

December 10, 2012

TO: Executive Committee
American Economic Association

FROM: Robert Moffitt, Chair
American Economic Association Committee on Government Relations

RE: Annual Report for 2012

This report has two sections: (1) a brief summary of the charge and membership of this committee, and (2) a report on its activities over calendar year 2012.

The Committee

The Committee on Government Relations (CGR) was established by the AEA Executive Committee in 2009 to represent the interests of the economics profession in Washington, D.C. and other locations around the country. The charge to the CGR can be found on the CGR website at http://www.aeaweb.org/committees/Govt_Relations/about_committee.php. The committee undertakes educational functions through the development of formal and informal sources of information about legislation, regulations and agency decisions that are relevant to the scientific interests of the AEA; informing the AEA leadership and any interested members about these matters; maintaining a website where information on these topics is posted; coordinating with other organizations in the D.C. area that share an interest in social science research, exchanging information with them and communicating their activities to the AEA leadership and any interested members; monitoring the activities of federal statistical agencies in Washington and promoting the value and improvement of economic statistics; monitoring agencies that provide research funding to economists such as the National Science Foundation (NSF) and the National Institutes of Health (NIH); and generally promoting the value of economic analysis within the D.C. policy community by encouraging decision-makers and those who serve and inform them to draw on the intellectual resources of the economics profession. Consistent with the charter of the AEA, the Committee does not take positions on questions of economic policy or on any partisan matter.

The current members of the committee are Robert Moffitt (Johns Hopkins, Chair), Charles Schultze (Brookings), Catherine Eckel (University of Texas-Dallas), John Haltiwanger (University of Maryland), Charles Plott (California Institute of Technology), Richard Schmalensee (Massachusetts Institute of Technology), Joel Slemrod (University of Michigan), Jonathan Skinner (Dartmouth), James Smith (Rand Corporation), and Phillip Swagel (University of Maryland). The committee's Washington staff representative is Dan Newlon.

The Committee meets roughly every three weeks by telephone to review the issues that have come up and to make decisions. The committee also has a relatively high volume of email discussion in between meetings.

Activities in 2012

The CGR has spent many of its activities in 2012 addressing issues that have arisen in Washington related to budgetary cutbacks to statistical agencies, threats to data sets used heavily by economists, and threats to economic research at funding agencies. The committee expects that this will continue to be a major focus in 2013. On budgetary issues, the CGR and the AEA Executive Committee have agreed in past discussions that the committee will take no position on general budgetary issues in the federal government or on overall budgets for federal departments or agencies, but will concern itself only with developments that disproportionately affect economic research, economic data, or the economics profession.

ACS and Economic Censuses. In May, 2012, the House voted to eliminate funding for the American Community Survey (ACS) and targeted the Economic Census for budget cuts that the Census Bureau claimed would keep it from collecting data for the 2012 Economic Census. Both the ACS and the Economic Censuses are heavily used by economists. The CGR investigated these developments and concluded that the threats were serious. Subsequently, the Committee asked John Abowd and committee member John Haltiwanger to prepare a statement describing the importance of the ACS and the consequences of eliminating it, which they did. The CGR forwarded it to the Executive Committee who rewrote it and returned it to the CGR as a statement officially supported by the AEA. The statement was widely disseminated thereafter to members of Congress and other policy-makers, posted on the CGR website, and sent to the CGR mailing list of economists. It was also sent to the Census Project, a group which disseminated it along with statements from other research organizations for several hundred recipients. Later, Congress agreed to a continuing resolution until March, 2013, without any policy riders for the FY2013 budget, so the matter is on hold until then. Census is in the process of collecting the data for the Economic Census and the ACS under the continuing resolution.

Health Economics Research at NIH. Last Spring, a House Subcommittee responsible for NIH passed a spending bill that prohibited NIH funds from being "used for any economic research programs, projects or activities." Such a ban on intramural or extramural economic research at NIH would be impose severe harm on research that is beneficial to society and represents a direct attack on the economics profession. The CGR worked with a number of other professional associations and organizations who were also opposed to this action, especially the Consortium of Social Science Associations (COSSA) (the AEA is a member of COSSA) and asked the AEA Executive Committee in July to endorse a letter from COSSA protesting the vote. The Executive Committee approved it and the AEA's name along with that of ninety other national organizations and research institutions appeared on the COSSA letter that was sent to the House leadership. The CGR also contacted Gary Becker and James Heckman to ask them if they would be willing to help, and they subsequently wrote an Op-Ed for the Wall Street Journal on the substantial public benefits from research in health economics. Congressional action on the issue has been postponed by the same Continuing Resolution mentioned above.

