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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NEW OJJDP HEAD HAS NO BACKGROUND IN JUVENILE JUSTICE

Alfred S. Regnery has been named Acting Administrator of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) to replace Charles Lauer. Mr. Regnery, who has been active in conservative politics since his college days, has no background in juvenile justice issues. His recent nomination as the head of the Legal Services Corporation was withdrawn when opponents successfully demonstrated that he had actively worked to abolish federal funding of legal services for the poor.

Because Mr. Regnery's nomination was made by the Attorney General and not by the President, as is the usual practice, his position will be Acting Administrator of OJJDP. More importantly, his position will not have to be ratified by the Senate. The House Education and Labor Subcommittee on Human Resources, which has oversight jurisdiction on juvenile justice programs, is concerned that Mr. Regnery's appointment may signal attempts to politicize OJJDP and has requested Mr. Regnery to testify before them on December 16.

The fate of the research budget of the National Institute for Juvenile Justice and Delinquency Prevention, which administers an extensive research program within OJJDP (See COSSA Legislative Report, November 12, 1982), awaits the announcement in January of Mr. Regnery's priorities for OJJDP. Officials at the Institute are concerned about the extent of Mr. Regnery's support for research.
RESEARCH AT OHDS THREATENED FROM WITHIN AND WITHOUT

According to the Washington Post, the Office of Management and Budget (OMB) has proposed that all research funding for the Department of Health and Human Service's Office of Human Development Services (OHDS) be eliminated in FY 1984. (See Attachment 1.) It is likely that we are seeing once again the OMB strategy of leaking the worst-case budget scenario to the public in the hope that major reductions will later be accepted with relief by those whose programs are first threatened with elimination. The problem at OHDS is that the research programs have already been weakened internally.

OHDS, headed by Dorcas R. Hardy, Assistant Secretary for Human Development Services, houses the Administration on Aging, the Administration for Children, Youth and Families, the Administration on Developmental Disabilities, and the Administration for Native Americans. Among the better known programs administered by OHDS are Head Start, the Work Incentive Program (WIN), the Runaway Youth Programs and various social programs for the elderly.

The research budget of OHDS amounts to over $30 million annually. In FY 1982, OHDS instituted a consolidated discretionary grants process whereby research proposals for all OHDS programs were solicited and evaluated in a single agency-wide effort. The process will be maintained for FY 1983. Under the plan, which occurs in two stages, applicants submit initial "concept papers." These initial proposals are not, however, reviewed by peer review panels, but are assigned for evaluation to review panels comprised largely of lay people. There has even been discussion within OHDS of randomly assigning proposals to these panels. Even though few OHDS reviewers can claim technical or professional expertise, random assignment to review panels makes a mockery of the process of scientific peer review.

At one time, the research supported by OHDS was of high enough quality to compare favorably with that funded through the National Institutes of Health (NIH) and the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA). It is apparent to many that funding decisions today are as likely to be made on the basis of political considerations as on scholarly and scientific merit.

Although research supported by an agency such as OHDS must, of necessity, be closely related to agency programs, such research can and should be held to the most rigorous scientific standards. One critical factor encouraging the politicization of funding decisions is the fact that the Assistant Secretary of OHDS has final and complete authority over which proposals are funded. According to the Child Protection Report, Ms. Hardy's former employer was the fourth largest recipient of research funds from Hardy's office.

COSSA intends to investigate whether the scientific peer review process can or will be reinstated at OHDS. If we can be assured that standards for scientific research will be improved, COSSA will work to persuade Congress to maintain research support at OHDS.
JUST WHAT IS A CONTINUING RESOLUTION?

At midnight tonight, the spending authority for most agencies of the federal government will expire along with the current continuing resolution (CR) that was passed by Congress at the end of September. Congress is now struggling to fashion yet another CR that will enable the government to function while action on individual appropriations bills continues.

Continuing resolutions, often referred to in the press as "stopgap funding measures," provide spending authority for federal agencies that enter a new fiscal year (in this case, FY 1983, which began on October 1, 1982) without an official appropriation having been signed into law. To date, only 3 out of the 13 regular FY 1983 appropriations have been passed by both houses of Congress and signed by the President. The budget of the National Science Foundation (NSF), for example, was approved in the HUD-Independent Agencies appropriations bill. The budget of the National Institute of Mental Health (NIMH), on the other hand, is part of the Labor, Health and Human Services (HHS), and Education Appropriation, and will be determined by the provisions of the new CR because no appropriation has been passed by both Houses.

Continuing resolutions have been used before, but they have assumed greater importance and visibility under the Reagan administration. Because the current administration has fought for substantial budget reductions in virtually all Cabinet departments save Defense, progress in preparing appropriations legislation has been particularly painful and slow.

