

Get the Facts about the Compact for a Balanced Budget

- Using an agreement among the states called an “interstate compact,” the Compact for a Balanced Budget invokes Article V of the United States Constitution to advance a powerful Balanced Budget Amendment.
 - The Compact embraces the Tenth Amendment by enabling the states to target the Article V convention to proposing a powerful Balanced Budget Amendment—**nothing in Article V deprives the states of such power!**
- The Compact is what the People want. According to McLaughlin & Associates, informed popular support for a compact to advance constitutional amendments exceeds opposition **by more than two to one.** 61% agree that a majority of state legislatures should be required to approve any increase in the federal debt. 71% agree that Congress should cut spending before raising taxes. 86% agree that Congress should be required to balance its budget.
- The Compact ensures the state-initiated constitutional amendment process **efficiently, safely and exclusively** advances a specific Balanced Budget Amendment.
- The proposed BBA would require a majority of State legislatures to approve any increase above an initial debt limit. **Like an active board of directors** for our wayward federal executive and legislative branch “CEOs,” state legislatures would provide oversight and intervention when it comes to requested increases in the federal debt.
 - By restricting spending to tax receipts with the sole exception of borrowing under a debt limit, and requiring a referendum of the States for any debt limit increase, the proposed Balanced Budget Amendment means **Washington would finally no longer have the unlimited unilateral power to borrow!**
 - **You will finally become relevant** to the national debt debate!
 - The state debt approval requirement creates flexibility to finance justifiable wars and to address genuine crises without easily exploited loopholes. If the case can be made to a majority of state legislatures that the federal government should borrow more money, then the BBA will allow such borrowing.
 - The states should have a voice for the same reason that the U.S. Constitution originally gave state legislatures control over the U.S. Senate. A centralized authority should not have a free hand in determining—or mortgaging—the future of every community in the nation.
- Long before the midnight hour arrives, the proposed **BBA is designed to compel Washington to balance its budget or prepare a budget that can make the case for more debt,** requiring Washington’s political players to show their cards long before hitting a hard debt limit, protecting our country’s credit from being held hostage.
 - The proposed Balanced Budget Amendment ensures the buck stops at the President’s desk.

- The President currently has the power to impound spending—that’s why presidential impoundment threats are made during each debt limit debate. The Amendment regulates that power by ensuring that the President lays out the plan for impoundments months in advance of any debt limit crisis so that Congress can respond to specifics, not vague threats, and override abusive impoundments with simple majorities.
- The **proposed BBA also recognizes that our national debt is primarily a spending problem**. It requires any new or increased income or sales tax to secure two-thirds approval of both houses of Congress. Recognizing that fixing the debt may require new revenues, the amendment allows for simple majority approval of revenue increases that result from replacing the income tax code with a sales tax or reducing tax exemptions, deductions and credits. Any new tax burden would only result from making our tax code flatter, fairer and far more conducive to economic growth.
 - The proposed Balanced Budget Amendment **neither sacrifices future generations to current generations, nor current generations to future generations**.
- An interstate compact provides the vehicle for advancing this bipartisan national debt solution because it **transforms the state origination of a Balanced Budget Amendment into a “turn-key” operation**.
 - With the consent of Congress furnished by simple majority passage of a single concurrent resolution, the Compact empowers the states to agree in advance to all elements of the amendment process—from the text of the proposed BBA, to the application to Congress, to delegate appointments and instructions, to the selection of the convention location and rules, to the ultimate ratification of the BBA.
 - The Compact consolidates everything Congress and the States do in the Article V process into just two overarching pieces of legislation—one congressional resolution and one interstate compact joined by thirty-eight states. It thereby cuts the time and resources needed to achieve a state-originated BBA by more than 60%.
 - The formation of a Compact Commission to oversee the reform effort will ensure there finally is an institutional commitment to fixing the debt, not just a commitment to presenting Congress with a stack of paper!
 - The Compact organizes the Article V convention only with the consent of Congress, ensuring both the States and Congress agree to the convention rules—avoiding needless litigation!
- **The Compact also eliminates any possibility of a “runaway convention.”** It compels all member state delegates to follow convention rules that limit the convention agenda to an up or down vote on the BBA and to return home if those rules fail to hold. It prohibits member states from expanding the scope of the convention, violating the convention rules, or ratifying anything other than the contemplated BBA.
 - The Compact only applies for the Article V convention when 38 states join—and once that happens, those Member States (a super-super majority) are bound to the Compact’s numerous safeguards keeping a laser focus on advancing and ratifying a powerful Balanced Budget Amendment until the job is done—**rendering a runaway convention a pure fantasy!**