

ALASKA STATE LEGISLATURE

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REPRESENTATIVE WES KELLER DISTRICT 7

SPONSOR STATEMENT House Bill 284

“An Act relating to an interstate compact on a balanced federal budget.”

HB 284 seeks to reverse America’s rapid and damaging hurdle towards the fiscal cliff of no return by proposing an interstate compact to amend the Constitution of the United States with a Balanced Budget Amendment via the Constitution’s Article V process.

The national debt of the United States recently surpassed \$17.3 trillion and is on track to exceed 100% of the Gross Domestic Product. If the average American family with a yearly income of \$52,000 adopted the federal government’s spending habits, they would spend approximately \$64,000 a year, of which \$12,000 would be put on the credit card despite the family already being over \$312,000 in debt. This path is unsustainable and changes must be made that while uncomfortable now, are less painful overall than if the fiscal can continues to be kicked down the road.

Congress cannot be relied upon to resolve this issue. Rather than carefully deliberating and enacting responsible budgets, Congress instead relies upon short-term continuing resolutions and exploits political outrage and misinformation regarding debt ceilings and national defaults in order to justify increased federal spending. Budgetary power is over centralized in Washington D.C. and change can only come from the outside.

States must come together to amend the Constitution of the United States and impose a Balance Budget Amendment (BBA) on the federal government. The BBA sets the debt limit to 105% of the outstanding debt upon ratification and requires Congress to seek the consent of state legislatures to approve spending increases over this amount. Federal outlays will no longer be allowed to exceed total receipts and Americans through their state legislatures will now have a more direct say in our nation’s fiscal future.

The Balanced Budget Amendment is achieved via the Compact for America (CFA) proposed in House Bill 284. This interstate compact is a constitutional and proven legal framework that reduces the time and resources needed to achieve a state initiated amendment to the Constitution. The Compact requires only two pieces of legislation: 1) a single compact agreed to by 38 states

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and 2) an omnibus Congressional resolution calling for the convention and ratification referral. All of the components necessary for the Article V process are contained in HB 284 and each procedural element is triggered only when the compact goes into effect.

HB 284 is targeted, focused, and contains the necessary legal safeguards to prevent political subterfuge as Alaska embarks with other states to reclaim its constitutional role is reestablishing clear and limited powers for the federal government. I urge you to join me in passing HB 284 and make the hard decisions about our financial future now rather than placing that burden on generations to come.