

CONSORTIUM OF SOCIAL SCIENCE ASSOCIATIONS

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TO: COSSA Members, Affiliates, Contributors and Friends

FROM: Roberta Balstad Miller, Executive Director

COSSA LEGISLATIVE REPORT

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This Week . . .

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OMB COLLECTING NEW BUDGET DATA ON SOCIAL RESEARCH

An issue that has been of major concern to COSSA since early August is a new requirement by the Office of Management and Budget (OMB) that all agencies separately itemize their budgets for "social research and development" for FY 1984. The requirement is a part of OMB's Circular A-11, which deals with the preparation and submission of budget estimates. Agency budget submissions generally include a number of special accountings, including data on overall research and development expenditures which is later summarized in Special Analysis K of the federal budget. What is unusual is that the proposed new account on social research and development activities (Exhibit 48, A-11) applies only to research conducted outside the government and paid for by grants and contracts. OMB is requiring that agencies provide information on funding levels for the past year plus a "concise description of the activity, the form of financing, and the number of agency employees engaged in administering the grants, contracts, and program evaluations.

According to OMB's Circular A-11, the Exhibit 48 requirement includes all expenditures for "research (both basic and applied), development and demonstration projects, program evaluations, policy analyses, benefit-cost studies, social experimentation, and systems analyses. Social research and

OMB COLLECTING NEW BUDGET DATA ON SOCIAL RESEARCH (cont.)

development includes projects directed toward improving the well-being of people and programs in the areas of education, health, income security, social services, housing and community development, civil rights, transportation, and crime." Projects involving international relations, military activities, aerospace and intelligence activities, and biomedical research are excluded. Expenditures by the National Science Foundation are also excluded.

Budget documents prepared by OMB claim that the new budget requirement is needed "to provide a proper basis for reviewing existing activities and establishing more effective budgetary treatment." An OMB official who is responsible for administering most of the areas in which the social research and development to be itemized are funded said that the data obtained from Exhibit 48 will be used as a management tool to review research programs and eliminate duplication across agencies. Coming so soon after the social science research budget cuts in 1981, this concern for the elimination of duplication in social research and development is curious and even disquieting.

COSSA will continue to monitor this situation and report further developments in the Legislative Report. The OMB instructions to federal agencies are enclosed as Attachment 1.

HOUSE PASSES CONTINUING RESOLUTION FOR FY 1983

The current fiscal year ends on September 30 and the Congress has not yet passed a single appropriations bill. The HUD-Independent Agencies Bill is closest to passage (see "No Action on NSF," below), but action on the bill will probably not be completed by the end of the fiscal year. Even if the bill is sent to the President by then, it may be vetoed.

To provide for the operation of the government until the appropriations bills for FY 1983 are completed, the House passed a Continuing Resolution on Wednesday, September 22, which is expected to be considered in the Senate after September 27. The Continuing Resolution (H.J. Res. 599) provides spending authority for the federal government through December 15, 1982. It will expire for particular agencies with the enactment of specific appropriations. The Continuing Resolution provides authority for all programs normally funded by the Labor, HHS, and Education Appropriation at their FY 1982 level. In most other appropriation areas, including HUD-Independent Agencies, expenditures will be permitted at the level passed by the House for FY 1983 or at the FY 1982 level, whichever is lower.

NO ACTION ON NSF

Because of a filibuster on the issue of prayer in the public schools, the Senate has not yet considered the HUD-Independent Agencies Appropriation Bill which contains the appropriation for the National Science Foundation. At this writing, it is expected that the bill will come before the Senate either late today, September 24, or during the week of September 27. A conference on the appropriation is expected to be held within a day or two of the bill's passage in the Senate.

NEW OMB REGULATIONS FOR DATA COLLECTION

On September 8, 1982, the Office of Management and Budget (OMB) announced new rules for the collection of statistics and information under the provisions of the Paperwork Reduction Act of 1980. Titled "Controlling Paperwork Burdens on the Public; Proposed Rulemaking," the regulations will supercede OMB Circular A-40 and are scheduled to become effective on July 1, 1983.

The new rules are very similar to the rules for forms clearance under Circular A-40, and even provide, in places, for some liberalization of the rules. The proposed rules do, however, prohibit non-statutory surveys that require a respondent to provide information more often than quarterly. This proposal could disrupt federal surveys like the Current Population Survey (CPS) that employ monthly interviews in a rotating sample design.

OMB is requesting public comments on the new rules before October 25, 1982. The proposed rules are printed in the Federal Register, September 8, 1982. Copies may be obtained by calling the COSSA office (202/234-5703).

