

2011 SENATE APPROPRIATIONS

SCR 4013

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SCR 4013
February 3, 2011
13915

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging Congress to adopt a federal balanced budget amendment.

Minutes:

See attached testimony # 1.

Chairman Holmberg called the committee hearing to order on SCR 4013.
Becky J. Keller - Legislative Council; Tad H. Torgerson - OMB.

Senator Bob Stenehjem, District 30, Senate Majority Leader, State of North Dakota
Bill Sponsor -
Testified in favor of SCR 4013. Testimony attached - # 1

He urged the committee to consider this resolution because not only is requiring a federal balanced budget economically sound, it is the right thing to do to ensure that our future generations are well provided for.

Senator Randell Christmann, State Senator, District 33

Bill Sponsor

Testified in favor of SCR 4013.

The purpose of this bill is not so much for us but for the future generations. (He commended four students in attendance for following the government process and said it was refreshing to see them taking notes.)

Chairman Holmberg closed the hearing on SCR 4013.

2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee
Harvest Room, State Capitol

SCR 4013
February 4, 2011
14024

Conference Committee

Committee Clerk Signature

Rose Loring

Explanation or reason for introduction of bill/resolution:

This is a vote on SCR 4013 – balanced budget amendment

Minutes:

You may make reference to "attached testimony."

Chairman Holmberg called the committee to order on SCR 4013.

Senator Grindberg MOVED DO PASS.

Senator Fischer seconded.

A Roll Call vote was taken. Yea: 10 Nay: 1 Absent: 2

Motion carried.

Senator Grindberg will carry it on the floor.

Date: 2-4-11
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SCR 4013

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Sen. Grindberg Seconded By Sen. Fischer

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner		✓
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg	✓		Senator Robinson		
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer					
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 10 No 1

Absent 2

Floor Assignment Sen. Grindberg

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SCR 4013: Appropriations Committee (Sen. Holmberg, Chairman) recommends DO PASS (10 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). SCR 4013 was placed on the Eleventh order on the calendar.

2011 HOUSE APPROPRIATIONS

SCR 4013

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee
Roughrider Room, State Capitol

SCR 4013
3/10/11
15271

Conference Committee

Committee Clerk Signature

Meredith Trachott

Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging Congress to adopt a federal balanced budget amendment.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: We'll open the hearing on SCR 4013. The title was read.

Representative Al Carlson, District 41, House Majority Leader: It's pretty simple, it urges Congress to adopt a federal balanced budget amendment. We work under that premise in our state, and it seems to have worked pretty well over the years. Our federal deficit is up to 9% of our GNP, and there are many who would say that level of spending is out of control. You might ask why we would do this, when we get so much federal money, but if we don't start somewhere there's not going to be much left to give to our kids and grandkids. Even the president, in his State of the Union address, referred to the fact that the situation was not sustainable. Right now they are having a big fight in Congress about reducing spending. I will be the first to admit I question the value of resolutions; I'm not sure who reads them or what they do with them. I would just once like to get a receipt that says, we received it, and we appreciated it; so far I've never seen one of those. I think it's imperative on us, if you read through it, that we request and ask that they do what we do in the states, and that's run a balanced budget.

Chairman Delzer: Questions by the committee?

Representative Thoreson: On lines 7-8, it talks about a supermajority of both houses necessary to increase taxes. Was there any discussion as to what a supermajority is?

Representative Carlson: That is 60%, is my understanding.

Representative Thoreson: Was there any discussion as to putting language in, that instead of increasing taxes to balance the budget, maybe it be done by reducing or freezing federal spending?

Representative Carlson: Obviously it's a two-sided coin, and the first one is easier. Raising taxes is much easier than cutting spending, as has been proven time and time again. They have a spending problem, not a revenue problem.

Representative Monson: The way this would work is that Congress would, by a majority vote, pass, if they were to listen to this and do it, pass this amendment. I think of our permanent oil trust fund, which we so eloquently call General Fund 2, because we can with a simple majority go ahead and change that. Would that be the case with this at the federal level? Would they be able to vote it back down and say, no, we just need a simple majority?

