

Department of Legislative Services
 Maryland General Assembly
 2020 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1086 (Delegate Acevero, *et al.*)
 Economic Matters

Workgroup to Study Basic Economic Security

This bill establishes the Workgroup to Study Basic Economic Security, jointly staffed by the Maryland Department of Labor (MDL) and the Department of Commerce (Commerce). The workgroup must identify, assess, and analyze specified topics related to universal basic income. A member of the workgroup may not receive compensation but is entitled to reimbursement for travel expenses. By December 15, 2020, the workgroup must report its findings and recommendations, including any necessary legislation, to the Governor and the General Assembly. **The bill takes effect July 1, 2020, and terminates June 30, 2021.**

Fiscal Summary

State Effect: General fund expenditures increase by up to \$75,000 in FY 2021 for consultant services. Commerce and MDL can otherwise staff the workgroup with existing budgeted resources. Expense reimbursements for workgroup members are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not affected.

(in dollars)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	75,000	0	0	0	0
Net Effect	(\$75,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup must (1) assess Maryland's job market exposure to automation technologies, globalization, and disruptive innovation; (2) assess Maryland's existing spending on social safety net programs and other relevant expenditures, as well as expected spending on those programs in light of anticipated automation technologies, globalization, disruptive innovation, and job losses; (3) identify and analyze options to ensure economic security, including a partial universal basic income and full universal basic income; (4) monitor studies, trials, and efforts in Maryland and other jurisdictions relevant to the workgroup; and (5) seek out partnerships to publish or fund relevant trials or studies to evaluate options for the implementation of a universal basic income program in Maryland.

Current Law: None.

Background: Universal basic income is a policy that guarantees a minimum cash payment to each individual, although specifics such as the timing, amount, and corresponding revenue source can vary depending on how the program is implemented. The concept has been discussed as a potential method for mitigating the effects of automation, in addition to other purposes. Universal basic income is typically differentiated from programs such as Supplemental Security Income and Medicaid by not being means-tested.

State Expenditures: Commerce advises that its existing staff do not have the relevant expertise to identify, assess, and analyze the required information. Commerce estimates the total cost of a consultant to do so at \$75,000, which is more than would otherwise be required because of the short timeline for completion of the report. The Department of Legislative Services agrees that some consultant services may be necessary, given the scope of the workgroup's charge. Therefore, general fund expenditures increase by *up to* \$75,000 in fiscal 2021 for consultant services; that amount includes costs related to meetings, expert presenters, and report preparation. Commerce and MDL can otherwise staff the workgroup with existing budgeted resources.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Department of Commerce; University System of Maryland; Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - March 9, 2020
an/vlg

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510