

Fear of Lobbying

An empowering primer for science & engineering
professional societies

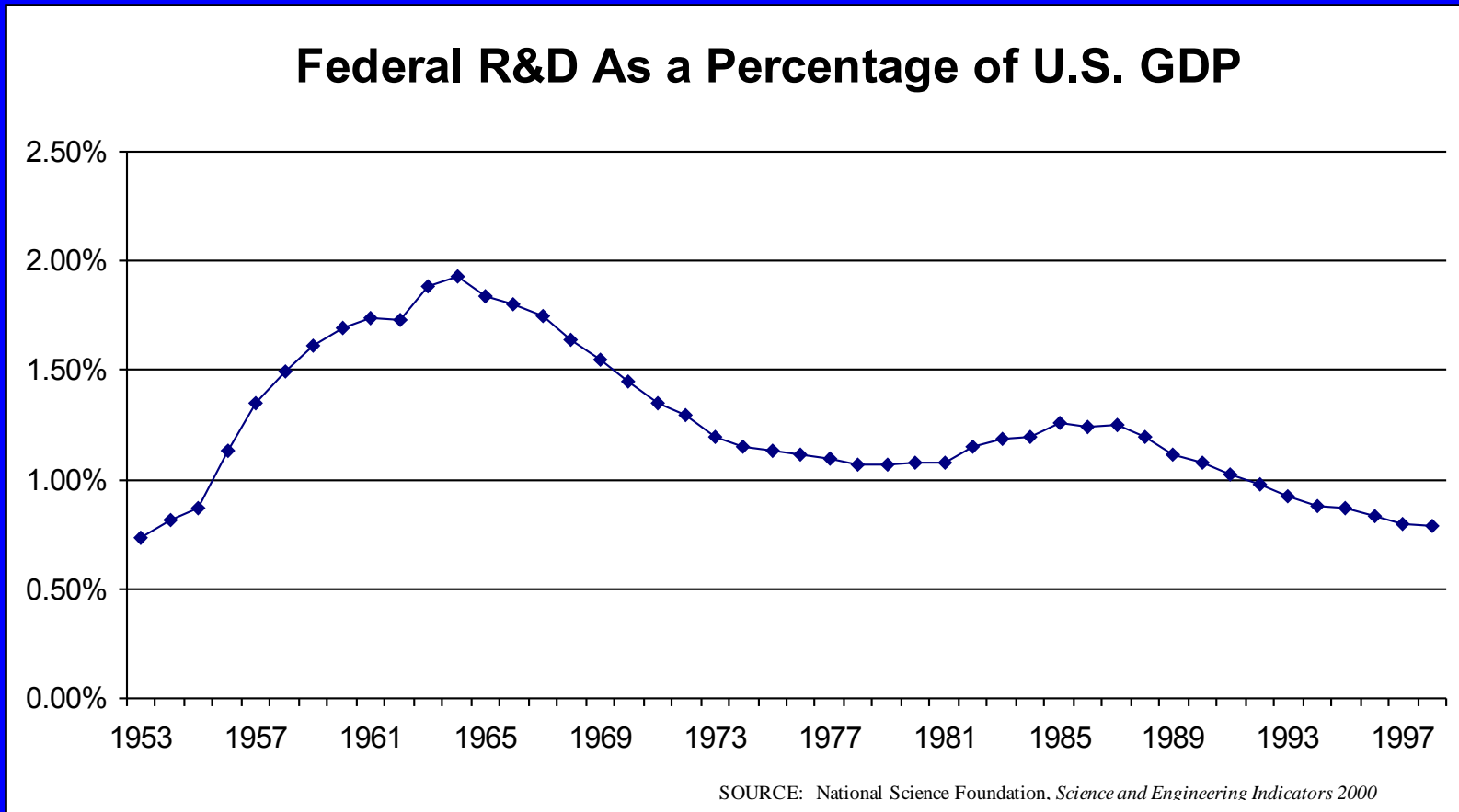
Merrilea J. Mayo

Vice-President and President-Elect, 2002

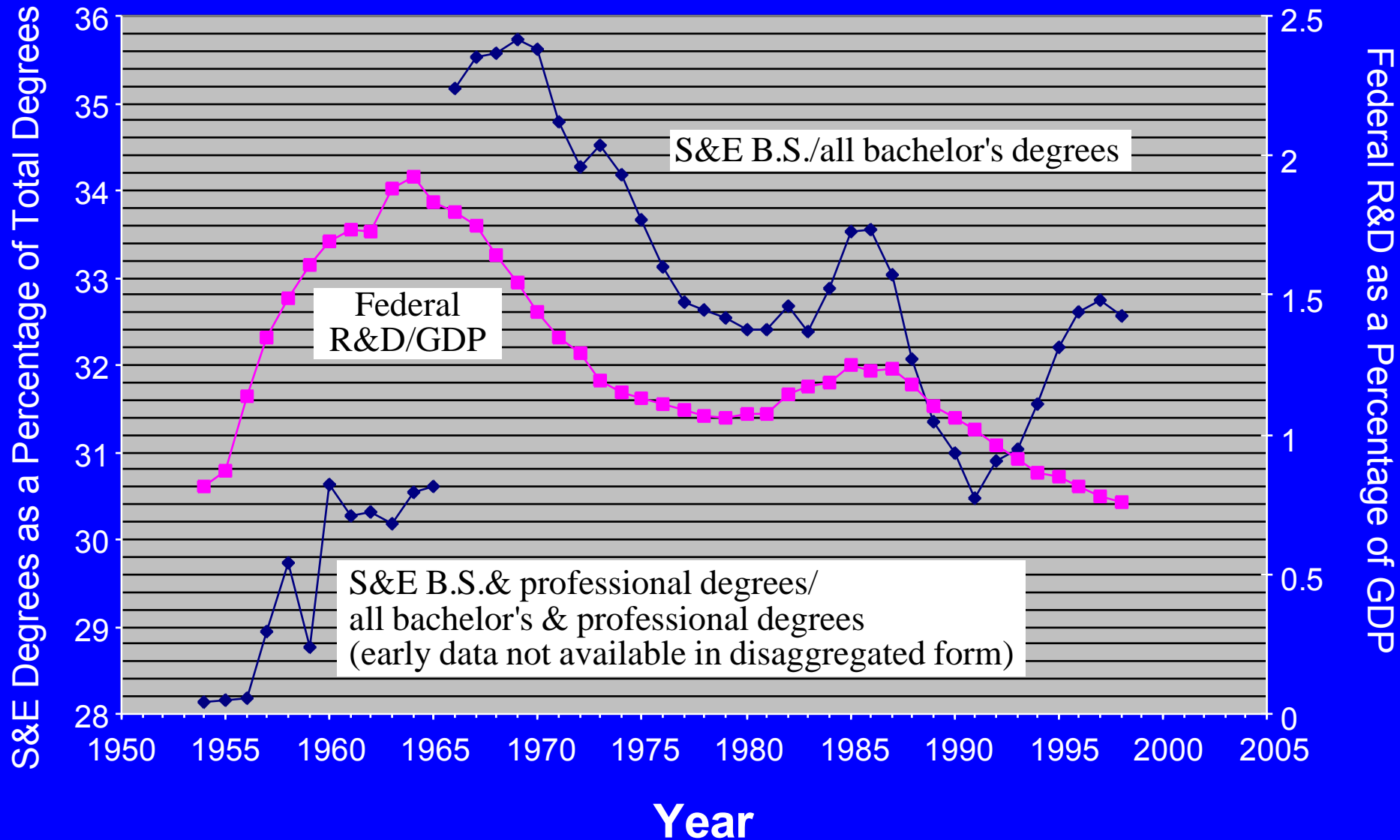
Materials Research Society

Warning: nothing herein constitutes legal advice in any way, shape or form. Please consult a lawyer for a complete understanding of applicable IRS rules and lobbying regulations.

