

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

February 13, 2014

8:19 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Wes Keller, Vice Chair
Representative Lynn Gattis
Representative Shelley Hughes
Representative Doug Isaacson
Representative Charisse Millett
Representative Jonathan Kreiss-Tomkins

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 284

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

- MOVED HB 284 OUT OF COMMITTEE

HOUSE BILL NO. 199

"An Act relating to Department of Public Safety regulations allowing village public safety officers to carry firearms."

- HEARD & HELD

HOUSE BILL NO. 273

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

- BILL HEARING RESCHEDULED TO 2/18/14

PREVIOUS COMMITTEE ACTION

BILL: HB 284

SHORT TITLE: COMPACT FOR A BALANCED BUDGET

SPONSOR(S): REPRESENTATIVE(S) KELLER

01/29/14 (H) READ THE FIRST TIME - REFERRALS

01/29/14 (H) STA, JUD
02/13/14 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 199

SHORT TITLE: VPSO FIREARMS

SPONSOR(s): REPRESENTATIVE(s) EDGMON

04/04/13 (H) READ THE FIRST TIME - REFERRALS
04/04/13 (H) CRA, STA
01/28/14 (H) CRA AT 8:00 AM BARNES 124
01/28/14 (H) Heard & Held
01/28/14 (H) MINUTE(CRA)
02/04/14 (H) CRA AT 8:00 AM BARNES 124
02/04/14 (H) Moved Out of Committee
02/04/14 (H) MINUTE(CRA)
02/05/14 (H) CRA RPT 5DP 1NR
02/05/14 (H) DP: REINBOLD, FOSTER, HERRON, LEDOUX,
NAGEAK
02/05/14 (H) NR: OLSON
02/11/14 (H) STA AT 8:00 AM CAPITOL 106
02/11/14 (H) Heard & Held
02/11/14 (H) MINUTE(STA)
02/13/14 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

NICK DRANIAS, Director
Constitutional Policy
Goldwater Institute
Phoenix, Arizona

POSITION STATEMENT: Gave a PowerPoint presentation and answered questions during the hearing on HB 284.

DON BRAND
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 284.

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As sponsor, presented HB 199.

CARLA AKELKOK, Manager
VPSO Program
Bristol Bay Native Association (BBNA)
Dillingham, Alaska

POSITION STATEMENT: Testified in favor of HB 199.

JODY POTTS, Coordinator
Village Public Safety Officers (VPSOs)
Tanana Chiefs Conference (TCC);
Sergeant VPSO
Fairbanks, Alaska

POSITION STATEMENT: During the hearing on HB 199, encouraged a more extensive screening of VPSOs in determining whether to arm them.

ALBERT JUDSON
Sitka, Alaska

POSITION STATEMENT: Testified in support of HB 199.

ACTION NARRATIVE

[8:19:15 AM](#)

VICE CHAIR WES KELLER called the House State Affairs Standing Committee meeting to order at 8:19 a.m. Representatives Isaacson, Gattis, Hughes, Millett, Kreiss-Tomkins, and Keller were present at the call to order. Representative Lynn arrived as the meeting was in progress.

HB 284-COMPACT FOR A BALANCED BUDGET

[8:19:45 AM](#)

VICE CHAIR KELLER announced the first order of business was HOUSE BILL NO. 284, "An Act relating to an interstate compact on a balanced federal budget."

[8:20:16 AM](#)

VICE CHAIR KELLER, as sponsor, introduced HB 284, which calls for a balanced budget amendment via a process under Article V of the Constitution of the United States. A balanced budget amendment is achieved through the Compact for America (CFA) process. He encouraged legislators to support the proposed legislation. He reviewed the amendment process under the Constitution and stated that Article V is a monument to two things: a sovereignty of "We the People" and a sovereignty of the states. He said the Constitution has been amended only 27 times by a process through Congress; but CFA focuses on using ratification of the Constitution through a states' process.

[8:23:58 AM](#)

The committee took a brief at-ease at 8:24 a.m.

[8:24:14 AM](#)

VICE CHAIR KELLER noted that Representative Lynn had joined the committee. He then continued with his presentation. He talked about the frustration of reading about the increasing national debt - numbers reported in the trillions of dollars. He said future generations are being mortgaged, and he opined that this is immoral. He quoted words written by Thomas Jefferson in 1798, 11 years after the writing of the Constitution, as follows:

I wish it were possible to obtain a single amendment to our Constitution. I would be willing to depend on that alone for the reduction of the administration of our government to the genuine principals of this constitution. I mean an additional Article taking from the government the power of borrowing.

VICE CHAIR KELLER commented at the number of years that have passed since then as "we're ... realizing that Article V may be the answer for us to bring this back in line."

[8:27:39 AM](#)

VICE CHAIR KELLER started a slide presentation and drew attention to the first slide, which shows that there are two triggers under Article V: a two-thirds trigger and a three-fourths trigger. Two-thirds of the states have to agree to a convention to amend the Constitution. He said there are several groups pursuing this process, including: The Mt. Vernon Assembly; the Convention of States (COS), led by Representative Tammie Wilson; the Reagan Project, led by Fritz Pettyjohn and Robin Taylor; and bba4usa.org. He explained that the three-fourths trigger means that three-fourths of the states have to ratify the amendment.

