

INITIATIVE FOR REGULATION & APPLIED ECONOMIC ANALYSIS

2017-2018 Annual Report



MONTANA
STATE UNIVERSITY



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Dr. Vincent Smith, Co-Director

Dr. Wendy Stock, Co-Director

Dear Friends and Supporters,

We are pleased to share this report on Montana State University's Initiative for Regulation and Applied Economic Analysis' (IRAEA) second year of continued success. This report provides an important opportunity to reflect on the research and outreach accomplishments of the faculty and graduate and undergraduate researchers supported by the Initiative.

During Aug. 2017-Aug. 2018, IRAEA strengthened and expanded its research and outreach programs:

- Welcomed some 300 participants to eight educational and research outreach events
- Published 11 scholarly papers, 14 more submitted and under review
- Appointed a communications manager and a research associate
- Moved the proposal for naming the Initiative as a 'Center' forward through the established process for designating new centers within the Montana University System
- Appointed a visiting scholar for the 2018-2019 academic year with an active program of research on regulation and policy issues relevant to the mission of the Initiative

The IRAEA has enjoyed significant accomplishments in its first two years, establishing itself as a major contributor of evidence-based, scholarly research on regulation and policy issues of importance to Montana, the region and the nation. The Initiative enters its third year of operations with a solid foundation to advance its mission.

The IRAEA fellowships, grants and student research programs expanded during 2017-2018, generating a stream of high-quality, impactful research.

Through the IRAEA Research Fellows Program, five MSU faculty members held two-year appointments as IRAEA research fellows, and their research programs continue to be active and successful. Nine grants were awarded through the IRAEA Research Grants Program, supporting the research of faculty from several different colleges at MSU.

The IRAEA Graduate Student Assistantship Program supported several master's students in the DAEE, and the IRAEA Undergraduate Research Scholars Program provided support for 19 undergraduate students from a wide array of majors to participate in faculty-led research projects. The IRAEA Visiting Scholars Program brought one long-term visiting scholar and six short-term visiting scholars to MSU to work with faculty members on collaborative research projects and to present seminars on their research to faculty and students.

In addition to a steady stream of publications and paper submissions, IRAEA-supported scholars have presented their research in dozens of seminars and academic conferences, and their work has been cited in numerous media outlets. Several IRAEA-supported researchers have also leveraged their IRAEA support to secure additional external funding to expand their research programs and diversify financial support for IRAEA-related research.

The IRAEA Outreach Programs expanded in 2017-2018. These programs are aimed at sharing state-of-the-art research with state- and national-level stakeholders, policymakers, faculty, students and others impacted by important regulation and policy issues. IRAEA outreach includes an annual conference, workshops and an annual distinguished lecture.

The DAEE completed searches for the IRAEA-sponsored tenured/tenure-track faculty positions, selecting two outstanding economists, one specializing in health care policy and the other in financial economics. These new faculty members will begin their appointments in the DAEE in August 2018.

On behalf of all of us with the IRAEA, thank you.

Respectfully,

Vincent Smith and Wendy Stock

Research helping community groups, policymakers, and others address challenges associated with promoting economic growth and prosperity and developing effective and efficient regulation and policy.

research focus areas

- agriculture
- health care
- technology
- natural resources
- education
- public safety

2017-2018 highlights





The MSU IRAEA was established in 2016 through a \$5.76 million seed grant and a \$1 million supplemental grant from the Charles Koch Foundation to study the impact of economic regulation and policy.

Researchers supported by the Initiative are expected to submit their research to high-quality, peer-reviewed academic journals, and to make their data, methods and conclusions publicly available. IRAEA support is offered to researchers 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 and communication between researchers with different intellectual training and perspectives.

Administered by co-directors Vincent Smith and Wendy Stock, the Initiative is housed in the MSU Department of Agricultural Economics and Economics. Other IRAEA staff include a business manager, a communications manager and a research associate. Oversight of IRAEA is also provided by its Internal Advisory Board, composed of MSU deans, department heads and faculty members, and its External Advisory Board, composed of leading scholars from top-notch universities from across the U.S.

The Initiative sponsors five research programs and three outreach programs. The Initiative's research programs include the Research Fellows Program, the Research Grants Program, the Graduate Student Assistantship Program, the Undergraduate Research Scholars Program, and the Visiting Scholars Program. The Initiative's outreach programs include the Workshop Program, the Annual Conference Program, and the Distinguished Lecture Program.



Our mission

The mission of the MSU Initiative for Regulation and Applied Economic Analysis 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.

Our vision

The vision of the IRAEA is for objective, high-quality, peer-reviewed research to help a wide array of community groups, policymakers, entrepreneurs and others address challenges associated with promoting economic growth and prosperity and developing effective and efficient regulation and policies.

Montana State University

Established in 1893, Montana State University, the state's land-grant institution, educates students, creates knowledge and art, and serves communities by integrating learning, discovery and engagement. MSU is recognized nationally for its prominence in research among leading public research universities and is among the top 3 percent of colleges and universities in the nation for research expenditures. Because of its high undergraduate profile, MSU undergraduate students get opportunities to do research of national importance on a variety of topics, opportunities that would typically be reserved for graduate students at other universities.