Representative Carlson: That's a good point. I would guess they can do the same thing we do. A supermajority doesn't mean much when a simple majority can overrule it, but it does sound better. I'm not sure of the laws and rules at the federal level.

Chairman Delzer: This looks like this is urging an amendment to the Constitution to the United States, and if that happened, they would have to live with it.

Representative Carlson: This doesn't specifically say a Constitutional Convention would be required to amend the Constitution, but it implies that when you talk about the amendment. That in itself is very controversial, if you can limit the topics if you were to open a convention.

Chairman Delzer: I believe there are ways to adopt amendments to the Constitution without a Constitutional convention; it can be done with a vote of Congress and then ratified by 2/3 of the states.

Representative Carlson: Either process is extremely difficult. This is more of a statement about how they should be doing business, we understand that. Does it carry a lot of force, no; does it make us feel better about telling them to get their ship in order because we're concerned, yes it does.

Representative Glassheim: On the limitation on total federal spending, what did you have in mind? A dollar amount, or a percent of GDP?

Representative Carlson: I don't have anything in mind, I didn't craft that language.

Chairman Delzer: I would guess a balanced budget would mean whatever they take in, they don't spend any more than that. They would still control how much they take in.

Representative Glassheim: The fourth item says a limitation on total federal spending, so as I read that, you'd have to specify a specific dollar amount.

Representative Carlson: That's a good point. What would that number be, or what would that percentage be, you could put any number you want in there and it would be at best a wild guess.

Representative Glassheim: One problem I see with needing a supermajority to increase taxes, would you want to expand that to require a supermajority to cut taxes? If you're trying to decrease the deficit, you can't be cutting taxes. There's no economist I've read that says we can just cut our way to \$1 trillion without losing the country. Secondly, there

are an awful lot of tax subsidies to various corporations and peoples and interest groups, which raise the deficit. Would you want to extend the supermajority to cover those as well?

Representative Carlson: If we don't want any reductions to ever happen, I suppose we could have that requirement in there. The key to this is to not spend more than you're taking, and not be raising taxes to do it. That is a tough task for them, as they have created entitlement after entitlement. We have been the recipient of those entitlements, I'll be the first to admit that. If you look at how much of our money is federal money, it would be a little bit alarming if someone told us tomorrow that 2/3 of that money was gone. We couldn't balance our own budget if 2/3 of that federal money was gone, not without doing some very serious adjusting of our programs. It takes us to be prudent, to make sure we have some reserves, because that day is coming.

Representative Kaldor: According to the governor's budget book, it looks like \$2.7 billion of federal funds. When we send resolutions to Congress, I don't know where they go either. I'd be interested if we could get a receipt on this as well. I wonder what Congress does when they look at a state like ND. We are unique in the nation. We have record revenues because of the blessings of natural resources and good ag markets, and we're going to tell the federal government that they need to get their house in order and balance their budget. I'm not opposed to that, I agree they need to get their fiscal affairs in order, but when it comes from ND, I wonder what they think about us, as to what it is of that \$2.7 billion dollars we would be willing to relinquish. We'd have to participate in that process, obviously. The other thing that comes to mind as states send resolutions Congress, I'm assuming some states are sending resolutions to Congress right now to send more money back to the states because most states are in pretty tough financial shape. The third thing is the US Department of Defense is looking at spending several hundreds of billions of dollars on developing a new aircraft that might be headquartered here in ND. But maybe we tell federal government, balance your budget first, and we'll let Grand Forks and Minot endure that loss of that potential airplane. How do we look to them, when we make these kinds of requests? What must a US Senator think when he gets a resolution like this?

Representative Carlson: Obviously it depends on his philosophical belief in whether the debt is a problem or not. Both parties have kicked that down the road for quite a while. If you took that \$2 billion plus in federal money we receive in various programs, and made another category of which ones we had to have because we are mandated to do it, you get a different number. Secondly, this country needs to start prioritizing. We haven't had a war on our soil since our own war with the states, because we've got peace through strength and we've had commitments to our military. Is that a priority? Would we like to have those battles here? I don't think so. I can't imagine us being like Libya today, where every other street is blown up. You could say we don't deserve that because we haven't balanced our budget. But we have one good advantage, we're strategically located. Perhaps we need to say no to these mandates sometimes and just not do them; that's a hard thing to do and we haven't done a good job of it up until now.

