



## Key Facts about the Compact for a Balanced Budget

- Using an agreement among the states called an “interstate compact,” **the Compact for a Balanced Budget invokes Article V of the United States Constitution to advance a powerful Balanced Budget Amendment** (“BBA”).
- An interstate compact provides the vehicle for advancing this bipartisan national debt solution because it **transforms the state origination of a BBA into a “turn-key” operation.**
- The Compact ensures the state-initiated constitutional amendment process **efficiently, safely and exclusively** advances a specific BBA. The Compact only applies for an Article V convention when 38 states join—and once that happens, those Member States (a super-super majority) are bound to the Compact’s numerous safeguards keeping a laser focus on advancing and ratifying a powerful Balanced Budget Amendment—**rendering a “runaway convention” a pure fantasy!**
- **The Compact is what the People want.** According to McLaughlin & Associates, informed popular support for a compact to advance constitutional amendments exceeds opposition **by more than two to one.** 61% agree that a majority of state legislatures should be required to approve any increase in the federal debt. 71% agree that Congress should cut spending before raising taxes. 86% agree that Congress should be required to balance its budget.
- The proposed BBA would require a majority of State legislatures to approve any increase above an initial constitutionally-fixed debt limit. **Like an active board of directors** for our wayward federal executive and legislative branch “CEOs,” state legislatures would provide oversight and intervention when it comes to requested increases in the federal debt. The state debt approval requirement also creates flexibility to finance justifiable wars and to address genuine crises without easily exploited loopholes. If the case can be made to a majority of state legislatures that the federal government should borrow more money, then the BBA will allow such borrowing. The states should have a voice for the same reason that the U.S. Constitution originally gave state legislatures control over the U.S. Senate.
- Long before the midnight hour arrives, the proposed **BBA is designed to compel Washington to balance its budget or prepare a budget that can make the case for more debt,** requiring Washington’s political players to propose delays in spending, and thereby showing their cards, long before hitting a hard debt limit, protecting our country’s credit from being held hostage.
- The proposed BBA **neither sacrifices future generations to current generations, nor current generations to future generations.** It requires any new or increased income or sales tax to secure two-thirds approval of both houses of Congress. Recognizing that fixing the debt may require new revenues, the amendment allows for simple majority approval of revenue increases that result from replacing the income tax code with a sales tax or reducing tax exemptions, deductions and credits. Any new tax burden would only result from making our tax code flatter, fairer and far more conducive to economic growth.