IRAEA at Montana State University

The MSU IRAEA was established in 2016 to study the impact of economic regulation and policy. The Initiative provides resources and research support to faculty and students from across MSU as well as visiting scholars to conduct research in the broadly defined areas of regulation and policy analysis. The Initiative facilitates research on regulatory economics as applied to agriculture, health care, technology, finance, natural resources, education, public safety and other sectors by leveraging MSU's geographic position and research track record to inform the public policy debate on state, regional and national issues.



Our values

The IRAEA is a research organization. We explicitly communicate to all of the researchers associated with the Initiative that we do not support research that aims to produce findings that align with any particular political affiliation or ideology. 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. All IRAEA activities are conducted in alignment with the values of Montana State University.

These include:

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.

Integrity

Value honesty and professionalism in all work. Each individual is personally accountable for their work and behavior.

Student Success

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

Excellence

Belief in challenging the MSU community in the pursuit of the highest quality attainable.

LEADERSHIP AND STAFF



Vincent H. Smith is a professor of economics in the DAEE at MSU and co-director of the MSU Initiative for Regulation and Applied Economic Analysis. He earned his bachelor's and master's degrees in economics from the University of Manchester

in 1970 and 1971, and his doctorate from North Carolina State University in 1987. He has been a member of the MSU faculty since 1988. Smith's current research program examines agricultural trade and domestic policy issues, with a particular focus on risk management, agricultural science policy, and domestic and world commodity markets.



Wendy Stock is a professor of economics in the DAEE at MSU and co-director of the MSU Initiative for Regulation and Applied Economic Analysis. She earned her bachelor's in economics from Weber State University in 1992, and her master's

and doctorate degrees from Michigan State University in 1994 and 1996, respectively. Her most recent area of research focuses on the impact of policy and regulation on the health, education, and labor market outcomes of those with behavioral and physical disorders.



Tamara Moe is the business manager for IRAEA. Her position includes accounting and office management. She has been at MSU since 2012 and previously worked

full-time for the DAEE as an accountant and office administrator for the department head. She earned her bachelor's degree from MSU and law degree from Lewis & Clark, Northwestern School of Law. Tamara was born and raised in northeast Montana and has previously worked in finance, small business, real estate and water law.



Carmen Price serves as the Initiative's communications manager. She earned her bachelor's degree from MSU's School of Film and Photography in 2006 and master's degree in 2011 from the University

of Montana's School of Journalism. She worked for the Billings Gazette's newsroom, MSU Billings' marketing and communications office and MontanaPBS's production department before her tenure began with the Initiative in 2017.



Danielle Carriere is the Initiative's research associate. An alumna of Montana State University, Carriere graduated with honors in 2009 earning a B.S. in agribusiness management and a B.A. in

economics. She also earned a minor in English writing. Carriere is a doctoral graduate from Purdue University where she earned her M.S. and Ph.D. degrees in agricultural economics. Her dissertation examined the impact of recent recessions on suicides in rural communities.

ADVISORY BOARDS

The IRAEA Internal Advisory Board consists of faculty and deans—currently the deans of the College of Agriculture, the Jake Jabs College of Business and Entrepreneurship, and the College of Engineering—the heads of the departments of Agricultural Economics and Economics, Land Resources and Environmental Sciences and Modern Languages and Literatures, and a full professor in the DAEE who is elected by DAEE faculty members.

The IRAEA External Advisory Board consists of research scholars external to MSU and independent of the Koch Foundation who are leading academics in areas such as agriculture and natural resources, healthcare, financial economics, education economics, the economics of the criminal justice system and other policy areas.

Advisory boards provide oversight and feedback regarding IRAEA activities, review Initiative processes and protocols, provide information about local, state, regional and national issues that may be appropriate for IRAEA research activities and share information about the Initiative with other MSU faculty and administrators. Along with the co-directors, the Internal Advisory Board also serves as the IRAEA Research Fellows Selection Committee.

Internal Advisory Board

- **Charles Boyer**, Vice President and Dean, College of Agriculture
- **Galen Brokaw**, Department Head, Modern Languages and Literature
- **Gregory Gilpin**, Interim Department Head, Agricultural Economics and Economics
- **Brett Gunnink**, Dean, College of Engineering
- **Mark Ranalli**, Dean, Jake Jabs College of Business and Entrepreneurship
- **Richard Ready**, Full Professor, Agricultural Economics and Economics
- **Tracy Sterling**, Department Head, Land Resources and Environmental Sciences

External Advisory Board

- **James Brown**, Kingland MBA Professor and Chair, Department of Finance, Iowa State University
- **Nick Piggot**, Associate Head, Extension Leader, Professor and Extension Specialist, Department of Agricultural and Resource Economics, North Carolina State University
- **Diane Whitmore Schanzenbach**, Margaret Walker Alexander Professor of Human Development and Social Policy at Northwestern University, Director and Faculty Fellow of the Program on Child, Adolescent, and Family Studies at Northwestern's Institute for Policy Research, Director of the Brookings Institution's Hamilton Project and Senior Fellow at the Brookings Institution, and Research Associate at the National Bureau of Economic Research
- **Jonathan Skinner**, James O. Freedman Presidential Professor in Economics, Dartmouth Institute for Health Policy and Clinical Practice, Geisel School of Medicine, Dartmouth College
- **Ann Huff Stevens**, Professor of Economics and Deputy Director of the Center for Poverty Research at the University of California, Davis

RESEARCH PROGRAMS

Research Fellowship Program Fellowships are available for MSU faculty members to conduct research programs related to regulation and policy. Fellows produce peer-reviewed academic research papers, 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. Fellows also host in IRAEA workshops and participate in IRAEA conferences. Appointments are for two-year periods, with the potential for renewal.

