
CONSORTIUM OF SOCIAL SCIENCE ASSOCIATIONS

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This Week . . .

- HS ● The New Budget Game: Welcome to Gramm-Rudman-Hollings
- Congressman, Foundation President Address COSSA Annual Meeting

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In this first issue of Volume V of the Update, we depart from the customary format to publish two 'background' stories: an analysis of what is likely to be an extraordinary year in federal budgeting, and comments by two public figures on challenges facing the social and behavioral sciences.

THE NEW BUDGET GAME: WELCOME TO GRAMM-RUDMAN-HOLLINGS

On December 12, 1985 President Reagan signed into law the Gramm-Rudman-Hollings (GRH) deficit reduction package. Named for its original Senate sponsors -- Phil Gramm (R-TX), Warren Rudman (R-NH), and Ernest Hollings (D-SC) -- the legislation mandates cuts in spending to reduce the massive federal deficit to zero by 1991, and significantly changes the budget game played in Washington every year. Although the new law was immediately challenged as to its constitutionality by a group of Congressmen and a government employees union, the provisions of the law have already impacted on agencies' planning and activities.

FY 1986: The Process

Fiscal Year 1986 began on October 1, 1985. The projected deficit is well above \$171.9 billion, the maximum allowed by law.

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Since there is not enough time for the President and the Congress to agree on their own process for reducing the deficit this year, the procedures outlined in GRH will occur. On January 10 the directors of the Office of Management and Budget (OMB) and the Congressional Budget Office (CBO) will 'snapshot' the budget -- their view of what the budget deficit will look like. On January 15 they will submit a joint report to the General Accounting Office (GAO), indicating their economic forecasts and projections and specifying how the budget will be reduced to comply with the law. On January 20 the GAO will issue a report to the President, based on the findings of the OMB and CBO. On February 1 the President will issue an order to reduce the budget based on the GAO report. On March 1 the order takes effect.

GRH specifies that for FY 1986 the maximum required reduction is \$11.7 billion. The law also requires that 50% of the cut come from the Defense Department and 50% from non-Defense programs. The President is granted a certain amount of flexibility in the Defense cuts. In the non-defense area all "programs, projects, and activities" will be cut by a certain percentage across-the-board, and cost-of-living increases will be reduced or eliminated. The law also exempts certain programs from the cuts -- Social Security, Veterans' Programs, various government trust and insurance funds, Aid to Families with Dependent Children, child nutrition, Food Stamp programs, grants to states for Medicaid, Supplemental Social Security Programs, and the Women, Infants and Children Program. It also limits reductions in Medicare and sets up special treatment for Guaranteed Student Loans (GSL) -- reducing the special allowance to lenders and increasing the origination fee to borrowers by 0.5%. It also unequivocally states that no existing programs, projects or activities can be eliminated by these procedures. For 1986 the Appropriations committees are to define "programs, projects, or activities."

FY 1986: The Impact

In attempting to assess the impact of GRH, some definitions must be noted. Budget authority is granted in appropriations bills to agencies to spend money, sometimes over a period of years. Outlays are amounts that will actually be spent in a given year. In order to reduce outlays by a specific amount, it is sometimes necessary to reduce budget authority by a greater amount. This is especially true in research programs and weapons procurement. The cuts in FY 1986 budget authority must be sufficient to meet the deficit reduction requirements of later years. A House Budget Committee analysis suggests that reductions in outlays for FY 1986 should average 4.6% for non-defense programs. However, to reach this figure in research programs, funding for agencies such as the National Science Foundation (NSF), National Institutes of Health (NIH), and the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) may

be cut by greater amounts. NSF has already conducted an 'exercise' for its FY 1986 operating plan that assumes a reduction of 10%. Leaks in the press have suggested 10% reductions at NIH and ADAMHA. Reducing expenditures across-the-board has led to stinging criticism of the new law from agency directors such as Janet Norwood of the Bureau of Labor Statistics (BLS), who believe such mindless reductions promote wasteful management practices. Nevertheless, the FY 1986 reductions should be accepted with a minimum of outcry since, in the middle of the discussion, the FY 1987 budget will be released, bringing the full impact of GRH home and generating a great debate.

