

From: Michael LeVert <michael@stepwiseresearch.com>
Sent: Wednesday, December 1, 2021 5:01 PM
To: Langlin, Steven
Cc: Caswell, Lynne
Subject: Re: Basic Income Security feasibility study

This message originates from outside the Maine Legislature.

Hi Steve - Nice to hear from you. Here are my thoughts on your questions:

My first suggestion would be to make clear exactly what it is you want to test the feasibility of. In my experience, true feasibility studies work best when the parameters are well-defined. The results may of course influence the design of the program but they start with a well-formed plan. I couldn't tell from my brief scan of the report whether you are at that point or not. If you're still exploring ideas - for example, the pros/cons of a direct payment to all Maine residents vs. a means-tested payment linked to existing safety net programs vs. some kind of Alaska-esque dividend payment - you may need to contract for research that is at a higher level than a feasibility study, perhaps a study that lays out the key considerations of competing approaches or a deeper dive into the three models you discussed. Or, at the least, you may want multiple feasibility studies because the revenues, costs, and logistic considerations will be very different depending on program design.

In terms of timeline, are you asking if a feasibility study could be completed by the 15th or a contract with a consultant could be completed by the 15th? A contract, yes, but I don't think you can do the work in the next two weeks, no. It's not so much the short notice but rather that you would want the consultant to really dig into the issues, talk to experts (not just on the idea but people who know the state's systems and administrative processes), etc. And that takes time, especially if you want the results of the study to be taken seriously and be credible to both supporters and skeptics. I would suggest a 3-month timeline. The work itself may not take the full 3 months, but from launch to final report, I'd give it 3 months.

In terms of substance, a good study would develop a cost estimate for the program; it would address the revenue implications - how will it be funded, how sustainable is that funding, what happens if there is a funding shortfall; it would address interactions with other safety net programs, particularly those with federal rules where recipients may be inadvertently affected by additional income; it would look into the actual logistics of a program - who would implement it (DHHS, MRS, etc.), how equipped are to do this effectively, how would such a program be marketed (there are learnings from the circuit-breaker property relief program and the Opportunity Maine tax credit about what happens when marketing is an afterthought); it would at least touch on some of the ancillary costs and benefits of the program like the impact on poverty and labor participation rates; and it might also suggest key benchmarks or outcomes to track over time to gauge the success of the program and change it if needed. I would think that \$20,000 is a pretty low amount to do all of this. You can definitely get a lot of good information for \$20,000, to be sure, but, again, if you want something bulletproof that proponents and skeptics will both accept, I think you're talking about \$50,000 or more.

I hope this is helpful. I'm happy to talk more, and I'd certainly be interested in doing the work when the committee is at that point. It's right up my alley. Several years ago I did a feasibility study on a paid leave bill that may serve as a good model for you. I'll find it and send it to you. Good luck, and thanks again for reaching out.

Mike

Michael LeVert
Stepwise Data Research
207.318.0593
stepwiseresearch.com

On Wed, Dec 1, 2021 at 12:07 PM Langlin, Steven <Steven.Langlin@legislature.maine.gov> wrote:

Good afternoon Mike,

I hope you're well! I still think about that economics class you taught me at Muskie.

4. The committee shall examine and assess the feasibility, economic impact and poverty reduction effect of providing basic income security through a direct cash payment system and other programs that are designed to help individuals and families become more economically secure.

I'm staffing the [Committee To Study the Feasibility of Creating Basic Income Security](#) this interim. I'm reaching out on behalf of Sen. Chipman and Rep. Madigan, the Chairs. One of the duties in the legislation is a feasibility study:

The Chairs have asked me to reach out to organizations to gauge whether they:

- Can perform a feasibility study in time for the Committee to examine the results and make recommendations on or about Dec. 15; and
- Can perform the feasibility study in that timeframe, what would the feasibility study entail for \$20,000 (the amount allocated in the authorizing legislation)?

The Committee intends to meet very quickly, likely Monday or Tuesday of next week. It would be great if the Committee can have that information before then to further guide its discussions.

I recognize that the answer is likely no, but if you had a ball park estimate on such a study in the future I'd be interested in that as well. The Committee may recommend reconvening next interim and will likely still be interested in the feasibility study. The November 2020 report is available here: <https://legislature.maine.gov/doc/4674>

Best,

Steve Langlin
Legislative Analyst
Office of Policy and Legal Analysis

13 State House Station
Room 215, Cross Building
Augusta, ME 04333-0013
207-287-1672