Chairman Delzer: Further questions? Further testimony in favor of or opposition to SCR 4013? We'll close the hearing.

2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee Roughrider Room, State Capitol

SCR 4013
3/23/11
15865

Conference Committee

Committee Clerk Signature

Meredith Tracholt

Explanation or reason for introduction of bill/resolution:

A concurrent resolution urging Congress to adopt a federal balanced budget amendment.

Minutes:

You may make reference to "attached testimony."

Chairman Delzer: Opened discussion on HCR 4013. I think some people had amendments to offer? We have two handed out.

Representative Thoreson: I have amendment .01001. In reading the resolution, it could perhaps be construed that we should raise taxes to balance the budget, so this amendment adds an additional line saying the federal budget should be balanced by reductions in or freezing current spending before any increases in taxes. This clarifies we are not promoting the idea of using a tax increase to balance the budget. I would move adoption of amendment .01001.

Representative Skarphol: Second.

Chairman Delzer: Discussion?

Representative Bellew: Is it necessary to say, before any tax increases?

Representative Thoreson: I would prefer it to say there is no need to increase taxes, obviously I think we are taxed enough. It was just to clarify that rather than promoting tax increases as a first choice, we should look at freezing or reducing it. I would not have an objection if the committee wished to change those words.

Representative Nelson: This resolution does require that a super-majority exist to increase taxes. Are there any states currently that require a super-majority to raise taxes?

Representative Thoreson: I'm not aware. I know there have been some moves in certain states, but with what's happening with budgets in most other states, I'm not sure if they've done any changes with that.

Chairman Delzer: I know in states with buildings for schools it requires a super-majority.

Representative Nelson: I know it's the case with property taxes. In many cases we have asked the federal government to do what we do; in this case, we're actually asking them to do what we don't do.

Representative Kaldor: To what extent then would this amendment go? Are you suggesting that we completely balance the budget through cost reductions and freezing spending before any tax increases are considered? Maybe we consider the Fargo diversion as being acceptable and not cut that spending, but that's the point at which we reach a limit and then we increase taxes. Where's that point?

Representative Thoreson: I understand there may be a tipping point. I believe the federal budget has grown and grown, as our state has, but we've seen massive increases going back; it's not one party or the other that's to blame, both sides of the aisle have been guilty of this. I feel the citizenry of the US have paid enough out of their pocket to fund government. It doesn't say that taxes cannot be increased, it just says it should be balanced by reductions or freezing before that.

Representative Kaldor: I don't think they imply, I think they state that the budget should be balanced through freezing current spending and budget cuts first. You might want to look at the other amendment, which speaks to some of the effects of spending cuts. It seems to me this cannot all be done on one side of the ledger.

Chairman Delzer: Further discussion on the motion to amend with .01001? Motion carried by voice vote.

Representative Glassheim: I move the adoption of amendment .01002.

Representative Kaldor: Second.

Chairman Delzer: We have a motion to further amend; this is a hog house amendment.

Representative Glassheim: I decided to take this problem seriously. The bill before you is magical thinking. You cannot balance the budget with just cuts. If you cut out all discretionary spending, \$600-\$700 billion, you'd still have a huge deficit. If you even try to do it, especially in just one year, you would so disturb the economy of this country that there would be chaos. I think we all agree that the deficit is excessive, and the debt is even worse. It's somewhere between 80 and 90% of our gross domestic product. That's too high; it's about what it was right after World War II. To think that a balanced budget amendment will solve the problem is unrealistic. I tried to put together something that has a goal that I think we agree on, but tried to be more realistic about how it could actually be done. What I think has to happen is a shared sacrifice. In order to take significant cuts, they have to see that they are not the only ones being cut. That means some tax increases, there have to be tax increases, because it cannot be done just by cuts. There will need to be changes in the tax code. The place to start is the President's commission on fiscal responsibility. There are now 64 senators who have signed a letter saying that they want to meet on the commission as a starting place. So if you're serious about really doing this, I offer this as a serious way to address the budget deficit and the long term debt.

