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SOCIAL SCIENCES AT NSF THREATENED BY HOUSE BUDGET PLAN

Assumptions and recommendations made by the House Budget Resolution and the comments of House Science Committee Chairman Rep. Robert Walker (R-PA) appear to have created the most dangerous situation for continued support of social, behavioral and economic (SBE) research by the National Science Foundation (NSF) since the attacks on these disciplines by the Reagan administration in 1981. The threat comes as a major surprise, since in the week before the House Budget Resolution was released SBE research was not discussed at a meeting between the Science Committee chairman and his Subcommittee chairs.

Budget resolutions are guidelines to the authorization and appropriations committees for their spending decisions and are delineated by government function, e.g. Science, Space and Technology. Yet, both the House and Senate, in their attempts to demonstrate how a balanced budget will be achieved in 2002, provided illustrative policy recommendations to accompany the dollar figures. The House made these recommendations at the level of appropriation account, such as "Research and Related Activities" at NSF. Also giving the budget resolution more weight this year is Rep. Walker's dual role as Vice-Chairman of the House Budget Committee and his key role in NSF reauthorization as Chairman of the House Science Committee. In addition, the heads of the appropriations subcommittees are under considerable pressure from the House GOP leadership to follow the battle plan laid out in the budget resolution.

For NSF's research line, the budget numbers provided by the House are relatively good. After losing \$17 million from FY 1995 to FY 1996, the resolution assumes a 3 percent increase from FY 1997- FY 2000. The final two years of this plan keeps NSF research at its FY 2000 level. The plan also holds fairly constant NSF's education and human resources directorate and its facilities modernization account, after subtracting the funds rescinded in FY 1995.

Exclusion of SBE Sciences

What appears threatening to the SBE sciences is language in the House Budget Committee report. The language reads: "This proposal assumes that while science and technology must contribute to the immediate fiscal reality, they must also provide for the opportunities that must be developed in the future. In order for the technological revolution to continue, a strong fundamental science is needed. Therefore, this proposal assumes that basic research should be prioritized. For instance, NSF civilian research and related activities, with the **EXCLUSION OF THE SOCIAL, BEHAVIORAL AND ECONOMIC STUDIES** (emphasis added) and the critical technologies institute, can be provided at their current levels plus 3 percent growth. No reductions are assumed to NSF basic research in the physical sciences. Education and Human Resources can be maintained and Academic Research Infrastructure is assumed at President Clinton's requested level." If you apply these assumptions to the numbers laid out in the resolution, there may not be enough funds left for SBE in the year 2000.

Research Termed "Politically Correct"

Adding fuel to the fire were comments made by Rep. Walker at a press conference on May 11. Responding to a question by Dan Greenberg of *Science and Government Report* regarding the SBE sciences, Walker said: "In large part, we think that's an area where the National Science Foundation has largely wandered into those areas in recent years, that was a kind of politically correct decision in recent years. And that is a place where the science budgets

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can be rescoped. We think that the concentration ought to be in those areas of the physical sciences. We also looked at the Critical Technologies account in NSF and believe that to be another one of these areas that is largely a corporate welfare kind of account created in recent years, and decided that was not high priority. So any reductions in spending that you see for NSF reflect those two policy decisions."

Since these two statements seemed to belie the social and behavioral sciences acceptance as sciences in U.S. science policy, their 40 year history at NSF, their conduct of non "politically correct" research into consumption taxes, geographic information systems, deregulation, cost-benefit analysis, etc, COSSA has discussed these comments with Walker's and other science committee staff. We have been told that Walker has "no vendetta against the SBE sciences," but he clearly believes they should be a lesser priority than other sciences, particularly the physical sciences.

As the Congress moves forward in the process, the impact of all this remains unclear. The Senate Budget Resolution has no rhetoric about the social, behavioral and economic sciences. Its policy assumptions about the NSF are to reduce spending on research by \$100 million from FY 1995 to FY 1996 and then keep it at that level through 2002.

