EDITORIAL

ASUO must guard against conflicts

A recent ASUO Programs Finance Committee meeting revealed a possible flaw in the way budgets for student groups are presented and approved, as ASUO President Leslie Warren delivered the official ASUO budget recommendation to the committee on behalf of Black Women of Achievement, a group she helped to found.

There is no reason to believe that Warren's actions were in any way improper — they were well within the responsibilities of the president, and appropriate under the circumstances. No one else at the meeting was qualified and prepared to deliver the recommendation, partially because the committee's agenda was not given to the executive until a few minutes before the meeting.

However, the incident does suggest that the funding allocation process does not provide enough safeguards against conflict of interest.

Under the current fee allocation system, a budget, once put together by a student group, is submitted to the ASUO Executive — that is, the president and her staff — for examination. The executive will check the budget for accounting mistakes, unnecessary line items, or, in some cases, even for items accidentally left off the budget.

After this period of scrutiny, a member of the ASUO Executive — sometimes but not usually the president herself — makes an official statement to the ASUO Programs Finance Committee on the budget, indicating any mistakes, excesses or omissions that were discovered during the examination process.

The committee then votes on the budget. The executive's suggestions may be ignored, but typically the committee listens to the executive's advice.

In the case of Black Women of Achievement, Warren was the only person who was knowledgeable enough to deliver the recommendation, so she did so.

We do not question the motive behind that decision, nor do we doubt Warren's honesty when she says that she tries to treat all organizations' requests the same, whether she has been involved in them personally or not.

But there is still the perception of a conflict of interest when government officials are allowed to speak in favor of a group's budget request when they are closely connected with that group. "Closely connected" would have to be defined, but merely attending a few meetings should not necessarily disqualify an official from making a recommendation.

A vital ingredient for any kind of successful government is credibility. Credibility isn't determined purely by actions, but also by perceptions. It is not to the president's advantage to appear to have a conflict of interest, even if her actions are entirely acceptable otherwise.

Therefore, there needs to be some protection — either written into the ASUO Constitution or just commonly accepted — against a government official delivering the ASUO's budget recommendation for a group in which he or she has been involved.

That way, not only is everyone ensured a fair shake in budget requests, but would-be critics of student government — such as the *Emerald* — will have a lot less to say.

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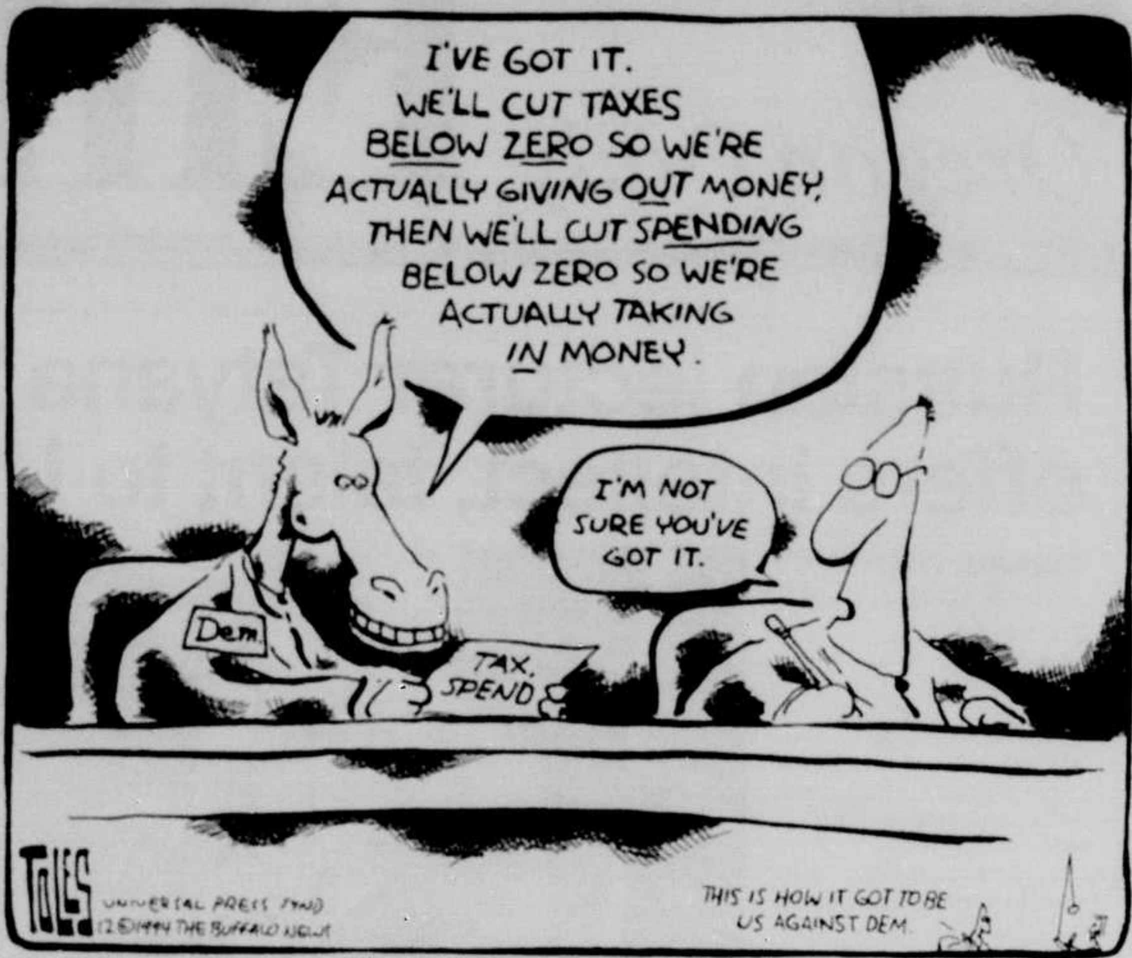