Research Grants Program Research grants are available for MSU faculty members to conduct research related to the Initiative's mission. Grantees produce peer-reviewed academic research papers and other communications that inform lawmakers, policy advisers and the public on policy and regulatory issues, as well as organize seminars and participate in IRAEA workshops and conferences. Grants are funded for one-year periods with the potential for renewal. The program supports an extensive array of research projects by a diverse group of MSU faculty.

Visiting Scholars Program The Initiative hosts Visiting Scholars for both short- and long-term visits to conduct research with MSU faculty and students, present seminars or workshops about their research on regulation and policy issues, and participate in other activities related to the IRAEA mission. Visiting scholars supported by the Initiative are expected to devote a significant amount of their time and resources during their visit to collaborative research projects with MSU faculty.

Graduate Research Assistantships Program Funding for annual research assistantships are awarded to graduate students admitted in the DAEE Master's of Science in Applied Economics program. Through granting procedures established in collaboration with the DAEE Graduate Affairs Committee, tuition assistance and research stipends are available for students taking courses and working on research projects related to the Initiative's mission. Under the direction of their faculty advisors, IRAEA-supported students are strongly encouraged to submit their research projects to peer-reviewed academic journals. The Initiative also supports graduate research travel awards for students to present their research at high-quality academic conferences.

Undergraduate Research Scholarships Program Scholarships are available for undergraduate students from a range of disciplines to participate in faculty-led research projects that address issues relevant to the Initiative's mission. Faculty members from across MSU can apply for funding to support IRAEA Undergraduate Research Scholars. Students supported by this program are expected to participate in seminars to share their research with peers and other faculty researchers. They're also strongly encouraged to submit their research for presentation at the MSU Student Research Celebration in April of each year. Funding is also available for students to travel to present their research at academic conferences.

OUTREACH PROGRAMS

Annual Conference Program The Initiative organizes and sponsors an annual conference that brings together nationally recognized policy scholars as well as local experts to share objective insights about regulation and policy issues in the areas of agriculture, health care, technology, finance, natural resources, education, public safety and other sectors that impact society.

Distinguished Lecture Program The Distinguished Lecture program brings world-renowned scholars to MSU to give public lectures on current policy and regulatory topics and is aimed at providing MSU, its faculty, students, staff and greater community access to leading experts in a variety of research disciplines.

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 directly relevant to IRAEA's core mission.



Research Fellows



Anton Bekkerman, an associate professor in the DAEE, whose research program assesses two areas: the efficiency impacts of the USDA Revenue Protection Program, which provides a government-subsidized substitute to an existing market-based price risk management tool; and the direct impact of natural gas industry regulations on the U.S. fertilizer industry and the U.S. food supply.



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



Peter Buerhaus, the director of Montana State University's Center for Interdisciplinary Health Workforce Studies, and a professor in the MSU College of Nursing, whose research program supports and provides leadership to IRAEA healthcare-related research projects and investigators, including helping to identify emerging policy issues. He serves on the Board of Directors for Academy Health, the nation's premier association of health services and health policy researchers, as well as on the Bozeman Health Board of Directors.



Randal Rucker, a professor in the DAEE, whose research program examines the intersection of government regulations and technological change and the related impacts on regulation-generated assets. One particular 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. Rucker's research also investigates the structure and impacts of the Montana liquor license system.



Isaac Swensen, an assistant professor in the DAEE, whose research program focuses on criminal justice issues. In particular, his work examines determinants of sexual assault on college campuses and the effect of federal, state and university policies and information and awareness campaigns on the incidence of sexual assault on and around college campuses; determinants of gun-ownership and the effect of gun regulations on public safety; and the role of regulations and policies in reducing drug-related harms, with a focus on the effects of expanding access to substance-abuse treatment on health and crime.

program impact



RESEARCH GRANTS PROGRAM



Research Grantees

- **Joe Atwood**, professor in the DAEE, whose research program is titled, "Assessing the Effects of Federal Money Laundering Reporting Requirements."
- **Edward Gamble**, assistant professor in the Jake Jabs College of Business and Entrepreneurship (JJCBE), whose research program analyzes, "Prosocial Organizing and Regulation."
- **Gary Caton, Frank Kerins**, associate professors in the JJCBE, and **Edward Gamble's** research program is titled, "The Differential Impact of Sarbanes-Oxley on Privately versus Publicly Held Banks."
- **Andrew Hill**, assistant professor in the DAEE, whose research program examines, "The Effect of School Closings on Teacher Retention and Productivity."
- **William Kleindl**, assistant research professor in the Department of Land Resources and Environmental Sciences, whose research program focuses on, "Sensitivity Analysis of Multiple Regulatory Tools for Riparian Wetland Assessment to Disturbance Gradients within SW Montana."
- **Agnieszka Kwapisz**, assistant professor in the JJCBE, whose research program focuses on, "Occupational Licensing and Entrepreneurship."
- **Paul Sturman**, research professor and industrial coordinator in the MSU Center for Biofilm Engineering, and **Frank Kerins** and **Omar Shehryar**, associate professors in the JJCBE, examine, "The Impact of Biofilm Regulatory Policy on the Development of Healthcare Related Products."
- **Lisa Yang**, assistant professor in the JJCBE, and **Gary Caton**, associate professor in the JJCBE, whose research program focuses on, "Information Asymmetry, Regulatory Regime Change, and Market Efficiency: The Case of Bond Ratings and Analysts' Earnings Forecasts."

program impact



Distinguished Visiting Scholar



Gary Brester was named the inaugural IRAEA Distinguished Visiting Research Scholar in 2017. His research program focuses on agricultural markets with particular examination of genetically modified crop yields and the effects of banking regulations on capital reserve holdings by rural banks.

