

INITIATIVE FOR REGULATION & APPLIED ECONOMIC ANALYSIS

2016-2017 Annual Report



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EXECUTIVE SUMMARY



Dr. Vincent Smith, Co-Director



Dr. Wendy Stock, Co-Director

On behalf of all of us at the Initiative for Regulation and Applied Economic Analysis (IRAEA), we thank the Montana State University community that supports the research capacity of our faculty, students, and visiting scholars.

The Montana State University IRAEA provides resources and research support to faculty and students from across MSU to conduct research in the broadly defined areas of regulation and policy analysis. Our hope is that this research can help a wide array of community groups, policymakers, entrepreneurs, and others to address challenges associated with promoting economic growth and prosperity and developing effective and efficient regulation and policies. IRAEA is strongly committed to academic freedom and the free and open exchange of knowledge and ideas.

The IRAEA made substantive strides in its first year, establishing itself as a significant contributor of evidence-based, scholarly research on regulation and policy issues of importance to Montana, the region, and the nation.

In the context of the Initiative's mission to engage students with faculty in academic research that will further

the understanding of economic regulation and policy's impact on societal well-being, the objectives defined for the first year were to:

- Establish IRAEA's physical and virtual presence at MSU, its organizational and administrative infrastructure, and its operating procedures and policies
- Move the proposal for naming the Initiative as a 'Center' (Center for Regulation and Applied Economic Analysis) through the established process for designating new centers within the Montana University System
- Initiate the IRAEA research and outreach programs
- Facilitate the initiation of searches for tenure/tenure-track faculty positions in healthcare economics and financial economics

We are pleased to report that each objective was accomplished and the Initiative has laid a robust foundation to help a wide array of community groups, policymakers, entrepreneurs, and others to address challenges associated with promoting economic growth and prosperity and develop effective and efficient regulation and policies.



Background & Overview

The IRAEA at Montana State University was established in 2016 by Co-Directors Vincent Smith and Wendy Stock through a \$5.76 million seed grant from the Charles Koch Foundation to study the impact of economic regulation and policy.

IRAEA's mission is to engage undergraduate and graduate students with faculty in academic research that will further the understanding of economic regulation and policy's impact on societal well-being. The Initiative accomplishes this mission by

supporting research, analysis, and the sharing of objective information based on that research about regulations that affect agriculture, healthcare, technology, finance, natural resources, education, public safety, and other sectors of the economy.

All IRAEA-supported scholars are expected to submit their research to high-quality, peer-reviewed academic journals. The Initiative also makes research results available to the public through white papers, policy issues papers, and other communications

that inform lawmakers, policy advisers, and the general public on critical policy and regulatory issues. The Initiative sponsors MSU faculty research projects, faculty-led research projects conducted in collaboration with MSU graduate and undergraduate students, as well as visiting scholars, lectures, workshops, major conferences, and student and faculty travel to present their research at academic conferences.

IRAEA is administered by Co-Directors Dr. Vincent Smith and

Dr. Wendy Stock, professors in the MSU Department of Agricultural Economics and Economics (DAEE). They are nationally recognized for their work in the areas of regulation and policy and will be expanding their research over the next five years of the grant.

MSU's DAEE is a joint department of the College of Agriculture and College of Letters and Science, however the grant also includes funding to facilitate applied research by faculty outside the department.

Smith, co-principal investigator on the grant, said in an MSU News Service story published on the day the grant was announced that regulations can serve the public interest by protecting citizens, the environment, businesses, and financial markets. However, he said, at times advances in areas such as biotechnology, engineering, computer science, natural resource management, and other fields outpace the relevance of existing regulatory structures.

"Our hope is that this research will address these challenges, serving the needs of local communities, the state of Montana and the nation," Smith said.

IRAEA activities are conducted in alignment with the values of MSU: respect, integrity, student success, and excellence.

The Initiative does so by:

- Facilitating research, analysis, and teaching of regulatory economics as applied to agriculture, healthcare, technology, finance, natural resources, education, public safety, and other sectors.
- Leveraging the University's geographic position and research track record to inform the public policy debate on state, regional, and national issues.
- Achieving lasting impact on undergraduate and graduate students by providing support to enable their research on relevant public policy topics.



Mission, Values and Expectations

IRAEA is a research organization. IRAEA-sponsored researchers are expected to conduct their work with the highest possible academic integrity and respect for the responsibility that comes with the academic freedom to pursue research questions without censorship or discrimination. Interference with or suppression of academic research because it does not match one's political leanings or financial interests ultimately harms our society. Thus, we support research conducted for the common good and not to further the interest of either the researchers themselves or those of any specific institution or advocacy group. IRAEA activities are conducted in alignment with the values of Montana State University.



