

CONGRESS CLEARS LABOR-HHS SPENDING BILL, EDUCATION REFORM

Congress finally resolved the remaining disputes in the FY 2002 Labor, Health and Human Services (HHS), and Education spending bill, and the House and Senate approved the conference report on December 19 and 20, respectively. The bill provides \$123.8 billion for these areas, including \$29.6 billion for the elementary and secondary education initiatives authorized in the President's "Leave No Child Behind Act" (HR 1), which Congress finally passed.

Department of Education and ESEA

Final passage of the Labor-HHS bill had been hinging on approval of education reform (see *Update*, June 18, 2001), the top domestic priority – excepting, perhaps, the tax cut – of Bush's campaign. HR 1, which the President signed on January 8, reauthorizes the Elementary and Secondary Education Act of 1965 and provides some sweeping changes to federal education policy.

The appropriations bill provides \$48.9 billion for education programs, \$6.7 billion more than FY 2001 and \$4.4 billion more than the President requested. Of this, \$29.6 billion is for **Elementary and Secondary Education Programs**, \$4.6 billion more than FY 2001. Although this funds Bush's prized education reform legislation, this figure is more than the President wanted, though less than some Democrats did, most notably Senator Edward Kennedy (D-MA).

Educational research within the **Office of Educational Research and Improvement** will receive \$121.8 million, an increase of only one percent over FY 2001. The **National Center for Education Statistics**, however, gets a six percent boost, to \$85 million, as requested by the President. Funding for the **Regional Education Labs** also rose, from \$65 to \$67.5 million, in order to "address the increased demand for technical assistance in comprehensive school reform."

The sum of \$975 million will fully fund the President's **Reading First** program, designed to enable states to "eliminate the reading deficit through scientific research-based reading programs." President Bush has described reading as "the new civil right." The initiative will encourage states and local schools to establish scientifically-based reading programs for children in kindergarten through third grade.

The conference agreement level-funded two graduate fellowship programs: the **Javits Fellowships** (\$10 million) that provide funds for students in the Arts, Humanities, and Social Sciences, and **Graduate Assistance in Areas of National Need** (GAANN) (\$31 million).

Despite the administration's attempt to cut funding for the **Fund for the Improvement of Postsecondary Education** (FIPSE) by over 65 percent, the conferees once again loaded the budget with earmarks, and increased it by 23 percent.

In the area of **International Education and Foreign Language**, the conference agreement provides \$98.5 million for Title VI and Fulbright-Hays International Education programs. This includes \$85.2 million for Domestic Programs (a 27 percent increase) and \$11.8 million for Overseas

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Programs (an 18 percent increase). The conferees added extensive language explaining the increases, stating that “our national security, stability, and economic vitality depend, in part, on American experts who have sophisticated language skills and cultural knowledge about the various areas of the world.” They cited the urgent need “to enhance the nation’s in-depth knowledge of world areas and transnational issues, and fluency of U.S. citizens in languages relevant to understanding societies where Islamic and/or Muslim culture, politics, religion, and economy are a significant factor.”

Assessment, which includes the cornerstone of Bush’s education reform legislation – annual testing for children in grades three through eight – will jump from \$40 million in FY 2001 to \$111.6 million.

Department of Health and Human Services

Within the budget of the Office of the Secretary’s General Departmental Management, funding is provided for a review by the National Academy of Sciences’ Institute of Medicine of existing federal, state, and non-governmental programs designed to change the attitudes and health behaviors of youth.

For policy research, the conference agreement includes \$2.5 million as proposed by the House, instead of the \$20.5 million proposed by the Senate.

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The Consortium of Social Science Associations (COSSA), an advocacy organization for federal support for the social and behavioral sciences, was founded in 1981 and stands alone in Washington in representing the full range of social and behavioral sciences.

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However, language proposed by the House provides authority to the Secretary to utilize evaluation funds available under the Public Health Service Act. This authority, along with the \$2.5 million, will yield a program level of at least \$20.5 million in FY 2002.

Within the funds available, \$7.1 million is to continue to study the outcome of welfare reform and assess the impacts of policy changes on the low-income population.

