

Minutes of the
Annual Meeting for NE-162

April 11, 2002
Francis Scott Key Room
Key Bridge Marriott
Arlington VA

I. Call to Order 9:05 am—Bruce Weber

NE-162 Attendance

Name	Institution	Email
Steve Smith	Penn State	smsmith@psu.edu
Warren Kriesel	University of Georgia	ukriesel@agecon.uga.edu
Tom Harris	University of Nevada, Reno	harris@cabnr.unv.edu
Stephan Goetz	Penn State/NE Center for Rural Development	sgoetz@psu.edu
Peter Stenberg	USDA/ERS	STENBERG@ERS.USDA.GOV
Larry Leistriz	North Dakota State University	lleistsri@ndsuext.nodak.edu
Steve Cooke	University of Idaho	scooke@uidaho.edu
Steven E. Hastings	University of Delaware	HASTINGS@UDEL.EDU
Maureen Kilkenny	Iowa State University	kilkenny@iastate.edu
Vera Bitsch	Michigan State University	bitsch@msu.edu
Chris Fawson	Utah State University	Cfawson@cc.usu.edu
George Morse	University of MN	Morse001@msu.edu
Judith Stallmann	Texas A&M	judystal@tamu.edu
Anna Kovalyova	University of Missouri	AK877@mizzou.edu
Tom Johnson	University of Missouri	johnsontg@missouri.edu
David Barkley	Clemson University	dbrkly@clemson.edu
Daniel Rossi	Rutgers University	rossi@aesop.rutgers.edu
Jeff Alwang	Virginia Tech	alwangj@vt.edu
Bruce Weber	Oregon State	bruce.weber@oregonstate.edu
Doug Morris	New Hampshire	demorris@gisunix.uhn.edu
Joe Francis	Cornell	jdf2@cornell.edu
Steve Deller	University of Wisconsin-Madison	deller@aae.wisc.edu
Martin Shields	Penn State	mshields@psu.edu
Dawn Thilmany	Colorado State	thilmany@lamar.colostate.edu

II. Review of Past Years Work by Objective

- A. *Objective 1: Implications of Industrial Restructuring*
Tom Harris, Nevada.
- B. *Objective 2: Socio-Economic Implications in Non-Metropolitan Area*
-**Maureen Kilkenny**, University of Iowa. Survey on household income and program participation (disabled?). National database of 4000+ households, 1800 in Midwest. Why might want a sub-state equilibrium model of welfare participation applied to objective (1). A rural vs. urban model for 12 Mid-West states.
-**Mitch Renkow**, North Carolina State, Migrants; county employment growth and who gets jobs – in-migrants or locals. Most (70-80%) jobs go to former. NC study.
-**Tom Johnson**, University of Missouri. Spatial labor markets (counties). Continuous spatial labor markets; looking at idea of size of population on parameters. Goal to look at how far people are commuting; spatial autocorrelation is significant, so must consider this or will have biased parameters on commuting (using expansion methods in spatial analysis).
-**Dawn Thilmany**, Colorado State. Migration patterns, emphasizing farm labor trends in Washington and Colorado.
-**Bruce Weber**, Oregon State. Looked at poverty using typologies of cities (metro/ nonmetro, adj. metro,) and found swoosh (read Nike) curve. Workplace characteristics impacts on poverty. Welfare reform. Barriers in both central cities and rural areas. Using data sets to allow this analysis, along with adjacency, nonadjacency, etc. (Beale codes). Central cities are most disadvantaged, along with the most rural (“Swoosh curve”). Poverty dynamics simulation model (with Ohio), looking at impact on poverty of workforce programs.
-**Scott Loveridge** and **Vera Bitsch**, Michigan State. Workforce investment boards, looking at demand for different labor skills in different investment areas, in context of Workforce Investment Act.
-**Larry Leistritz**, North Dakota. Looked at agricultural processing plants on rural communities, finding that most jobs created went to previous residents of immediate surrounding areas, benefits outweighed costs of locating plants in communities. Conclusion is that new plants are very beneficial to community (in board community sense), and they more than offset what community incentives were put in. Agricultural processing was one of the few types of activities that seem to work in rural areas.
-**Joe Francis**, Cornell. Comparison between urban/rural areas (counties) on establishments, jobs, wages, unemployment, finding rural areas were comparatively disadvantaged. Occupational

structure moving to extractive industries are down and people going into services; rural areas are disadvantaged in job growth and net establishment creation. Impacts of fiscal stress and revenue shortfalls, including tax burdens. Policy of trying to reduce tax burden, and examining results of this policy. Impacts on local governments: seems to be leading to need to increase revenue streams.