Respect

Value respect for diversity in all its dimensions. Respect and civility foster collaboration and open communication, which in turn create productive local, regional, and global communities.

IRAEA-supported scholars are expected to pursue research projects in a manner consistent with generating results that can stand as objective truths regardless of the researcher's place on the broad spectrums of political and religious belief, race, ethnicity, color, gender identity, gender expression, sexual orientation, national origin, age, physical or behavioral health status, and cultural background. IRAEA support is offered to faculty from any academic discipline and awards are made based on transparent criteria and processes widely used by other granting organizations. IRAEA explicitly encourages research by interdisciplinary teams in order to facilitate collaboration between researchers with different intellectual training and perspectives.

Integrity

Value honesty and professionalism in all work. Each individual is personally accountable for his/her work and behavior.

IRAEA scholars are expected to pursue research projects in an honest, open, and professional manner. Researchers are expected to submit their research to high-quality, peer-reviewed academic journals so that their work is evaluated by impartial, third-party experts who perform arms-length reviews in order to ensure that the research can withstand the most rigorous critiques available from leading researchers in their disciplines. Researchers are expected to make their results publicly accessible to further ensure that they are accountable for the integrity of their work.

Student Success

Value all students and believe in creating an environment in which they can be successful and reach their full potential.

IRAEA research scholarships are open to all MSU students and provide opportunities for them to learn research methods through faculty mentorship that includes demonstrating respect for the crucial importance of integrity, diversity of perspective, and transparency in the research process. These research experiences help students develop their critical thinking skills, improve their job and graduate school opportunities, and contribute to the improvement of their communities.

Excellence

Belief in challenging the MSU community in the pursuit of the highest quality that can be attained.

IRAEA scholars are explicitly challenged to pursue excellence by approaching projects critically, by conducting work in ways that generate unbiased results, and by subjecting research to peer-review, public scrutiny, and objective assessment.

2016-2017 YEAR IN REVIEW

With the support of the Montana State University community, the Initiative for Regulation and Applied Economic Analysis had a productive first year:

August 16, 2016 thru August 15, 2017

With substantial input from the IRAEA Internal Advisory Board, the Office of the MSU Vice President for Research and Economic Development, the Office of the Executive Vice President for Academic Affairs and Provost, the DAEE Faculty Advisory Committee and department head, the Initiative established seven core programs:

- (1) **Research Fellows Program**
- (2) **Research Grants Program**
- (3) **Graduate Student Assistantship Program**
- (4) **Undergraduate Research Scholars Program**
- (5) **Visiting Scholars Program**
- (6) **Workshop Program**
- (7) **Annual Conference Program**

Through these programs, during its first year IRAEA supported the research of 17 MSU faculty members from four different colleges, 13 MSU undergraduate students from an array of majors, and two graduate students in the DAEE Masters of Applied Economics program. The Initiative hosted several visiting scholars, with plans to host an increased number in 2017-2018. In the following pages, a detailed summary of the accomplishments and opportunities associated with each of the seven IRAEA research programs in 2016-2017 are highlighted.



The grant that supports all IRAEA programs was awarded through and is managed by the MSU Office of Sponsored Programs. The grant is subject to all MSU procedures and oversight practices, and subject to the same levels of scrutiny as any other grant award.

IRAEA peer-reviewed research, publications, white papers, and policy issues papers will provide a valuable resource for entrepreneurs, decision-makers, and community groups, as well as lawmakers tasked with promoting economic growth and prosperity and developing effective and efficient regulation and policy.

Charles Boyer, vice president of agriculture and dean of the College of Agriculture, said that MSU is pleased to engage in research that addresses how to continue to effectively advance innovation, foster entrepreneurship, provide appropriate protections, and measure the impacts of regulation on the economy.



Research Programs

The Initiative for Regulation and Applied Economic Analysis has established seven core research programs.

Research Fellows Program

Research Fellowships are available for MSU faculty members to conduct research projects related to regulation and policy. Research Fellows produce publicly accessible white papers, policy issues papers, and other communications that provide objective, research-based information to lawmakers, policy advisers, and the general public on critical policy and regulatory issues, and participate in workshops and conferences organized by the research fellows. Appointments are for a two-year period, with the potential for renewal. Four research fellows were selected in November 2016 through a competitive process through which applications were solicited university-wide by MSU's Vice President of Research and Economic Development office and evaluated by the IRAEA's advisory board using the National Institute of Health's criteria for excellence in research.



- **Randal Rucker** is a professor in the DAEE. Dr. Rucker's IRAEA research program examines the intersection of government regulations and technological change and the related impacts on regulation-generated assets. One area of focus is the impact of taxicab regulatory systems on taxicab medallion values in major U.S. cities, and the substantial impact of technological innovation by Uber and similar companies on the regulatory and medallion valuation systems. His research also investigates the structure and impacts of the Montana liquor license system.