VICE CHAIR KELLER explained that compactforamerica.org is coordinated by the Goldwater Institute in several states, and that will avoid the need for an amendment convention with two-thirds of the state showing up in person. He said, "They've built a structure in this bill that is before you that bypasses that." He said it could take ten years to reach the second trigger of three-quarters; however, under HB 284 "this could be done in one year." He suggested that today's hearing is about

the process, and the House Judiciary Standing Committee will fully vet the bill. He recommended a sectional analysis be reviewed.

[8:31:06 AM](#)

VICE CHAIR KELLER handed the gavel over to Chair Lynn.

[8:31:12 AM](#)

NICK DRANIAS, Director, Constitutional Policy, Goldwater Institute, offered a brief personal history, including that he has been an attorney at law for 16 years, 8 years of which has been focused on constitutional law. He said the compact approach to amending the Constitution was developed in the past two years, with the assistance of Senior Judge Harold DeMoss of the U.S. Fifth Circuit Court of Appeals.

MR. DRANIAS noted that in the committee packet is written testimony by the following individuals: Ilya Shapiro, lead constitutional scholar of the Cato Institute, vouching for the constitutionality of HB 284; Dr. Byron Schломach, a Ph.D. economist at the Goldwater Institute, vouching for [the proposed legislation's] economic, sound policy; Dr. Sven R. Larson, a Ph.D. economist of the Liberty Institute in Wyoming, vouching for the sound fiscal policy of HB 284; Dr. Kevin R.C. Gutzman, an historian, vouching that "this" is consistent with the Constitution and Article V; and Harold "Chip" DeMoss, III, CEO of Compact for America, introducing his father's analysis of the conflict portion of Article V, which follows as being fully constitutional and consistent with the intent of the [Founding Fathers]. Mr. Dranias said also included in the committee packet are a couple of one-page documents: a sectional analysis, [included in heading is "HB 284 - Compact for a Balanced Budget"], and a brief analysis of how the compact works, [entitled, "Compact for America's 'Article V 2.0' Turn-Key Approach is Our Best Shot"].

[8:33:40 AM](#)

CHAIR LYNN shared that he met Barry Goldwater one time, and the man gave him a set of pilot wings.

MR. DRANIAS related that Barry Goldwater, Jr., sits on the board of the Goldwater Institute. He opined that the late Senator Barry Goldwater was an unusual politician, because he found principle compromises with both the center right and center

left. He said HB 284 is meant to be nonpartisan, bipartisan, and "fix the debt." He said there is a three-year timeline for "getting this done."

[8:34:50 AM](#)

MR. DRANIAS directed attention to a PowerPoint presentation, to a graph showing the U.S. national debt [1900-2020]. He said it is an unsustainable debt "headed to infinity and beyond." He opined that it is absurd to trust a bankrupt government with unilateral control over setting credit limit without limit. He said some people might say that this nominal figure does not show the full context, and - if adjusted for inflation or looked at in terms of percentage of the gross domestic product (GDP) - the problem would go away. Mr. Dranias indicated that is not the case. He continued as follows:

If you look at the gross federal debt as a percentage of the gross domestic product - everything we produce in a year - we're at over 107 percent of gross domestic product today. Last time we were in this place was during the height of World War II, when we had a true tyrant in the world that could have taken Western Civilization down We are not in that same position, yet we are borrowing at the same level. Not only that, but unlike in the 1950s, when we grew our way out of that debt, we will not be the only economy standing, and we will not have a mortgaged and "un-mortgaged" future, because the debt is actually just the tip of the iceberg of what we have mortgaged on future generations.

There are estimates saying unfunded entitlement programs are between 100-220 trillion dollars in the red. So, unlike in the 1950s, not only are we not the only economy standing; not only is it unlikely we can grow our way out of the magnitude of this kind of debt alone, but we've mortgaged the future in a way that is simply calamitous.

Five or six years ago, when Greece was in this same position as a percentage of GDP, people panicked; they're still panicking. We should be a lot more concerned, because it is not getting better.

Now, you may have heard that last year's deficit was \$1.1 trillion; this year it's a mere \$660 billion

dollars. Any sort of debt on this magnitude is unsustainable; it is absurd; it is ridiculous. Look at the tiny little closing of the deficit, but look at the drop in the overall debt: It continues. We're now nearly at \$18 trillion. Just yesterday the latest maneuver in Washington, [D.C.], was to completely suspend the federal debt limit - suspend it, mind you. This is not just lifting the debt limit. Until mid-March, there will be no debt limit yet again, just like we had no debt limit between October and February 8th in the federal government.

Washington, [D.C.], is not learning from its behavior; it is not looking out around the world and seeing that this is them that devastate the economies in Europe and in Argentina and in many other Third-World countries.

Now, maybe ... the folks in the powers that be in Washington, [D.C.], think we're just going to default; maybe that's the endgame. Well that can't be the endgame if we're responsible and if we care about future generations, because Argentina has found out that it's not a successful policy choice. Just a couple years ago, their Air Force One was nearly seized by a hedge fund creditor because of a default on a debt nearly 13 years ago. Now, they've litigated over that for a couple years, and eventually had the Air Force One released to them, but that's just one instance of what has happened in Argentina. You may be aware of a federal law suit that's still pending in New York, where hedge funds are trying to get access to some of the pension assets that were maintained in the jurisdiction of the United States because of the default on their debt.

