



**EVERY ANSWER TO EVERY SIGNIFICANT QUESTION EVER ASKED  
ABOUT THE COMPACT FOR A BALANCED BUDGET**

*By Nick Dranias and the CFAEF Council of Scholars  
Hyperlinked to Original Sources and In-Depth Analysis*

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**Q9. Can the states constitutionally target and limit the Article V convention to considering and voting up or down solely a single, pre-drafted constitutional amendment?**

**Q10. Can the Compact constitutionally bind future legislatures to its provisions and safeguards?**

**Q11. How will the Compact's federal Balanced Budget Amendment prevent irresponsible and unjust bailouts of Wall Street?**

**Q12. Does the Compact for a Balanced Budget threaten the Second Amendment?**

**Q13. Does the Compact's federal Balanced Budget Amendment threaten tax increases or make a VAT more likely?**

**Q14. Is national security threatened by the Compact's federal Balanced Budget Amendment?**

**Q15. Does the Compact's Balanced Budget Amendment fundamentally change the structure of the Constitution by giving state legislatures a role in determining national debt policy?**

**Q16. Is the Compact's federal Balanced Budget Amendment too long and complicated?**

**Q17. Is the Compact itself too long and complex?**

A1. An agreement among the states to advance and ratify a [federal balanced budget amendment](#) before April 12, 2021 through a 24 hour Article V convention. For a 30 second briefing on the effort, [click here](#). In under two minutes, CEO Chip DeMoss explains the essence of the Balanced Budget Compact effort in [this podcast](#). [Here are six bullet points](#) that capture the essence of the Compact. [\[RETURN\]](#)

A2. No. Although we work hard to build trust on the Center-Left and to demonstrate that the Compact's BBA is compatible with both Center-Right and Center-Left policy principles, [most of our experts hail from a Center-Right background, numerous Center-Right think tanks have vetted and furnished educational support for our Balanced Budget Compact, and endorsements from Center-Right intellectuals are numerous, with Grover Norquist of Americans for Tax Reform and Ted Abram of FreedomWorks being our most recent endorsers](#). The Center-Right pedigree supporting a federal Balanced Budget Amendment by Article V convention goes back to [Ronald Reagan and Milton Friedman](#), if not further. Board Chairman and former Arizona Senator Tom Patterson explains how the Compact [advances that legacy here](#). [\[RETURN\]](#)

A3. No. We reject the notion that only "Right Wingers" want a federal Balanced Budget Amendment. Principled people on the Center-Left recognize the danger of the current system that essentially puts an unlimited credit card in the hands of elected officials. They are as outraged as the Center-Right by the idea of mortgaging our kids' future with the cost of current fiscal policy. [Click here to see that there are dozens of past and current leaders who hail from the Democratic party who have supported the policy concept of a federal Balanced Budget](#)

[Amendment](#). Although President Obama has presided over a doubling of the national debt (in which Congress is complicit under Republican control), [click here to see that even he recognized the danger of raising the debt limit when he served as a U.S. Senator](#). The gold standard of Center-Left support for a federal Balanced Budget Amendment consists of the strong advocacy of such a policy by former U.S. Senators Paul Simon and Paul Tsongas; [read a few impactful quotes here](#). Our Council of Scholars member and economist Dr. Sven Larson has repeatedly emphasized the need for bipartisan support for the Compact for America initiative [here](#), [here](#), [here](#), and [here](#). Legislative sponsors and supporters of the Balanced Budget Compact have included members of the Democratic Party. Independent Arkansas Legislator Nate Bell explains the cross-partisan appeal of the Balanced Budget Compact [here](#). [\[RETURN\]](#)

A4. [As explained in this piece](#), the Constitution currently has three fundamental structural flaws that doom every textual limitation on the power of the federal government over time. Only an Amendment can fix these flaws. The electoral process cannot because the current constitutional "rules of the game" structurally favor the electoral prospects of those who would expand federal power and debt without limit. Council of Scholars member Dean Clancy discusses the policy and political importance of a debt control amendment [here](#). Board Member and Foundation for Economic Education President Larry Reed draws the parallels between our current constitutional and cultural order and that preceding the collapse of [ancient Rome here](#). [\[RETURN\]](#)