- **Eric Belasco** is an associate professor in the DAEE. Dr. Belasco's IRAEA research program focuses on the impact and efficiency of a wide array of policies and regulations that form the federal agricultural safety net. He is investigating the distribution of crop insurance subsidies and other government payments across U.S. farms, the relationships between World Trade Organization regulations on U.S. farm support programs and the impacts of farm bill disaster programs on U.S. cattle inventories.



- **Anton Bekkerman** is an associate professor in the DAEE. Dr. Bekkerman's research program assesses the efficiency impacts of the USDA Revenue Protection Program, which provides a government-subsidized substitute to an existing market-based price risk management tool. He is also researching the direct impact of natural gas industry regulations on the U.S. fertilizer industry, and thereby the indirect impact on the U.S. food supply chain.



- **Isaac Swensen** is an assistant professor in the DAEE. Dr. Swensen's research program focuses on criminal justice issues. His work examines the determinants of sexual assault on college campuses and the effect of federal, state, and university policies and other prevention efforts. His program also examines the determinants of gun-ownership and use and the effect of gun regulations on public safety as well as the role of regulations and policies in reducing drug-related harms, including the effects of expanding access to substance-abuse treatment on health and crime.



Research Grants Program

The IRAEA Research Grants Program provides one-year grants to MSU faculty to conduct research projects related to the Initiative's mission. As with the Research Fellows Program, applications are solicited university-wide through the Office of the MSU Vice President for Research and Economic Development. Applications are evaluated by the IRAEA Research Grant Review Committee (which consists of the IRAEA co-directors and research fellows) using the NIH protocol for assessing grant applications. Financial support includes travel costs to present research at academic conferences as well as the costs associated with data collection. This program is supporting an extensive and productive array of research programs by a broad and diverse group of MSU faculty members.

Grantees and research topics during the 2016-2017 year are:

- **Joe Atwood**, professor, Department of Agricultural Economics and Economics, for "Freedom, Government, and Prosperity."
- **Gary Brester**, professor, Department of Agricultural Economics and Economics, for "The Effects of Regulations on the Commercial Fertilizer Industry."
- **Gary Caton** and **Frank Kerins**, associate professors of finance, Jake Jabs College of Business and Entrepreneurship, for "The Differential Impact of Dodd-Frank on Small- and Medium-Sized Banks."
- **William Kleindl**, assistant research professor, Department of Land Resources and Environmental Sciences, for "Foundations of a Wetland Benefits Assessment Tool."
- **Agnieszka Kwapisz**, assistant professor of management, Jake Jabs College of Business and Entrepreneurship, for "The Effect of Labor Market Regulatory Policy on Nascent Entrepreneurship."
- **Kristin Ruppel**, associate professor, Native American Studies, for "Land Tenure, Human Development, and Economic Well-being on the Crow Reservation."
- **Paul Sturman**, research professor and industrial coordinator, MSU Center for Biofilm Engineering, **Frank Kerins** and **Omar Shehryar**, associate professors of finance in the Jake Jabs College of Business and Entrepreneurship, for "The Impact of Biofilm Regulatory Policy on the Development of Healthcare-Related Products."
- **Lisa Yang**, assistant professor of finance, and **Gary Caton**, associate professor of finance, in the Jake Jabs College of Business and Entrepreneurship, for "The Unintentional Consequences of Regulatory Regime Changes: Insider Trading Activities Surrounding Bond Rating Changes."

Graduate Student Assistantship Program

The Graduate Student Assistantship Program provides resources to support the research of graduate students in the DAEE Masters of Science in Applied Economics program on topics relevant to the Initiative's mission. Through granting procedures previously established in collaboration with the DAEE Graduate Affairs Committee for awarding DAEE graduate assistantships, funding is available for students working on research projects related to the Initiative's mission. Students are strongly encouraged to submit their completed research projects to peer-reviewed academic journals.

Two DAEE graduate students were supported by IRAEA in 2016-2017. Under the direction of DAEE Professor and IRAEA Research Fellow Randal Rucker, Margaret O'Donnell completed her thesis on the impacts of regulation in the taxi industry. Under the direction of DAEE Professor and IRAEA Co-Director Wendy Stock, Myron Inglis completed his thesis on the impact paid leave laws have on labor market outcomes for young women and men. With IRAEA support, Dr. Stock and Dr. Rucker are working with their students to prepare working papers for submission to academic journals.