FY 1987-91: The Process

From FY 1987 to FY 1991 the deficit must be reduced from \$144 billion to zero in \$36 billion increments. In FY 1987 the President is required to submit his budget by February 5, 1986. (In subsequent years it is due the first Monday after January 3.) On August 15 the directors of OMB and CBO estimate, based on congressional action and economic forecasts, the size of the deficit. If the projected deficit exceeds the maximum deficit amount allowed by the law by \$10 billion (zero in the case of 1991) and a recession is not forecast, then the Directors must calculate the spending reductions necessary to eliminate the excess deficit. The process for eliminating the excess deficit follows the guidelines used in FY 1986 except that the discretion in reducing defense spending is removed. On August 20 the Directors submit a joint report to the GAO; on August 25 GAO issues its report to the President based on the findings of OMB and CBO; on September 1 the President issues his order, which takes effect on October 1, the beginning of the fiscal year. The month of September is set aside for a Congressional response to the order. On October 5 OMB and CBO issue a revised report to reflect final congressional action. On October 10 the GAO issues its revised report. On October 15 the final order, based on the revised report, is effective.

In addition to the procedures noted above, the law alters the congressional budget process. Congress must complete action by April 15 on the concurrent resolution on the budget which establishes total federal revenues and expenditures, the size of the deficit, and allocates by function (e.g., the Science 'function' includes NSF) the budget authority and outlays for the coming fiscal year and projects such figures for future years. Congress must adopt the reconciliation bill, which includes the changes to laws necessary to meet the budget goals in the concurrent resolution, by June 15. The House of Representatives must complete action on all appropriations bills by June 30.

Fiscal 1987-91: The Impact

Before the automatic reduction procedures required by GRH go into effect, the President and Congress will be given the opportunity to work out their own agreement to meet the targeted budget deficit. The President is going to submit a budget this February that will meet the \$144 billion deficit target in GRH. He claims that he will accomplish this while still increasing defense spending by 3% above inflation and without increasing taxes. To do this, it is anticipated that cuts of over \$50 billion will be made in non-defense discretionary programs. Programs that were previously targeted for extinction by the administration will be targeted again (e.g., international education, the Office of Juvenile Justice and Delinquency Prevention). Many other programs will be slashed significantly. OMB Director James Miller III has long advocated the privatization of many of the functions of the federal government, so some of that may be proposed.

There are reports that the administration's commitment to basic scientific research will continue. Most of the commitment will continue to be defense-related, but NSF will get carried along as well and thus not fare badly in the FY 1987 administration budget. Biomedical research at NIH, however is expected to face significant reductions, White House strategists assuming that Congress will restore the cuts, as it has done in recent years. Research in the mission agencies will probably be devastated, since this is an easy target.

Congress is expected to find many of the President's budget proposals to be unacceptable. It will probably not accede to massive cutbacks in social programs while accepting increases in defense and basic research. For example, the HUD-Independent Agencies Subcommittee, which handles NSF, will once again be faced with finding funds for housing programs, environmental programs, and veterans' programs, while also supporting scientific research at NSF and the space agency. One projected scenario foresees deadlock and the triggering of the GRH process described above. However, this would put the President in a position of accepting massive reductions in the Defense budget. Representative Les Aspin (D-WI), Chairman of the House Armed Services Committee, has released a study suggesting a \$65 billion reduction, greater than the actual necessary deficit adjustment because of the budget authority vs. outlays problem (see above). This would clearly be unacceptable to the President. Therefore, the expected scenario is for Congress to convince the President to raise revenues as part of a package that will include some of his proposed program reductions and eliminations. The President has said he is 'concretely' against a tax increase. However, during his term as Governor of California, when faced with untenable alternatives, he got his feet out of the concrete and agreed to one.

How Congress fares in meeting its new deadlines will also be interesting. In recent years it has been unable to pass all the appropriations bills by the start of the fiscal year, and has not yet passed a reconciliation bill for FY 1986. There is also the possibility that GRH may be found unconstitutional by the courts or that Congress, recognizing the folly of its wisdom, may declare GRH null and void. It will be a fascinating year for 'junkies' of presidential-congressional relations, but, alas, an exasperating, uncertain year for those waiting for federal funding outcomes.

CONGRESSMAN, FOUNDATION PRESIDENT ADDRESS COSSA ANNUAL MEETING

Rep. Doug Walgren (D-PA) and David A. Hamburg, President of the Carnegie Corporation of New York, addressed the Consortium's 1985 Annual Meeting in Washington, D.C., on December 16th. The meeting was attended by the COSSA Board of Directors and 17 persons representing COSSA's Affiliates.

Rep. Walgren, Chairman of the Science, Research and Technology Subcommittee of the House Committee on Science and Technology, complimented COSSA and the social science community for their effective response to budget cuts in 1981-82, and their continuing effort to bring research and research-based knowledge to the attention of Congress in an intelligible and timely way. While he, personally, and as a result of his subcommittee chairmanship, was aware of the contributions of the social and behavioral sciences to society, there is a need for constant activism on the part of social scientists themselves. According to Walgren, the scientific community has considerable prestige in Congress. For example, the Science and Technology Committee is a bipartisan committee that tends to defer to the technical judgment of the scientific community. However, matters of science policy are not just technical issues but matters of political judgment, and scientists need to "get into the fight before the battle is over."