Chairman Delzer: I've looked through this and some of it I can agree with. I do not agree with changing the whole scope of the resolution. The 'therefores' on the end are considerably different. I have concerns about hog housing something without discussion with the sponsors of the bill. I'm not going to support this; I think it removes the meaning of the resolution that was placed before us, and I would rather vote just on that resolution.

Representative Kaldor: Urging congress to adopt a federal balanced budget amendment, does anyone understand how long it would take before that would have any effect? A constitutional amendment could take years, and when we have states in this country who ask for more than they pay in to the federal government, they're asking more of the federal government at this time. Their incentive to approve a balanced budget amendment is even more remote. I think this attempt to urge Congress to deal the problem now is superior to the resolution that was originally put forth. I think we all agree that this is a serious problem and has serious implications for ND. As an example, think of our rural water systems. Does anybody think that they would have been developed with state or local money? We have one of the best water infrastructure systems in the country, in large part because of federal participation. We're going to have to give up a lot in order to balance the federal budget and reduce the federal debt. We should take this more seriously than we are. I would support Representative Glassheim's efforts.

Chairman Delzer: If this would have been in place 50 or 100 years ago, we probably wouldn't have the problems we have now. I think part of the problem is saying, we're going to work on it. We've been working on it.

Representative Thoreson: The President's commission did some things like shifting tax burdens and increasing taxes on quite a few. The commission looked at \$0.15 a gallon tax increase and I think that would be a huge burden to the citizens of our state, and if we're going to follow their recommendations as part of this amendment, I cannot support that.

Chairman Delzer: Further discussion? We have a request for a recorded roll call vote on adopting the hog house amendment .01002. We'll call the roll. Motion fails 5-16-0. The resolution is currently amended with .01001. Further discussion?

Representative Skarphol: I move Do Pass as Amended.

Representative Thoreson: Second.

Chairman Delzer: We have a motion for a Do Pass as Amended. Discussion.

Representative Glassheim: Any constitutional budget amendment would have to have a proviso that said 'except in wartime.' Much of our debt comes from times of war; so, a balanced budget amendment would have very small effect on the deficit and the debt. I doubt a federal balanced budget amendment is going to pass, and if it did it is unlikely to do anything. I oppose a resolution calling on something that is futile and won't work.

Chairman Delzer: I think part of the blame falls to us as a state. I've served on budget section since 1997 and I don't think we've ever turned down federal money. Maybe there are times we should stand up and say we don't need that.

Representative Kaldor: It was brought up the commission had some recommendations we would not find very savory. If a balanced budget were indeed passed, our roads would go into near disrepair, because we don't near enough gas taxes to fund road maintenance, or we would look upon a 15 cent gas tax as a pretty nice compromise, because they will have to deal with these particular issues. We're very dependent on the federal government and we accept those dollars every biennium. I think this is unrealistic and I hope we would resist the motion.

Representative Williams: We've passed resolutions for a long time. I do not know where this is going to end up. Probably on a shelf somewhere. But I'm going to support it simply because it's a statement of concern.

Chairman Delzer: Further discussion? Seeing none, we'll call the roll for a Do Pass as Amended on SCR 4013. Motion carries 16-5-0. Representative Thoreson will be the carrier.

Representative Glassheim: Requested a divided committee report to show the minority position on the amendment.

Chairman Delzer: That concludes our work for today. We'll stand adjourned.

VK
3/23/11

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4013

Page 1, after line 8, insert:

"**WHEREAS**, the federal budget should be balanced by reductions in or freezing
current spending before any increase in taxes; and"

Renumber accordingly

Date: 3/23
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4013

House Appropriations Committee

Legislative Council Amendment Number .01001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Thoreson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

Total (Yes) _____ No _____

Absent _____

Floor Assignment: _____

If the vote is on an amendment, briefly indicate intent:

voice vote carries

VK
3/23/11
1062

PROPOSED AMENDMENTS TO SENATE CONCURRENT RESOLUTION NO. 4013

Page 1, line 1, after "A concurrent resolution" replace the remainder of the resolution with "urging the leaders of both parties in Congress to meet with the President at a summit and, using the President's National Commission on Fiscal Responsibility and Reform report as a starting point, to negotiate a bipartisan comprehensive fiscal responsibility package that can be enacted this year.