The reauthorization process for NSF will begin in the House with a markup in the Basic Research Subcommittee on June 8. Chairman Walker has

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signalled the Subcommittee Chairman, Rep. Steven Schiff (R-NM), that the Subcommittee may determine its own priorities within a funding cap set by the full Science Committee. Schiff's staff has indicated that he has no intention of eliminating directorates or disciplines from NSF.

After the Subcommittee finishes, the process moves, probably a week or two later, to the 50 member full Science Committee. This committee, chaired by Walker, has 27 Republicans and 23 Democrats, 22 of these 50 are new members of Congress. The Ranking Democrat is Rep. George Brown (D-CA) who has spoken many times of the importance of the SBE sciences to U.S. science policy. The full committee may rearrange the priorities set by the Subcommittee.

NSF's Turn to Take the Hit?

At around the same time, late June, the appropriations process should begin in the House. The VA, HUD, Independent Agencies Subcommittee, chaired by Rep. Jerry Lewis (R-CA), faces a daunting task. With jurisdiction over NSF, NASA, HUD, EPA, Veterans Affairs, the Federal Emergency Management Agency, and an expected pie to divide that will be smaller than last year, the Subcommittee must make difficult decisions about allocating scarce resources. Discussions with Subcommittee staff indicate that although many of the other agencies will receive further reductions, NSF could be a special target. The rationale is that the Foundation has done relatively well in recent years and "it's now NSF's turn" to share the burden of the push toward the balanced budget. Although the House likes to finish appropriations bills by the July 4th recess, that deadline may slip this year.

Situation in Senate Unclear

The situation in the Senate is much less certain. For the two committees with jurisdiction over its reauthorization, NSF is not a major source of their attention. The Labor and Human Resources Committee, chaired by Sen. Nancy Kassebaum (R-KS), has the Foster nomination, job training, education programs, NEH, and other larger issues on its plate. The Commerce, Science and Transportation Committee, chaired by Sen. Larry Pressler (R-SD), is busy revising the nation's telecommunications laws and determining the future of public broadcasting. The Senate VA, HUD, Independent Agencies

appropriations subcommittee, chaired by Sen. Kit Bond (R-MO), will likely begin its markup sometime in July.

Thus, there are many points in the process where SBE can be sustained. All these committee decisions need ratification after debate, possible amendment, and votes on the floor of each House. With the genie out of the bottle concerning the low priority for these sciences, the danger is that any member of Congress may seek them as a target for deficit reduction. As OSTP Director Jack Gibbons told *Science and Government Report*: "Watch very carefully what happens when things come out of committees and move toward the floor. Because we've already had fair warning from a number of people that whatever comes to the floor, they're going to wade in with a lot of additional things. Floor actions scare me more than committee actions because committee actions have a certain deliberate pace and openness. Floor actions can be things happening in the middle of the night that can scare the hell out of you."

In 1981 a brand new advocacy organization called COSSA was organized. With help from its allies in the SBE community and the other scientific and higher education communities, COSSA was successful in mitigating and thwarting previous attacks on these sciences. With the support of those from all scientific and engineering disciplines and those SBE scientists representing all political persuasions, COSSA and its allies will seek to convince the Congress that the SBE sciences should remain an integral part of U.S. science policy for the 21st Century. Such a science policy would integrate the physical, natural, engineering, behavioral and social sciences in a multidisciplinary approach to understanding what it will mean to function in a technologically oriented society still dominated by interactions among human beings.

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BUDGET RESOLUTIONS THREATEN RESEARCH, EDUCATION PROGRAMS

Budget resolutions currently moving through the House and Senate could have significant impacts on the budgets -- and in many cases the existence -- of federal programs affecting social and behavioral science research. While the budget resolutions set multi-year spending plans, the specific allocation of resources -- within the parameters set by the budget plans -- is determined by the appropriating and authorizing committees. The programmatic recommendations made by the resolutions are only guidelines, but still carry significant weight.