With regard to the two-year Science Policy Task Force currently at work in the House, Walgren believed that its special, three-day set of hearings on social and behavioral sciences held in September, 1985 (see Update, October 4, 1985) would help these disciplines in the long run, by more clearly identifying their unique contributions. He cautioned, however, that most arguments for strong federal support need to make reference, where possible, to the economic and social well-being of the society in general, not simply to knowledge for its own sake. That is particularly true to the extent that an administration minimizes a commitment to these sciences because

it prefers not to identify the facts about, or causes of, major social problems.

Walgren commented that advocacy efforts should not be aimed entirely at Congress. It is the White House and the agencies that propose programs and budgets, and social scientists need to make sure that they argue their case there, insofar as possible.

Walgren said that in his view, given the severity of the budget deficit, Gramm-Rudman-Hollings could be an effective step, since he saw no other way for defense spending to be contained, and pointed out that an across-the-board budget-cutting approach, while painful, was also fair. That approach might prevent the administration from 'zeroing-out' individual programs, and it would mean that science budgets would suffer proportionately less than some others.

In closing, Rep. Walgren emphasized the importance of network-building in influencing public policy. Long-term contact with Members of Congress was important, not just appeals in times of crisis. In-district lobbying was at least as important as efforts on Capitol Hill. Expressions of approval and appreciation were important to Members, who, he said, were truly "interested in people as individuals." In these times of PACs and massive lobbying, small contributions to the campaigns of key Members of Congress (not just to one's own Congressman) were important, not for financial reasons alone but to create the sense of personal recognition between Congressmen and members of the public.

Dr. Hamburg, in his informal remarks, also saluted the "brilliance of COSSA's response to the 1981 crisis" and the continued importance of its efforts. As immediate past president of the American Association for the Advancement of Science, Hamburg was impressed by the way all the sciences are acting more purposefully and cohesively on the federal science scene.

As a foundation president and active scientist, Hamburg focused on what he considered to be three major areas for social and behavioral science agenda. There is, first, health and behavior, now an active research field, but virtually nonexistent 30 years ago. The history of stress research provides an exemplary pattern for biobehavioral science: behavioral puzzles led scientists to study basic neurophysiological questions, which in turn led to the clarification of behavioral measures of 'stress' on the biological, psychological, and sociological level. Probably more important today is the tremendous development of basic neuroscience in the last 20 years or so, which has been built on a solid interdisciplinary basis including both biological and social-behavioral scientists. In the same period, the public

has become much more aware of disease prevention and personal health regimes.

The largely unexplored frontier now lies abroad, especially in lesser developed countries. Large-scale efforts will be needed from the scientific community and organizations such as the World Health Organization to deal with problems of nutrition, family planning, sanitation, environmental health hazards, and the like. Fortunately, modern technology, for example, in communications, can help in this effort, though it cannot replace knowledge gained from the basic sciences, both biomedical and social-scientific.

A second crucial area for research is the impact of modern technological change on human behavior and social organization. Questions for social and behavioral scientists include the implications of an internationalized economy, an information- and services-based economy, and the need for a highly adaptable work force and for educational patterns that conduce to lifelong learning.

This is an area where the government has an important stake. How accurate and appropriate to development are the economic data we compile? How are different demographic groups affected by international competition and cooperation? How do we understand structural unemployment?

The third research area discussed by Hamburg was, he felt, the most difficult and the most important of all. The world, he said, is awash in a sea of ethnocentrism, hate, and holy wars. With the enormous increase in the power of weaponry, and with electronic broadcasting (and perhaps stimulation) of violence, the ultimate concern has become the viability of civilized human life.

The social science study of aggression, conflict, and cooperation has until recently been a marginal enterprise. A number of large foundations and other institutions want to alter that situation, but much effort will be necessary on behalf of, and in, research. The research community is well poised to respond. In recent years research has been conducted both on conflict generically and on the origin and resolution of specific past conflicts. Some fundamental concepts have been defined -- for example, in fields as disparate as game and decision theory and sociobiology. Simulation is being used as a research method, conflict is being studied at different organizational levels, and negotiation has become a topic for real and simulated analysis. In Hamburg's view, further progress will depend on interdisciplinary cooperation within the social-behavioral sciences and in many other fields and sectors as well.

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