Federal R&D As a Percentage of GDP Is in Long Term Decline



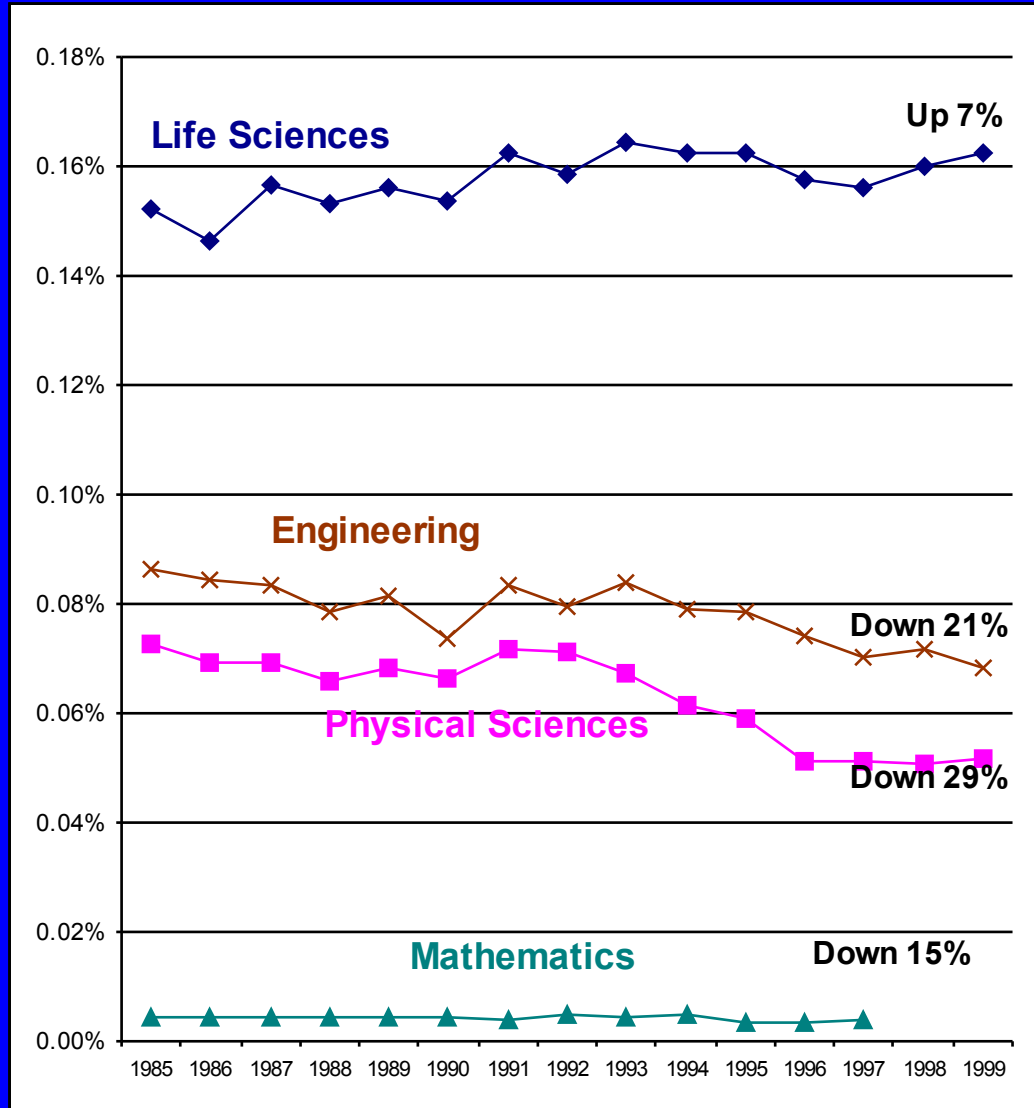
R&D Funding Drives Production of S&E Students



Data compiled by David Bruggeman, NRC. Sources: Science and Engineering Degrees 1966-1998, NSF, 2001; Historical Database for National Patterns, NSF, 2000; Digest of Educational Statistics, NCES.