It is likely that the new CR, which must be passed this weekend so that the federal government can continue to function, will expire on March 15, 1982. Appropriations committees and subcommittees will continue to work on individual appropriations bills, but if there are appropriations for FY 1983 that have not been passed by March 15, Congress will then have to pass still another CR.

No single formula is used by a CR to determine levels of funding for the affected agencies. For example, it was initially reported that the Labor, HHS, and Education appropriations would be set at the House-approved level, which would have meant that the additional $1 million earmarked by the Senate for research training at NIMH would be ignored. Just as we went to press, however, COSSA learned that the CR levels for Labor, HHS, and Education will be settled in conference. Appropriations for the Departments of Justice and Interior will apparently be set at the level of the House— or Senate—passed bill, whichever is lower. If this proves to be so, it may mean that the budget for the National Endowment for the Humanities (NEH) will be $500,000 less in FY 1983 than it was in FY 1982, since the Senate Appropriations Committee recently reduced NEH's budget for administration by $500,000. (See COSSA Legislative Report, December 10, 1982.)

There are numerous proposals to change the federal budget process now pending in Congress. Reliance on the continuing resolution is likely to continue, however, as long as budget decisions involve major changes in direction and are politically contested.
NIMH NEWS

As the COSSA Legislative Report goes to press, the Senate is about to begin crafting its version of a continuing resolution. (See "Just What Is A Continuing Resolution?" in this issue.) COSSA has just learned that, contrary to earlier reports, the continuing resolution will not automatically adopt House-determined levels for the Labor, Health and Human Services (HHS), and Education appropriation, which funds the National Institute of Mental Health (NIMH), but will negotiate differences between House and Senate versions of the bill. Consequently, COSSA is preparing letters and fact sheets for members of the conference committee urging adoption of the higher, Senate-approved level for research training at NIMH.

One Senator who was active in the Senate's decision to increase funds for NIMH's research training program was Sen. Arlen Specter (R-PA). In a letter to COSSA, Sen. Specter set out his priorities for NIMH:

"Health policies, in my view, must be guided by a determination to promote mental health by working toward preventing and treating mental illness and by rehabilitating affected individuals. These responsibilities require not only the support of mental health services programs, but also research on the biological, psychological, sociological and epidemiological aspects of mental illness, and the training of professional and para-professional personnel."

JUSTIZ CONFIRMATION PENDING

As the COSSA Legislative Report goes to press, the confirmation of Manuel Justiz as Director of the National Institute of Education (NIE) is pending on the floor of the Senate. It is hoped that confirmation action will be completed before the end of the lame-duck session.

REQUIRED READING

The Washington Post recently printed an editorial objecting to research policies at the Department of Labor. The editorial is enclosed as Attachment 2.

A recent Washington Post interview with an associate director of the National Institute of Arthritis, Diabetes, Digestive and Kidney Diseases emphasized the importance of social and behavioral science research on the lives of patients who are dependent on life preserving technologies. The December 10 article is enclosed at Attachment 3.
COSSA provides this information as a service and encourages readers to contact the agency rather than COSSA for more information.

Urban Mass Transportation Administration (UMTA) University Research and Training Program

Like DOT's Office of University Research, which COSSA reported on last week, UMTA has recently released its annual research solicitation. Details about UMTA follow:

**FY 1982 Budget:** $2 million. No increase in the past five years.

**Program Areas:** The UMTA University Research and Training Program has just issued its annual solicitation for grants. Among the research topics listed are: (1) efficiency and productivity; (2) marketing and ridership; (3) labor-management relations; (4) minority business enterprise. Within these areas, research topics of particular interest to social and behavioral scientists include: determining sources of decreased productivity in urban public transportation; identifying strategies to encourage behavioral change in favor of transit and to develop techniques to measure that change; identifying the role of federal, state, and local governments in public transit safety questions; studying innovative administration actions that reduce deficits, increase revenues and improve service.

**Disciplines Supported:** Economics, geography, sociology, political science, demography, regional and urban planning, business/management.

**Funding Mechanisms:** Grants only. Annual solicitation now available. Application deadline: February 28, 1983.

**Restrictions on Awards:** Projects should not exceed 12 months' duration, although 15 month projects will be considered. Grant requests may not exceed $85,000.

**Review Processes Employed:** In-house. Applications are referred for evaluation and ranking to experts within UMTA. Final decisions are made by the UMTA Administrator.

**Success Ratio:** In the past, 1 out of 4 applications have been funded. This year the ratio is likely to be 1 out of 8 because half of the Program's FY 1983 budget has been set aside to support 8 new university transit research and management development centers.