Undergraduate Research Scholars Program

This program funds research scholarships for undergraduate students from a wide range of disciplines who participate in faculty-led research projects that address issues relevant to economic regulation and policy. Faculty members from all MSU academic programs can apply for funding to support undergraduate research scholars. Requests for proposals are solicited through the MSU Office of Sponsored Programs and are reviewed by the IRAEA Undergraduate Research Scholarship Selection Committee (composed of the IRAEA co-directors and research fellows). Students supported by this program are strongly encouraged to submit their research for presentation at the MSU Student Research Celebration in April of each year.

The Undergraduate Scholars program is having substantial, university-wide impact. Thirteen students received support as Undergraduate Research Scholars this year:

- **Andrea Creel**, a junior majoring in economics with a minor in computer science, worked with Dr. Gregory Gilpin on, "Analyzing the Impact of GDL Laws on Youth Employment and Risk Behaviors."
- **Madeline Demaske**, a senior double majoring in agricultural business and applied economics, worked with Dr. Eric Belasco on, "Alternative Crop Insurance Subsidy Structures with WTO-compliance Considerations."
- **Austin Larson**, a junior business marketing major, worked with Dr. Agnieszka Kwapisz on "The Effect of Labor Market Regulatory Policy on Nascent Entrepreneurship."
- **Grace Dikeman**, a junior majoring in economics with a minor in business administration, worked with Drs. Anton Bekkerman and Gregory Gilpin on "The Interaction Between Community Events in the Promotion of Public Institutions: A Geospatial Analysis to Understand Public Library Patrons Behavior."
- **Alec Dinerstein**, a junior physics major and economics minor, worked with Dr. Wendy Stock on "Research on the History and Current State of Special Education Funding Laws in the U.S."
- **Tanner Edward**, a junior majoring in accounting, worked with Drs. Gary Caton, Edward Gamble, and Frank Kerins on "What SOX should a bank be wearing? The Differential Impact of Sarbanes-Oxley on Small, Medium and Large Banks."
- **Tyler Elkins**, a senior majoring in business finance, worked with Drs. Frank Kerins and Gary Caton on "The

Impact of Dodd-Frank on Mortgage Delinquency Rates for Large-, Medium-, and Small-Size Banks."

- **Colburn Field**, a senior dual majoring in agribusiness management and economics, worked with Dr. Eric Belasco on "An Exploration Into the Contradictory Definitions of Good Farming Practices Across U.S. Government Agencies."
- **Allie Hale**, a junior majoring in marketing and minoring in entrepreneurship and small business management, worked with Dr. Wendy Stock on two projects: "Research on the History and Current State of Regulations on Marketing Psychiatric Pharmaceuticals in the U.S." and "A Review of Regulations Related to Educator Recommendations and Mental Health Screening in U.S. Public Schools."
- **Micah McFelly**, a junior dual major in economics and community health, worked with Dr. Wendy Stock on "A Review of Mental Health Service Policy and Delivery in U.S. Higher Education Institutions."
- **Dan Penoyer**, a junior dual major in business finance and economics, worked with Drs. Paul Sturman, Frank Kerins, and Omar Shehryar on "The Impact of Biofilm Regulatory Policy on the Development of Healthcare-Related Products."
- **Alex Rickey**, a junior finance major and economics minor, worked with Dr. Isaac Swensen on "Research on the Effects of Early Gun Regulations."
- **John Walker**, a senior agricultural business major, worked with Dr. Gary Brester on "The Effects of Regulations on the Commercial Fertilizer Industry."