Long-term Visiting Scholars



Firat Bilgel spent the 2017-2018 academic year as IRAEA's long-term visiting research scholar. Bilgel is an associate professor of economics at Okan University Tuzla Campus in Istanbul, Turkey. During his tenure with IRAEA, Bilgel published two new research studies and completed three working papers on the impact of state-level gun control regulations on the availability of organs for medical transplants in the United States.



Krishna Regmi has been appointed as IRAEA's 2018-2019 long-term visiting research scholar. Regmi, formerly of the Department of Economics, Finance, and Legal Studies at the University of Alabama, is a scholar with a substantive research record. Regmi will work with DAEE and other MSU faculty on the analysis of U.S. public policies and regulations that affect labor market outcomes and educational attainment including unemployment insurance, the minimum wage, teacher salaries and maternity leave policies.

Short-term Visiting Scholars

- **Jeremy Goh**, Department of Finance, Singapore Management University, worked with Lisa Yang and Gary Caton (JJCBE) on, "Are Credit Ratings Informative? Evidence from Regulatory Regime Changes."
- **Jason Lindo**, Department of Economics, Texas A&M University, worked with Isaac Swensen (DAEE), to host a workshop, "Economic Perspectives on Reproductive Health Policies."
- **Michael McCullough and Lynn Hamilton**, of the Agricultural Business Department at Cal Poly San Luis Obispo, worked with Gary Brester (DAEE) on, "A Decade of Change: Evolving Costs of Regulatory Compliance in the Produce Industry."
- **William Megginson**, professor and chair in finance, University of Oklahoma, worked with Lisa Yang and Gary Caton (JJCBE) to conduct research and present a seminar on various financial and economic regulations.
- **Stephanie Mercier**, independent agricultural consultant and former chief economist for the Democratic staff of the Senate Agriculture Committee, presented, "The Farm Bill Policy Process," and in collaboration with Vincent Smith completed research on the impacts of cargo preference regulations on the costs of delivering U.S. international humanitarian food aid.
- **Dominic Parker**, Agricultural and Applied Economics Department, University of Wisconsin-Madison, worked with Randal Rucker (DAEE) on, "Market Regulation and Artificial Input: Taxicab Medallion System."
- **Dan Rees**, Department of Economics, University of Colorado-Denver, worked with Mark Anderson (DAEE) to assess the effectiveness of regulations and policies intended to combat infectious diseases.

program impact



DAEE Graduate Students

Thomas Gumbley received a research stipend to complete his master's thesis, "Price Relationships in the U.S. Nitrogen Fertilizer Industry." His thesis research was directed by Anton Bekkerman (DAEE).

Logan Hendrix received a travel award to present his master's thesis, "Long-Term Impacts of Childhood Medicaid Expansions on Crime," at the 2018 Association for Public Policy Analysis and Management's Regional Student Conference. His thesis research was directed by Wendy Stock (DAEE).

Eric Wert received research stipends to assist in two research projects, "The Effect of Early Handgun Laws on Homicide and Suicide," under the direction of Isaac Swensen (DAEE) and, "An Economic Analysis of the Montana Liquor License System," under the direction of Randal Rucker (DAEE).

Andrew Swanson received a research stipend to assist on a research project, "Impacts of the Section 199 Tax Provision on Cooperatives' Pricing Behaviors in Grain Markets," under the direction of Anton Bekkerman (DAEE).



Logan Hendrix

2017-2018 graduate student highlight

Logan Hendrix, a Montana State University applied economics master's degree graduate, presented his research about long-term impacts of childhood Medicaid expansions on crime at one of the nation's premier gatherings concerning public policy on March 9-10 at Claremont Graduate University in Claremont, Calif.

The Association for Public Policy Analysis and Management's Regional Student Conference is dedicated to improving public policy and management by fostering excellence in research, analysis and education. It is also the publisher of the Journal of Policy Analysis and Management, a peer-reviewed multidisciplinary journal that's ranked among the top three journals in public administration and top 25 economics journals.

The paper Hendrix presented, "Long-Term Impacts of Childhood Medicaid Expansions on Crime," will be submitted later in the year to a high-quality, peer-reviewed academic journal. It explores the relationship between children's health insurance eligibility and their propensity for criminal activity later in life.

"This is the first-ever research study on this particular topic," said Hendrix's faculty adviser Wendy Stock. "Logan's preliminary findings reveal an interesting correlation between access to childhood Medicaid and lower crime rates. The research could be groundbreaking in terms of policy."