Voting largely along party lines, the House passed its budget resolution on 238-193 vote on May 18. The author of the House plan, Budget Committee chair John Kasich (R-OH) called it "the point spear of the revolution" promised by the Contract With America. The Senate Budget Committee, chaired by Sen. Pete Domenici (R-NM), recently released its resolution, which is expected to be approved by the full Senate during the week of May 22. The two resolutions differ on the inclusion of a significant tax cut. The House has one. The Senate version as it emerged from the committee omits one, but there will be a battle on the Senate floor.

NIH Cuts Devastating

To "encourage privatization of NIH-supported research" the House recommended reducing research at the National Institutes of Health by 5 percent. By protecting a number of agencies and AIDS related research and services from reductions, the Senate resolution implies a 10 percent cut for NIH spending in FY 1996, and a freeze thereafter. NIH Director Harold Varmus called the implied Senate cuts "devastating" to the agency. The House would eliminate the Agency for Health Care Policy and Research; the Senate would reduce its funding 75 percent. Both cited that its functions duplicate that of other agencies. The House also eliminates the Office of the Assistant Secretary for Health.

Educational and cultural exchanges sponsored by the U.S. Information Agency (USIA) were targeted for elimination by the House and significant reduction by the Senate. Calling for their abolition, the House report accompanying the budget plan termed these

programs relics of the Cold War. "The Cold War is over, and countries such as those in Eastern Europe and the former Soviet Union have ready access to world news (e.g., CNN). This increased communication and private travel has decreased the need for exchange programs." The House also assumed that USIA would be merged into the State Department, a notion gaining support in Congress. The Senate recommended consolidating and reducing USIA broadcast and exchange programs by \$1 billion over the next five years. The House resolution calls for eliminating the Smithsonian's Woodrow Wilson Center for International Scholars.

Both the House and the Senate plan recommend reducing the Agricultural Research Service (ARS) and the Cooperative State, Research, Education, and Extension Service (CSREES) by 10 percent. It also urges the abolition of CSREES special grants. The House report said that according to the Congressional Budget Office, "grants from both agencies may be replacing research supported by the private sector. Requiring the government to refocus the research would permit the private sector to finance more of its own research," said the House report.

New U.S. Statistical Agency?

The House called for the elimination of the Department of Commerce, which it termed "an unwieldy conglomeration of marginally related programs, nearly all of which duplicate those performed elsewhere." The House resolution would consolidate the Census Bureau and the Bureau of Economic Analysis into an independent U.S. Statistical Administration. The House report commented: "U.S. government statistics are collected and analyzed by at least 25 federal offices, departments and agencies; each constructs indices differently, uses different time periods and different base years. There is no central organization setting standards for quality or consistency. Consequently, many statistics compiled by the U.S. Government are suspect. This proposal calls for consolidating many of the statistical organizations in the U.S. Government with the Census Bureau to achieve qualitative improvements and efficiencies. Because of the difficulty in scoring the sweeping consolidation this proposal would require, no savings are assumed." The Senate calls for the gradual elimination of Commerce, and also for the implementation of sampling efficiencies and other efficiencies in the 2000 Census

recommended by the General Accounting Office.

Housing and Education Research Eliminated

The House resolution recommends elimination the Office of Policy Development and Research within the Department of Housing and Urban Development (HUD). According to the House report, "Research and analysis of housing programs is done by independent government agencies such as GAO, CBO, and CRS, as well as private entities. In addition, the presence of this analytical unit has not prevented massive problems associated with HUD's coordination and planning policies." Both the House and the Senate would consolidate numerous federal programs into a single rural development block grant.

In the area of education, the Senate plan would: consolidate numerous job training programs, accept President Clinton's elimination of thirty small education programs, reduce funding for the National Endowment for the Humanities by 50 percent, and eliminate federal subsidies on graduate student loans. The House would eliminate: the Education Department, funding for Goals 2000, programs such as Law School Clinical Experience, International Education and Foreign Language Studies, the Fund for the Improvement of Postsecondary Education, all graduate student fellowship programs, and the National Endowment for the Humanities.