The other thing people don't realize about Argentina, when they defaulted, is they scotched a lot of trade agreements. They can't do business anywhere near like they used to do business with the world; and in a world of interconnected economies that is absolutely devastating. And ... three years after the debt, ... after Argentina could no longer borrow abroad, what did it do? It nationalized everyone's 401Ks. It took all of the good assets that people had saved up over the course of their working lives and replaced them

with worthless government bonds, just so they had a captured borrowing base.

That is our future if we do not stop the bleeding now. We have a three-year time horizon, because we do not have three or five or ten more years to fix this problem. We have to stop it now, otherwise we are headed the same road as Argentina. And if you think Argentina is all that different, keep in mind in the 1940s they were wealthier than we were on a per capita basis.

[8:39:47 AM](#)

MR. DRANIAS stated that no matter who is in charge, Washington, D.C., never fixes the problem. He said the reason is simple: "If you give the debtor control over his own credit limit, you should not expect that the debtor will not do anything other than what we saw in those initial charts." He said the concentration of unlimited power to borrow in one hand is what is being abused, and he asked how it could be any other way. He said further this is a structural problem of democracy and the reason why 49 states limit debt in their own constitutions, statutes, or case law. He continued as follows:

Good people on the left and the right, over 100 years ago, came together under a consensus, recognizing that unlimited debt in the hands of an elected class, is not ... containable, and here's why: You can get elected giving current constituents the benefits of your spending while shifting the costs to nonvoting future generations when you're safely out of office. There is no inherent check in the democratic process that can adequately protect those nonvoting future generations from being saddled with the burden of our policy choices today. So, whether you look at this from the perspective of someone on the center right, and you worry about the growth of government, or you look at this from the perspective of someone on the center left and you just think in terms of democracy and having the will of the people truly be expressed in the instrumentalities and organs of government, we have a silent, simple majority that is simply being denied its future, and that is our kids and their kids. Without a fundamental law that limits the use of debt, this will continue, and it will destroy our

future. That's why 39 states have converged on this solution.

[8:41:37 AM](#)

MR. DRANIAS emphasized the need for a balanced budget amendment for the federal government that strikes at the root of the problem and removes the power away from the debtor to set his/her own credit limit. He said "we" need to learn from what states have done at the state and municipal levels and apply it to the federal government. He proceeded to explain how to do that. He warned against defining a balanced budget, which he indicated is just a projection. He explained that doing so is "inviting gaming." He opined that the only way to achieve a balanced budget is to limit spending the money available. He said debt has a purpose: "to provide a line of credit to handle a volatility in tax receipts so that you can make good on your spending commitments." He said a balanced budget amendment is not an anti-debt measure; it is a "responsible use of debt measure." He said it would end Congress' nontransparent approach of waiting until the last minute to spring upon the country a new \$500-\$600-billion commitment to borrow.

MR. DRANIAS said an inflexible line of credit is not an option, because there could be need for funds in the event of a war or natural disaster, but Congress should not control a flexible line of credit. The balanced budget amendment would propose that if there is a legitimate reason to borrow beyond the fixed initial revolving line of credit, [Congress] would have to make a proposal to the state legislatures, and a majority of those states, in a referendum, would have to approve the increase. He said [state] legislatures are closer to the people, who for the past 40 years in sustained polling have said they want a limit on debt. He stated that this would give a bigger voice to the people, who he opined are more concerned about their children than those elected to Congress.

[8:44:54 AM](#)

CHAIR LYNN asked if there would be time to get a referendum from the states in response to an emergency.

MR. DRANIAS answered that Congress could send out a "debt crisis borrowing authorization measure" to receive an additional amount of money when certain criteria are met. He reiterated that this is a three-year process, and said hopefully Congress would plan for such a crisis; however, he said the reality is that bond

markets currently take about a month to give Congress credit. He said the question is whether states could mobilize themselves to address an emergency situation 10 times worse than [the terrorist attacks of September 11, 2001]. He said he thinks they can. He added, "If it were a problem to mobilize within 30 days, I doubt the bond markets would be functioning well enough to handle the problem anyhow." Therefore, he opined that this [proposal] provides adequate flexibility for handling a war situation.

MR. DRANIAS said Congress has drafted about 20 balanced budget amendments, but the problem with those is that they have a blanket exception for crises defined by Congress. He indicated that the exception has been made since being involved in war since 2001. He said, "Under all the balanced budget amendment proposals Congress has ever proposed, there would be no limit on debt at all, as long as that original (indisc.) declaration remained outstanding." He said he is confident that states like Alaska will react responsibly when the proposed legislation gets near to completion; contingency plans will be in place, and legislators will travel to Washington, D.C., to keep an eye on [Congress]. He said there is tremendous interest from a wide variety of states, and action being taken in Georgia, Arkansas, Arizona, Louisiana, and Ohio. He stated, "We want to keep it small this session so that the founding member states have control over the initial product."

[8:48:24 AM](#)

REPRESENTATIVE KELLER asked what percentage of states is required to "approve an expansion."

MR. DRANIAS answered a simple majority.

[8:49:16 AM](#)

CHAIR LYNN asked if the language and punctuation put forth by all participating states must match exactly.