A5. The Compact's embedded Balanced Budget Amendment, [which you can read here](#), cannot be evaded using

any of the methods used to evade debt limits and balanced budget amendments in the states. [Its core is a "pay-as-you-go" spending limit coupled to a line of credit in a specific amount.](#) Spending is limited to tax cash flow or unencumbered cash flow (such as proceeds from mineral rights sales) plus whatever borrowing capacity is left in the line of credit. Unauthorized borrowing is deemed "void," which will deter bond markets from purchasing illegal debt (if any should be issued). Flexibility is provided by an [initial borrowing cushion of 5% above the outstanding debt on ratification](#), a [referendum process](#) whereby a simple majority of state legislatures must approve additional borrowing capacity in 60 days, and [an impoundment process](#) whereby spending must be curtailed and reprioritized when 98% of available borrowing capacity is utilized. Read [this blog](#) and [this blog for an explanation of each section of the BBA](#), [this blog as to why the BBA is uniquely powerful](#), [this blog as to why requiring state approval for any debt limit increase is critically important](#), [this blog](#) and [this blog](#) explain how state level debt limits have produced good results [despite imperfections](#). As explained by Western Connecticut State University History Department Chair Dr. Kevin Gutzman [here](#) and Cato Institute constitutional scholar Ilya Shapiro [here](#), a well-crafted constitutional amendment, such as the Compact's BBA, will have a powerful impact despite Washington's less-than-perfect fidelity to the Constitution's existing text. Former North Dakota State Senator Curtis Olafson and Vice President of State Alliances explains the importance of external discipline being imposed by the states on national debt policy [here](#). As explained by Council of Scholars member and economist Dr. Byron Schlomach [here](#) and [here](#), the Compact's BBA is essential to saving our country and preventing it from becoming a fiscal basket case like Greece. Arizona State University economist and Council of

Scholars member Steve Slivinski further explains the economic benefits of the Compact's BBA [here](#). [\[RETURN\]](#)

A6. The essential difference is that we have taken reasonable criticism of the Article V convention process seriously and have reduced any risk of a "runaway convention" to total implausibility. To address Patrick Henry's objection that the Article V convention mode of amendments is a fraud because no state could jump its many hurdles, the Compact for America approach consolidates into just two overarching pieces of legislation the entire amendment process--[one compact bill passed by 38 states](#) and [one congressional resolution](#) passed by simple majorities (and no Presidential presentment). Watch [this short video](#) for a depiction of the speed difference between Compact for America's Article V 2.0 approach and legacy approaches to Article V. Additionally, to address the many criticisms of the uncertainties and unknowns involved in the Article V convention process [leveled by Eagle Forum](#), John Birch Society, and others, we have designed the Compact to specify the desired amendment, to [specify all of the procedures and logistics of the amendment process \(including delegate appointments, delegate instructions and convention rules\)](#), and to furnish multiple "kill-switches" to [prevent any runaway convention](#). You can read a more detailed assessment of the differences between the Compact for America approach and legacy Article V efforts [here](#) and [here](#). [\[RETURN\]](#)

A7. Yes. By far. [As depicted in this piece](#), the Compact for a Balanced Budget is nearly twice as close to delivering a ratified state-originated constitutional amendment as any other effort that is seeking to organize an Article V convention. [\[RETURN\]](#)

A8. Yes. Our team of constitutional scholars has carefully identified, assessed and analyzed every major legal issue that might be raised in opposition to the constitutionality of the Compact and have concluded that it is fully constitutional. You can read our [Expert FAQ](#) here. You can read our thorough rebuttal of Natelson's meritless attacks [here](#).

