

DATE: December 2, 2015
TO: AMERICAN ECONOMIC ASSOCIATION
FROM: Jonathan Skinner, Chair
American Economic Association Committee on Government Relations
RE: Annual Report for 2015

The current members of the American Economic Association Committee on Government Relations (CGR) are Jonathan Skinner (Dartmouth, Chair), Katherine Baicker (Harvard), Maureen Cropper (Maryland), Mark Duggan (Stanford), Dana Goldman (USC), Maurine Haver (Haver Analytics), Charles Holt (Virginia), Susan Houseman (UpJohn), Nina Pavcnik (Dartmouth), Phillip Swagel (Maryland), Betsey Stevenson (Michigan) and John Taylor (Stanford).

The CGR was established in 2009 to represent the interests of the economics profession in Washington, D.C. and other locations around the country. A description of the Committee's primary activities may be found on its [website](#). The Committee does not take positions on questions of economic policy or on any partisan matter. It meets roughly every 4 weeks by phone.

There are no Action Items for the Executive Committee this year.

Dan Newlon, the AEA Washington representative, continues to meet often with government officials and other professional groups to coordinate activities. For example, this year he met with key Congressional staff and members of Congress. He also met with the Consortium of Social Science Associations (COSSA), the Census Project, the Coalition of National Science Funding, Friends of BLS, and other organizations whose interests overlap with those of the AEA and with the relevant staffs at the National Science Foundation (NSF), the National Institutes of Health (NIH), Census, the Bureau of Labor Statistics (BLS) and the Bureau of Economic Analysis (BEA). Newlon is a member of the Board of the Council of Professional Associations on Statistics (COPAFS) and he, Julia Lane and Peter Rousseau represent the AEA at its quarterly meetings.

During this past year, working closely with AEASat, most of our time has focused on continued threats in Washington to funding for economic data used by economists, research funding in economics, and improving data quality. We report on these below.

1. Threats to Economic Data Collection

1.a. Bureau of Labor Statistics Data. A Senate appropriation bill for BLS would force BLS to permanently eliminate some of its surveys.

In 2014 the CGR contacted sixty-six economics departments in the states with Senators on the Appropriations Committee about contacting their Senators on short notice if threats to economic research and economic data became serious. In 2015 AEASat and CGR focused their initial outreach on economists from these states in a combined effort to educate AEA members about three distinct issues: BLS survey cuts, Census/ACS funding cuts, and NSF funding cuts. (Census and NSF efforts are considered separately below.) Letters from the two committees were emailed to BLS users, and chairs in these states.

Katharine Abraham, Steve Davis and John Haltiwanger wrote an op-ed for *Roll Call* on the BLS (<http://goo.gl/kMLK8x>) which prompted similar articles in other publications.

1.b. Census Data. Bills passing the House and the Senate Appropriations Committee will impair preparations for the 2020 Decennial Census and the 2017 Economic Census. The House also voted to make the American Community Survey (ACS) voluntary and cut its budget substantially.

Newlon identified a large number of economists in key states who were current or previous users of Census and ACS data. Like the BLS and NSF outreach efforts, letters from the two committees were emailed to department chairs and users of these data. Follow-up letters were sent to those who responded asking for updates on their activities.

Jointly with AEASat, the Committee also issued a public statement on the value of ACS to economic research and wrote a letter itself to Congress described the value of Census data sets to economists and their research. One economist contacted by the CGR wrote an op-ed in support of Census data for research, which is expected to be coming out soon.

1.c. Quarterly Financial Report. The Committees responsible for Census failed to re-authorize Census' survey for the Quarterly Financial Report (QFR) before its authority ended and Census had to delay surveying businesses on their financial activities during the third quarter of 2015.

AEASat and CGR worked with the Census Project and the National Association on Business Economics (NABE) to get Congress to reauthorize the QFR. Newlon and CGR member Maurine Haver emailed statements to appropriate Senate staff about the importance of reauthorizing the QFR as soon as they were alerted that the Senate might miss the deadline for passing legislation to reauthorize the survey for the QFR. Newlon contacted David Wessel, which led to a Wall Street Journal article (<http://goo.gl/R0Kfx1>) which Newlon circulated to key staffers in the Senate and House. Ultimately the QFR was funded.

2. Threats to Economic Research Funding

2.a. National Science Foundation. Two bills passed the House that would cut NSF's social, behavioral, and economic (SBE) sciences budget by as much as one-half.

The CGR sent out a statement to its mailing list about the May 18th vote on NSF with links to COSSA's analysis of the legislation, statement opposing targeting the social and behavioral sciences for severe budget cuts, and its legislative alert. In addition, Newlon contacted economics departments in states with Republican Appropriation Committee members, and former and current NSF grantees, as well as former members of the NSF Economics Panel, regarding the threat to NSF funding. Follow-up letters were sent to those who responded asking for updates on their activities. Editing assistance was provided for several op-eds supporting the NSF; these are being shopped to newspapers now.