C. Public Policy Impacts on Rural Economies

-**Steve Cooke** University of Idaho and **David Holland** Washington State. Impact of reduced taxes on local governments in terms of generating economic activities. CGE analysis on impacts of property tax initiatives. Whether property tax reduction that generates new economic activity offsets the initial tax reduction. Initiates do generate economic activity, but only offsets about 1/3 of the tax exclusion. Discussion ensued on regressivity of property taxes.

-**Judy Stallmann**, Texas A & M. Impact of tax exemptions on agriculture, property and sales tax exemptions, etc. Found ag were biggest winners in sense of largest aggregated exemptions.

-**Steve Smith**, Penn State. Community indicators/impact analysis model, combined with IMPLAN coefficients for Pennsylvania—survey to refine purchase coefficients.

-**Chris Fawson**, University of Nevada. Rural Health Care Policy. State and local, and how affects access and services delivery; affecting transition between public and private provision of health care, in context of what public provides and moving to more private supply.

-**Steve Deller**, University of Wisconsin-Madison, **Martin Shields**, Penn State and **Judy Stallmann**. Fiscal impacts of retirees.

-**Warren Kriesel**, University of Georgia. Estimation of willingness to pay to improve beach front in coastal communities. Federal policy re: no federal funding for shoreline erosion for communities built in vulnerable shoreline areas. Assessing economic impacts of this policy change, and proposing alternatives to communities. Local funding could offset federal decrease with parking fees/beach use fees of \$4/day; bonds. Also will work with Shields and Morse to make available REIS data for shift-share analysis for all states and counties.

-**Doug Morris**, University of New Hampshire. Wood processing plants and impacts of decline. Paper plant has much lower impacts than previously thought. Used IMPLAN multipliers were all under 2. Over 4% of land sold by state. Unemployment in sector down—net decrease.

-**Dave Barkley**, Clemson. Venture capital, public and private, in rural areas. Will work with SBA and new Senate bill focusing on rural areas. Issue of who should be eligible, i.e., defining rural. Lot of wealthy communities would qualify by present criteria.

-**Tom Johnson**, University of Missouri. Land use issues, looking at cost of community services, specifically kinds of land uses. One issue is cost and revenues from different land uses, within the contexts of sprawl and industrial use of rural lands. Impacts of CAFOs on land values, leading to decreases in value of \$1 million/CAFO. Impacts of TIFs (tax increment financing).

-**Laura Kalambokidis**, University of Minnesota. Fiscal impacts of land use, using LOCI model, and COMPAS model's fiscal equations. Impacts of different sizes of swine operations and differences in RPC's in Implan model between sizes of operation. Found (1-year impact): small producers created greater employment, but lower job quality. But over the longer run, larger firms have greater impacts on both. For states, RPC's approximately equal 1. Work on adapting production functions vs. RPC's. Found that the former are much more important in changing impacts. Low income workers and impact of regional labor markets on success of these workers in finding employment.

-**Tom Harris**, University of Nevada, range policies used COMPAS model. Inelasticity in use of public lands.

-**Jeff Alwang**, Virginia Tech. Impacts of welfare reform. Changes in inequality and sources of change from CPS data. State policies for business incentives. Has reviewed programs of all states, leading to work with legislators to rewrite Virginia regulations.

-**David Kraybill**, Ohio State. Poverty simulation with Oregon; land use impacts using spatial econometrics.

-**Bruce Weber**, Oregon State. Federal water policy impacts on irrigated agriculture; welfare reform and poverty.

III. Administrative Update of NE-162

Dan Rossi, Rutgers reports that the new proposal has been approved with stipulation that outreach education component needs to be strengthened to ensure that results reach audiences. Directors want this to be more formally in the project.

To get on project, fill out Appendix E on electronic form, through your Experiment Station Director (Martin not on list) but use NE_Temp082. New project will be NE-1011.

Next Steps: Will put out annual "Policy Briefs" on each of the project objectives on web sites.

IV. Other Business

Election of Officers for Next Year.

For Chair, Martin Shields was nominated by Hastings (seconded by Morse). Shields respectfully declined.

For *Chair*, **Judy Stallmann** was nominated by Barkley (seconded by Deller). Stallman unanimously approved.

For *Secretary*, **Chris Fawsen** was nominated by Kilkenny (seconded by Barkley).

Fawson was unanimously approved.

Hastings moved and Barkley seconded a motion to hold next year's meeting next year in conjunction with Western Regional Science Association in Tucson Feb 26-March 2 2003 (<http://www.u.arizona.edu/~plane/tucsoncall.html>). (Note that a *full paper* is due October 15th for acceptance at the meetings.) All but Deller in favor.

Steve Hasting provided an update on outreach for proposal. An e-mail discussion is to follow.

Break-out group discussions of four objectives for new proposal. Purpose is to discuss ways in which the various participants can conduct research that will integrate well with what participants in other states are doing on that objective.

V. Meeting adjourned 3:15 pm

Prepared 29 April 2002 by Martin Shields, with the great aid of Joe Francis and Steve Smith.