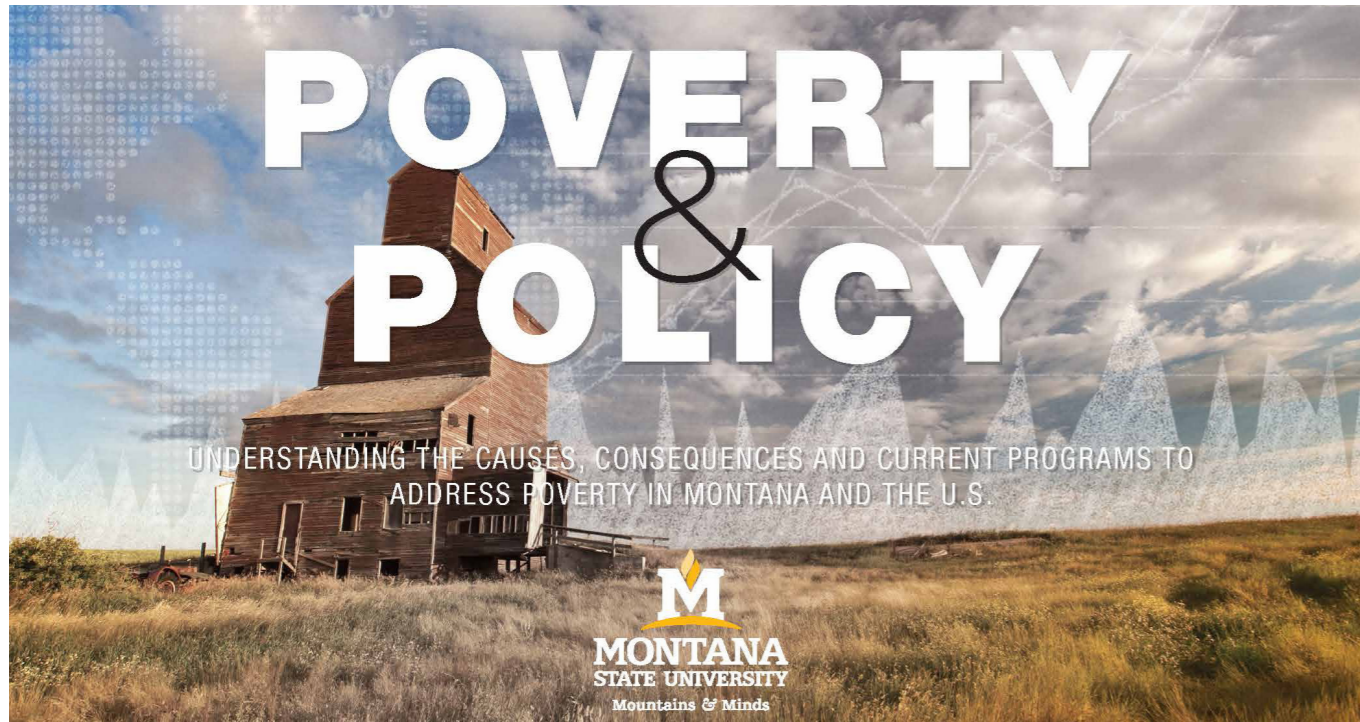
Visiting Scholars Program

This program brought several distinguished scholars to MSU to work with faculty members from various academic areas and to present seminars on their cutting-edge research to students and faculty.



The IRAEA Visiting Scholars Program facilitates visiting scholars to come to MSU for short- and long-term visits to conduct research with MSU faculty and students, present seminars or workshops related to the research, and participate in other IRAEA activities. Proposals from MSU faculty members interested in hosting visiting scholars are reviewed on an ongoing basis by the Visiting Scholars Selection Committee (composed of the co-directors and research fellows). This program has been extremely successful, enabling IRAEA to leverage the expertise of outstanding, nationally-recognized scholars from leading U.S. and international institutions to make important contributions to the Initiative's mission.

- **Professor John Siegfried** (Vanderbilt University) presented a research seminar on “Economics of NCAA Regulations” to students and faculty and presented “Better Living through Economics” (a book of essays by leading economists that summarizes the positive impact of economics research on a wide array of outcomes) to Dr. Wendy Stock’s Honors Economics class.
- **Professor Jon Skinner** (Dartmouth University) presented a research seminar titled “The Health Benefits of Medicare Expenditures: Evidence from the Healthcare Cost Slowdown,” to faculty and students. Dr. Skinner also participated in the IRAEA-sponsored Poverty and Policy Conference held in April 2017.
- **Professor Jason Lindo** (Texas A&M University) presented a research seminar titled “How Much Can Expanding Access to Long-Acting Reversible Contraceptives Reduce Teen Birth Rates?” to faculty and students. He and IRAEA Research Fellow Isaac Swensen are developing a program of research in the areas of the economics of criminal justice. With support from IRAEA, they have already generated new research that will be published in the American Economic Journal: Applied Economics.
- **Professor Todd Kuethe** (University Illinois) presented a research seminar titled “A Disequilibrium Evaluation of Public Intervention in Agricultural Credit Markets” to faculty and students. Professor Kuethe is collaborating with IRAEA Research Fellow Eric Belasco on a series of studies examining the impact of regulations on rural access to credit and the U.S. crop insurance program.
- **Professor Jeremy Goh** (Singapore Management University) presented a research seminar titled “Are Bond Ratings Informative? Evidence from a Quasi-Natural Experiment.” Dr. Goh is collaborating with Drs. Lisa Yang and Gary Caton to examine the impact of changes in disclosure rules for bond rating agencies on various outcomes in financial markets.
- **Mr. James Banovetz** (fourth-year Ph.D. student, University of California, Santa Barbara) is working with Research Fellow Randal Rucker on a study of the impact of Montana liquor licensing regulations on the hospitality sector, a sector closely linked to the state’s tourism industry—the fourth largest sector of Montana’s economy. A working paper, submission of the research paper to a high-quality, peer-reviewed journal, and an informational op-ed are anticipated outputs from his visit.
- **Dr. Stephanie Mercier**, independent agricultural consultant and former chief economist for the Democratic staff of the Senate Agriculture Committee, gave a seminar in September to the DAEE titled “The Farm Bill Policy Process.” She and Dr. Vincent Smith worked on a paper, “Cargo Preference and the Cost of Food Aid,” which is currently under review at Applied Economic Policy and Perspectives.
- **Dr. Firat Bilgel**, associate professor of economics at Oban University, Istanbul Center, a scholar with a substantive research record, will spend the 2017-18 academic year at MSU as an IRAEA long-term visiting scholar. He will work with Dr. Wendy Stock and other MSU faculty on U.S. healthcare policy and regulation issues. The long-term Visiting Scholars Program, through which research scholars come to MSU for a semester or academic year-long visits, was initiated in spring 2017. The search process follows all MSU policies and procedures including advertising these positions widely in national, local, and regional outlets. Applications are screened by a MSU search committee.