MR. DRANIAS said although there are reasons to maintain the original language, amendments can be made. He said the Goldwater Institute would request that any state wishing to make an amendment first bring it to the attention of the institute. He further recommended that the Alaska State Legislature allow him to introduce its members to the sponsor and co-sponsors from other states. He remarked that 200 years ago, this process would have been impossible, but because of modern technology,

any changes can be coordinated successfully. He stated that once the compact is formed, it must be adopted identically by all other states that join it, unless all the states unanimously agree to any changes. He said once two states have joined in the compact, they form a commission, which has the job of handling logistics. He said the commission would be a natural point of leverage to coordinating further changes throughout the process. He relayed that there are more than 200 compacts currently in existence, and Alaska is probably a member of at least twenty of those. He said, "Without a compact, you just have a stack of paper, and that stack of paper doesn't have a voice, and it doesn't have an institution to coordinate anything that might ... arise from it."

[8:52:15 AM](#)

REPRESENTATIVE HUGHES said she believes that the federal debt is a concern that resonates with many. She asked if adjustments to state compacts must be made within state legislatures. She asked Mr. Dranias to address the issue of not binding future legislatures. She offered her understanding that there is a clock that starts ticking on a seven-year process, and she asked Mr. Dranias to talk about that in relation to his aforementioned goal of three years.

MR. DRANIAS offered his understanding that the committee packet should include a copy of answers to frequently asked questions (FAQs) [entitled "Using a Compact for Article V Amendments: Experts Answer FAQs from the Goldwater Institute"]. Regarding entrenchment, he said under the contracts clause of the Constitution of the United States, states are barred from impairing contracts that they form or that others form within their states. As a result, when a legislature creates a contract, such as a compact, it binds that state - even to future legislative bodies. Existing compacts typically are entrenched. For example, he related that the Colorado River Compact, adopted in 1926, has a termination clause that prohibits anyone from extraction without the compact, without the unanimous consent of all members of that compact. He said there is a constitutional limit on the degree of entrenchment that will be tolerated; it will not allow a state to give away too much of its sovereign power. For that reason, compacts are written with a sunset clause to become null and void seven years after being first enacted by the first state. He said that is a number borrowed from the typical sunset provisions of a ratification referral from Congress. He said that in addition to the sunset, the Compact for a Balanced Budget only entrenches

once 38 states join it; therefore, the Goldwater Institute does not believe there is any possibility the compact would "violate the outer edge or boundaries of the exception from the rule against entrenchment."

[8:55:34 AM](#)

MR. DRANIAS talked about the institute's coordination with Alaska, Georgia, Arizona, and Arkansas through the process of e-mailing. He said there are "no egos in this"; [those involved] are looking at this as a way of saving future generations. He said it only takes two states with identical compacts to form a commission, which would reach out to recruit other states. In response to a follow-up question, he confirmed that if other states come on board later, but they change the language, they would have to bring that change to the initial two states involved. He said that is why the Goldwater Institute wants to discourage unnecessary "tweaks." He said when there is a structure in place, with a commission that organizes logistics, it is "fairly typical that people can work out these things." He stated the critical point about a compact is that it creates a live institution, which "maintains the policy push, even when the winds of popular opinion may not be there for you." Mr. Dranias talked about a balanced budget amendment that was started during the Reagan Administration in 1976, and almost 40 years later it is nowhere near done, because interest in the issue has waxed and waned. Conversely, he opined, [HB 284], with its seven-year sunset, "creates an institutional commitment to persist and get the job done." He said the problem is infinitely bigger than what was faced in the '70s and '80s.

[8:59:37 AM](#)

MR. DRANIAS, in response to the chair, offered an overview of where the aforementioned states are in the process of moving their compacts forward. He said the benefit of being the first state to pass a compact is getting to select the chair of the convention that is organized in the compact. He added, "I personally think that having Alaska be the first state would be really good from an independence partiality point of view. ... I think Alaska has a unique position to have a more abstract, a more principled approach to this."

[9:01:41 AM](#)

CHAIR LYNN queried about whether there were testifiers on the proposed legislation.

REPRESENTATIVE KELLER offered his understanding that there was one, and he indicated that [as chair of the House Judiciary Standing Committee], he would hear any other testifiers.

[9:02:26 AM](#)

MR. DRANIAS returned to his presentation. He said built into the compact is the "no more game of chicken provision," which he indicated relates to federal shutdown and waiting until the last minute to raise the debt limit. He explained that the proposed compact would require the President to start identifying impoundments at 98 percent of the debt limits, which - at current burn rates - means about six months before reaching the debt limit. This timing would give Congress an opportunity to override the proposed impoundments. He said, "Obviously the discussion would continue beyond the impoundment phase, because we're borrowing 45 cents of every dollar, so if you're going to impound, that's going to be a lot of blood-letting in the budget." He said the six months would give time to make the case for any needed debt, revenue, or spending cuts, either internally through Congress or externally through the states. Mr. Dranias said another change would be to modify the tax limit, because going too far in limiting the possibility of raising taxes to close the deficit may result in the loss of "some of our friends on the center-left." He explained those people are needed, because nothing can be done without the cooperation of 38 states.

