



DATE: May 5, 2025  
TO: Joint Standing Committee on State & Local Government  
FROM: Sam Warren, UMS Chief External & Governmental Affairs Officer  
RE: **LD 1673, Resolve, to Establish a Pilot Project to Facilitate the Inclusion of Economic Impact Statements in the Legislative Process**

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Senator Baldacci, Representative Salisbury, and distinguished members of the Joint Standing Committee on State & Local Government: I apologize that commitments in other Committees prevent me from joining you in person for the hearing on LD 1673, *Resolve, to Establish a Pilot Project to Facilitate the Inclusion of Economic Impact Statements in the Legislative Process*.

As you may know from previous projects we have undertaken at the request of your Committee, consistent with our public service mission, the University of Maine System (UMS) regularly conducts independent research to inform the Legislature. This includes through the Maine Education Policy Research Institute (MEPRI), a partnership of the University of Southern Maine (USM) and the University of Maine that has conducted nonpartisan education data, research, and evaluation on behalf of the Legislature's Committee on Education & Cultural Affairs for more than two decades, as well as through the new Maine Economic and Workforce Advancement Research Institute, created to support the research and analysis needs of what is now the Legislature's Committee on Housing and Economic Development.

Most relevant to LD 1673 is that in 2021-22 at the request of the Legislative Council, UMS developed the racial impact statements for a legislative pilot project initiated by P.L. 2021, c. 21. For that process, researchers from USM and UMaine worked with members of the Subcommittee to Implement a Racial Impact Statement Process Pilot created by the Legislative Council, the Permanent Commission on the Status of Racial, Indigenous and Maine Tribal Populations, and nonpartisan legislative staff to develop a framework for analysis and select the carryover legislation that would be subject to the analysis. Various researchers, including those from USM, UMaine, and the University of Maine School of Law, prepared the impact statements on the selected carryover bills during the off-session and presented them to the relevant committees in the Second Regular Session.

The System provided feedback on the process to the legislative subcommittee that may be informative to your consideration of LD 1673, including:

**Decision-making:** While university research is objective, many elements of the process were subjective, to varying degrees. These include: the selection of bills; the framework by which their impact would be evaluated; what data would be used; and how the analysis would be presented. A specific format or template was intentionally not created for the pilot so legislators could see how different university researchers presented their analysis. Even the most straightforward impact statement was three pages, and most were longer, especially those evaluating comprehensive legislation with multiple components. Given the volume of bills taken

up by the Legislature in a typical session, the university questioned whether legislators would have the time to review impact statements of this length.

UMS recommended that any future impact statement process be well-defined by the Legislature and informed by the input of researchers and other stakeholders. In doing so, consideration should be given to the purpose of the process; who determines what bills are subject of the process; when in the process legislators will consider the impact statements; how legislators and nonpartisan legislative staff will be educated about evaluating the resulting impact statements (data literacy); and what extent will the findings of the impact statement have on the final disposition of the bill (e.g. how a bill with a fiscal note that is not funded by appropriators currently “dies on the table”).

**Timeline:** Conducting rigorous research takes time. Unlike the current process for developing a basic projection of the cost of legislation on State government, conducting the research, analysis, and writing necessary for a dynamic impact statement can take months and depends on valid, reliable data being publicly available. Legislators and nonpartisan staff likely need completed impact statements early enough in the committee process to inform how they understand and will amend and vote on a bill.

**Resources:** The Legislature should know that there must be dedicated financial resources to support public university research, and that researchers’ time must be allocated well in advance. University faculty typically have their teaching time “bought out” using funding from external grants or contracts so they can conduct their research. Full-time researchers are typically “soft-funded,” meaning the funds to support their position come entirely from the grants and contracts that have been secured for the specific projects they are working on. Even when the work is funded by State appropriations that support research within UMS (e.g., MEPRI), those funds must be focused on statutorily defined activities with which the impact statement development would likely not be in alignment.

UMS fully supports LD 1673's goal of helping policymakers and the public better understand the dynamic economic impact of the bills being considered by the Legislature. We commend Rep. Tiffany Roberts for bringing forth this important idea and for her continued recognition of the value of UMS research to the Legislature and the people of Maine. However, based on our experience with the impact statement pilot detailed above and economic impact studies undertaken for various external funders, from the forest products industry to the Portland Sea Dogs, UMS lacks the capacity to conduct the very detailed analysis required by Sec. 3 of the original bill, even if substantial appropriations are provided. If the Committee and the Legislature wish to consider an alternative approach to exploring this concept, UMS would suggest undertaking a feasibility study that would look at dynamic fiscal note models from other states and make recommendations to the Maine Legislature about what could work best in Maine, or that the Legislative Council select three bills that would be subject to a higher-level draft analysis than is detailed in Sec. 2 of the original bill that would illustrate various approaches that could be taken and the time and information needed to do so. This generally aligns with the amendment presented to you today.

We look forward to following the Committee’s deliberations on this proposal and to continuing to partner with the Legislature to promote data-informed decision-making.