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O.M.B. Seeking Cuts In Urban Programs, Heating Aid to Poor

By Howard Kurtz and Spencer Rich
Washington Post Staff Writers

The Office of Management and Budget is proposing deep new spending cuts in two of the government's most popular urban aid programs and in the program that helps pay the heating bills of the poor, sources said yesterday.

OMB wants to allow only $156 million for urban development action grants (UDAG) in fiscal 1984, a two-thirds reduction from the $440 million in this year's budget, sources said.

Mayors use the action grants to attract private investment for hotels, convention centers, industrial parks and other projects.

Budget officials also want to cut community development block grants, to which nearly all cities are entitled, by $330 million to $3.12 billion in fiscal 1984.

Housing and Urban Development Secretary Samuel R. Pierce Jr. is preparing to appeal both reductions to the White House, as he did successfully last year when OMB tried to phase out the urban aid programs, sources said.

In fuel assistance for the poor, a program that is highly popular on Capitol Hill, OMB is proposing $1.3 billion for fiscal 1984, a one-third cut from Congress' tentative figure for fiscal 1983.

According to the latest figures available, the program helps pay fuel bills for about 18 million people each year, or 7 million households.

OMB, at President Reagan's behest, is trying to make $25 billion to $30 billion in domestic spending cuts next fiscal year to hold down the likely 1984 deficit while protecting the president's proposed defense buildup. But such cuts are sure to be controversial on Capitol Hill and among the affected interest groups.

Urban leaders, while grateful to Pierce for defending the urban programs, are bitterly disappointed at the proposed cutbacks. Mayors consistently point to the two grant programs, along with revenue sharing, as their most vital sources of federal aid.

"This is just an unconscionable cut," said a spokesman for the U.S. Conference of Mayors. "We were promised that these programs would not be cut again."

"It comes as a real shock," said Alan Beals, executive director of the National League of Cities. "I thought we had convinced the administration that these programs play a very important role in strengthening the economies of the cities and creating jobs."

OMB proposes to reduce the action grants by deferring $234 million in spending already approved by Congress from this year until fiscal 1984, sources said. Similarly, $912 million of this year's $3.45 billion in community development grants would be deferred until fiscal 1984. Fiscal 1984 appropriations would then be reduced accordingly.

Supporters say the action grants have attracted about $6 in private capital for every federal dollar spent on such projects as Washington's Hechinger Plaza, Baltimore's Harborplace and Detroit's Renaissance Center. Most cities use community block grants for housing rehabilitation, sewer construction and street repair.

At the Health and Human Services Department, it was learned, OMB has decided to seek $1.3 billion in fiscal 1984 to help low-income people pay their home fuel bills—about $1.85 billion from the Senate Appropriations Committee and the House have just approved for fiscal 1983.

According to documents obtained by The Washington Post, OMB Director David A. Stockman also wants to rewrite the distribution formula to restrict this aid to states with severe winter climates, a concept that HHS Secretary Richard S. Schweiker described as "highly controversial" in a letter to Stockman appealing some of the cutbacks.

In addition to the deep cuts in department personnel and in health programs reported earlier this week, Stockman is proposing these other changes in discretionary programs at HHS:

- $1.015 billion in fiscal 1984 for Head Start, which at first blush looks like a big increase over the $912 million that Congress is voting for this year, but actually is not. About four-fifths of the added money would go to pay for Head Start food costs now paid for by the Agriculture Department, so the basic program increase is only about $20 million.

- Transfer of four programs to HHS from other departments, including the Head Start food program. The others are: a $277 million employment program for older Americans, from the Labor Department; the Work Incentive Program for training and placing welfare clients in jobs, which Stockman proposed to transform into a block grant and to fund at $140 million (a 50 percent cut), and a $100 million food-distribution program that makes use of surplus agricultural commodities.

- Creation of a block grant for refugee aid, but cut 15 percent below Schweiker's $485 million request, and child welfare and children's services block grants, combining several small programs.

- A cut of 437 in Schweiker's request of 1,200 employees for the Office of Human Development Services, which handles many of the programs for children and the aging, and elimination of all the office's research funding.

In other areas, sources said OMB is proposing to cut the staff at the Education Department's Office for Civil Rights from 948 to 861. OMB also wants to eliminate Agriculture Department funding for nationwide food consumption surveys, which are used to determine whether people have adequate diets and to set minimum dietary standards for the food stamp program.
ECONOMIC POLICY-MAKERS are now caught between the desire to decrease unemployment and the fear that stimulative policies will reignite inflation. In seeking to find its way out of this economic bind, the administration has paid scant attention to labor market policies. Such policies, by encouraging companies and workers to restrain wage and price demands or by improving the match between employer needs and worker skills, might allow more expansive monetary and fiscal policies to be pursued without restimulating inflation.