MR. DRANIAS emphasized the relation between debt and taxes: if debt is being paid back, it is coming out of taxes. He said the proposed compact neither sacrifices the current generation to future generations nor future generations to the current generation, because it would require two-thirds of each house to agree to any new tax or increase in existing tax. He named three exceptions that could be done by a simple majority vote: approving a replacement of income tax with an end user sales tax, not a value-added tax (VAT); closing all credits, deductions, and exemptions in existing taxes; and raising tariffs or fees. This would channel the drive to any new revenue to places where special interests pushbacks would be the strongest and where a legitimate need for more revenue probably would be the only thing that could overcome that special interest pushback. He opined that this would be a significant limit on taxes, while allowing for "truly necessary revenues." He said polling data shows that "even Democrats prefer spending

cuts first over tax increases"; it is plausible that the proposed compact could get its way through at least 38 states.

9:06:28 AM

MR. DRANIAS opined that it is unlikely that Congress would propose anything like the Compact for a Balanced Budget, which is why the Founding Fathers included the state process of amending the Constitution in Article V. He stated that Patrick Henry and George Mason, both patriots, hated the Constitution; Mr. Henry argued in 1788 that the state origination of amendments was a fraud and impossible for the 13 states to navigate. Mr. Dranias said that argument has even more resonance today. He clarified his intent was not to disparage the other Article V movements in existence, which he said he advocated for years; however, he emphasized the importance of understanding the challenge of what not using a compact poses. He continued as follows:

You need at least 100 legislative acts to get it done from beginning to end. Now, mind you, there has never been a coordinated legislative process of any kind - , whether you look to the Uniform Commercial Code or anything else - that has been able to do this. Now, imagine this for a constitutional amendment. Now, you say 100, well where does that come from? Well, you gotta have ... 34 states file passed resolutions for an application to Congress, and [in] places like Alaska, you can't avoid gubernatorial presentment. Congress has to call. Now, legally, constitutionally, Congress is supposed to have a mandatory obligation to call a convention if that happens, but, you know, Congress never violates the Constitution, right? I mean, they always do what they're supposed to do. No they don't. So, the problem is you still need the political will in Congress to pass a resolution of simple majorities; that's the practical reality.

Then the states have to presumably send somebody to the convention. That means at least some kind of quorum; at least 26 states gotta pass law sending people. Then assuming the convention does anything, you know, you can't really count [on] the convention doing anything, but it could deadlock really easily. But assuming that the convention does something that it has to propose an amendment to Congress, and Congress has to refer it back out; again, Congress is

supposed to do this without a matter of choice - they must do this - but again, reality says that they might not. And so, you need to have political will to pass a resolution of simple majorities to make sure it happens. Then you gotta have 38 states ratify what is generated from Congress. Now, mind you, it's not just 38 state legislative acts; it's possible Congress will choose to have in-state conventions be the mode of ratification. Not every state has laid out in their own statute books yet how to do that in-state convention, so you could have another round of legislation on top of the convention to try to get this done.

So, this is a difficult process. And it's not that we shouldn't try it, but let's recognize how difficult this is without a compact. This is a "Hail Mary Pass," not just once; it's once, twice, three times, four times. Now, I'm all for Hail Mary passes if that's all we've got, but it's not all we've got. The compact approach makes this process doable; it makes it simpler; it makes it more easy. Now, mind you, ... as we talked about tweaks, it can't really be used for political ideas that are divisive; it can't really be used for overly complex issues; it can't really be used where you don't really have a clear policy solution in mind yet. It's really only something that can work for a well-defined, super majority product that plausibly, in the near future, can command a minimal of tweaks and 38-state support. You should know that our partner organization spent \$50,000 on a poll testing the various components of the BBA in our compact. ... Every component, even the state referendum component, polls at 60 percent plus.

[9:10:49 AM](#)

MR. DRANIAS said compacts are not the exclusive way to go; they can only practically be used for things that do that kind of polling. Other things that require drafting, consensus building, those are all going to have to be done through the traditional route; there's no other choice. Mr. Dranias next described the process of the compact, which he said is a single piece of overarching legislation. He stated, "In the compact, you have the proposed amendment, Article II in your bill." There is a commission that organizes logistics. The compact also includes an application required by Article V. It uses a

conditional enactment, which only sends out the application to Congress once 38 states join the compact. He continued as follows:

As soon as that application goes live, in the congressional resolution, in Title I, a pre-rated call for the convention, in accordance with the compact, is triggered. When that call goes live in the compact it triggers delegate appointments specified in the compact; it instructs those delegates to vote and to place rules requiring an up or down vote on the amendment it contemplates. That goes live. It builds in a scope limitation that nullifies anything that might come out of the convention other than the BBA that is contemplated, satisfying the many reasonable people who worry about runaway conventions. Assuming a convention actually, in this limited fashion, votes up rather than down the amendment that's contemplated, that immediately triggers, using a conditional enactment in the congressional resolution, the ratification referral that's in Section 2. As soon as that goes live, based on the conditional enactment, it triggers a pretty loaded ratification in the compact that was already there from the beginning. That goes live - boom. You can get done in a grand total of 38 enactments in the states - assuming minimal tweaks or none, hopefully - and one enactment in Congress, everything that would otherwise take over 100 enactments using the non-compact approach.

That makes this plausible, but more importantly, it makes it "campaignable," because you can know all the political players that are involved in this process as you're plotting how to get from point A to point B. You can't know that in the regular Article V approach without a compact. And that's one of the greatest challenges about the non-compact approach to Article V is [that] you have so many different legislative sessions you have to navigate, you just cannot campaign it out based on known political quantities at all. So, again, I support the other version of Article V ..., but I think it's important to emphasize that not only is it a series of Hail Mary passes, but in a very real sense, it's a blindfolded Hail Mary pass over and over again. So, the compact, for once, finally resolves all uncertainty in the process; everything's determined up front and everyone knows

what they're getting into. And this resolves a lot of concerns that some folks have had on the left and the right about the Article V convention process.