WHEREAS, the total debt of the United States government is \$14.2 trillion, over \$45,000 for every person in the nation; and

WHEREAS, the annual federal deficit is anticipated to be \$1.56 trillion in fiscal year 2012; and

WHEREAS, interest payments on America's debt are now 15 percent on non-Social Security federal revenues; and

WHEREAS, the federal budget cannot be balanced merely by cuts because if all nonmandatory spending, including defense and Medicare, were cut by 20 percent there would still be a deficit of \$1.1 trillion; and if all discretionary programs, excluding defense and Medicare and Medicaid, were totally eliminated there would still be an annual budget deficit of \$800 billion; and

WHEREAS, the federal budget cannot be balanced merely by tax increases because even if all non-Social Security revenues were increased by 30 percent, there would still be a deficit of \$1 trillion; and

WHEREAS, long-term continuation of these levels of deficit and debt threaten the strength of our nation and the well-being of its people; and

WHEREAS, it is impossible to manage this fiscal crisis without a comprehensive balanced approach of shared sacrifice--a fiscal responsibility package that includes spending decreases, tax increases, closing of tax loopholes, and decreases in incentives to already profitable corporations;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA,
THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the Sixty-second Legislative Assembly urges the leaders of both parties in Congress to meet with the President at a summit and, using the President's National Commission on Fiscal Responsibility and Reform report as a starting point, to negotiate a bipartisan comprehensive fiscal responsibility package that can be enacted this year; and

BE IT FURTHER RESOLVED, that the Legislative Assembly urges Congress to approve a constitutional amendment requiring the President to deliver annually and the Congress to adopt a 10-year debt reduction plan; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President and each member of the North Dakota Congressional Delegation."

Renumber accordingly

Date: 3/23
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4013

House Appropriations Committee

Legislative Council Amendment Number .01002

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Glassheim Seconded By Rep. Kaldor

Representatives	Yes	No	Representatives	Yes	No
Chairman Deizer		X	Representative Nelson		X
Vice Chairman Kempenich		X	Representative Wieland		X
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson		X	Representative Glassheim	X	
Representative Beliew		X	Representative Kaldor	X	
Representative Brandenburg		X	Representative Kroeber	X	
Representative Dahl		X	Representative Metcalf	X	
Representative Dosch		X	Representative Williams	X	
Representative Hawken		X			
Representative Klein		X			
Representative Kreidt		X			
Representative Martinson		X			
Representative Monson		X			

Total (Yes) 5 No 16

Absent 0

Floor Assignment: _____

If the vote is on an amendment, briefly indicate intent:

divided committee report requested

Date: 3/23
Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 4013

House Appropriations Committee

Legislative Council Amendment Number .0/001

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson		X
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glasheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		X
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 16 No 5

Absent 0

Floor Assignment: Rep. Thoreson

If the vote is on an amendment, briefly indicate intent:

Floor assignment minority report: Rep. Glasheim

REPORT OF STANDING COMMITTEE (MINORITY)

SCR 4013: Appropriations Committee (Rep. Delzer, Chairman) A MINORITY of your committee (Reps. Glassheim, Kaldor, Kroeber, Metcalf) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, line 1, after "A concurrent resolution" replace the remainder of the resolution with "urging the leaders of both parties in Congress to meet with the President at a summit and, using the President's National Commission on Fiscal Responsibility and Reform report as a starting point, to negotiate a bipartisan comprehensive fiscal responsibility package that can be enacted this year.