Hendrix was awarded funding by the Initiative for Regulation and Applied Economic Analysis to travel to and attend the conference. Stock, co-director of the Initiative, said student presenters gain valuable research presentation experience as well as receive important feedback from academics, practitioners and other students.

"In addition to receiving valuable input regarding his master's thesis, the conference also allowed Logan to get feedback prior to submitting his thesis to an academic journal for review," Stock said.

During the conference, participating students presented their research on panels of peers and through poster sessions on a wide variety of policy areas, including crime and drugs and health policy.

Hendrix was selected to present his thesis as part of a panel of four, all of whom presented research focused on secondary effects of Medicaid. The panel discussion was followed by an open question and answer session.

"Medicaid and the state Children's Health Insurance Program represent the single largest component of federal expenditures on child welfare," said Hendrix. "These programs' substantial costs, and the current debate surrounding the reauthorization of CHIP, motivate a full accounting of these programs' benefits."



Emma Folkerts



Faisal Al-Saad



Joseph Lazarus



Carolyn Egervary

Undergraduate Students

- **Faisal Al-Saad**, a senior majoring in economics, finance, and mathematics, worked with Greg Gilpin (DAEE) on, "Investigating the Effect of GDL Laws on Risk Behaviors."
- **Peter Asmuth**, a senior majoring in economics with a minor in mathematics, worked with Randal Rucker (DAEE) on, "An Economic Analysis of the Causes and Consequences of Wilderness Designation."
- **Joe Baan**, a junior majoring in economics, worked with Isaac Swensen (DAEE) on "State Lottery Participation and Crime Rates."
- **Meghan Brence**, a senior majoring in agricultural business, worked with Anton Bekkerman (DAEE) on, "Assessing Potential Impacts of Electronic Logging Device Regulations on Cattle Prices."
- **Simon Buchan**, a junior majoring in financial engineering, worked with Eric Belasco (DAEE) on, "An Evaluation into the Effectiveness of Pasture, Rangeland, and Forage Insurance and Livestock Forage Protection Policies on Mitigating the Impact of Drought."
- **Andie Creel**, a senior majoring in economics with a minor in computer science, worked with Mark Anderson (DAEE) on, "An Evaluation of Montana's Willingness

- to Pay for Un-hunted Yellowstone Grizzly Bears." Ms. Creel presented her research at the 2018 MSU Student Research Celebration.
- **Danielle Daley**, a junior in economics, worked with Wendy Stock (DAEE) on, "Do Graduate School Policies and Characteristics Affect Economists' Later Publication and Co-Authorship Rates?"
 - **Carolyn Egervary**, a junior majoring in organismal biology with a minor in economics, worked with Wendy Stock (DAEE) on two projects, "Data on Trends in Enrollment and Outcomes of Students Covered by the Individuals with Disabilities Education Act (IDEA)" and "IDEA-related Special Education Teacher Certification Requirements."
 - **Athena Erickson**, a sophomore majoring in economics, worked with Vincent Smith (DAEE) on two projects, "Charter Schools: The consequences of post Hurricane Education Policy Change in New Orleans and Puerto Rico" and "Emergency Food Aid Provision by NGOs in the Context of Alternative Regulatory Requirements."
 - **Dominick Faith**, a junior majoring in cell biology and neuroscience, worked with Drs. Blake Wiedenheft

- (Department of Microbiology and Immunology) and Eric Belasco (DAEE) on, "Developing Bio-based Treatments for Scours in the Context of FDA Policy Governing Treatment Strategies."
- **Emma Folkerts**, a sophomore majoring in economics, political science, and sociology, worked with Wendy Stock (DAEE) on, "Human Trafficking: The Impact of Policy on Identification and Prosecution." Ms. Folkerts presented her research at the 2018 MSU Student Research Celebration.
 - **Connor Hoffman**, a junior majoring in biological engineering, economics, and political science, worked with Mark Anderson (DAEE) on, "Assessing the Effects of Automation in Historically Labor-Safe Industries."
 - **Seth Hedge**, a student pursuing a Master's of professional accountancy, worked with Ed Gamble (JJCBE) on, "Prosocial Organizing and Regulation: Nonprofit Tax Status."
 - **Alex Houtz**, a junior majoring in economics, worked with Isaac Swensen (DAEE), on "Can Domestic Violence Victim Screening Reduce Domestic Violence?"
 - **Laura Ippolito**, a junior in economics and sustainable foods and bioenergy systems, worked with Anton

- Bekkerman (DAEE) and Bruce Maxwell (Department of Land Resources and Environmental Sciences) on, "Toward a Market-based Solution for Improving the Cost-Effectiveness of Enforcing the U.S. Grain Traceability Mandates."
- **Joseph Lazarus**, a senior majoring in environmental science, worked with Tony Hartshorn (Department of Land Resources and Environmental Sciences) on, "Winsome: Widening Interest in New Soil Organic Matter Economics."
 - **Sarah McKnight**, a senior in mathematical sciences, worked with Christiana Stoddard (DAEE) on, "Mental Health Resources in Schools, School Disciplinary Outcomes, and Youth Crime."
 - **Fangfei Nui**, an exchange student from China studying horticulture, economics, and agricultural business, worked with Eric Belasco (DAEE) on, "Developing Bio-based Treatments for Scours in the Context of FDA Policy Governing Treatment Strategies."
 - **Ryan Trefethen**, a junior in financial engineering, worked with Vincent Smith (DAEE) on, "Impacts of Medicaid Reform in Montana."