The **National Institutes of Health (NIH)** received a budget of \$23.3 billion, an increase of \$3 billion (14.7 percent) over the FY 2001 funding level. From this sum, \$100 million will be transferred to the Global AIDS-Malaria-TB Fund and \$297 million to the “evaluation tap” for other agencies. The transfers leave a total of \$22.9 billion in funding for NIH, an increase of \$2.8 billion (13.9 percent) over FY 2001, \$324 million above the President’s request and the amount provided by the House, and \$424 million below the amount provided in the Senate bill.

Acknowledging the significance of child abuse and neglect as a serious public health problem, Congress commended NIH, under the leadership of the National Institute of Mental Health, for its efforts in this area, and encouraged NIH to continue addressing the issue. The conferees asked the NIH Director to be prepared to report on the progress of this research at the FY 2003 appropriations hearings.

Additionally, the conferees encouraged NIH to further examine the association between religion and health outcomes and “how some religious organizations effectively promote healthy behaviors among their members.”

In the end, Congress provided the **Centers for Disease Control and Prevention (CDC)** \$4.3 billion. The House had proposed \$4.1 billion and the Senate \$4.4 billion.

The conference agreement includes a total of \$126.9 million for the **National Center for Health Statistics**, as proposed by both the House and the Senate. The bill designates \$23.3 million from the Public Health Service Act evaluation set-aside, as proposed by the House.

For chronic disease prevention and health promotion, the agreement provided \$747.8 million. Within that total, \$68.4 million in funding goes for

the National Campaign to Change Children's Health Behaviors and \$26.2 million for the CDC's prevention centers.

For HIV/AIDS, STD, and TB prevention, \$1.1 billion is provided. Within in this total, \$143 million in funding is earmarked for international HIV/AIDS. Noting concern for the increasing incidence of HIV/AIDS infection in rural regions of the United States, as well as the disproportionate impact of HIV/AIDS on minority communities in underserved rural areas, particularly the Southeast, Congress urged the CDC to develop strategies with states to implement interventions targeted to these communities.

The conference agreement provides \$149.7 million for injury control, of which \$2 million is for expansion of current activities to understand the scope of child abuse and neglect and its consequences.

Two million dollars is provided to the **Education and Research Centers** to expand research activities in support of implementation of the National Occupation Research Act (NORA). Another \$2 million is for development of an intramural and extramural prevention research program that targets all aspects of workplace violence and coordination of efforts with the Departments of Justice and Labor.

The **Agency for Healthcare Research and Quality** (AHRQ) received \$299 million, a \$29 million or 10.7 percent increase above the FY 2001 level.

Within this total, \$55 million is dedicated to finding ways to reduce medical errors. Of the total budget, only \$3 million is directly appropriated to AHRQ. The agreement designates \$296 million to be available to AHRQ under the Public Health Service Act one-percent evaluation set-aside. The House bill had proposed \$306 million, with \$168 million in direct appropriations, while the Senate had proposed \$291 million, all in direct appropriations.

Department of Labor

The bill provides \$12 billion for the Department of Labor, which includes \$476.6 million for the **Bureau of Labor Statistics**, an increase of 5.7 percent.

SCHOOL-BASED SURVEYS DODGE DEATH BLOW; NOW FACE BED OF THORNS

As the President's No Child Left Behind Act (see lead story) was being debated in the House, a little-noticed amendment passed requiring prior written parental consent, among other things, before a child could complete certain surveys in school (see *Update*, June 4, 2001). Although a coalition of concerned groups defeated this well-intentioned, but ill-advised mandate, school-based research now faces a more thorny battle.

Thanks, in part, to the efforts of the Coalition to Save School-Based Research, in which COSSA was active, the language mandating prior written consent was dropped in lieu of the requirement that parents may "opt the student out of participation." This was a significant victory, as the cost and difficulties of prior written consent could have been prohibitive. At stake was information – for policymakers and parents – about the extent of problems like substance abuse, school violence, and HIV-AIDS that the surveys provide.

Other requirements in the original amendment, however, did pass. Under the new law, parents may inspect surveys before they are administered, and schools must notify parents directly of scheduled surveys if they contain any topics or characteristics listed in the law. Each of these mandates presents problems of cost or scientific validity that could compromise studies important for the health and well-being of children.

More troubling, however, is language originally contained in an amendment by Senator Tim Hutchinson (R-AR) requiring local education agencies (e.g., school districts) to develop and adopt policies regarding student privacy and the inspection of surveys. This could lead to the implementation of prior written consent policies in various districts, and create a patchwork of areas with differing regulations.