The CGR is currently undertaking three more activities in preparation for further defense of health economics research at NIH. One is that we are collecting descriptions of research findings from economists who have been funded by NIH and will use these as examples of important economic research funded by NIH. Second, we will be discussing with NBER health economists the possibility of conducting a briefing on the Hill in the Spring on the value of health economics research. Third, the Committee is considering sending a delegation of economists to meet with the Director of NIH to discuss economic research.

National Longitudinal Surveys (NLS). Last February, the Bureau of Labor Statistics (BLS) announced that it would impose cuts in its current, FY2012 budget for funding for the NLS that would have forced it to close down its Spring interview round. The CGR coordinated with the economists at the National Opinion Research Center (NORC), Center for Human Resource Research at Ohio State University, members of the NLS Technical Review Committee, professional associations, and influential economists within the Administration to convince BLS to restore funding for the NLS. The BLS reversed its decision in March but only for FY2012 cuts and announced that it would continue funding the NLS for at least two more years but with no commitment after that. The CGR also co-sponsored with NORC Congressional briefings on the NLS in June. In July, the CGR asked Janet Currie to make a presentation on her research using the NLSY at a Congressional Reception and Science Exhibition celebrating the 50th Anniversary of NICHD, which she did.

Other Activities. In addition to its activities to these three threats to data and economic research, the CGR conducted activities on a number of other topics during 2012. Two of these concerned the Council of Professional Associations on Federal Statistics (COPAFS) and Human Subject Protections. For the first of these, the CGR reconsidered the current dues being paid to COPAFS by the AEA for its membership and, because of favorable developments at that organization, voted to recommend to increase the AEA dues. For the second of these, the CGR has been working with the National Academy of Sciences/National Research Council to express support for the organization of a workshop, and possibly an NRC panel, to consider recommendations to the federal government as part of its undergoing revision of federal human subject regulations (called the "Common Rule").

On other issues, the CGR continued to support changes in the IRS code that would allow the Bureau of Economic Analysis (BEA), BLS and Census to synchronize data by reconciling their business address lists, an old issue that economists inside and outside of government have been working on for many years. Letters were written by distinguished economist constituents to influential members of the House Representatives asking them to support adding the changes in the IRS code to pending legislation. Two CGR members, John Haltiwanger and Phillip Swagel, met with key Congressional staff on this issue. Dan Newlon met frequently with BEA and CEA staff responsible for getting data synchronization through Congress. So far these efforts have been unsuccessful.

NSF budget plans for FY2013 called for "a general reduction for core programs to provide resources for enhancement and implementation of other programs related to directorate priorities." The implication was that funding for the Economics program would be cut and those

funds would be redirected toward new interdisciplinary programs at NSF. This proposal differed from past NSF proposals for more interdisciplinary research, for, in the past, those proposals have found new funds for those efforts and have not taken them away from the core programs. The CGR worked on this issue by discussing it both with NSF administrators and with outside organizations in a variety of ways. Funding reductions for the Economics program at NSF nevertheless are likely to occur.

Late last year the SSA stopped making the death records that it receives from the states accessible to research outside the government. This means that about forty percent of the death records compiled by the SSA each year are no longer available for longitudinal surveys and academic research. Legislation is pending in Congress that would cut off all public access to death records. Dan Newlon is working with staff at NIH staff and the Council of Economic Advisers to try and establish a protocol with SSA that would give government grantees access to SSA death records on a restricted basis, i.e., the grantees could use the data but could not disseminate it to others outside the government. Newlon, Mary Jo Hoeksema from the Population Association of America and members of the National Academy of Sciences met with House legislative staff on this issue.

The CGR often recommends economist appointments for vacancies within the federal government and for economist appointments. It recommended economists names for the Census Bureau's Scientific Advisory Committee and has been active in recommending that an economist be appointed to the research staff of the National Institute for Child Health and Human Development (NICHD) at NIH. It also supported the application of a social scientist for the position of Director of Extramural Research at NICHD.