MR. DRANIAS said a compact is like a ballot measure, in that "you know what you're going to get." Like a ballot measure, a compact may fail. The Compact for a Balanced Budget has sixteen safeguards built in to satisfy those concerned about a possible runaway convention. He credited Andy Schlafly for bringing forward the demands that resulted in the safeguards.

[9:14:49 AM](#)

CHAIR LYNN asked Mr. Dranias to state for the record the guarantees there would not be a runaway convention.

MR. DRANIAS answered that under Article VIII, in HB 284, anything that might happen at the convention other than what is specifically mapped out would be nullified. Further, it would bind all the member states to not ratify anything that might come out of the convention other than the contemplated BBA. Because a compact is regarded as a binding contract that has entrenchment capabilities, it will "lock down the member states." He described the protection as being so good that the possibility of tyranny is greater than that of having a runaway convention.

[9:16:49 AM](#)

MR. DRANIAS stated, "Right now, Congress is a standing constitutional convention." Under current case law, it takes only two-thirds of a quorum for Congress to propose amendments on any subject. Further, nobody has any say-so over what rules Congress might set. He asked, "The reality is if we are not worried about Congress, despite all the destruction and ... calamity that they're meting upon us and our kids, [then] why are we worried about this?" He said Article V "decentralizes power" and "fixes the problem." He opined that the best thing to do is to have a compact for a BBA. He said there is a "dirty little secret" in Article V, which is that Congress has a position of power to control the call and the ratification referral. If the compact is not used, "you" must go back to Congress twice and hope that each time Congress does what it is supposed to do and does not table the bill "or otherwise try to screw around with things." He clarified that he thinks Congress would pass a bill that organizes the convention as a mini Congress, where it lowers the proposed amendment's threshold.

He said Congress has introduced bills like that twice already: once in the 1970s and once in the 1980s. He said the compact fills "all those voids" and, because it sunsets in seven years, it manifests real political will in institution versus institution, and thereby forces Congress to make a political choice to oppose 38 states or "go along with it." He stated, "There is no opportunity for Congress to circumvent it without denying the compact."

MR. DRANIAS said the Founding Fathers promised that the states would have the ability to get whatever amendments they desired using Article V. He said logistically it's been incredibly difficult, but with a compact it is finally plausible to fix the national debt.

[9:19:58 AM](#)

MR. DRANIAS, in response to Chair Lynn, related that before his current position, he was at the Institute for Justice, in Minnesota, for three years, and prior to that was a litigant attorney for eight years in Chicago.

[9:21:15 AM](#)

DON BRAND indicated that he became a volunteer with the Convention of States Project in order to do something that would "address constraints on federal abuse, including spending." He stated his support of "any approach, which has as its goal to seek amendments that constrain federal spending"; therefore, he stated support of HB 284 and urged the committee to move it forward. In response to the chair, he confirmed that he was testifying on his own behalf.

[9:22:05 AM](#)

CHAIR LYNN, after ascertaining that no one else wished to testify, closed public testimony.

[9:22:14 AM](#)

REPRESENTATIVE KELLER observed that four out of the seven members of the committee are not also on the House Judiciary Standing Committee, and he requested that those who wished committee discussion on HB 284 in the House State Affairs Standing Committee to say so. He explained his tendency is to want to move the proposed legislation out of the committee, but he does not want to cut anyone out of the discussion.

[9:22:53 AM](#)

REPRESENTATIVE HUGHES stated her preference to have more time to understand what the budget amendment would do.

[9:23:53 AM](#)

REPRESENTATIVE GATTIS expressed concern that if the House State Affairs Standing Committee holds HB 284, it may not pass [out of both bodies by the end of session]; therefore, she said she would vote to move it out of committee where the House Judiciary Standing Committee could address the constitutional aspect.

[9:24:23 AM](#)

REPRESENTATIVE KREISS-TOMKINS posited that the House Judiciary Standing Committee seems like an appropriate venue for what appears to be a "supremely judicial bill."

[9:24:36 AM](#)

REPRESENTATIVE ISAACSON said he echoes the sentiment of the majority. He said he understands what Representative Hughes would like to do; however, he ventured that [the House Judiciary Standing Committee] would ensure that the proposed legislation delivered on its intent.

[9:25:22 AM](#)

CHAIR LYNN remarked there are only two lawyers on the House Judiciary Standing Committee.

REPRESENTATIVE ISAACSON said he was prepared to make a motion to move HB 284 out of committee.

[9:25:56 AM](#)

REPRESENTATIVE HUGHES said she thinks the information she wants would only take a few minutes to address.

[9:26:30 AM](#)

CHAIR LYNN reopened public testimony.

[9:26:45 AM](#)

REPRESENTATIVE HUGHES observed that language on page 3 of HB 284 begins the explanation of the proposed BBA, and she asked Mr. Dranias to offer further details.