2017-2018 undergraduate student highlights

In addition to their research activity, recipients of Undergraduate Research Scholarship Awards are expected to participate in lunchtime brownbag seminars to enable students to share their research with peers and other faculty researchers. Students supported by this program are also strongly encouraged to submit their research for presentation at the MSU Student Research Celebration in April of each year. IRAEA also provides funding for students to present their research at academic conferences.



Faisal Al-Saad, MSU finance and economics graduate, presented his IRAEA research on March 15-17 at the Association for Education Finance and Policy's 43rd annual conference held in Portland, Ore.

The research project, "Investigating the Effect of GDL Laws on Risk Behaviors," under the direction of Greg Gilpin (DAEE department head), examines Graduated Drivers Licensing (GDL) and time spent with a responsible adult as a possible source to reducing risky behavior among youth in the U.S.

Risky behavior is common among youth in the U.S., according to the Centers for Disease Control and Prevention (CDC), and costs taxpayers a considerable amount of money that could be spent elsewhere. "About 4,300 deaths among youth annually result from excessive drinking," the CDC states. "The cost of excessive drinking was \$24 billion in 2010." The crashes result from high risk behavior such as speeding, drinking and driving, and having other youths in the motor vehicle.

Altering those risky behaviors is possible. One possible source is GDL. Most states have passed GDL legislation placing restrictions on young drivers. The minimum age varies by state, but ranges between 14 – 16 years old. The holding period is also varied by 6 – 12 months with the restriction of satisfying a number of hours under supervision.

Al-Saad and Gilpin are working on a research paper that will be submitted to a peer-reviewed academic journal this fall. The paper could aid policymakers at state and federal levels in finding ways to lower the number of youth deaths that result from excessive drinking.

Emma Folkerts showcased her research, "Human Trafficking: The Impact of Policy on Identification and Prosecution," under the direction of IRAEA co-director Wendy Stock, at MSU's 24th annual Research Celebration held April 13.

The Student Research Celebration is organized by the university's Undergraduate Scholars Program. Participants represent every college on campus and include both undergraduate and graduate students.

Folkerts' research examines whether human trafficking legislation increases the number of trafficking cases identified and prosecuted at the state and federal level. Building on methods used in similar studies, Uniform Crime Report (UCR) data, reports by non-profit organizations, and state and federal data, Folkerts will use statistical models to analyze which laws and programs are most effective.

Ultimately, this research will produce a comprehensive database of anti-human trafficking legislation in the U.S. and will be a springboard for further study into the impact of human trafficking laws on the crime itself.

Second Annual Conference



Understanding challenges within the U.S. healthcare system and the potential effects of policies and regulations designed to address them.

Healthcare was the focus during the second annual IRAEA policy conference hosted on April 5-6 2018. "Healthcare at a Crossroads: Where Do We Go from Here?" brought together nationally recognized healthcare policy scholars, as well as local experts and providers, to discuss consumer-centric models of care, evolving federal healthcare policy, integrating mental and physical care, promoting community health, ensuring care for aging and vulnerable populations and maintaining a robust health care workforce.

A keynote lecture featuring James Capretta of the American Enterprise Institute was held on April 5 in Linfield Hall on the MSU campus. The conference and keynote were free and open to the public. More than 75 people attended the conference, gaining a deeper understanding of healthcare challenges and the potential effects of policies and regulations designed to address them.

Speakers included Stephen Parente of the University of Minnesota; David Auerbach of the Massachusetts Health Policy Commission; Arnold Epstein of the Harvard School of Public Health; Lucy Liu of Oliver Wyman; Angela Beck of the University of Michigan Behavioral Health Workforce Research Center; Claire Brindis of the Philip R. Lee Institute for Health Policy Studies at the University of California, San Francisco; Karen Donelan of the Harvard Medical School and Massachusetts General Hospital; Jay Bhattacharya of the Center on the Demography and Economics of Health and Aging at Stanford University; and Jon Skinner of Dartmouth College.

Session and keynote videos as well as presenters' PowerPoint presentations are available at montana.edu/regecon/healthcarepolicyconference.



Bryce Ward



Arnold Epstein



Claire Brindis



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.

Research fellows and grantees collaborated with other scholars to host several productive workshops during 2017-2018.

- **Policy, Regulation, and Market Access**, hosted in April by research fellows Eric Belasco and Anton Bekkerman, focused on the roles of existing and future public policy and regulation on the region's grains and livestock sectors. Three highly-regarded economists with expertise in assessing the interactions of policy and market access highlighted challenges and opportunities for the northern U.S. region. Ample opportunity for discussion among presenters, policymakers and industry leaders was provided during Q&A sessions and a networking lunch.
- **Regulatory Issues Facing Cooperative Leaders** held in July, was organized by visiting distinguished scholar, Gary Brester, and focused on block-chain related regulations and tax policy issues that affect the effectiveness and efficiency of cooperative operations. Presenters included Brester, Michael Boland (Koller Professor and Director, the University of Minnesota Food Industry Center) and Mr. Robert Bowman (Associate, Hursch Blackwell LLP) and the audience included stakeholders engaged in the management of Montana and regional cooperatives.
- **Economic Perspectives on Reproductive Health Policies**, held in June and presented by IRAEA research fellow Isaac Swensen and short-term visiting scholar Jason Lindo of Texas A&M University, brought together a group of stakeholders including health economists, policymakers and individuals well-positioned to influence reproductive health policy in Montana. The aim was to provide a forum for researchers to present up-to-date, evidence-based research on these important issues and for those on the front lines dealing with reproductive health issues to share insights that can inform future research and evaluations.