Federal R&D as a Share of GDP

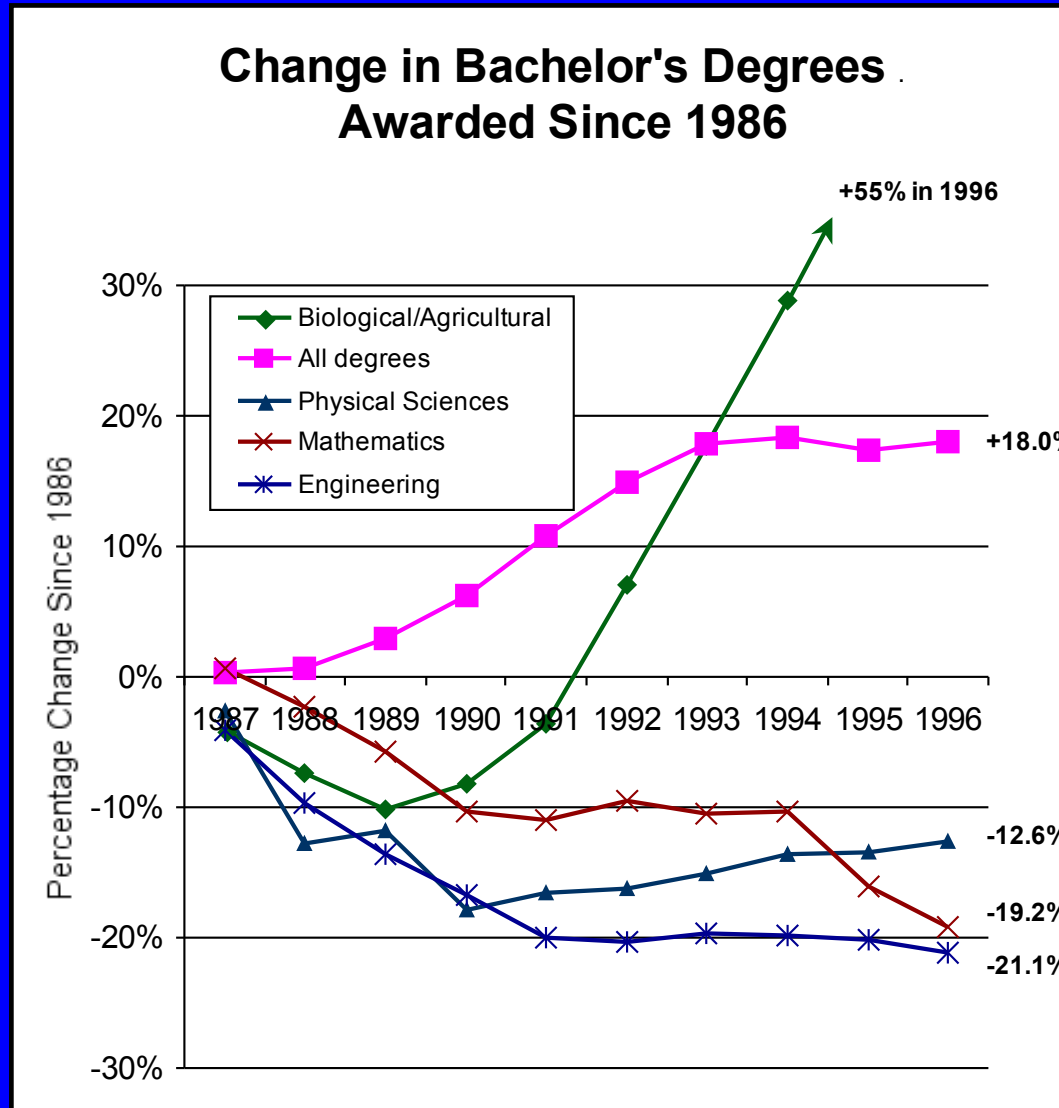
Life
Sciences
Up...



...Engineering,
Physical
Sciences,
and Math
Down

Bachelor's Students Follow the R&D Funding Trends

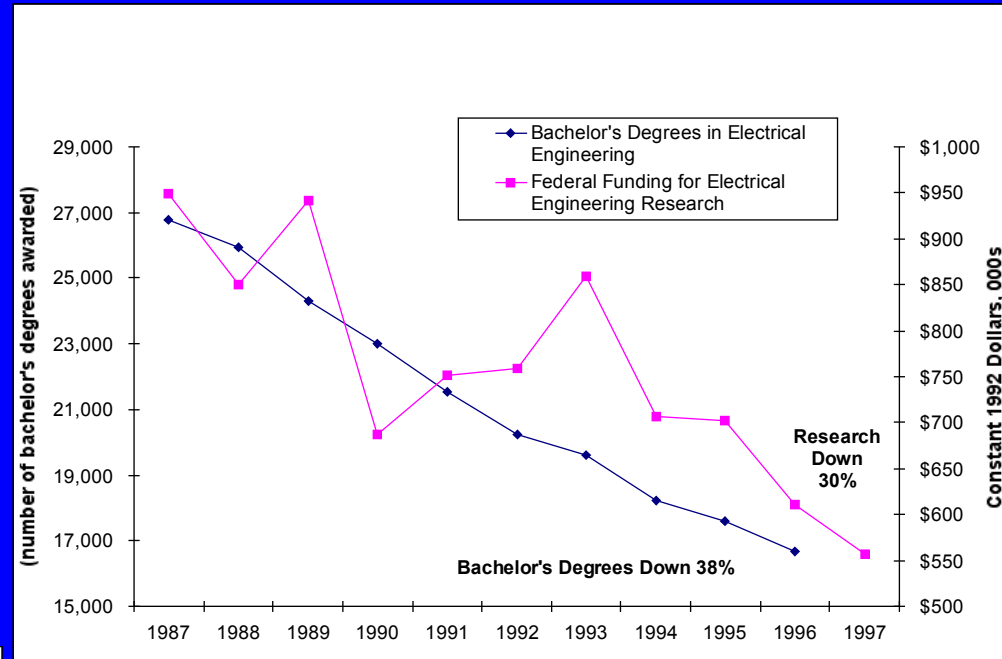
Life
Sciences
Up...