[9:27:22 AM](#)

MR. DRANIAS stated that the proposed BBA has seven sections. [Section 6 of the BBA, as shown on page 4, lines 13-25, of HB 284], is the definitional section, which he said is probably the most important toward understanding the entirety of the proposed bill. He said Section 1 [of the BBA, explained on page 3, lines 9-12 of HB 284], relates to balance and would limit expenditures of the United States Government to all tax receipts and other income, excluding the proceeds from debt and the incurrence of liability. He said the intent of this is to limit spending to "only taxes and things like taxes." He stated, "Any time money is created out of thin air, that is proceeds from the incurrence of a liability."

[9:30:04 AM](#)

MR. DRANIAS said Section 2 [of the BBA, shown on page 3, lines 13-17 of HB 284], proposes an establishment of a line of credit at 105 percent of the outstanding debt on ratifications. The extra five percent would give time through additional borrowing to try to figure out what to do next. Section 3 [of the BBA, shown on page 3, lines 18-27 of HB 284], pertains to the referendum process, whereby in order to increase the initial revolving line of credit, [Congress] would have to refer a measure out to the states, a majority of which would have to approve the measure. He said the significance of this provision is that it would deem void as an issue anything that would involve a quid pro quo, so the possibility of states being coerced into approving debt increases would be greatly minimized because it would risk the soundness of the bond issuance.

MR. DRANIAS said Section 4 [of the BBA, shown on page 3, line 28, through page 4, line 5, of HB 284], relates to the impoundment requirement, whereby roughly six months prior to hitting the debt limit, the parties state what they would have to impound if the debt limit is not increased, taxes are not cut or increased, or spending is not cut or raised. Section 5 [of the BBA, shown on page 4, lines 6-12, of HB 284], pertains to a tax limit where there would be a general rule of a two-thirds [vote in Congress] required for any increase or new taxes, with the three exceptions, using simple majorities to either get to a fair tax, get to a flatter tax, or to rely on tariffs and fees.

He reiterated that Section 6 of the BBA is the definition section. He stated that Section 7 [of the BBA, on page 4, lines 26-27 of HB 284], states that as soon as the amendment is ratified, it is operative; Congress does not have to pass a law.

[9:32:09 AM](#)

REPRESENTATIVE KELLER announced that Mr. Dranias would be available in the Speaker's Chambers at 4:00 p.m. to answer questions. Further, he relayed that Mr. Dranias had relayed his commitment to being a resource to Alaska. He said he would like to make a motion to move the bill out of committee.

[9:32:38 AM](#)

REPRESENTATIVE HUGHES expressed thanks for the time taken to identify the factors of the BBA.

[9:32:53 AM](#)

CHAIR LYNN reclosed public testimony.

[9:32:59 AM](#)

REPRESENTATIVE ISAACSON moved to report HB 284 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 284 was reported out of the House State Affairs Standing Committee.

HB 199-VPSO FIREARMS

[Contains mention of SB 98.]

[9:33:33 AM](#)

CHAIR LYNN announced the final order of business was HOUSE BILL NO. 199, "An Act relating to Department of Public Safety regulations allowing village public safety officers to carry firearms."

[9:33:42 AM](#)

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, as sponsor, presented HB 199. In response to the chair, he confirmed that there were two fatal incidents in which a VPSO was killed in the line of duty. Both occurred in Bristol Bay. The first happened October 22, 1986, when Ron Zimin lost his

life pursuing an incident of domestic violence in the community of South Naknek; the second incident took place March 19, 2013, in Manokotak. He reported that the number of assaults against VPSOs has been increasing. He said he has observed a change in many rural Alaska communities, with an increase in violence, domestic violence, and drug related altercations. He stated it is just a matter of time before there is another violent confrontation that may be avoided as a result of the proposed legislation. In response to the chair, he said it is not possible to know for certain whether the aforementioned fatalities could have been avoided if those VPSOs had been armed; however, he indicated that many residents of Manokotak believed it would have made a difference.

[9:36:29 AM](#)

CARLA AKELKOK, Manager, VPSO Program, Bristol Bay Native Association (BBNA), stated that the BBNA Board of Directors, including President/CEO Ralph Andersen, supports HB 199. She said BBNA is a regional Alaska Native non-profit corporation and tribal consortium, which has operated the VPSO Program for more than 30 years, since its inception. She related that both VPSOs who died in the line of duty - Ron Zimin in South Naknek in 1986, and Thomas Madole in Manokotak on March 19, 2013 - were BBNA employees. She stated, "Both are honored and in our hearts and memories."

MS. AKELKOK said BBNA strongly supports changing state policy to allow VPSOs to be armed, along with the required certified training. She said BBNA thinks the decision [whether to arm a VPSO] should be made as local policy by the particular community and non-profit employer. She said at present BBNA's VPSO contract with the Department of Public Safety (DPS) prohibits BBNA from allowing its VPSOs to be armed while on duty. She relayed that shortly after the death of VPSO Madole, the BBNA Board of Directors adopted Resolution 2013-07, which called on DPS to rescind the ban on arming VPSOs. Further, in September 2013, the board adopted resolution 2013-14 expressing support of HB 199.

MS. AKELKOK stated BBNA's belief that the social environment of rural Alaska has changed in the last 30 years, and that increased use of alcohol and dangerous drugs such as methamphetamine and heroin make the VPSO jobs more hazardous. She said BBNA recognizes that a change in state policy to allow BPSOs to be armed should be done through a planned process, and appropriate training should be provided. She stated, "If

approved, BBNA has volunteered to be the pilot project with DPS."