■ OPINION

Entitlements cause deficit problems

Washington seems to be throwing around ideas surrounding the issue of budgeting and taxation again like it's some fad.

Efforts to instate a flat tax are gaining momentum in the House Finance Committee.

Instituting a value-added tax or a national sales tax are ideas that have been knocked around the halls of Congress as well.

On issues surrounding budgeting, the balanced budget amendment remains a hot topic, as we saw Tuesday when Sen. Robert Byrd, D-W.Va., used an obscure parliamentary procedure rule to block a hearing on the legislation.

But something we're not hearing anything about is entitlement spending.

Entitlement spending includes such budget items as Medicaid, Medicare and Social Security.

An entitlement item means just that. The item is automatically entitled to yearly allocations without review in Congress.

Because it has these special privileges, entitlement spending will grow to consume all federal revenues by 2012. The reserve funds in Social Security would be completely eaten away by 2030.

Deficits would run at 18 percent of our gross domestic product. We currently have a deficit around two percent.

Taxes would have to be raised to 37 percent. We currently pay around 20 percent.

These projections are from those on the entitlement commission.

This is scary stuff.

We're talking about the future of our economic livelihood being jeopardized to the point of no return. Instead of having this issue dealt with seriously, we continue to hear statements from Democrats and Republicans saying every budget item is on the chopping block except for Social Security.

I can understand why politicians would make this stipulation in their downsizing of government.

Brian Womack

Senior citizens make up one of the most important voting blocks in the nation. And, obviously, senior citizens want Social Security to remain untouched by any budget axes.

During the Nixon administration, each of the parties was trying to woo elderly voters. At that time, about 22 percent of the elderly were below the poverty level while just 11 percent of young voters were under the infamous line.

Today, the numbers have flip-flopped, and the elderly want it to stay that way.

The problem lies in that we can no longer afford to pay for these expenditures. Currently, the national debt is about $4.73 trillion. Our annual gross domestic product is around $8 trillion.

As deficits continue to pile up, our generation must face the fact that we and our children are going to have to eventually pay for these gallons of red ink.

If there is indeed serious deficit reduction, it must be done gradually, so as not to cause an economic nose dive.

For example, if a deficit of $150 billion is taken out of the U.S. economy abruptly, the economy will most likely slide into a serious recession.

So how do we specifically balance the budget?

Read my lips.

George Bush's going back on that pledge in the 1990 budget deal caused a bad recession to falter even more.

We don't want that to happen.

Even economists from just about every economic circle agree that tax hikes will further hurt the economy.

In a conference sponsored by the *National Review* in 1989, both Keynesian, classical economists and monetarists alike agreed that tax hikes were not the answer to balancing the budget.

Haven't we learned yet that giving increased tax revenues to Congress (although it remains to be seen with Newt and Bob's) is like giving scotch to an alcoholic and telling that person to just stare at it?

Spending cuts are the answer to balancing the budget because the deficit is not a problem of spending too little, but taxing too much.

We need a few more fiscally honest politicians such as Bob Kerrey, D-Neb., who headed up the entitlements commission, to take on the entitlement monster.

I would support an interesting proposal by the Institute for Research on the Economics of Taxation.

A defined contribution-style savings plan should be set up for future retirees while keeping benefits as they are for all current and near-term retirees.

With surpluses from the Social Security fund being used along with a possible reformed tax-savings plan, it could be paid for.

If this were gradually put into place, it would give a chance for the younger Americans to put away their money for retirement and work toward a solution for resolving the budgetary nightmares in the 21st century.

Washington needs to quit skirting around this issue.

The only way this will happen if we Generation X-ers and baby boomers start voting in a way that will make sure our economic future isn't jeopardized.

The senior citizens of today do not need to be punished.

But if something is not done eventually, when we're are all senior citizens, we'll wish we had punished today's senior citizens.

Brian Womack is a columnist for the Emerald.