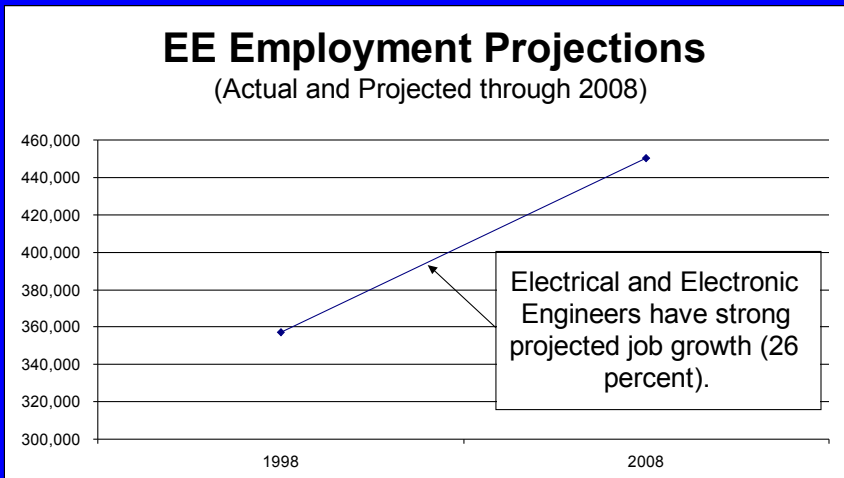
...Engineering,
Physical
Sciences,
and Math
Down

B.S. Students Follow the R&D Funding, Not Jobs

Electrical Engineering Research and EE Degree Production Are Down...



SOURCE: National Science Foundation, *Science and Engineering Indicators 2000*

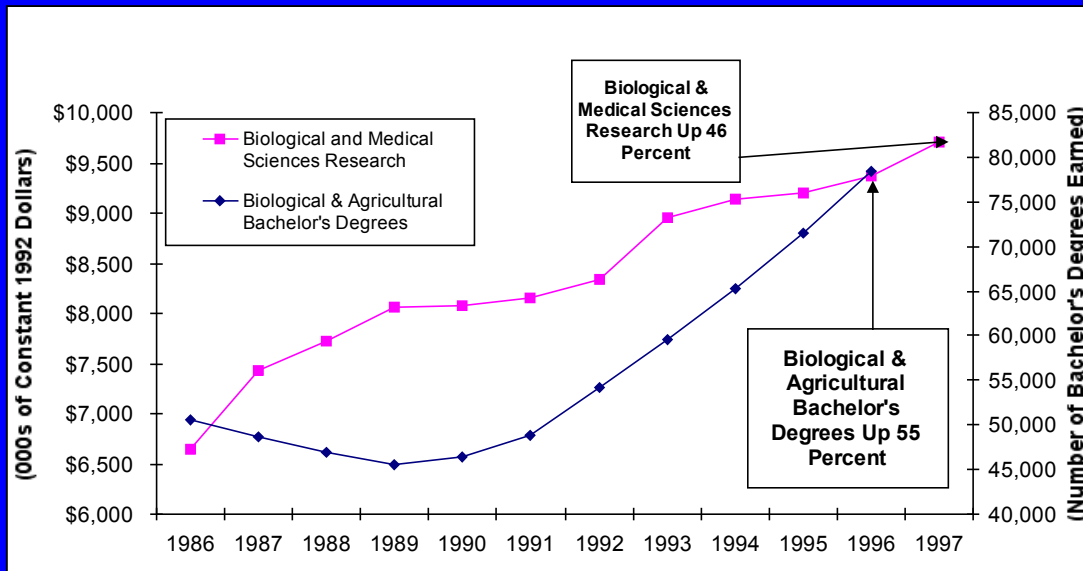


...While EE Employment is Projected to Increase Rapidly.

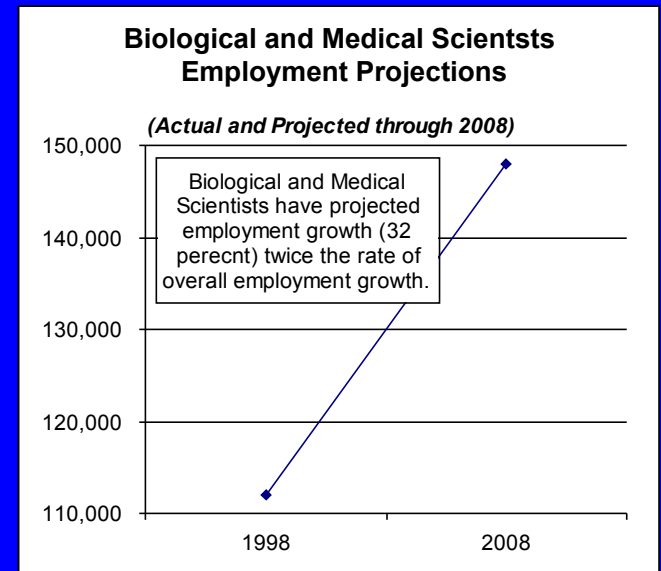
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 1998-2008 Occupational Projections