For some of Western Connecticut State University History Department Chair Dr. Kevin Gutzman's thoughts on the constitutionality of the Compact for America approach, click [here](#) and [here](#). For our President & Executive Director Nick Dranias' constitutional assessment of the Compact for America approach, read [this piece](#) and [this piece](#). For Dr. Gutzman and Dranias' testimony before the Assembly of State Legislatures regarding the constitutionality of the Compact for America approach, [click here](#). For a short video featuring Chapman Law Professor John Eastman talking about the constitutionality of the Compact for America approach, [click here](#). Although the compact approach is innovative, it [actually minimizes litigation risks](#).

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A9. Yes. As discussed [here](#), [here](#) and [here](#), the latest constitutional research demonstrates clearly and unequivocally that the Founders did not ordinarily want the Article V convention process to be a wide-ranging deliberative assembly. Instead, as discussed [here](#), [here](#), [here](#), [here](#), and depicted textually [here](#), the Founders expected and preferred the "application" of state legislatures to specify the agenda of the Article V convention, including the desired amendment(s). In essence, [an Article V convention was regarded as an instrumentality of the states as directed by their Article V application](#). This interpretation is likely

shared by Justice Antonin Scalia, as evidenced by [this transcript of his statements while a law professor](#). Before the 1960s, many legislators shared this interpretation of Article V, [as evidenced by this application by the State of Indiana](#). But you don't have to take their or our word for it. For the Founders' own words, read [Exhibit A](#), [Exhibit B](#), [Exhibit C](#), [Exhibit D](#), [Exhibit E](#), [Exhibit F](#), and [Exhibit G](#). [\[RETURN\]](#)

A10. Yes. [As discussed here](#), it is a normal feature of an interstate agreement to bind future legislatures. [\[RETURN\]](#)

A11. [As explained in this piece](#), bailouts will be deterred by the Compact's amendment by virtue of the fact that debt needed to finance those bailouts will become more scarce. [\[RETURN\]](#)

A12. No. [As explained by Second Amendment advocate and radio personality Charles Heller here](#), the Compact will enhance respect for all of our constitutional rights, including those protected by the Second Amendment. [\[RETURN\]](#)

A13. No. As explained in [this piece](#), by including both a debt limit and a tax limit, the Compact's amendment makes tax increases less likely both now and for future generations. At the same time, if the choice really does come down to taxing ourselves for our own spending decisions or future generations, the amendment is flexible enough to allow for revenue increases in order to protect our kids from being taxed without representation, which is the inevitable result of excessive borrowing. [\[RETURN\]](#)

A14. No. As explained in [this piece](#), [this piece](#), and in [this video interview](#) of national security expert and Council of Scholars



member Baker Spring, national security **is enhanced** by limiting federal borrowing capacity because having less debt in the hands of potential adversaries and promoting a more sustainable fiscal policy will keep our country stronger. There is no need for a declared war exception to the Compact's amendment because the amendment already furnishes tremendous flexibility to handle wars and emergencies (discussed in A2) without the same potential for abuse as would characterize any exception that Washington, DC unilaterally controlled. [\[RETURN\]](#)

A15. No. As explained in [this piece](#), [this piece](#), and [this piece](#), by requiring state legislatures to approve any increase in the federal government's constitutional debt limit, the Compact's Amendment would restore the federalist structure of our Constitution. The Founders meant for the states to have a direct role in national policy making. The original design had the states in control of the U.S. Senate; and both the Electoral College and the Article V amendment-by-convention process further evidence the fact that states were meant to have a national role. The Compact's amendment restores a portion of the national policy making power the states held before the 17th Amendment was ratified. [\[RETURN\]](#)

A16. No. [As shown here](#), it is comparable to or shorter and simpler than congressional BBA proposals. [\[RETURN\]](#)

A17. No. Most compacts joined by the states are longer and more complex. And yet, the average state is a party to 20 or more compacts. We encourage you to [poke around the National Center for Interstate Compacts database](#) to satisfy yourself that this is true. [\[RETURN\]](#)