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<https://www.compactforamerica.org/balanced-budget-compact-project>

Testimony for HB 1429

HB 1429 is a relatively simple piece of legislation, but it encompasses some complex and very important issues. With the passage of HB 1138 in 2015, North Dakota became the 4th state to join the Compact For America Balanced Budget Amendment Compact. HB 1138 passed the House and Senate by wide margins. The House vote was 66-26 and the Senate vote was 29-17.

I think it is appropriate to start with a brief overview of the major Article V organizations promoting balanced budget amendments. It is very common for state legislators around the country to confuse the various Article V organizations and their efforts. This is far less common with state legislators in North Dakota. I attribute the difference to the fact that state legislators in North Dakota study the issues on their own rather than relying on legislative aides as is the case in many other states. Still, a review may be educational to help illustrate the differences between the Compact For America and other Article V efforts.

There are 3 major efforts that involve advocating the use of the Article V amendment process to impose fiscal restraints on what we can all agree is out-of-control federal spending.

1. Compact For America Balanced Budget Commission <https://www.compactforamerica.org/>
2. Convention of States <https://conventionofstates.com/>
3. Center for State-Led National Debt Solutions <http://csnds.org/> (Formerly Balanced Budget Amendment Task Force)

Of the 3, the CFA is the only approach that completely eliminates the all too common concerns of a “runaway convention” by including in the interstate compact the entire set of rules and procedures and amendment language that the member states agree to in advance. This was done at the direction and guidance of renowned constitutional and legal scholars to allow the states to be able to conduct single-issue up-down vote conventions to propose amendments just like Congress does.

The CFA is also the only effort that spells out in advance through the pre-drafted and agreed-upon text of the Balanced Budget Amendment latitude for Congress to leverage additional debt to deal with emergency spending. Most importantly, it is the only effort that gives the state legislatures the authority to approve or reject additional debt beyond a certain level. Without this major enforcement mechanism empowering the state legislatures, any other BBA would be ineffective in stopping profligate spending by the Congress. They would need to convince a majority of the state legislatures that accrual of additional debt is justified. This is a provision that should be incorporated into any BBA proposal.

2021 HB 1429, despite its length, is actually making **only 3 minor changes** to the 2015 legislation.

1. On page 9 of the bill, on line 15, it changes the number of delegates who will be representing the State of North Dakota when the amendment convention is called from the previous designation of 1 delegate to 3 delegates.
2. Also, on page 9, on lines 19-25, it clarifies who will be appointed as delegates – the governor, the speaker of the house, and the president pro tempore of the senate (or their designees) and specifies that a majority of the 3 must approve any vote during the convention.
3. On page 16, line 15 it extends the deadline (currently 2021) to 2031 to allow more time for additional states to join the Compact. This is an important change to enhance the visibility and credibility of the Compact going forward and to keep the Compact as an important part of the national discussion that will have to be held on how to deal with our explosive federal debt. The CFA BBA Compact is an official legally binding interstate agency, and as such, has credibility with federal agencies on fiscal matters.

It is also important to note that in the original language of the 2015 bill, on page 12, lines 8 through 11, each state at the convention is entitled to one vote, regardless of how many delegates a state might send. This is sometimes a question and a point of contention in discussions involving other Article V proposals. The CFA approach puts that question to rest.

Please support HB 1429 with its minor, but important, updates to the previous legislation passed by the 64th Legislative Assembly in 2015.