As a general educational approach, the AEA co-sponsored an exhibit by Jonathan Meer, Texas A&M on "Philanthropy, Volunteerism, and Altruism" at the Congressional Science Exhibition and Reception organized by the CNSF at the end of April. Meer and Newlon also met with Congressional staff from members of the Texas delegation, including Senators Cruz and Cornyn and Representative Lamar Smith.

2.b. National Institutes of Health. NIH's FY2015 appropriations states that NIH's Common Fund has no funding for research "related to health care financing reform and insurance incentive activities related to the Affordable Care Act." This was part of a continuing campaign by some members of Congress to pressure NIH to restrict or even eliminate its funding of health related economic data and research. However, NIH issued guidelines (<https://goo.gl/IHcIPx>) on November 25th that outlined NIH priorities for health economics research. There were many topics that were given official recognition by NIH as topics relevant for funding, typically those relating to health outcomes, but some topics were identified as low priority, such as the financing of health care, issues related to the cost of health care (without reference to quality), the industrial organization of health care, and supply of the health care personnel (e.g., the shortage of RNs).

The CGR has co-sponsored events that disseminate NIH social science research findings. It agreed to co-sponsor with the Population Association of America a congressional briefing on April 17th entitled: "The Vow Factor: Effects of Marriage and Family Formation on Health and Well Being." It also co-sponsored the celebration of the 20th anniversary of the Office of Behavioral and Social Science Research (OBSSR) "Healthier Lives Through NIH-Supported Behavioral and Social Sciences Research" on Capitol Hill on June 24th.

3. Improving Data Quality:

This section reports on joint efforts with AEAStat to maintain or improve the quality of economic data.

3.a. Access to the Death Master File. Social scientists lost access to the state death records in 2011 when the Social Security Administration decided it legally could not continue to make these records available to the public. Then the Bipartisan Budget Act of 2013 limited timely access to the remaining death records to those with "a legitimate fraud prevention or a legitimate business purpose pursuant to a law, governmental rule, regulation, or fiduciary duty." The CGR continued its efforts to restore access to Death Master File (DMF) data for economic research and economic surveys. Newlon has been in contact with the National Center for Health Statistics about finding ways researchers might access state death records either through the National Death Index (NDI), the Electronic Death Registration System (EDRS) or some other alternative, but we have not yet found a way around legal and financial problems.

3.b. Data Synchronization. In 2015 the President's budget request proposed "to augment BEA's current access to business tax data and permit BLS to receive Census Bureau data for businesses with limited tax information." Unfortunately, the Administration and the Democrat sponsor backed away from the data synchronization legislation because the lead person at the Department of Commerce thought these agencies might be able to synchronize their data without new legislation.

This proved to be impossible and CGR is in touch with new leadership at the Department of Commerce who we hope will give data synchronization a high priority.

3.c. Commission on Federal Administrative Data. The bipartisan Evidence-Based Policymaking Commission Act of 2015 (H.R. 1831) introduced by Rep. Paul Ryan (R-WI) with companion legislation introduced in the Senate (S. 991) by Sen. Patty Murray (D-WA) would establish a 15 member commission tasked with studying how best to expand the use of and/or coordinate federal administrative data for use in evaluation of federal programs. The commission would also explore whether to establish a federal clearinghouse for program and survey data, which would be accessible to "qualified researchers" from the public and private sectors. The bill passed the House in July and is expected to pass the Senate. The CGR worked with economists advising Paul Ryan to bring this legislation about.

3.d. Revisions in the Common Rule. Proposed revisions in the Common Rule proposed would have increased substantially its burden by making Health Insurance Portability and Accountability Act (HIPAA) the standard for social and behavioral science data privacy and security. This was dropped and new regulations were proposed in 2015 that would reduce the burden of IRB review on economic research, in part due to an influential National Academies of Science report "Proposed Revisions to the Common Rule for the Protection of Human Subjects in the Behavioral and Social Sciences." CGR helped finance the report; suggested the names of three economists on the panel that prepared the report; and helped disseminate its findings.

4. Things the CGR did NOT do

The CGR declined to endorse various sign-on letters from CNSF, COPAFS and the Census Project because the letters asked Congress to approve specific budget requests for NSF, Census and BLS. We have also avoided taking a position on the voluntary nature of the ACS, preferring instead to point out that switching to voluntary response will lead to worse data quality, or equivalently requiring more money to attain equivalent quality.

The CGR declined to endorse letters supporting the Administration's budget request from the Ad Hoc Coalition for Medical Research, ResearchAmerica!, the Friends of NIA and Friends of NICHD.

The House voted to terminate the Agency for Healthcare Research and Quality (AHRQ) and the Senate Appropriations Committee voted to decrease its budget by 36%. The House also voted to cut the budget of the National Center for Health Statistics (NCHS). The CGR decided to monitor but not participate in a very active campaign by Friends of AHRQ and NCHS to support these agencies.