

Alaska State Legislature

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Senator Shelley Hughes

Senate District F—Palmer, Chugiak, Peters Creek, Eklutna, Fairview Loop, Gateway, Butte, Lazy Mountain

Senate Bill 102

“An Act relating to the Compact for a Balanced Budget”

Sponsor Statement

SB 102 is an extension to Alaska’s membership in the Compact for America (CFA), an interstate compact with the goal is to solve the growing national debt problem through a balanced budget amendment to the U.S. Constitution via the state legislature provision in Article V. The process requires two-thirds of state legislatures to call for an amendment convention followed by three-fourths of the states ratifying the amendment.

The amendment proposes that the national debt be limited to 105% of the outstanding debt at the time of ratification and would require Congress to receive the consent of state legislatures in order spend over that amount.

In 2014, the legislature passed HB 284 sponsored by Representative Wes Keller, which allowed Alaska to join the CFA. At that time, the national debt was \$17.3 trillion but had not yet exceeded our nation’s Gross Domestic Product (GDP). As of March 2021, it is \$28 trillion and exceeds the GDP (\$21.6 trillion) by \$6.4 trillion.

SB 102 contains all the elements required for the Article V process that were passed in 2014. In addition, the bill designates three delegates instead of one (the Governor, Speaker of the House, and Senate President) be appointed or designate an appointee to represent Alaska at the convention, and that a majority of the votes of this delegation will serve as Alaska’s position on the questions of the Amendment.

SB102 extends Alaska’s membership in the Compact for America until April 12, 2031.

It is abundantly clear that over the years, both the executive and the legislative branches of the federal government have neglected pinpointing solutions to this issue. The current path is unsustainable and detrimental to all present and future Americans, including all present and future Alaskans. It is time for the states to take action. We the people make the hard decisions regarding the financial future of the federal government and our nation.

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