B.S. Students Follow the R&D Funding

(Job availability for Life Sciences is similar to that for EE,
but B.S. output is dramatically greater)



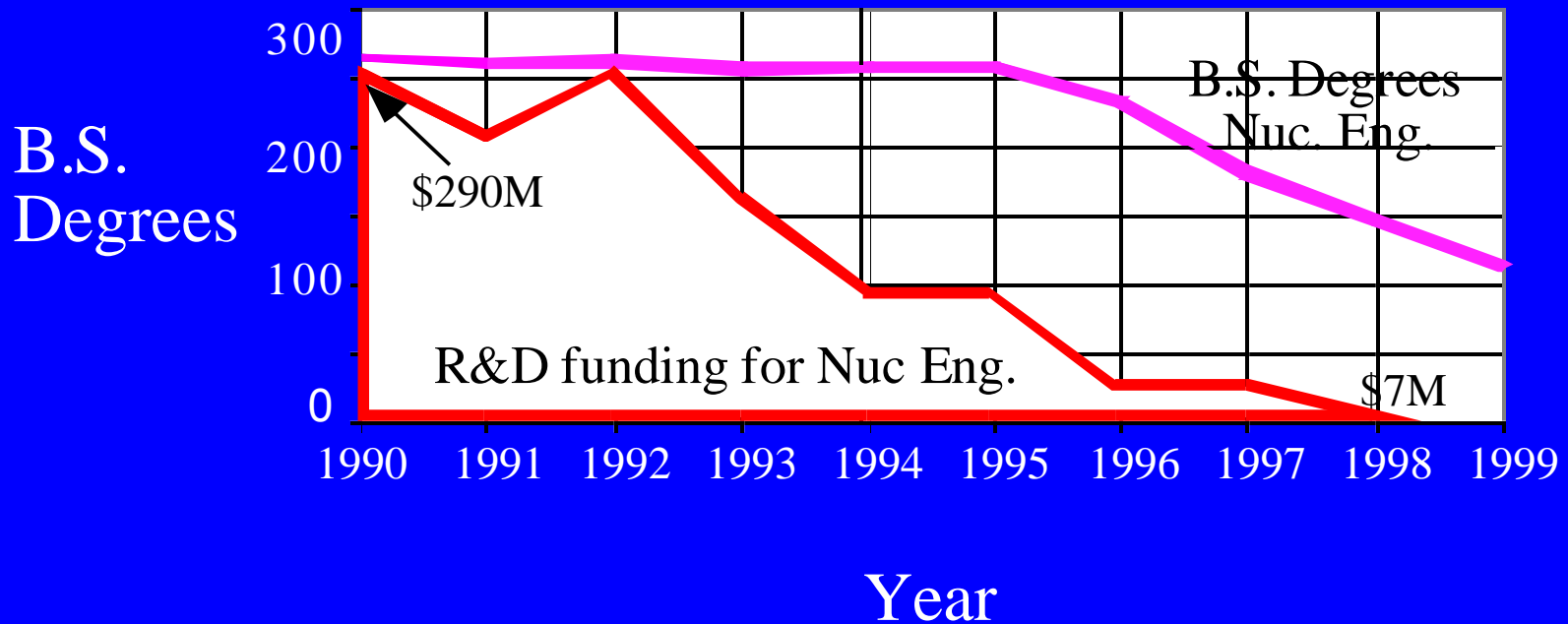
SOURCE: National Science Foundation, *Science and Engineering Indicators 2000*



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, 1998-2008 Occupational Projections

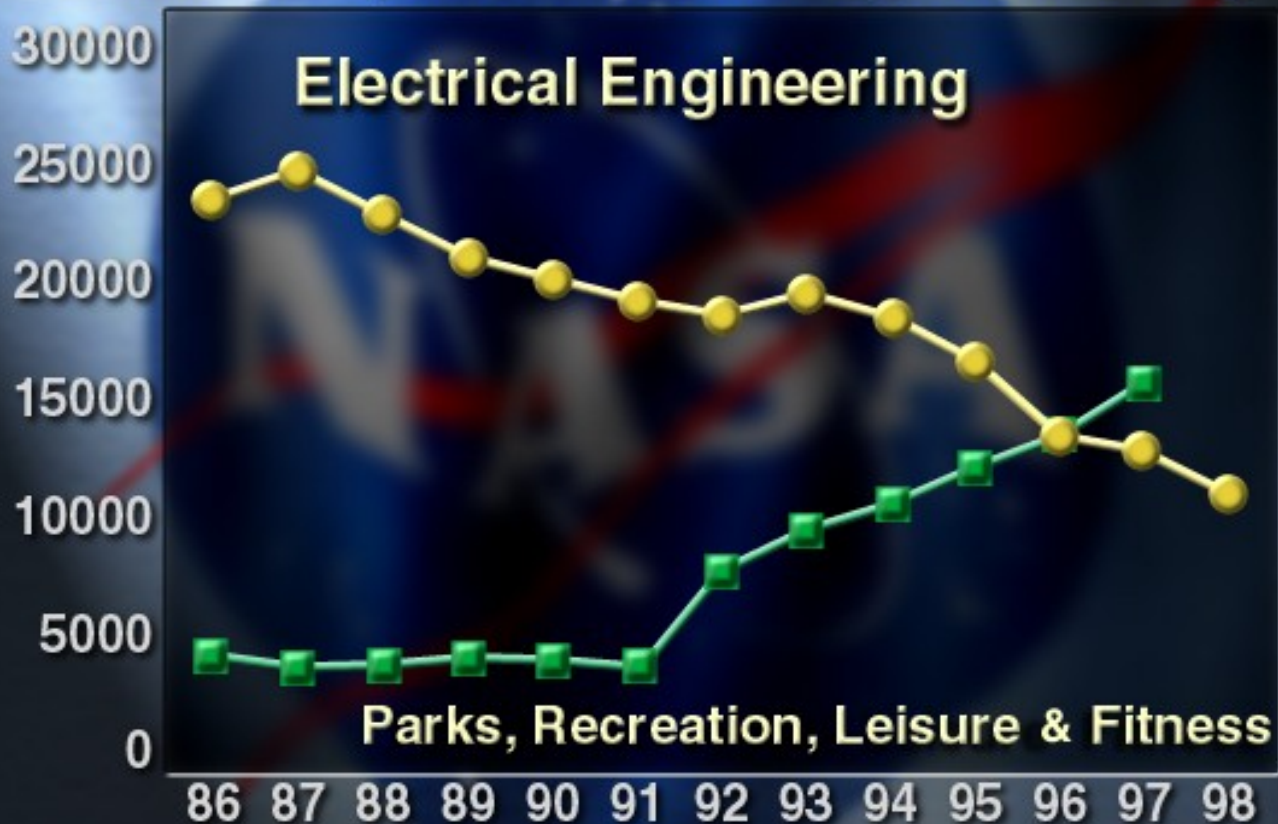
***Biological and Life Sciences Degrees,
Research and Jobs Are Up, Up, Up***