Annual Conference Program

IRAEA's first conference focused on poverty and policy, drawing nationally-recognized speakers and 200 participants.

The Initiative hosted its inaugural regulatory and policy conference in April, titled "Poverty and Policy: Understanding the Causes, Consequences, and Current Programs to Address Poverty in Montana and the U.S."

Twenty-three nationally-recognized scholars, policymakers, and social entrepreneurs from across the country presented information to nearly 200 participants on the scope and extent of poverty in Montana and the nation; the intersection of work, family and assistance programs; policy responses to poverty through health and nutrition programs; poverty on American Indian reservations (a critical issue in Montana, which is home to seven reservations); and the role of social enterprise in creating employment opportunities for people facing barriers to work.

"Despite spending nearly \$1 trillion annually on dozens of poverty-reduction programs, the U.S. poverty rate



has hovered between 10 and 15 percent for the last 50 years," IRAEA Co-Director Vincent Smith said. "Montana is no exception to these national trends, with the latest census data indicating that the state's poverty rate was 14.6 percent in 2015." Poverty, he said, is much higher on Indian reservations in Montana, where more than one in three people live in poverty.

Smith said that attendees gained a deeper understanding of the causes and consequences of poverty, the impact of the myriad policies designed to help the poor, and the prospects for effective policies aimed at reducing poverty moving forward.

Speakers were drawn from an array of academic institutions including the University of Virginia, University of North Carolina, University of California, Davis, Northwestern University, Dartmouth College, American University, Montana State University and the University



of Montana. Speakers also came from several groups in the policy think tank community including the American Enterprise Institute, Brookings Institute, Center on Budget and Policy Priorities, and the Urban Institute. Other featured speakers included representatives from the Minneapolis Federal Reserve Bank, the NGO community, as well as Montana Wilson—a dual major in economics and political science and MSU's first recipient of a Gates Foundation Cambridge Fellowship.

Planning for the conference begins well in advance with the formation of a planning committee to suggest conference sessions and speakers and to facilitate coordination with local, state, and regional agencies that may have particular interest in the conference topic. Next year's conference will be held on April 6, 2018 and will focus on healthcare policy issues of central importance to the state and region.

Workshop Program

The IRAEA Workshop Program shares state-of-the-art scholarly research on important regulatory and policy issues with Montana and regional stakeholders and policymakers, with the goal of broadening knowledge in areas relevant to IRAEA's core mission.



Several research-related workshops took place during the summer and fall semesters, bringing together small groups of researchers and stakeholders to discuss and learn about research methods and findings.

On August 3-5, a two-day Indigenous Planning Workshop based on Dr. Kristin Ruppel's IRAEA Research Grant project called, "Land Tenure, Human Development, and Economic Well-being on the Crow Reservation," brought together indigenous planners from Montana reservations to share their experiences and expertise in a facilitated gathering designed to identify best practices and challenges with regard to indigenous land planning and tenure.

In addition, IRAEA Co-Director Wendy Stock is working with other DAEE faculty to organize a one-day workshop focused on research methods in applied economics. The workshop will take place on September 9 and is targeted toward MSU students interested in participating in faculty-led research projects in regulation and policy analysis. The workshop will teach students about the key components of the research process and will bring top scholars from both academia and the private sector to MSU to meet with students, discuss how they use research in their careers, and provide feedback on student research proposals. Several DAEE alums will also meet with students to discuss how they use the economic analysis and research skills they learned at MSU in their careers.

Plans are underway for three workshops to be held during 2017-2018.