[9:39:31 AM](#)

MS. AKELKOK, in response to the chair, said BBNA does have concerns about liability and will form a working group with DPS to conduct further research.

[9:40:32 AM](#)

JODY POTTS, Coordinator, Village Public Safety Officers (VPSOs), Tanana Chiefs Conference (TCC); Sergeant VPSO, commended the state and bill sponsor for bringing HB 199 forward to support VPSOs and the work they do in rural Alaska. Based on her experience as a VPSO over the last four years, she said she has witnessed an increase in the level of violence and unpredictability of the people that VPSOs deal with on a regular basis, along with an increase in assaults on officers. She stated that the TCC Executive Board and President support arming VPSOs and have faith in DPS's ability to properly train VPSOs. She said she was a recruit at the academy in Sitka, and she believes the training will be sufficient.

MS. POTTS relayed the only concern is related to the screening process. She said currently VPSOs have to pass a basic criminal background check, after which the nonprofit organization is allowed to interview and hire them. She said state troopers and other municipal police in Alaska who are certified by the Alaska Police Standards Council (APSC) undergo a much more lengthy screening process, which includes a more in depth background check, psychological ("psych") evaluations, a polygraph test, a physical fitness test, and more lengthy interviews. She opined that that is important to ensure that "communities are getting highly qualified individuals that are fit mentally and physically in order to carry a firearm." She stated her belief, based on the research she has conducted, that this factor could protect a VPSO, the hiring organization, and the state if a liability case was brought claiming excessive use of force. She said she thinks it would be a disservice to Alaskans if the state does not require a test of mental and physical fitness, in addition to the criminal background check, [before qualifying a VPSO to be armed].

[9:44:18 AM](#)

CHAIR LYNN asked Ms. Potts if she is concerned that under HB 199, a VPSO would not be required to have as much training in carrying a firearm as a police officer.

MS. POTTS answered yes. She stated her belief that the villages being served deserve the highest training in their VPSOs. She further remarked upon the high-level, quality training that the VPSO Academy provides. In response to a follow-up question, she reemphasized her concern about how the courts would view a case of excessive force brought against a VPSO who had not been screened sufficiently to determine whether he/she was qualified to carry a weapon. In response to the chair, she clarified that TCC supports HB 199, but strongly feels that the issue of a proper screening process needs to be addressed.

[9:47:33 AM](#)

REPRESENTATIVE HUGHES requested that the bill sponsor explain why the screening is not included and address the issue of training brought up by Ms. Potts.

[9:48:01 AM](#)

REPRESENTATIVE EDGMON said he has been assured by DPS that the whole process of screening and training, which will be under the umbrella of the Alaska Police Standards Council, will be "similar [to], if not directly on par with what a municipal police officer would get." He said he cannot speak for the non-profit organizations [that hire the VPSOs], but he surmised that they would carefully screen candidates. To illustrate his personal commitment to this issue, he told the committee he is going to the training facility in Sitka on a Saturday when there will be active training taking place, and he invited others to join him.

[9:50:45 AM](#)

REPRESENTATIVE GATTIS expressed concern regarding additional training that may be necessary to address unique situations in rural villages where, for example, a VPSO may be related to some of those he/she serves. She indicated that carrying a weapon can escalate a situation. Notwithstanding that, she opined that [VPSOs] working in villages should not be without a weapon.

[9:52:09 AM](#)

REPRESENTATIVE ISAACSON asked the bill sponsor whether the phrase "minimum standards in training" is associated with the Alaska Police Standards Council.

[9:52:38 AM](#)

REPRESENTATIVE EDGMON responded that following the House Community and Regional Affairs Standing Committee meeting on HB 199, he asked DPS to check with the Department of Law on whether "that, in fact, was the case," and the answer he received was yes.

REPRESENTATIVE ISAACSON asked Representative Edgmon to confirm that he thinks "no amendment is needed to make sure that that intent is ... fulfilled in regulation."

REPRESENTATIVE EDGMON answered that is correct.

[9:53:19 AM](#)

ALBERT JUDSON related that he is Tlingit and (indisc.), and his father was the first policeman in Hoonah, Alaska. He said he became a VPSO. He stated support of HB 199 and SB 98, because of the work he did, the experiences he had, and the things he saw. He related an incident where his life was threatened. He mentioned the right to bear arms, and the right to self-protection. He said he would like to see VPSOs get temporary permits even before getting training, because of the need to protect themselves and their role in protecting the general public. He said they take an oath, which should be taken seriously.

[9:57:43 AM](#)

MR. JUDSON questioned if there is a law which says if a citizen failed to help protect a police officer who was attacked, he/she would be in violation of the law, and if so, he suggested that that law should apply to VPSOs and anyone in law enforcement, no matter where they are located. He talked about the United States having fought for the right to be free and the equal protection of all under laws. He asked the committee if there should be a state trooper academy separate from that for VPSOs. He talked about "many of them" being unqualified, having been veterans, but with no formal training. He suggested having a public safety academy for VPSOs and security personnel, which would "alleviate that ... weakness."

10:00:33 AM

MR. JUDSON relayed that the only part of HB 199 he questions is in regard to the phrase "minimum standards of training". He said, "That's where I feel that a temporary permit should be issued immediately, if not sooner"

CHAIR LYNN thanked Mr. Judson for his service as a VPSO.

[HB 199 was held over.]

10:02:26 AM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:02 a.m.