“ I enjoyed the impressive scholarship presented to the audience and the casual atmosphere. Hearing questions from the audience was fascinating and enriched my educational experience.”



Nobel economist Sir Angus Deaton discussed economic inequality and ‘deaths of despair’ as inaugural speaker for the IRAEA Distinguished Lecture Program

Nobel Prize-winning economist Sir Angus Deaton discussed the link between income inequality and increasing mortality rates during a free public lecture at Montana State University in August.

Deaton, a senior scholar and professor emeritus at Princeton University, presented “Inequality and Deaths of Despair” as the inaugural speaker for the Distinguished Lecture Program, an annual outreach event of MSU’s Initiative for Regulation and Applied Economic Analysis in the Department of Agricultural Economics and Economics in the College of Agriculture and College of Letters and Science.

Deaton and fellow Princeton economist Anne Case identify a trend they call “deaths of despair” – deaths by drugs, alcohol and suicide apparently linked to economic decline – in their recent research paper “Mortality and Morbidity in the 21st Century,” published in 2017 in the journal *Brookings Papers on Economic Activity*. The paper followed up on the husband-and-wife pair’s findings in 2015 that death rates among middle-aged white Americans have risen dramatically since 1999 – a trend reversing decades of declining mortality and morbidity rates in that group.

Their research shows that while racial minorities in the U.S. have seen increases in lifespan during the past two decades, more white, middle-aged men and women – especially those without college degrees – have been dying younger. Overdoses of opioid drugs account for many of the deaths, they say, but drug abuse may only be a symptom of a larger, unseen epidemic of despair linked to economic trends.

The economists suggest that less-educated whites who struggle in the labor market early in adulthood are likely to experience “cumulative disadvantage” over time, resulting in health and personal problems that can lead to drug abuse, alcohol-related illness and suicide.

“Ultimately, we see our story as about the collapse of the white, high school-educated working class after its heyday in the early 1970s, and the pathologies that accompany that decline,” their latest paper concludes.

Wendy Stock, MSU economics professor and co-director of IRAEA, said Deaton and Case’s research makes a significant contribution to understanding pressing mental health issues, particularly in Montana, where the suicide rate is among the highest in the nation.

“This is a critical issue for all of us, and our hope is that Deaton’s lecture can be part of a larger, ongoing conversation about mental health and mental health policy in Montana,” Stock said.

Deaton examined the causes of “deaths of despair” and discussed why the phenomenon appears to be limited to middle-class white Americans across the U.S. The lecture also explored possible policy solutions. Deaton was joined by Case during a Q&A session following the lecture.

Author of five books including “The Great Escape: Health, Wealth and the Origins of Inequality,” Deaton has spent decades studying global wealth and poverty, inequality, health, well-being and economic development.

He received the Nobel Prize in 2015 for his research on the role that consumption of goods and services plays in human welfare. A native of Scotland, Deaton was knighted in 2016 by Queen Elizabeth II for his service in economics and international affairs.

Deaton is the Dwight D. Eisenhower Professor of International Affairs at the Woodrow Wilson School at Princeton University, where he has taught for 30 years, and the Presidential Professor of Economics at the University of Southern California. He is a fellow of the British Academy, was president of the American Economic Association in 2009 and became a member of the National Academy of Sciences in 2015. A dual citizen of the U.S. and U.K., Deaton has taught at Cambridge University and the University of Bristol.

Case is the Alexander Stewart 1886 Professor of Economics and Public Affairs Emeritus at Princeton University, where she is the director of the Research Program in Developmental Studies. Her work on U.S. mortality rates won the National Academy of Sciences’ 2015 Cozzarelli Prize for scientific excellence and originality.

Case is also a recipient of the Kenneth J. Arrow Prize in Health Economics from the International Health Economics Association for her work on the links between economic status and health status in childhood. She serves on the advisory council for the NIH-National Institute of Child Health and Human Development, the President’s Committee on the National Medal of Science and the Committee on National Statistics.