One reason for this neglect may be that the current leadership at the Labor Department—the place where such things are normally considered—operates in almost complete isolation from both the mainstream of the nation's labor movement and the realities of the labor market. Bureaucratic inertia within large segments of the department has reached new heights—or perhaps depths is the better word. Management's primary preoccupations seem to be stifling the flow of information to the outside world—including other government agencies—and pursuing ancient audit discrepancies in the accounts of state and local governments.

Meanwhile, research managers are busy dismantling much of the information base that has been developed over the years about how labor markets work and what can be done to make them work better. One recent, but not unique, example is the decision to terminate a four-year study of a $280 million youth employment program before results of the research had been harvested.

The study has already demonstrated that if low-wage, part-time jobs are made available, school dropout rates and unemployment go down markedly among minority youths—a group of primary concern in efforts to reduce hard-core unemployment. What is not yet known is whether the jobs program will sufficiently improve the youth's subsequent employability to justify its substantial cost. Because the Labor Department has cut off the relatively small amount of money earmarked for the final research, no one will ever know.

This is not just a waste of millions of dollars. It's also a disturbing indication that some top administration officials either think they know everything worth knowing about the labor market or are afraid that something they find out will be uncomfortably incongruent with their preconceptions. Either way, it suggests that the administration will not be able to count on its labor advisers for the kind of help it sorely needs.
Breakthroughs May Bring Dilemmas

By Felicity Barringer
Washington Post Staff Writer

Nancy Boucot Cummings read almost everything there was to read in the past two weeks about the first successful artificial heart transplant. But for all her excitement, she said she felt some ambivalence over the coverage of the operation.

"Science is usually not break-throughs," said Cummings, a kidney disease specialist who serves as associate director of the National Institute of Arthritis, Diabetes, Digestive and Kidney Diseases. "It's a lot of careful work and suddenly there's somebody who synthesizes it. But you have disappointments. A year's worth of work can produce a negative result. It's a difficult thing."

A breakthrough such as the operation that gave a dying dentist the benefit of the latest development in high-technology medicine can spur new interest in—and, more importantly, new funds for—medical research, she says. But she says she worries that the publicity surrounding cures for desperate illness can obscure the importance of more methodical research into the causes of disease, research that ideally would make this sort of last-ditch technology unnecessary.

She also worries that the emphasis on new medical technology and its role in preserving life obscures two of the most difficult issues in health policy: Can a nation set an upper limit on the money spent to keep people alive? And what kind of life is inherited by the patients saved by the new technology?

For the past 10 years, Cummings has had a rare vantage point on these issues, because she has been in a position to help allocate the $40 million the National Institutes of Health spent last year on kidney disease, which has its own expensive miracle technology, kidney dialysis.

In 1972, Congress committed the government to providing kidney dialysis—a life-saving treatment for people whose kidneys have stopped working—to everyone who needed it. Within three years, the costs of the dialysis program had increased far beyond expectations.

In 1982, the federal government is spending an estimated $1.8 billion to support the treatment of about 70,000 patients with kidney failure. Between 65 and 75 percent of that money will go to hospitals and medical centers that provide dialysis.

Compared with the artificial heart transplanted into the chest of Barney B. Clark, which tethers him to an external unit that sits on a "grocery cart" and weighs 375 pounds, dialysis is hardly confining. Patients must be hooked up to a machine for several hours two or three times a week, to have impurities removed from their blood.

But even so, Cummings says, the suicide rate for dialysis patients is similar to that of cancer patients. "Chronic therapies don't have a quality of life that most people would accept," she notes.

Not that she opposes the idea of using medical technology to save lives. But she wants a continuing balance between research that controls disease in its final stage and study that leads to an understanding of how diseases begin and develop.

The complex process of sifting through research proposals involves a large network of independent researchers, medical schools and research institutions. Cummings' day-to-day (and night-to-night) work is taken up with the minutiae of meetings and medical journals, but her aim is to pinpoint areas where more research is needed, areas where research into kidney disease will do most good.

Like science itself, such scientific management is inevitably inexact. The proposals recommended for NIH support by a panel of kidney specialists are passed on to Cummings who reads "as much as I can of them—all the best submissions and the borderline ones." NIH is currently funding some 269 kidney research projects, with the emphasis divided between end-stage renal disease treatments like dialysis and research into causes and prevention.

Cummings is also preparing to chair a panel discussion of the ethical questions generated by expensive therapies next year at an international medical meeting. "We can do so many things now with medicine, you have to begin to ask if we're doing too much.... You can't leave these decisions to physicians. Our responsibility is to try and save lives. The question is at what point do you stop? Some people have done extraordinary things after they've gone on dialysis. And some have lived for five years—which on paper looks very good. But no one talks about the quality of their life. That's the real dilemma."