- IRAEA Research Fellow Isaac Swensen is collaborating with IRAEA Visiting Scholar Jason Lindo to plan a workshop in 2018 focused on the impacts of public policy focused on drug treatment centers and crime rates. In the context of the current opioid epidemic, stakeholders and policymakers in Montana and the region have an urgent need for evidence-based information in this crucial policy area.
- In late April, a workshop organized by Dr. Eric Belasco and Dr. Anton Bekkerman will focus on trade-related regulations affecting Montana's agricultural export markets for beef and wheat. Such regulations include age verification systems, natural beef labeling, growth hormones, country of origin labeling, GMO crop and organic labeling, as well as the NAFTA and WTO agreements. The workshop will target Montana stakeholders and policymakers, including commodity and general agricultural interest groups and legislators.
- IRAEA Research Grantee and Distinguished Visiting Fellow, Dr. Gary Brester, will direct a half-day workshop on key regulatory issues facing rural cooperatives at the Western Agricultural Cooperative Managers Association's annual meeting to be held in July 2018 in Polson, Montana. The workshop, "Regulatory Issues Facing Cooperative Leaders," will focus on leading regulatory issues facing rural cooperative managers, including the impact of blockchain processes on accounting, auditing, and internal controls and occupational health and safety regulatory issues faced by cooperatives operating in remote and seasonal locations.



Infrastructure

A major accomplishment during 2016-2017 has been the establishment of the physical, virtual, and organizational infrastructure for the Initiative.

Physical Infrastructure

Through the MSU Space Management procedures, IRAEA has been allocated about 2,000 square-feet of space in Linfield Hall. Linfield Hall is home to the Department of Agricultural Economics and Economics, which is the academic department of the co-directors and several faculty members affiliated with the Initiative.

The newly-renovated space comprises several offices with space for meetings that can accommodate up to eight people, reception and storage areas. Two offices are occupied by the co-directors. Other offices house the business manager, the communications specialist, a research associate, a visiting scholar, and an area designated for student researchers.

Virtual Infrastructure

Following MSU policies and procedures, and working with staff in the Web & Digital Communications unit of the MSU University Communications office, a website for the Initiative has been established at www.montana.edu/regecon. The site includes general information about the Initiative, its administration and scholars, publications generated by IRAEA research programs, IRAEA outreach and funding programs, news items, as well as events sponsored by the Initiative.



Dr. Danielle Carriere, Research Associate



Tamara Moe, Business Manager



Dr. Charles Boyer, Internal Advisory Board

Organizational Infrastructure

Key components of the organizational infrastructure for the Initiative were developed early during the inaugural year, including the appointment of administrative staff and the establishment of the Internal Advisory Board.

Dr. Vincent Smith and Dr. Wendy Stock began serving as co-directors in August 2016, immediately after the grant agreement for the Initiative was approved by the MSU administration. Other staff include Tamara Moe, business manager, with a communications position to be filled in the coming months. Dr. Danielle Carriere, post-doctoral research associate, will join the staff in August, 2017. She holds a Ph.D. in Agricultural Business from Purdue University and will contribute to the IRAEA research program on healthcare policy issues.

The IRAEA Internal Advisory Board was established in late August with input from MSU administrators. The Board consists of two deans—currently the deans of the College of Agriculture and the Jake Jobs College of Business and Entrepreneurship—the head of the DAEE, a full professor serving on the DAEE's Faculty Advisory Committee, and the head of the Department of Political Science.

The Board reviews and provides feedback on the Initiative's primary activities, provides information about local, state, regional, and national issues that may be appropriate for research activities within the Initiative's mission, shares information about the Initiative with other MSU faculty and administrators and, along with the co-directors, serves as the IRAEA Research Fellows Selection Committee.

Publications and Outreach



Publications

- Stock, Wendy: American Economic Review Papers and Proceedings, "Trends in Economics and Other Undergraduate Majors," (May 2017)
- Swensen, Isaac: American Economic Journal: Applied Economics, "College Party Culture and Sexual Assault," (Joint with Lindo, Jason, and Siminski, Peter) (2017) (Forthcoming)
- Smith, Vincent H.: World Agricultural Resources and Food Security (Vol 17 FEG), book chapter, "U.S. Agricultural Policy: Impacts on Domestic and International Food Security," (Joint with Glauber, Joseph W.) (2017)
- Smith, Vincent H.: World Bank Research Observer, "Producer Insurance and Risk Management Options for Smallholder Farmers," (2016)
- Smith, Vincent H.: Foreign Affairs, "U.S. Food Aid's Costly Problem," (Joint with Nabil, Ryan) (2016)
- Smith, Vincent H.: American Soy Bean Magazine, "Economic Sustainability," (2016)
- Smith, Vincent H.: Inside Sources, "Food for Peace Reform Act," (Joint with Glauber, Joseph W. and Nabil, Ryan) (2017)