The result could be the inability of survey researchers to obtain adequate or representative samples, or to afford the costs of navigating a sea of thorny regulations. Researchers are particularly disappointed because current law already requires oversight of such studies to ensure the very protections that the new law is designed to offer.

However, further opportunities exist to minimize the damages from the new rules. Coalition members plan to inform researchers that school boards will be developing consent policies and develop materials to help them advocate sensible policies.

More information can be found at www.apa.org/ppo/grassroots/s.schlrsh_links.html.

NIH EXAMINES ECONOMIC PERSPECTIVES ON HEALTH

The differences in health outcomes and access to health services between socioeconomic classes and racial and ethnic groups are now well documented. On December 10, four economists addressed an audience of 300 people at the National Institutes of Health (NIH) regarding the economic implications of racial and ethnic disparities in health care in the U.S.

The meeting was sponsored by the Office of Social and Behavioral Sciences (OBSSR) and the National Center for Minority Health and Health Disparities (NMCHD).

Many of these same issues were discussed by Frank Stafford of the University of Michigan and Mark Hayward of Penn State University in a COSSA congressional briefing, *Living Well, Staying Well: Promoting Good Health for Older Americans*. Copies of the edited transcript are available by e-mailing coffa@coffa.org.

The Economic Value of Investing in Disparities Research

Kevin Murphy and Robert Topel of the University of Chicago addressed the economic implications of the gap in health and longevity between blacks and whites. They noted that research has contributed to increased longevity (30 more years of life in the 20th century) and progress against cancer, heart disease, stroke, infectious disease, and infant and childhood mortality. However, major killers remain, they said.

Topel asserted that, if NIH were to find a cure for cancer, there would be a \$50 trillion return to current and future generations of Americans. Advocating more funding for such research, Topel explained that even a one-percent reduction in cancer rates would be worth \$500 billion, with

similar gains for a comparable reduction in heart disease.

Though black mortality is higher at all ages and for all diseases, Topel explained, blacks have gained relatively more than whites from increased longevity and progress against diseases. Prospectively, according to Topel, blacks would benefit from progress against the same diseases as whites would, as the distribution of gains across diseases is roughly the same for blacks and whites. Blacks, however, gain slightly more from reduction in mortality from heart disease, cancer, and other major diseases. The disease that stands out for blacks is AIDS, which accounts for more of the racial gap than any other disease, Topel observed.

Although, on an individual level, blacks accrue more health benefits than whites from progress against disease, the total *value* that would accrue for whites is larger than that for blacks. One reason for this, according to Topel, is the difference in income between blacks and whites. African-Americans have lower incomes than other groups, and people with higher incomes live longer, Topel explained. Using Census data, Murphy and Topel found that about half of the current age-40 black-white gap can be attributed to income. If income differences were narrower, mortality rates would be too.

Labor Market Outcomes

John Bound of the University of Michigan turned to the labor market and how it is impacted by differences in morbidity. Bound cautioned that there is currently no credible way to put a value on morbidity.

Research shows that the minority population earns significantly less than the majority white population and are less likely to be employed. Health disparities create a decline in productivity and raise the costs of an employee group, thus lowering the group's earnings. Health differences raise the non-pecuniary costs associated with going to work.

To answer more subtle questions about health and the labor market, "enormous" data sets are needed, contends Bound. Smaller data sets are unreliable. He indicated that because of its crude information on health, the 1990 Census data has severe limitations in helping to answer these questions.

From the available data, Bound found that the impact of disparities in health on the labor market primarily affects the employment rate. The question remains: Given the accumulated disadvantage for blacks, what would happen to the black employment rate and earnings if you improve health?

Reviewing Bound's paper, Alvin Headen, an economist at North Carolina State University, cautioned that there is a need to think about data sources for future research in this area. Health, age, education, human capital, parents, and environment all matter, he stressed.

Educational Investment

Education and health are "clearly known to be connected across individual populations and over time," said David Meltzer, discussing his paper on the *Effects of Health Disparities on Educational Attainment*. The question, he challenged, is why.

According to Meltzer, three factors might explain this connection: 1) education contributes to health; 2) health affects education; or 3) a third factor, such as income, wealth, or some time preference, affects both of these. For instance, Meltzer noted that an educated individual may be more willing than an uneducated person to wait for an added benefit to come in the future. Therefore, an educated individual may also be willing to invest now in health protection.

