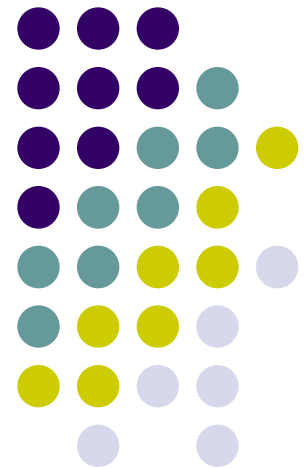


# The Deficit “Super Committee” and Protecting Poor People at Home and Abroad

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USCCB

September 23, 2011



# The Budget Control Act of 2011



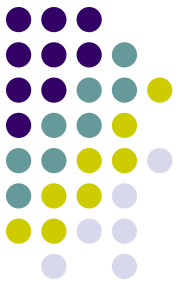
- ***Its goals:***

- Preventing loss of federal borrowing authority
  - Deficit reduction over the next 10 years

- ***Our goals:***

- Protect vulnerable people at home and abroad
  - Decent jobs for unemployed and underemployed
  - Restore U.S. long-term fiscal stability

# The Budget Control Act



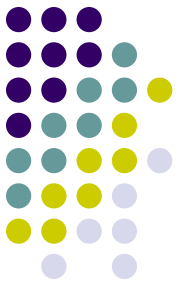
- **Spending capped** from FY 2012 –FY 2021, cutting about \$900 billion.
- **Federal debt limit is raised** in stages by about \$2.1 trillion; expected to last till early 2013.
- **Joint Select Committee on Deficit Reduction** (aka the Super Committee) charged with recommending by Nov. 23, 2011 at least \$1.2 trillion-\$1.5 trillion more in deficit reduction through FY 2021.
- Congress must **vote on Super Committee's bill** by Dec. 23.
- If it isn't enacted, **automatic cuts will be made**
- Congress must *vote* on **constitutional amendment to balance the budget** by Dec. 31, 2011.

# Possible sources for finding \$1.2 trillion to reduce deficit



- Cut domestic discretionary funding
- Reform entitlement programs
- Increase revenues
- Combination of all three

# Meanwhile, we still need a federal budget



- The federal government's fiscal year 2011 ends next Friday, September 30
- Spending bills for FY 2012 have not yet been approved
- Continuing resolutions and appropriations (spending) bills for FY 2012 are being debated concurrently with the work of the Super Committee

# Domestic discretionary funding (discretionary does not mean optional)



**A program that needs annual appropriations from Congress for funding to continue.**

Examples:

Foreign aid

Affordable housing

Nutrition programs such as WIC

Education and job training

Head Start

Environmental protection

Military / Defense

Refugee resettlement

# Entitlement programs



**A program that is authorized by Congress to continue operating as provided by law without the need for annual appropriations. Spending is generally affected by number of people eligible and number participating in program. Entitlements are forms of mandatory spending.**

Examples:

- Social Security (including SSI and SSDI)

- Medicare (health care for those over 65)

- Medicaid (health care for poor and disabled)

- SNAP (food stamps)

- Unemployment Insurance

- TANF (cash assistance and welfare)

- Interest on the national debt

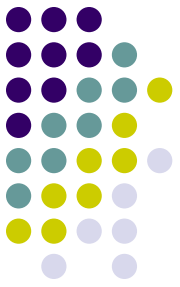


# Who is on the Super Committee?

- Six Republicans and Six Democrats
- Six Senators and Six House Members
  
- Chairpersons: Sen. Patty Murray (D-WA) and Rep. Jeb Hensarling (R-TX)
- Other members: Sen. Kyl, Sen. Toomey, Sen. Portman, Sen. Kerry, Sen. Baucus, Rep. Camp, Rep. Upton, Rep. Van Hollen, Rep. Clyburn and Rep. Becerra

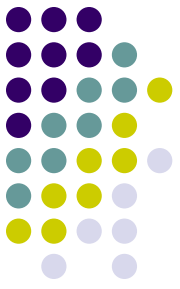


# What are the threats to poor and vulnerable people?



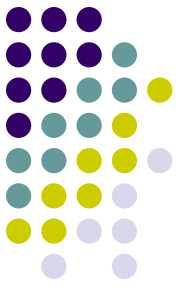
- Cuts to anti-poverty programs
  - Domestic
  - Foreign assistance
- Entitlement reform that does not protect poor people
- Revenue increases that disproportionately hurt the poor and low-income tax payers

# What if Super Committee can't reach a deal by 11/23 or Congress can't pass a bill by 12/23?

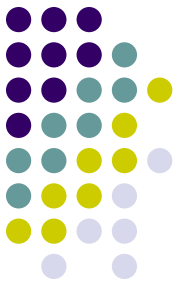


- **Sequestration:** automatic cuts applied as a fixed percentage.
- Auto-cuts will take place, starting in **January, 2013** (a year later) = \$1.2T. Applied this way:
  - Low-income entitlements exempted!
  - Defense (discretionary) cut \$55b a year.
  - Non-defense cut \$55b a year, including \$17b in mandatory programs and \$38b in discretionary.

# What have the bishops said?

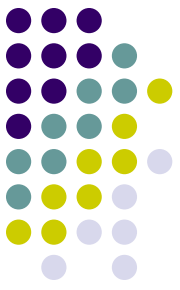


- The bishops have offered moral criteria to help guide these difficult decisions:
  - Every budget decision should be assessed by whether it protects or threatens human life and dignity.
  - A central moral measure of any budget proposal is how it affects “the least of these” (Matthew 25). The needs of those who are hungry and homeless, without work or in poverty should come first.
  - Government and other institutions have a shared responsibility to promote the common good of all, especially ordinary workers and families who struggle to live in dignity in difficult economic times.



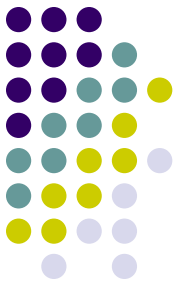
# What should we do??

- Write, phone and meet with members of the Super Committee, your members of Congress and Congressional Leadership and urge others to do the same
- Host site visits for members of Congress to see how the Catholic community is addressing poverty
- Preach, teach and advocate



# Other resources

- [www.usccb.org](http://www.usccb.org) (Search: Letter to Super Committee, Unemployment and Poverty, Catholics Confront Global Poverty, CCHD)
- Catholic Relief Services ([www.crs.org](http://www.crs.org))
- Circle of Protection ([www.circleofprotection.us](http://www.circleofprotection.us))
- Letter from Archbishop Dolan to bishops urging bishops to take opportunities to address how poverty is diminishing human lives, undermining human dignity, and hurting children and families. ([www.usccb.org/issues-and-action/human-life-and-dignity/economic-justice-economy/letter-to-bishops-on-economic-situation.cfm](http://www.usccb.org/issues-and-action/human-life-and-dignity/economic-justice-economy/letter-to-bishops-on-economic-situation.cfm))



# For more information:

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- Immigrants and Refugees: Kevin Appleby ([kappleby@usccb.org](mailto:kappleby@usccb.org))
- Catholic Relief Services: Jill Marie Gerschutz ([jill.gerschutz@crs.org](mailto:jill.gerschutz@crs.org))