WHEREAS, the total debt of the United States government is \$14.2 trillion, over \$45,000 for every person in the nation; and

WHEREAS, the annual federal deficit is anticipated to be \$1.56 trillion in fiscal year 2012; and

WHEREAS, interest payments on America's debt are now 15 percent on non-Social Security federal revenues; and

WHEREAS, the federal budget cannot be balanced merely by cuts because if all nonmandatory spending, including defense and Medicare, were cut by 20 percent there would still be a deficit of \$1.1 trillion; and if all discretionary programs, excluding defense and Medicare and Medicaid, were totally eliminated there would still be an annual budget deficit of \$800 billion; and

WHEREAS, the federal budget cannot be balanced merely by tax increases because even if all non-Social Security revenues were increased by 30 percent, there would still be a deficit of \$1 trillion; and

WHEREAS, long-term continuation of these levels of deficit and debt threaten the strength of our nation and the well-being of its people; and

WHEREAS, it is impossible to manage this fiscal crisis without a comprehensive balanced approach of shared sacrifice--a fiscal responsibility package that includes spending decreases, tax increases, closing of tax loopholes, and decreases in incentives to already profitable corporations;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:

That the Sixty-second Legislative Assembly urges the leaders of both parties in Congress to meet with the President at a summit and, using the President's National Commission on Fiscal Responsibility and Reform report as a starting point, to negotiate a bipartisan comprehensive fiscal responsibility package that can be enacted this year; and

BE IT FURTHER RESOLVED, that the Legislative Assembly urges Congress to approve a constitutional amendment requiring the President to deliver annually and the Congress to adopt a 10-year debt reduction plan; and

BE IT FURTHER RESOLVED, that the Secretary of State forward copies of this resolution to the President and each member of the North Dakota Congressional Delegation."

Renumber accordingly

The reports of the majority and the minority were placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE (MAJORITY)

SCR 4013: Appropriations Committee (Rep. Delzer, Chairman) A **MAJORITY** of your committee (Reps. Delzer, Kempenich, Pollert, Skarphol, Thoreson, Bellew, Brandenburg, Dahl, Dosch, Hawken, Klein, Kreidt, Martinson, Monson, Wieland) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS**.

Page 1, after line 8, insert:

"**WHEREAS**, the federal budget should be balanced by reductions in or freezing current spending before any increase in taxes; and"

Re-number accordingly

2011 TESTIMONY

SCR 4013

NORTH DAKOTA SENATE

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Majority Leader



Senator Bob Stenehjem
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7475 41st Street SE
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TESTIMONY OF SEN. STENEHJEM FOR SCR 4013

Feb. 3, 2011

Good morning Mr. Chairman and members of the Committee, for the record I am Sen. Bob Stenehjem from District 30 in Bismarck. I come before you today to present Senate Concurrent Resolution 4013. SCR 4013 calls for an urging of the federal government to adopt a federal balanced budget amendment. The resolution suggests that such an amendment should require the President to submit a balanced budget proposal to Congress. It also suggests that a supermajority be required in both the U.S. Senate and House of Representatives in order to raise taxes. In the last "Whereas" clause, the resolution suggests a limit on total federal spending.

A balanced budget amendment is paramount to reigning in the federal budget deficit and providing for the right kind of future for our country's next generations.

According to a recent report, the Congressional Budget Office projects that the federal budget deficit for 2011 will be almost \$1.5 trillion. That is 9.8% of our nation's gross domestic product. This number is, quite frankly, out of control. A balanced budget amendment would serve to control the runaway train that is our national spending while making our national leaders better stewards of their constituencies. More responsibility and respect for citizens' tax dollars is also a byproduct of such an amendment.

The President, in his State of the Union address to the nation, expressed concern over the growing federal budget deficit. He rightly pointed out that we are spending more than we are bringing in as a country. The President was also so keen as to refer to such a situation as "not sustainable". I and the sponsors of this resolution agree. This concurrent resolution is a step in the right direction toward a more fiscally responsible nation.

One need only look at our state to see the benefits of a balanced budget law. North Dakota has long been served by its Constitutional mandate that each budget must be balance. The prosperity that our state now enjoys is a shining example of how a successfully balanced budget positively influences the overall economy and quality of life of an area.

Mr. Chairman and members of the Committee, I urge you to consider this resolution in terms of the benefits it will bring. Not only is requiring a federal balanced budget economically sound, it is the right thing to do to ensure that our future generations are well provided for.