Considering how health affects education, Meltzer suggested that a healthy person has an increased incentive to invest in education. Increased longevity and decreased morbidity raise the returns from education and also lower the risk associated with investing in education.

Conversely, Meltzer conjectured, poor health can reduce educational investment in several environments, such as developing countries and urban areas in the United States. However, he noted that there is very little work on the effects of risk on human capital investment.

The relationships Meltzer is considering, according to Jeffrey Evans of the National Institute of Child Health and Human Development, are often disregarded by the NIH community. NIH should think about how the economy impacts health, he said, as well as how health and well-being affect the economy. Evans also suggested that non-economic

elements might reinforce the economic impacts. These could include parental actions and other environmental factors.

Medical Care Expenditures

While Medicare substantially improved access to medical care among previously undeserved populations, minority seniors use less medical care and have greater barriers than other seniors. Addressing *Racial and Ethnic Differences in Public and Private Medical Care Expenditures for the Medicare Population*, Jose Escarce of RAND explained that there are differences in health care expenditures between groups.

Blacks, he said, are much less likely to receive high-tech services for a wide array of diseases. In addition, they receive a lower quality of care and are diagnosed at later stages.

His research also found that expenditures from private payment sources were much higher for whites than for blacks or Hispanics. The median expenditure on services is higher for whites than for blacks with similar health status.

The gap in medical expenditure between services for blacks and whites is unexplained by differences in individual characteristics, says Escarce. We may be seeing differential access due to cultural factors within the health care system. Possible explanations include: the structure of the health care system, blacks' alienation from the health care system, stereotypes and discrimination by providers, and/or residential segregation, which is more severe for blacks.

Next Steps

According to OBSSR Director Raynard Kington, the next step includes publishing the papers presented at the symposium and discussing the possibilities for more research in this area with the NIH institutes and centers.

The proceedings of the conference may be viewed at <http://videocast.nih.gov/PastEvents.asp>. Search for "economics."

OJJDP REVEALS PLAN FOR 2002

Acting Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) Terrence Donahue held a conference on December 6 to discuss the planned direction and focus of the office in 2002. In the conference, broadcast live via satellite and the internet, Donahue announced four broad initiatives upon which the office plans to focus.

The first is the Office of Justice Program's (OJP) Serious, Violent Offender Reentry Initiative, which will contain a juvenile component. The mission is to identify, implement, and/or enhance reentry strategies that prepare serious and violent offenders to return successfully to their communities following prison, and to build knowledge in the field regarding best practices for successful reentry.

Second is the Faith-Based and Community-Based Initiative, designed to mobilize and maximize the resources of faith-based and community-based organizations, and build their capacity to address the needs of at-risk and delinquent youth through sustained prevention, intervention, and treatment services.

The third – Targeted Community Action Planning (TCAP) Effort – stresses action over process. Prototypes are to be developed in five to seven communities to promote the full continuum of services for youth and their families. OJJDP will identify existing resources and capacity within communities to collect and map data on problem behaviors and on crime and risk factors, and identify and support local colleges and universities that will contribute to a community's planning efforts.

Finally, through federal, state, and local partnerships, OJJDP is preparing to encourage all states to use existing resources and to provide multifaceted, diversely funded programs. Partnerships will provide incentives to states to support local initiatives by passing block grant money through to local jurisdictions, enable states to implement OJJDP program designs at the state level, and encourage states and local agencies to replicate programs that were successful in other places.

Donahue was appointed Acting Administrator by President Bush on August 21, 2001. He has been with the Office of Justice Programs, of which OJJDP is part, and the Department of Justice for more than

25 years. Prior to this appointment, he served as Senior Advisor in the Office of the Assistant Attorney General of OJP, where he supervised the development and testing of the Sustainable Safety and Community Enhancement initiative. The program is designed to improve the coordination and concentration of Federal, State, and local public and private resources in sustained, long-term responses to crime and related social problems.

J. Robert Flores, whom Bush nominated for the position of Administrator (see *Update*, May 21, 2001), has not yet been confirmed.

BROOKINGS RELEASES GOVERNMENTAL PRIORITIES STUDY

On December 20th, the Brookings Institution hosted a forum to release and discuss its new report, *Government's Greatest Priorities of the Next Half-Century*. The study followed up on a November 2000 survey on the federal government's greatest accomplishments of the past 50 years.