For a full listing of House recommended terminations see the chart on page 7.

CONGRESS AGREES ON CURRENT YEAR SPENDING CUTS; PRESIDENT TO VETO

A House-Senate conference committee has reached agreement on additions and reductions to current Fiscal 1995 federal spending. The President immediately announced he will veto the bill. For many of the agencies, this legislation is a down payment on the plans passed by the House and soon-to-be-passed by the Senate for FY 1996 spending. The bill includes supplemental spending for disaster relief for California and Oklahoma and for anti-terrorism initiatives.

The legislation rescinds all spending for FY 1995 and terminates the following Department of Education programs: Goals 2000 National Programs, Evaluations of Title I Education for the Disadvantaged, the Student Financial Aid Database, Harris Graduate Fellowships, Faculty Development Fellowships. In addition, the following are being phased out and will be terminated upon completion of current awards: Law School Clinical Experience, Javits Fellowships, and Law Related Education. The Library support programs slated for termination have survived for another year.

The conferees agreed on rescissions for the following: (all figures are in millions) National Science Foundation Facilities Modernization program (-\$132); National Institutes of Health (-\$70, for extramural and intramural construction projects); United State Information Agency Educational and Cultural Exchanges (-\$5); National Biological Survey (-\$14.5); National Endowment for the Humanities (-\$5, four for grants and one for administration), Woodrow Wilson Center (-\$1); Job Training Research and Evaluation (-\$3); Agency for Health Care Policy and Research (-\$3.1); Office of Technology Assessment (-\$.65); Cooperative State Research Service (-\$1, mostly from non-social science special grants); Environmental Protection Agency research (-14.6, including health effects research and neurotoxicity research).

The President's veto announcement declared his opposition to the cuts in education and training and the continuation of "pork" transportation projects. There do not seem to be enough votes to override the veto. The House passed the conference report by 235-189, well short of the two-thirds necessary to override. On this issue, the President has indicated a willingness to negotiate.

BECKER DISCUSSES HUMAN CAPITAL AT COSSA SEMINAR

Nobel laureate Gary S. Becker outlined human capital theory before an audience of congressional and federal agency officials at a May 10 COSSA seminar. Human Capital Theory was devised over 40 years ago and its application continues today. Becker, University Professor of Economics and Sociology at the University of Chicago discussed this research at a

forum, held in the Rayburn House Office Building, titled, "Human Capital and a Nation's Economic Strength." The National Science Foundation, with encouragement from the Congress, has supported research under the rubric of the Human Capital Initiative.

Becker was introduced by COSSA President Charles Schultze, Senior Fellow at the Brookings Institution and former chair of the President's Council of Economic Advisers. Schultze, commenting on Becker's contribution to economic theory, said that asking Becker to discuss human capital, "is a bit like asking Henry Ford to talk about the automobile... he's not exactly the inventor, but like Henry Ford, ... it's [Becker's] genius that made it into an exceedingly useful tool for human society." Schultze termed human capital theory, "one of the most powerful tools in the arsenal of the professional economist analyzing human society," and said that Becker has "explored with both rigor and imagination the application of economic theory and optimizing behavior to a wide range of human activities."

Becker began by noting that even in advanced economies, there was little concern for investment in human capital prior to the mid-nineteenth century. This changed, he said, with the application of science to economic activities. Subsequently, economists paid more attention to issues of illiteracy, education and training, and health. Becker said that researchers studying in this area seek to understand the sources of economic growth in both developed and developing nations. As an example, he cited the rapidly growing economies of several Asian countries. While these nations lack virtually all natural resources, they generally have a literate, well-educated population by world standards and they place significant emphasis on job training. This suggests, he said, "that they have been successful in part because they have been able to harness this important systematic human capital." In analyzing human capital across a wide range of nations and cultures, Becker said one key variable that emerges is years of schooling.

While not dismissing the important role of investment in machinery, plants, and other physical capital, Becker said "what one has to appreciate is that without the highly qualified workers and the businessmen who utilize effectively the machinery and the plants, they cannot succeed in growing... It is the combination of the two that is crucial."