ELIMINATION OF PUBLIC PARTICIPATION IN HHS RULEMAKING PROPOSED

Secretary Richard Schweiker of the Department of Health and Human Services (HHS) has proposed changes in the longstanding HHS policy of soliciting public comments on proposed regulations. Although the Administration Procedures Act allows agencies to waive notice and comment procedures for rules relating to loans, grants, benefits or contracts, former HEW Secretary Richardson waived this exemption in 1971 because he believed that the benefit from such public participation out-weighed administrative inconvenience or delays. Secretary Schweiker proposes to rescind Richardson's waiver.

ELIMINATION OF PUBLIC PARTICIPATION IN HHS RULEMAKING PROPOSED (cont.)

A number of research activities in HHS could be affected were such a change to be enacted. The peer review system of the National Institute of Mental Health, for example, is supported by a set of Department regulations, as is the peer review system used by the National Center for Health Services Research (NCHSR). Similarly, guidelines for the treatment of animals in research laboratories and the use of human subjects are set forth in regulations promulgated by the Department.

There is opposition to the proposed change in Congress. Representative Ted Weiss (D-NY) has introduced H.Con. Res. 401 which expresses the opposition and calls on the Secretary of HHS to "withdraw the proposed rule that would reduce public notice and comment opportunities, and affirm current practices which involve the public in rulemaking procedures." The Resolution has over 75 co-sponsors. For further information, call Helen Rauch (202/234-5703).

NIMH COUNCIL MEETING

The National Advisory Mental Health Council, advisory body to the National Institute of Mental Health (NIMH), met on September 21-22, 1982. Dr. Herbert Pardes, Director of NIMH, announced that a Behavioral Sciences Cluster Group had been formed to evaluate the impact and importance of social and behavioral science research on issues of mental health. (See COSSA Legislative Report of July 30.) COSSA prepared a statement for inclusion in the Council's proceedings that briefly reviewed some of the contributions made to mental health research by social and behavioral scientists, suggested that the Council follow the Cluster Group's activities, and urged that the product of their deliberations be circulated widely.

Several people attending the meeting noted that the House Appropriations Subcommittee on Labor, HHS, and Education may have added funds to the FY 1983 budget for clinical training at NIMH. This information cannot be confirmed because details of the bill have been embargoed until the full Committee considers the entire appropriation next week. The administration budget eliminates support for clinical training at NIMH after October 1.

For a copy of COSSA's statement to the Council, call the COSSA office (202/234-5703).

SIPP MAY BE BACK ON TRACK

One of the casualties of the FY 1982 budget cuts was the Survey of Income and Program Participation (SIPP). SIPP was designed to improve the quality and timeliness of information on income by collecting data on noncash as well as cash income from families over a two-year period of time. After investing heavily in its development, the Department of Health and Human Services decided to discontinue plans for further work on SIPP because of budget constrictions. Now, however, both the House and Senate are considering appropriations for Commerce, Justice, State, the Judiciary and Related Agencies that earmark Census Bureau funds specifically for SIPP. The House bill would appropriate \$7 million, the Senate \$2.4 million.

Although the Office of Management and Budget (OMB) initially wanted SIPP's costs to be borne by user agencies (i.e., primarily the Departments of Health and Human Services, Treasury, and Agriculture), an OMB official told COSSA that OMB will now probably drop its plans to require user agencies to reprogram funds for SIPP's support. It is anticipated that OMB's Office of Information and Regulatory Affairs (OIRA) will assume coordinating functions for the Survey.

PRIVATE SECTOR NOT REPLACING FEDERAL RESEARCH SUPPORT

One response by the Reagan administration to the objections to cuts in research budgets in the social sciences and the humanities was that the private sector should be approached for research funds. To some extent this response was ideological, stemming from the belief that the federal government should not be so deeply involved in research as it has been and that this should be a private sector responsibility as well. This was also a pragmatic response to demands of the Reagan economic program -- the administration believed that private corporations represented a largely untapped source of support for research that could relieve some of the financial pressure on the federal government by absorbing federal expense in this area. But the corporations are not cooperating. According to an article in the New York Times (September 22, 1982), corporations are not increasing their philanthropy in such areas as research, and, in fact, these contributions are declining because of uncertainties in the economy. (For a copy of the article, see Attachment 2.)

NEWS OF THE HUMANITIES

The National Endowment for the Humanities (NEH) will be the subject of general oversight hearings on the impact of budget reductions held by the Postsecondary Education Subcommittee on October 5th. NEH Chairman William Bennett and several other witnesses are scheduled to testify before the Subcommittee, which is chaired by Rep. Paul Simon (D-IL).