Plummeting Research \$ Extinguishes B.S. Students in Nuclear Engineering approx. 4 years later



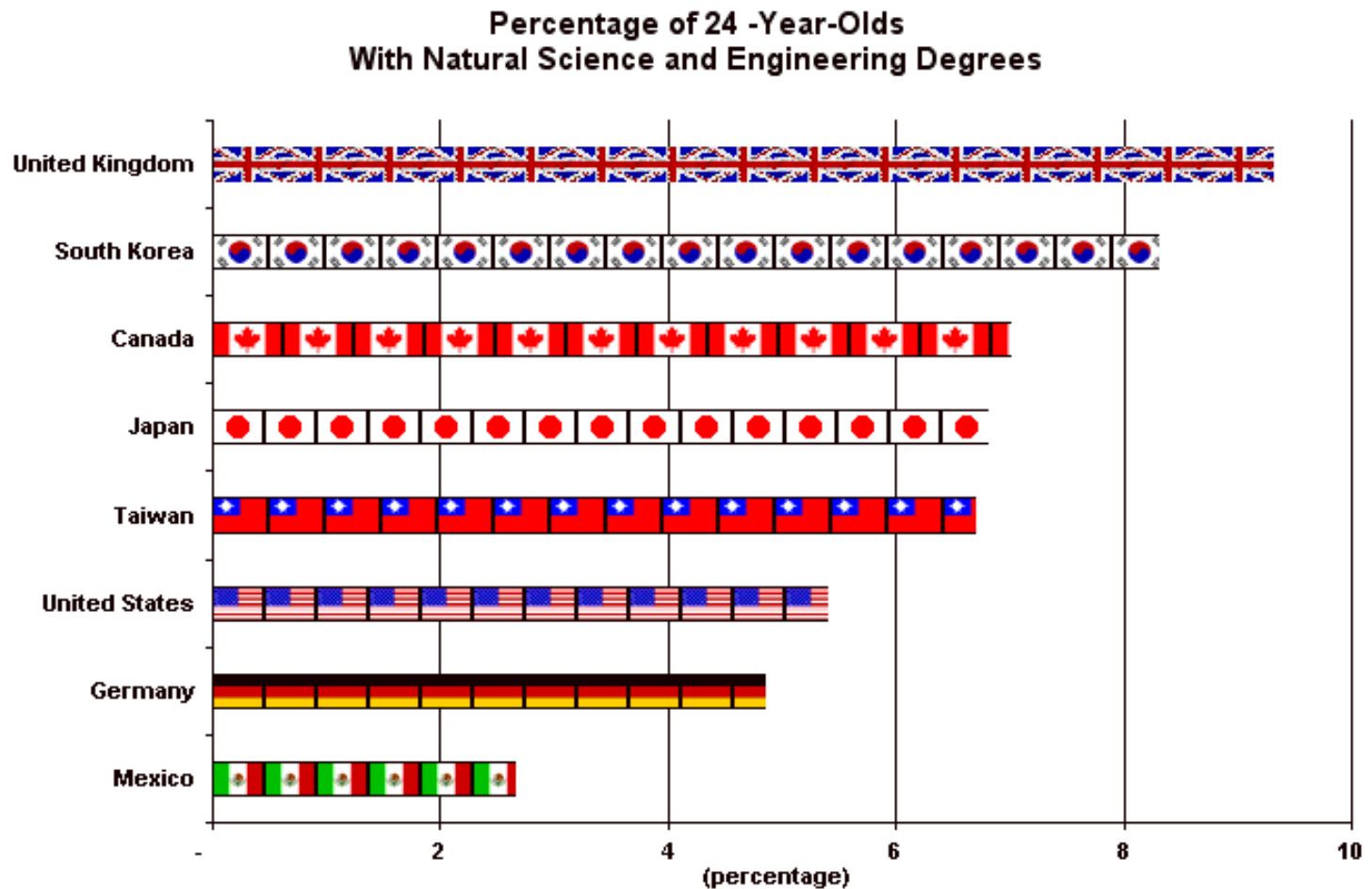
Students See No Future in Engineering

BACHELOR'S DEGREES Awarded by Institutions of Higher Learning

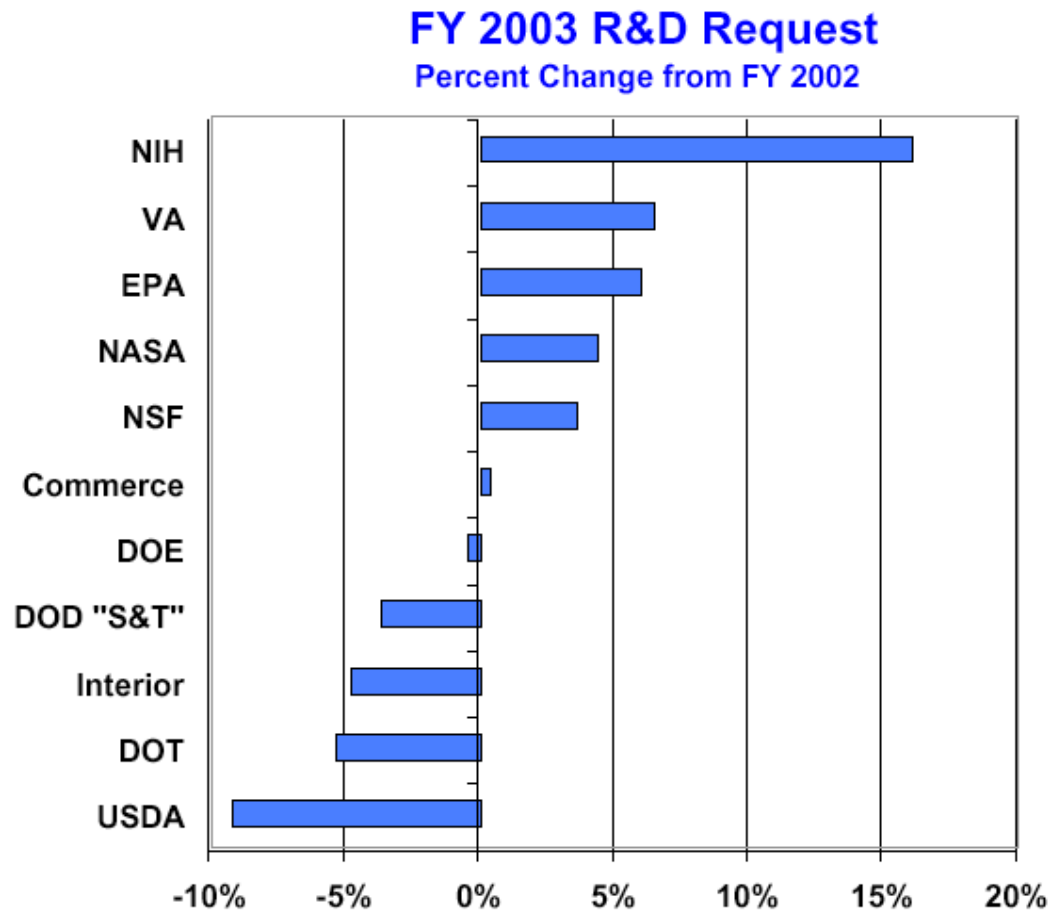


Global Competitiveness: Workforce

U.S. Lags Other Nations in Share of 24-year-olds With Natural Science, Engineering Degrees



R&D Funding Drives Student Production, but Where is the Funding Going?



Source: AAAS, based on OMB R&D Budget Data and agency estimates for FY 2003, DOD "S&T" = DOD R&D in "6.1" through "6.3" categories plus medical research.

MARCH '02 REVISED © 2002 AAAS

The Problem

- No R&D funding from the government, no trained people from the universities.
- No trained people, no industry in the U.S:
 - "...If there are not enough trained people in the U.S., corporations will have to move R&D operations to where the trained people are. The pilot plant follows, because you need the R&D people nearby to help make it work. The manufacturing plant follows the pilot plant. Distribution, sales, and management follow the manufacturing. Once this process is started, it is not reversible. Corporations may not like it but they will survive if there is no R&D in the U.S. They will just go overseas. The U.S. economy, however, will not recover from the loss of this business." --Bill Joyce, CEO of Hercules
- No industry in the U.S., no economy.

The Solution

- Lobby for more federal R&D funding for the physical sciences, math, and engineering disciplines
(or change the system of drivers operating in today's universities)

Physical Science & Engineering Professional Societies Suffer from “Fear Of Lobbying”