Discussing the analytical connections between human capital and the process of economic growth, Becker said "modern economies are knowledge-based economies. Human capital is acquisition of knowledge." A key component of this, he said, is the family, which at the early stages of life is crucial to a child's acquiring knowledge. Becker said that human capital acquisition is cumulative and that training programs later in life are less likely to succeed if there has been a poor early development of human capital. Another role of the family in human capital is, in the language of economics, "the tradeoff between the quality and the quantity of children." In terms of providing education, health care, and other aspects of rearing, he said, "there are no free lunches here as anywhere else; when you have a lot of children you almost invariably have to do less for each one." Becker said that "a very indirect and I think very successful method of population control is education of the parents, who in turn shift their emphasis away from larger families to fewer children and more investment in each child." Thus, to study Human Capital is to conduct research on family stability, family decisions, marriage, divorce, number of children. "These are all connected decisions," Becker noted.

Becker also described the close connection between human capital and health. Noting the relationship between life expectancy and education, he said "when life expectancy is short and uncertain, the advantages of investments are much reduced." Education, in turn, leads to a variety of health measures. Becker cited a strong inverse relationship between smoking and education. On issues such as smoking, contraceptive use, diet, medical attention, and prevention of HIV/AIDS, he said that education is a far more significant variable than income.

In concluding his remarks, Becker said that in a world where the distribution of financial assets is quite skewed, human capital is much more widely spread. While cautioning that this is far from guaranteed he said it is "a vehicle by which people who come from poorer backgrounds can rise in the economic hierarchy." For approximately 90 percent of families, Becker said that human capital is their only basic asset. Human capital also provides important linkages to issues of equality, he said.

Responding to a question on the value and measurement of job training programs, Becker urged

more research on developing statistics to more accurately gauge efforts in this area. The studies that have been done, he said, show the importance of these programs. But on the whole, the data in this area is insufficient to make definitive statements. "It is an important component of our total investment in human capital. It is a shame we know so little about it," he said.

Answering a question about political instability and brain drain, Becker said that research shows that in politically unstable environments, sought after education and training tends to be more portable. For example, groups such as the Palestinians, that are in diaspora, have emphasized science and engineering skills that they can take with them to a different

country. Becker also suggested that countries that have experienced greater growth have been more likely to send students and workers abroad to study. While some of these students do not return, Becker said that researchers are now seeing that some return a decade or two later to assume significant positions in their homelands.

In thanking Becker for his remarks, Schultze commented that "every answer Professor Becker gave was studded with research results and ... real substance."

A full transcript of the event will be published by COSSA in early summer.

PROGRAMS AND AGENCIES RECOMMENDED FOR ELIMINATION BY HOUSE BUDGET RESOLUTION OF INTEREST TO SOCIAL AND BEHAVIORAL SCIENTISTS

- Departments of Commerce, Education, and Energy
- Agency for Health Care Policy and Research
- State Justice Institute
- Office of Technology Assessment
- Assistance to Eastern Europe and Russia
- East-West Center and North-South Center
- Transit Planning and Research
- Woodrow Wilson International Center
- National Endowment for the Humanities
- National Biological Service
- Goals 2000 Education programs
- Instruction in Civics
- Foreign Language Assistance
- Bilingual Education
- Fund for the Improvement of Postsecondary Education
- International Education and Foreign Language Studies
- Institute for International Public Policy
- Law School Clinical Experience
- All Graduate Student Fellowship Programs:
 - Women and Minority Participation in Graduate Education
 - Harris Fellowships (eliminated after 1995)
 - Javits Fellowships
 - Graduate Assistance in Areas of National Need
 - Faculty Development Fellowships (eliminated in 1995)
- All of the Office of Educational Research and Improvement except:
 - National Center for Education Statistics and
 - National Assessment of Educational Progress
- Employment and Training Research and Development
- HUD's Office of Policy Research and Development
- Economic Development Administration including research

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