The NEH budget for FY 1983 will remain at \$130 million (its FY 1982 level) according to the House version of the Continuing Resolution for FY 1984.

Data on Social Research and Development Activities

48.1. Material required.

An original and one copy of schedules of data in existing accounts (section 48.3 and exhibit 48A) and in proposed aggregated new accounts (section 48.4 and exhibit 48B) based on the definition in section 48.2, together with a brief narrative statement, will be included with initial budget submissions. Required materials will be revised as necessary (see section 15.1).

The information will provide a basis for reviewing existing activities and establishing more effective budgetary treatment. The activities to be included will be only those conducted outside the Government and financed through grants, contracts, or similar mechanisms.

Questions concerning the identification of social research and development activities in existing accounts and their aggregation should be taken up with OMB representatives.

48.2. Definition.

For the purpose of this report, social research and development is defined as research (both basic and applied), development and demonstration projects, program evaluations, policy analyses, benefit-cost studies, social experimentation, and systems analyses. Social research and development includes projects directed toward improving the well-being of people and programs in the areas of education, health, income security, social services, housing and community development, civil rights, transportation, and crime. However, projects concerning international relations, military activities, aerospace and intelligence activities, and biomedical research are excluded from this definition. Also, amounts available in accounts that support directly the offices of cabinet level officials or agency heads are excluded.

48.3. Data on Social R&D activities—existing accounts.

Total budget authority and outlays for social research and development activities financed in existing accounts will be reported in the format of exhibit 48A. Data will be reported for the past year, current year, and the budget year by account within each bureau, as appropriate. The listing should show bureau and agency totals.

Below the data for each account, provide the following information:

- (a) a concise description of the activity;
- (b) type of activity (e.g., basic research);

(c) form of financing (e.g., contract);

(d) statutory authority (see section 31.3); and

(e) full-time equivalent (FTE) employment for 19CY only for administration of grants, contracts, or similar mechanisms, and program evaluation. (Note. Report such FTE even though compensation may be charged to another account; do not report FTE associated with Federally-conducted programs.)

48.4. Data on Social R&D activities—proposed new accounts.

Agencies will propose the aggregation of social research and development activities into one or more new accounts. Total budget authority and outlays for these proposed accounts will be reported in the format of exhibit 48B. Data will be reported by account within each bureau, as appropriate. The listing should show bureau and agency totals. Activities belonging to different functions (see section 21.3) will not be proposed for aggregation unless the amounts are small relative to the total amount of the new account.

Below the data for each account, provide the same information as was required in section 48.3. The proposed account structure must include all of the social research and development activities that were reported under existing accounts, but aggregated amounts for these activities can be less than the amounts were in existing accounts.

Budget schedules that reflect the proposed structure should, if approved by OMB, be prepared as transfers in the estimates in accordance with instructions contained in section 32.6(e).

48.5. Preparation of narrative statement.

A brief narrative explanation of the proposed structure will be included on the schedule of proposed accounts or, if necessary, on a separate page. The narrative will indicate anticipated advantages of the proposed aggregation (e.g., larger scale, but fewer projects, improved management control). In addition, indicate any problems that may be encountered in proposing the aggregation in the President's Budget. If more than one account for the agency is proposed (other than because different functions are involved), the reasons why further consolidation is not feasible will be provided. If one account for the agency is proposed, the listing of accounts described above will be omitted and only the narrative explanation will be required.

Lower Profits and Economic Uncertainty Threaten Corporate Philanthropy

By KATHLEEN TELTSCH

Difficult choices face thousands of companies that customarily begin deciding at this time of year how much financial help to give schools, hospitals and cultural or neighborhood groups.

Because of Federal budget cuts in education, welfare and the arts, requests for aid have doubled, tripled and even quadrupled, executives of leading companies say. But they add that declining profits and uncertainties about the economy are prompting many groups to take a critical look at their contributions.

Some of the executives say regretfully that they are shelving plans to increase giving in response to the White House campaign urging the business sector to do more to meet community needs. Others simply cite the maxim of corporate donors: "You have to do well before you can do good."

Still other companies are supplementing their cash donations to nonprofit groups with gifts of equipment, such as the computers provided by Hewlett-Packard.

Corporate philanthropy totaled \$3 billion last year and will likely maintain that level in 1982, according to Brian O'Connell, president of the Independent Sector, a coalition of corporations, foundations and national nonprofit organizations.