Study director Paul Light, Vice President and Director of Governmental Studies at the Institution, compiled a wide range of academic viewpoints and contacted over 2,000 researchers from economics, history, political science, and sociology. All told, Brookings received 550 responses, with each of the four disciplines receiving equal weighting in the final results.

The results showed that Increasing Arms Control and Disarmament should be the top Governmental priority, followed closely by Increasing Health Care Access for Low-Income Americans, Expanding and Protecting the Right to Vote, and Promoting Financial Security in Retirement. Providing Working Assistance for the Poor rounded out the top five on the list.

Respondents also gave their opinions of the least important endeavors for the government to pursue. Among them were Increasing Market Competition, Reducing Illegal Drug Use, Supporting Veterans Readjustment and Training, Promoting Space Exploration, Expanding Home Ownership, and Stabilizing Agricultural Prices.

Joining Light to discuss the report were *Washington Post* columnists E.J. Dionne and David Broder. Light began the discussion by noting that of

the four disciplines represented by the survey, sociology's participants were generally the most liberal and in favor of government activism, followed by history and political science. The economists were the most likely to be more conservative about specific priorities and level of government action.

Broder picked up on this theme with a criticism of the study. By limiting the responses to academics, he said, it produces a unrepresentative sample of America. Those surveyed are more liberal and better educated than the public, and they're also far more likely to have job security.

Dionne asserted that while a study such as this is interesting to discuss, world events are far too unpredictable to render the list of much value. In a similar vein, Light pointed out that only three percent of pre-September 11th respondents rated terrorism as a top government concern, versus 15 percent after the attacks.

The full report can be accessed at www.brook.edu/GS/CPS/50gp/50gp_hp.htm.

ANNOUNCEMENTS

COSSA Welcomes New Member

On January 1st, the Rural Sociological Society's status within COSSA changed from Affiliate to full Member. We look forward to working closely with the Society on Agriculture and Rural Development policy and other issues of interest to its members.

New BLS Commissioner Named

President Bush has announced his intention to nominate Kathleen Utgoff as the next Commissioner of the Bureau of Labor Statistics (BLS). She will replace Katharine Abraham, whose term expired last year.

Utgoff is an economist who was Vice President and Director of the Center for Naval Analyses from 1995 to 1999. Before that she was Chief Economist and Partner for six years at Vroom and Nordberg, a Washington, D.C. law firm specializing in life and health insurance, pension, and international tax issues. From 1985 to 1989 she served as Executive Director of the Pension Benefit Guaranty Corporation. Her other experience includes: Senior

Economist at the Council of Economic Advisors (1983-85) and Economist at the Center for Naval Analysis (1974-83). She has an undergraduate degree from California State University at Northridge and a Ph.D. from UCLA.

Former BLS Commissioner and COSSA President Janet Norwood indicated she was pleased that Utgoff "has a good research background and a strong interest in data and the issues that BLS faces."

Utgoff awaits Senate confirmation to her four-year term.

Meeting on Spatial Data Analysis Tools

The Center for Spatially Integrated Social Science (CSISS) is a five-year project funded by the National Science Foundation under its program of support for infrastructure in the social and behavioral sciences. The "Spatial Analytic Tools" program is devoted to the development and dissemination of a powerful and easy-to-use suite of software for spatial data analysis, advancement of statistical analysis methods to account for spatial effects, and integration of these developments with GIS capabilities.

A two-day meeting is planned to take stock of the state-of-the-art, assess current impediments, and identify promising strategies. It will take place in Santa Barbara, CA on May 10 and 11, 2002. Attendees are asked to submit an abstract by email by **February 15, 2002**. See www.csiss.org/events/meetings/spatial-tools for more information.

Editor's Notes

- A topical index for the 2001 editions of *Update* is now available at www.cossa.org/Update.htm.
- Edited transcripts of COSSA's Congressional seminars are free upon request. Seminars in 2001 addressed election reform, health and aging, and rural prosperity (see www.cossa.org/seminarseries.html). Please email requests to cosssa@cosssa.org.

Published 22 times per year, *Washington Update* is written and produced by the COSSA staff and covers federal policies and debates relevant to social and behavioral scientists. Please email chrisryan@cosssa.org with your questions, comments, and ideas for future issues.