

State of Alaska
State of Arizona
State of Georgia
State of Mississippi
State of North Dakota

The Compact Commission
Compact for a Balanced Budget
c/o Compact for America Educational Foundation, Inc.
2323 Clear Lake City Boulevard, Suite 189-190
Houston, Texas 77062



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Chairman, Compact for a Balanced Budget
Appointed Alaska Commissioner to the Compact for a Balanced Budget
Lt. Governor of Alaska, 2010-2014

- Thank you for the opportunity to testify.
- On behalf of the Compact members, I want to say that North Dakota has been a valued member of the Compact since July 2015, and we respectfully invite you to renew your participation.
- The Honorable Curtis Olafson is a major contributor to our work, and we'd like to thank him for his work with many other states.
- I'd like to thank the current bill's sponsors, and all of you for considering the bill.

Is a Balanced Budget Possible?

- Politically, I do not know. But I do know, as a borrower myself, you can't expand debt faster than income to service that debt without giving yourself problems. Our effort seeks to avoid US default.
- We may or may not have the best solution. What we do have is the only official mechanism, ongoing and official, to help force a national dialogue on spending and debt.
- In my state, as I presume in yours, we live in budget constraints which help us set priorities. The federal government seems to have suspended the laws of gravity when it comes to spending, so long as it has a printing press and a monetary policy to keep the costs of borrowing down.
- Whatever the answer to this question, it is essential that we push for limits on spending and debt.

Why should North Dakota renew its membership?

- Our Compact is working to force a discussion on spending and debt.
- Mississippi has just renewed; legislation is pending in Alaska; Arizona signed up for a longer term when it joined the Compact.
- A solvent federal government is important to all states; higher interest rates affect us all for infrastructure financing and returns to our Treasuries which park funds in federal debt; a default would dramatically affect our ability to keep our commitments to our citizens.

The Compact is an effective voice for States.

- On a very limited budget, the Compact Commission has met formally each year since its founding, and informally by weekly conference call approximately 45 times each year. We have sponsored the Debt Default Clock, guided by a group of experts in fiscal and finance matters, showing the US risk of default with continued borrowing. We have hosted meetings on Capitol Hill, and testified before legislative committees of many states, engaged with State Treasurers, and other leaders.
- **The Compact Commission is the only interstate body officially authorized to represent the member states before the President, the Executive Branch, and Congress on these matters.**