But he said nonprofit groups were increasingly aware that businesses could not replace money eliminated by the Government. He cited studies by the Urban Institute concluding that the country's 300,000 nonprofit organizations will lose a total of \$33 billion in direct Federal aid from 1982 to 1985 and would also be expected to help make up for the \$82 billion cut from the Government's own programs for those in need.

Focus on Most Urgent Needs

Mr. O'Connell also said many corporations were shifting their focus to areas of greatest urgency: job training, day care and nutrition, housing and counseling services.

"It is hard to turn away requests, but we will fund those we need to do, in preference to those it is nice to do," said Rosemary Judge, president of the Mobil Foundation and chairman of Mobil's contributions committee. For example, she said, a program to train unemployed youth would qualify as a "need," but a request from a West Coast ballet company would be rejected by Mobil, which has contributed \$30 million to nonprofit groups and public broadcasting this year.

Most companies seem reluctant to forecast what their philanthropic budgets will look like even a few months from now.

"Predict 1983?" said Anne Klepper, senior research associate of the Conference Board, whose 4,000 members include the nation's leading business concerns. "It's like a gypsy reading coffee grounds — tea leaves are at least solid."

"Most companies would like to increase giving, but there's a hell of a lot of apprehension out there," said Hayden W. Smith, senior vice president and director of research for the Council for Financial Aid to Education. His group and the Conference Board jointly assess the contribution records of major companies, and their findings are widely regarded as the most authoritative.

"With so many companies experiencing drastic declines in earnings, particularly those in the automotive, construction, steel, rubber and other industrial fields," Mr. Smith went on, "the prospects for increasing contributions in 1983 are not bright."

The outlook of maintaining the current level of contributions rests mainly on a relatively small group of major donors. The American Telephone and Telegraph Company, for one, says its 1982 contributions will definitely exceed \$50 million, which is likely to make it the top donor. The trend will continue upward, but only for a limited time: The recent antitrust settlement involving the dismantling of A.T.&T.'s vast holdings means the contribution programs of former subsidiaries will not be counted in A.T.&T.'s total.

"The change will significantly alter the way we look at our responsibilities in health, welfare and the civic and cultural areas," said Robert H. Thill, secretary of the contributions committee.

Exxon, which has competed for years for first place in giving, seems more guarded in its forecasts. It expects contributions in the United States to be "in the area of \$50 million," said Stephen S. Stamas, vice president for public affairs.

"The future level will be influenced by earnings," he added, "but the company's approach is to minimize short-term swings," either up or down.

Among major donors augmenting cash contributions with gifts is the International Business Machines Corporation, whose cash donations totaled \$40 million last year and are expected to rise again. However, gifts of equipment and loaned executives will enable the company to say it is giving \$80 million in 1983, according to Alfred N. Scallon, director of corporate support.

Retrenching, Not Expanding

Other companies, such as Beatrice Foods, Dart & Kraft and Campbell Soup, as a part of their contributions,

increased donations to food banks. J. C. Penney contributed not only cash but also furniture, clothing and merchandise.

But the recession led others to retrench when they had planned to expand. C. William Verity Jr., the recently retired chairman of Armco who heads President Reagan's task force that is seeking to encourage giving, said contributions from the Ohio company would drop from last year's \$9.2 million peak. He added that Armco would dip into its foundation assets to fulfill its pledges for scholarships, United Way contributions and grants to neighborhood groups.

The Champion International Corporation, the forest products concern with headquarters in Stamford, Conn., reluctantly decided against participating in a pool arrangement to give young people summer jobs because "business is terrible, terrible, terrible, and we have a hiring freeze," said Andrew C. Sigler, chief executive officer. Champion gives about \$2.7 million annually, however.

Weyerhaeuser, another major concern hit by the slump in construction, turned down requests from performing arts groups in Seattle and instead helped them offer a season-ticket package that attracted additional subscribers.

Prudential Insurance, based in downtown Newark, says it is re-examining its priorities. "We'll fund a local Hispanic group rehabilitating housing over a group offering an amenity, such as a performing arts company," said Alex J. Plinio, president of the Prudential Foundation.

Not all companies agree with this approach. United Technologies, whose customers are mainly government agencies and large commercial buyers of its airplanes, engines and elevator systems, expects its contributions to rise again after increasing to \$10.1 million this year.

"We're using the arts program to gain recognition for United Technologies among key audiences worldwide," said Ray D'Argenio, senior vice president for communications.

The company helped pay for bringing the Renaissance and modern art collections of Baron Thyssen-Bornemisza to the United States, and 28.2 percent of its budget is devoted to cultural activities, generously supporting art museums in the United States and overseas.

"We think it makes the company look classier," Mr. D'Argenio said.