- Rough ratio of letters to Congress in support of physical sciences vs. life sciences is 1 or 2 to 250
- Many appropriators have never been approached at all with regard to the “imbalance” issue.
- Politics is still “dirty” to many professional societies representing the physical sciences. Culturally, we aren’t fond of lobbying.
 - “We’re scientists, not politicians”
 - » Leery of spending money on lobbyist, orchestrating trips to the Hill
 - » Individuals visiting Washington on other business rarely bother to see their Congressmen on the same trip.
 - No multimillion dollar, 400+ member organization umbrella advocacy group, like those representing the life sciences
 - Everyone thinks someone else is lobbying on behalf of the physical sciences, but no one is.
 - » Not the National Academies - not in its job description
 - » Not the National/Government Laboratories - forbidden by law
 - » Not the major industries - uninterested (except IBM)
 - » Not the federal agencies - forbidden by law
 - » Not the universities -historically pork centric; changing over the past several years

Spectrum of Public Policy Engagement (typical for science and engineering professional societies)



Types of Non-Profits

- 501 (c)(3): May not lobby or advocate on behalf of candidates for office *at all*. May lobby on behalf of issues, as long as that lobbying is not “substantial.”
- 501 (c)(4): May use 100% of its yearly expenditures on issues lobbying. May conduct *limited* activities on behalf of candidates for office.
- 501 (c)(6): May use 100% of its yearly expenditures on candidate lobbying. Popularly known as a “PAC.”

If we lobby, we'll lose our 501 (c) (3) status!

