The final report demonstrates the life-changing effects of UBI; not only did recipients use the funds to meet their basic needs, but they were also more than twice as likely to be fully employed compared to their peers who did not participate in the program.<sup>4</sup> Further, the mental and physical health of recipients improved.

As we are still in the midst of a pandemic-induced recession that has affected our most vulnerable communities, it is imperative that we give foster youth a lifeline of support – and remove a financial cliff. SB 739 does just that by providing these youth with the financial means and stability to navigate life after foster care. For this reason, My New Red Shoes supports SB 739 and urges your “AYE” vote.

Sincerely,



Minh Ngo, J.D.  
Executive Director

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<sup>2</sup> Research, Education, and Advocacy Co-Lab for Youth Stability and Thriving (REALYST). “Homeless Youth Risk and Resiliency Survey,” (2018).

<sup>3</sup> Courtney, M. E., Okpych, N. J., Harty, J., Feng, H., Park, S., Powers, J., Nadon, M., Ditto, D. J., & Park, K. “Findings from the California Youth Transitions to Adulthood Study (CalYOUTH): Conditions of youth at age 23,” (2020).

<sup>4</sup> West, S., Castro Baker, A., Samra, S., Coltrera, E. “Preliminary Analysis: SEED’s First Year,” (2021).