Paper Submissions

- Swensen, Isaac: Journal of Urban Economics, "Substance Abuse Treatment Centers and Local Crime," (Joint with Bondurant, Samuel R. and Lindo, Jason M.) (Under review)
- Swensen, Isaac: Journal of Human Resources, "The Decision to Carry: The Effect of Crime on Concealed-Carry Applications," (Joint with Depew, Briggs) (Under review)
- Brester, Gary: Agricultural Finance Review, "The Effects of Emerging Banking Regulations on Capital Reserves," (Revise and resubmit)
- Gamble, Edward: Academy of Management Discoveries, "Certified B Corporations and the Growth Penalty," (Joint with Parker, S., Moroz, P., and Branzi, O.) (Revise and submit)
- Smith, Vincent H., Mercier, Stephanie: Applied Economic Policies and Perspectives, "Reforming Food Aid Cargo Preference: Are There Benefits and are There Any Costs," (Under review)
- Belasco, Eric, Smith, Vincent H.: American Journal of Agricultural Economics, "The Development of a Weather-based Crop Disaster Program," (Joint with Cooper, J.) (Under review)
- Smith, Vincent H.: World Development, "The Role of Risk in the Context of Climate Change, Land Use Choices and Crop Production: Evidence from Zambia," (Joint with De Pinto, Alessandro and Robertson, Richard D.) (Revise and resubmit)

Presentations and Speeches

Isaac Swensen:

- Western Economic Association Conference: “Topics in Higher Education: Effects of Title IX Sexual Violence Investigations on Outcomes in Higher Education”

Eric Belasco:

- Western Agricultural Economics Association: “A Comparison of Idiosyncratic and Systemic Risks: Implications for Crop Insurance”
- Annual SCC-76 Meeting on Economics and Management of Risk in Agriculture and Natural Resources: “Distributional Analysis of Crop Insurance Subsidies”
- Agricultural and Applied Economics Association: “The Role of Basis Risk in Federal Crop Insurance Policies”

Edward Gamble:

- American Accounting Association Conference: “Controls for Dr. Jekyll and Mr. Hyde Leadership in Nonprofit Organizations” (Joint with Christensen, A.)

Gary Brester:

- Western Agricultural Economics Association Annual Meeting: “Natural Gas Prices, Fertilizer Production, and Environmental Regulations”

Wendy Stock:

- DAEE Brownbag Series and 2017 Conference of the Association of Private Enterprise Education: “The Effect of Paid Parental Leave on Labor Market Outcomes for Young Women and Men” (Joint with and Inglis, M.)

Randal Rucker:

- DAEE Research Seminar Series: “An Economic Analysis of the Determinants of Montana Liquor License Prices” (Joint with Banovitz, James)

Anton Bekkerman and Gary Brester:

- Western Agricultural Economics Association: “Natural Gas Prices, Fertilizer Production, and Environmental Regulations”

Vincent H. Smith:

- American Soybean Assoc. Policy Committee Meeting: “The Financial State of the US Agriculture Sector”
- Department of Ag and Resource Economics Workshop: “The U.S. Federal Crop Insurance Program: A Case Study in Rent Seeking,” University of California, Davis
- USDA Multistate Working Group on Science Policy Annual Meetings: “U.S Agricultural Policy: Past, Present and Future,” Tucson, Arizona
- European Community Workshop on Risk Management in Agriculture: “The U.S. Crop Insurance Program: Challenges and Lessons,” Brussels, Belgium
- Agricultural Economics Society: “The Role of Risk in the Context of Climate Change, Land Use Choices and Crop Production: Evidence from Zambia,” Dublin, Ireland
- Fort Peck Community College Risk Management Conference: “The Evolution, Current Structure and Potential Future of US Agricultural Policy,” Billings, MT
- IARFIC Annual Conference: “The U.S. Federal Crop Insurance Program: A Case Study in Rent Seeking,” Paris, France
- House of Representatives Raeburn Building, panel discussion: “U.S. Agricultural Risk Policy: Debating the Status Quo”

A Look Ahead



We thank the Montana State University community for the time you have taken to share your views with us and participate in our academic research initiative. Your input has been the catalyst for a number of significant positive outcomes in the Initiative’s first year and we look forward to your continued contributions as we advance our mission.

In 2017-2018, the IRAEA co-directors will continue each of the Initiative’s existing programs at current or expanded levels. Building on the success of the IRAEA Annual Conference Program, the co-directors propose to introduce an additional program called the IRAEA Annual Distinguished Lecture Program, a complementary outreach program with an annual budget sufficient to bring world-renowned scholars to MSU each year to give public lectures on current policy and regulatory topics.

For more information on the Initiative for Regulation and Applied Economic Analysis, its research programs, upcoming events and outreach, funding opportunities, and policies and procedures, please visit www.montana.edu/regecon.

Regulation and Applied Economic Analysis

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