501 (c) (3)

- Cannot do “substantial lobbying”
- What is “substantial?”
- What is “lobbying?”
- Neither is defined. Many organizations nervous.
- In practice, both are more generous than you might think
- Must keep track of activities and expenses involved in lobbying.
- Punishment for exceeding the lobbying limit is permanent loss of 501 (c) (3) status and personal liability for Executive Director.

501 (h) election

- A one page IRS form that can be filled out by the (c) (3), and can be revoked at will.
- Binds the organization to a concrete definition of “substantial” and “lobbying”
- Otherwise has no effect on non-profit status of the organization.
- Must keep track of only expenses involved in lobbying.
- Punishment for exceeding the lobbying limit is a fine based on the exceeded dollar amount. (Loss of non-profit status occurs only after 4 years of 150% abuse)

501 (h) criteria

Substantial

- \$100K for a \$500K organization; \$1M for a \$17M organization. Sliding scale in between.
- 25% of permissible \$ can be spent on “grassroots” lobbying
 - Grassroots = contacting non-members and asking them to contact their legislators on a specific bill
- Activity must actually cost money to count: blast emails, volunteer’s self-paid travel and time do not count

Lobbying

- Three criteria must all be met
 - Must communicate directly with a legislator or encourage others to contact legislator
 - Must take a position on the issue
 - Must refer to a specific piece of legislation
- Things that do not count:
 - Conveying information to members for which there is no “call to action”
 - Non-partisan analysis
 - Conveying general information to the Hill for which there is no bill
 - Time/money spent on background research on an issue
 - Congressional Fellows
 - Materials originally created and disseminated widely for non-lobbying purposes that were subsequently (>6 months later) used for lobbying.

Sliding Scale for Lobbying Expenditure Ceilings Under 501 (h)

<u>Exempt Purpose Expenditures</u>	<u>Total Lobbying Ceiling</u>	<u>Grassroots Lobbying Ceiling</u>
Up to \$500,000	20%	5%
\$500,000-\$1,000,000	\$100,000 + 15% of excess over \$500,000	\$25,000 + 3.75% of excess over \$500,000
\$1,000,000-\$1,500,000	\$175,000 + 10% of excess over \$1,000,000	\$43,750 + 2.5% of excess over \$1,000,000
\$1,500,000 - \$17,000,000	\$225,000 + 5% of excess over \$1,500,000	\$56,250 + 1.25% of excess over \$1,500,000
\$17,000,000	\$1,000,000	\$250,000

I'm a government employee and I'll get put in jail if I lobby!

Federal Employees (Federal Agencies; Congress; White House)

- Cannot lobby.
- Needs to consult employer's rules before taking an elected officer position within a society that does lobby. Can serve, but with restrictions.
- Can contact their own legislator as an individual on issues not related to their work institution.

Non-Federal Employees (National Labs; Contractors; National Academies)

- Cannot lobby wearing their government "hat."
- Can often lobby wearing their society "hat." Need to consult employer for exact rules, esp. regarding expense reimbursement.
- Can participate in government affairs discussions and take elected officer positions within a society that does lobby.

I don't want to exert "undue influence" on legislators and disrupt the legislative process!

- Fat chance! Scientists and engineers are about the least powerful lobby out there.
 - Lower ammunition: e.g., veterans vs. NSF in VA-HUD appropriations
 - More difficult target than most: (approx.) $7 \times 2 \times 2 =$ (approx) 28 committees involved in science
 - We're getting better. Now, "about as effective as the beer distributor lobby."
- Making the case for what you want directly to the legislature *is* the legislative process
 - It is the expected first step
 - Your request is weighed with all others - and there are many
 - Conveying your needs and situation by ESP does not result in money arriving by astral projection.
 - Griping about politics with your colleagues is also not an effective transmittal mechanism.
 - Groups that do not participate in the "process" and then expect results are considered naïve

I'd be embarrassed to write/contact my legislator and not get all the facts right!

Letters

- This is not a research paper! No one is grading you.
- All constituent mail is read and tallied, regardless
 - Postcard with only “Dump Bubba” = 1 vote for impeach Clinton
- Mail on non-standard issues for which there is no prewritten form letter response (=science) usually is handled with a personal response from staff
- Bottom line message is what counts.
- Courtesy point: < 2 pages

Visits

- Go with a group (e.g., Congressional Visits Days) first, if you'd like to see how it's done
- They *have* to talk to you. You are their employer, and ultimately have the upper hand.
- Can make an appointment by calling either Washington or district office. Ask to speak to the legislative assistant responsible for science and technology issues.
- Bottom line message is what counts. What do you want them to do?
- Courtesy point: show up on time, neatly dressed, have business cards to pass out. Also, remember to tell your society you're going!

Fear of lobbying is minor, and can be redressed with a minor information campaign. The repercussions for the nation are major.

- No lobbying, no R&D funding from the government.
- No R&D funding from the government, no trained people from the universities.
- No trained people, no industry in the U.S.
- No industry in the U.S., no economy.

We can fix this, but we are the *only* ones who can fix this.

References on Lobbying for the Non-Profit Corporation

- Thomas A Troyer, Walter B. Slocombe, and Eileen M. Mallon, “Final Lobbying Regulations Provide Workable Guidance,” *The Journal of Taxation*, Feb. 1991, pp. 124-130.
- B. Holly Schadler, “The Connection: Strategies for Creating and Operating 501(c)(3)s, 501(c)(4)s and PACs” (Washington, DC: Alliance for Justice, 1998).
- Elizabeth Kingsly, Gail Harmon, John Pomeranz, and Kay Guinane, “E-Advocacy for Nonprofits: The Law of Lobbying and Election-Related Activity on the Net” (Washington, DC: Alliance for Justice, 2000).