

MEMORANDUM

To: State Tribal Relations Committee

From: Dr. Robert Sonora, Associate Director BBER

Subject: Data for HB0632

Date: August 24, 2020

CC: Hope Stockwell

The Bureau of Business and Economic Research (BBER) at the University of Montana was tasked to conduct a decennial economic impact of Montana's Indian reservations on the state economy by HB0632 in the 66th Montana State Legislature.

According to Section 1 of the Bill

“90-1-105. **Functions of department of commerce – economic development.** The department of commerce shall:

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(7) starting in 2020, publish a decennial report, to be authored by the bureau of business and economic research at the University of Montana, on the economic contributions and impacts of Indian reservations in Montana based on federal, state, local, tribal, and private inputs. Copies of the report must be provided to the governor, each tribal government in Montana, the state-tribal economic development commission, and the state-tribal relations committee, and the report must be published on the department's website.”

The BBER was informed of this only after the bill was passed and the success of the analysis requires that the BBER receive data from each Montana's seven Indian reservations.

To begin the process, members of the BBER were invited to speak to the State Tribal Economic Development (STED) Commission on October, 2019. In January, 2020 the BBER met with members of the Commerce Department and Governor's Office of Indian Affairs to discuss how best to proceed with data collection from each of the seven reservations.

Chairman of the STED Commission Mr. Shawn Real Bird produced a letter to be sent to each of the reservations, attached, requesting the cooperation of the tribes to collect the requested data. Contact information, which included the Chairs/Presidents and their assistants, was provided by the Commerce Department. The letter was sent out to each of the tribes soon thereafter.

There was no response to the first request, which unfortunately, more or less, coincided with the global Covid-19 pandemic. A second request was sent out mid-June with no success. I was contacted by Commerce about one week after the second request was sent to check on the progress. This contact then led to a discussion with the Department of Commerce last week about how to best facilitate compiling tribal economic data. Consequently, I was invited to today's STRC meeting to put forward another data request.

To date, the economic background information for each of the reservations is nearing completion. Once the data is received the BBER will use an economic model, calibrated to represent the interactions specific

to the Montana economy, to estimate the economic impacts resulting from tribal economies. Leased from Regional Economic Models, Inc., the REMI model is one of the best known and most respected analytical tools in the policy analysis arena, and has been used in more than 100 previous studies as well as in dozens of peer-reviewed articles in scholarly journals. It is a state-of-the-art econometric forecasting model that incorporates dynamic feedback between economic and demographic variables. The REMI model forecasts employment, income, expenditures, and populations for counties and regions based on a model containing over 100 stochastic and dynamic relationships, as well as a number of identities.

On August 5, I was invited to speak briefly to the STED commission again to request help with the data. It was agreed that each of the STED Commissioners be contacted the following week as a follow up. I was able to speak with most of them. In a conversation with Hope Stockwell, she suggested I also contact Dr. Heather Cahoon, Director of the new American Indian Governance and Policy Institute (AIGPI) at the University of Montana, to request some assistance, which has been done. Jason Smith, Director of the Governor's Office of Indian Affairs, and I discussed how we can best move forward. He will be on call at the STRC meeting as well.

Any assistance provided by the STRC to collect the data for this important quantification of tribal economy contributions to the State of Montana is appreciated.