

The Opinion Page

AAUW Examines Debt

POTSDAM - Congress and the White House reached a last-minute agreement to avert default on the government's financial obligations. A default would have hurt market confidence in the U.S., affecting bond prices, the strength of the dollar, and stock markets worldwide.

Although the Congress and president eventually reached a deal to lift the debt limit, questions remain about that deal's ability to significantly reduce America's deficit. This uncertainty prompted Standard & Poor's, a major financial firm, to downgrade the U.S.'s credit rating one notch for the first time ever, causing turmoil in the world's financial markets.

The final deal was greeted with both doubt and anger, and there are high stakes riding on its outcome. The enacted legislation, known as the Budget Control Act of 2011, allows the president and Congress to increase the nation's debt limit by \$400 billion immediately, with an additional increase in 2012. There are two parts to the agreement - spending caps and the deficit committee.

Spending Caps: The

agreement requires that nearly \$1 trillion in spending cuts be implemented over 10 years through caps on discretionary and defense spending. Although the spending caps will be divided equally between discretionary and defense programs until 2013, from 2013-2021 there is no requirement that cuts be balanced equally between discretionary and defense cuts.

Some discretionary programs that fall into this target category are Head Start, K-16 education, family planning, job training, and services for the elderly. Over the next decade, the base funding level for these programs will decrease annually, meaning there will be declining amounts of funding available for these critical programs.

The Deficit Committee: The bill creates a special 12-member, bipartisan committee, called the Joint Select Committee on Deficit Reduction, which will identify between \$1.2 trillion and \$1.5 trillion in deficit reduction through changes to safety net programs like Social Security and Medicare, discretionary programs such as scientific research, and tax reform. The

committee's proposal is subject to a straight up-or-down vote from Congress.

Nothing is off-limits to the committee's consideration: It can propose reducing Social Security, Medicare and Medicaid benefits, increasing tax revenue or eliminating programs it deems unnecessary, or dramatically slash funding for critical programs, such as Title X, which funds family planning for low-income recipients. In short, the select committee can propose whatever it wants to reduce the deficit by at least \$1.2 trillion.

The committee must report its deficit-reduction proposals by Nov. 23, 2011 and Congress must vote on the group's proposal by Dec. 23. If Congress approves the proposal, and President Obama does not veto the legislation, the debt limit would be lifted by the amount that the committee's proposal would reduce the deficit (i.e. if the proposal would reduce the deficit by \$1.2 trillion, the debt ceiling would be lifted by \$1.2 trillion) and the committee's recommendations would be implemented beginning in 2013.

Yet if this process does not succeed - if the select committee's proposal does not cut the deficit by at least \$1.2 trillion, if the committee cannot reach a consensus or if Congress does not approve the proposal - automatic across-the-board spending cuts of at least \$1.2 trillion would be enacted over the next decade, beginning in January 2013. Key safety net programs such as food stamps, Social Security and Medicaid will be exempt from cuts if this "trigger" is enacted.

So, how does this deal impact women and girls? No appointees have been named to the deficit committee yet, so it's impossible to predict what the committee's proposal will recommend, much less what they'll consider. But we can examine how the upcoming spending caps and the potential automatic spending cuts will impact programs relied upon by women and girls.

Education: Pell Grants emerged as a point of contention during the debt deal, with some conservative House members comparing it to welfare. However, changes in financing (ending subsidized loans for graduate students and incentives for on-time repayment) means that the maximum Pell Grant award level will remain intact for at least the next two years.

However, Pell's future isn't entirely free from obstacles. The mandatory spending on Pell will continue, but a large share of the program's funding comes from annual appropriations, which will be cut by \$100 billion annually over the next decade by the spending caps enacted in the debt deal.

So the spending caps alone will make it more difficult for students to access much-needed Pell Grants. Additionally, the deficit committee could recommend that Pell Grant levels be dramatically reduced or eligibility requirements tightened, which would reduce the number of students who could use Pell to help pay for college. And if the deficit committee's proposal is not enacted, the entire Pell program could be targeted for spending cuts after 2013.

Even in these difficult eco-

nomie times, it is critical that we invest in higher education, which is the most direct route to innovation, job creation and long-term economic self-sufficiency. AAUW believes ensuring and increasing access to higher education is imperative to helping women obtain financial security and economic independence.

Social Security benefits: The \$1 trillion in spending reductions enacted by the debt deal explicitly leave Social Security and Medicare alone. However, the deficit committee is empowered to consider reducing benefits, such as changing the way cost-of-living adjustments are calculated or raising the retirement age even further. If the committee's proposal is not approved by Congress, Social Security and other programs for low-income recipients will be largely exempt from spending cuts.

The current Social Security system is more than just a retirement program: it is one of the most successful anti-poverty programs in our nation's history, providing benefits to many children, disabled workers, surviving spouses and retirees.

Older women especially benefit greatly from this program, since many depend on Social Security as their primary source of retirement income, and more than half of older women would fall into poverty without Social Security benefits. Social Security must be protected.

Harassment or Discrimination Suits: There are several federal offices charged with enforcing our nation's civil rights laws, and the spending caps enacted in the debt deal will very likely reduce their budgets. This will further reduce these offices' resources and capacity to effectively investigate complaints.

A woman or girl filing a complaint for wage or pregnancy discrimination, sexual harassment or a violation of her rights under Title IX will have to wait even longer for her case to be investigated and resolved. The long wait for justice will very likely become longer, especially if the deficit committee recom-

mends additional spending reductions or eliminating that office entirely.

AAUW is strongly committed to supporting the vigorous enforcement of employment antidiscrimination statutes. Delaying women's ability to have these laws enforced would be an injustice.

AAUW strongly supports public budgets that balance individual rights and responsibility to the community. During the debt ceiling negotiations, AAUW paid close attention to the status of our priorities - especially retirement security and education funding - and AAUW members kept the pressure on their legislators to protect important programs like Social Security. AAUW is guided by the principle that the nation's budget should not be balanced at the expense of vulnerable Americans, including students, women and working families. AAUW will continue to work to protect women's opportunities and rights.

The St. Lawrence County Branch continues to educate members and others about public policy issue critical to women and their families. The branch is open to anyone who supports the mission of AAUW.

AAUW advances equity for women and girls through advocacy, education and research. AAUW's commitment to educational equity is reflected in its public policy advocacy, community programs, leadership development, conventions and conferences, national partnerships and international connections.

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AAUW, with its nationwide network of more than 100,000 members, more than 1,000 branches conducting programs in communities across the country, and 500 college and university partners, has been a leading advocate for equity and education for women and girls since 1881.