PUBLICATIONS AND SUBMISSIONS

Publications

- Bekkerman, Anton; Belasco, Eric and Vincent H. Smith (2018). "Does Size Matter? Distribution of Crop Insurance Subsidies and Government Program Payment across U.S. Farms." *Applied Economic Perspectives and Policy*.
- Bilgel, Firat and B.C. Karahasan (2018). "Thirty Years of Conflict and Economic Growth in Turkey: A Synthetic Control Approach." *Defence and Peace Economics*.
- Bilgel, Firat and B.C. Karahasan (2018). "Self-rated Health and Endogenous Selection into Primary Care." *Social Science & Medicine*.
- Brester, Gary W. and Myles J. Watts (2018). "The Basel Accords, Capital Reserves, and Agricultural Lending." *Agricultural Finance Review*.
- Brester, Gary W. and Joseph Atwood (2018). "An Examination of the Influence of Genetic Modification Technologies on U.S. and EU Crop Yields." *Journal of Agricultural and Resource Economics*.
- Gamble, Edward; Parker, Simon; Moroz, Peter and Oana Branzi (2018). "Certified B Corporations and the Growth Penalty." *Academy of Management Discoveries*.
- Kleindl, William; Stoy, P.C.; Binford, M.W.; Desai, A.R.; Dietze, M.C.; Schultz, C.A.; Starr, G.; Staudhammer, C.L.; and D.J.A. Wood (2018). "Toward a Social-Ecological Theory of Forest Macrosystems for Improved Ecosystem Management." *Forest Ecology and Management*.
- Stock, Wendy (2017). "Trends in Economics and Other Undergraduate Majors," *American Economic Review Papers and Proceedings*.
- Swensen, Isaac; Bondurant, Samuel R. and Jason M. Lindo (2018). "Substance-Abuse Treatment Centers and Local Crime." *Journal of Urban Economics*.
- Swensen, Isaac and Briggs Depew (2018). "The Decision to Carry: The Effect of Crime on Concealed-Carry Applications." *Journal of Human Resources*.
- Swensen, Isaac; Lindo, Jason; and Peter Siminski (2018). "College Party Culture and Sexual Assault." *American Economic Journal: Applied Economics*.

Publication Submissions

- Belasco, Eric; and Vincent H. Smith (2017). "The Development of a Weather-based Crop Disaster Program."

American Journal of Agricultural Economics.

- Bilgel, Firat (2018). "State Gun Control Laws, Gun Prevalence and the Supply of Homicide Organ Donors." *American Journal of Health Economics*.
- Bilgel, Firat (2018). "Gun Policy, Violence and Organ Donation: Evidence from State-level Panel Data." *American Journal of Health Economics*.
- Bilgel, Firat (2018). "Guns and Crime: One Size Does Not Fit All." *Journal of Legal Studies*.
- Brester, Gary (2017). "The Effects of Emerging Banking Regulations on Capital Reserves." *Agricultural Finance Review*.
- Buerhaus, Peter; with Perloff, J., Clarke, S., DesRoches, C.M., and Jacob M. O'Reilly (2017). "Association of State-Level Restrictions in Nurse Practitioner Scope of Practice with the Quality of Primary Care Provided to Medicare Beneficiaries." *Medical Care Research and Review*.
- Gamble, Edward (2018). "Removing Nonprofit Tax Exemptions: The Relevance and Chaos of a Regulatory Shock." *Academy of Management Perspectives*.
- Carriere, Danielle; Marshall, Maria; and James Binkley (2018). "Response to Economic Shock: The Impact of Recession on Rural-Urban Suicides in the U.S." *Journal of Rural Health*.
- Carriere, Danielle; Marshall, Maria; and James Binkley (2018). "Rurality and the Economic Resilience of U.S. Counties to the Great Recession." *Journal of Regional Analysis and Policy*.
- Kwapisz, Agnieszka (2017). "The Effect of Minimum Wages on Nascent Entrepreneurship." *Small Business Journal*.
- Smith, Vincent H. with Stephanie Mercier (2017). "Reforming Food Aid Cargo Preference: Are There Benefits and are There Any Costs." *Applied Economics Policy and Perspectives*.
- Smith, Vincent H. with De Pinto, Alesandro and Richard D. Robertson (2017). "The Role of Risk in the Context of Climate Change, Land Use Choices and Crop Production: Evidence from Zambia." *World Development*.
- Stock, Wendy and Myron Inglis (2018). "The Longer Term Labor Market Impacts of Paid Parental Leave." *Contemporary Economic Policy*.
- Swensen, Isaac with Lindo, Jason M.; Palmer, Jane; and Dave Marcotte (2018). "Any Press is Good Press? The Unanticipated Effects of Title IX Investigations on University Outcomes," NBER Working Paper No. 24852.

EXTERNAL FUNDING

EXTERNAL FUNDING \$359,000

Eric Belasco (Agricultural Economics and Economics)

- **Accepted:** An Evaluation into the Effectiveness of Pasture, Rangeland, and Forage Insurance and Livestock Forage Protection Policies on Mitigating the Impact of Drought. Submitted as a cooperative agreement to the Office of the Chief Economist, USDA. **\$19,500**
- **Requested:** The Organic Option: a comparative regional understanding of the barriers to transitioning to organic field crop production. Submitted to the Organic Research and Education Initiative, USDA-NIFA. Subcontract from the National Center for Appropriate Technology. **\$2.0M**
- **Requested:** The coupled relationship between growing season climate and land management in the northern Great Plains. Submitted to the National Science Foundation. Researcher under principal investigator Paul Stoy of the Department of Land Resources and Environmental Sciences. **\$1.6M**

Anton Bekkerman (Agricultural Economics and Economics)

- **Accepted:** A Fertilizer Price Prediction Tool for the Northern Great Plains. Submitted to the Fertilizer Assessments Funds. **\$27,550**

William Kleindl (Land Resources and Environmental Sciences)

- **Accepted:** The future of U.S. forest function under changing environment, disturbance, and forest management. Submitted to National Science Foundation as part a \$1.2 million grant in which MSU researchers will collaborate with the University of Florida, University of Alabama, University of Wisconsin, Colorado State University and Boston University. **\$312,000**

25 PUBLICATIONS & SUBMISSIONS

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