

## Article V Balanced Budget Amendment EQUALS Massive Spending Cuts and Massive Tax Increases in the States

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Many Republicans support an Article V Balanced Budget Amendment, but do they support the reality of what a Balanced Budget Amendment will mean? There are just two simple things that must be done to balance the Federal Budget...**MASSIVE SPENDING CUTS and MASSIVE TAX INCREASES**. Which Republican in your state Legislature has recently voted to significantly cut Spending?

Or which Republican State Legislator has voted against Federal Mandates and Federal Money? It would be difficult to find even a few Republican Legislators in the entire country who have done so. If legislators are unwilling to vote against Federal Mandates and Money and yet they claim they want an Article V Constitutional Convention to Balance the Federal Budget, they are deceiving themselves and deceiving their constituents, or looking for an "easy way out."

### **Balancing the Federal Budget will Inevitably Result in Massive Cuts to State Budgets**

Every state now receives between 19% and 45% of its general fund revenue from the Federal Government. This report documenting these facts was at ALEC's (American Legislative Exchange Council's) State Budget Solutions website but has been removed. <http://www.statebudgetsolutions.org/publications/detail/new-data-reveals-amount-of-federal-aid-to-states-in-2012>

My own small state of Nevada received 25.48% or \$2,798,426,000 of its general fund revenue budget from the Federal Government. If there was an Article V Constitutional Convention for a Balanced Budget, the question would arise: Would Nevada's delegation be willing to vote to Balance the Federal Budget if they understood that the Federal Government, under the mandate to balance the federal budget, *would be forced to cut off Federal money*, almost \$3 billion, that currently goes to Nevada? It seems unlikely that Republicans or Democrats would be willing to jeopardize their State's budget in such a way.

Every state relies on Federal funds. Other examples include Alabama, Ohio, Oklahoma, Utah and Virginia. Alabama receives 36.50% of its general fund revenue, or \$8,112,509,000 from the federal government. Ohio receives 34.88% of its general fund revenue, or \$20,687,909,000 from the federal government. Oklahoma receives 35.54% of its general fund revenue, or \$7,363,043,000 from the federal government. Utah receives 31.61% of its general fund revenue, or \$20,181,434,000 from the federal government. Virginia receives 23.53% of its general fund revenue, or \$9,278,118,000 from the federal government.

Which states rely most on Federal Money? <http://taxfoundation.org/blog/which-states-rely-most-federal-aid-0>

Understanding the dilemma that every state would face in losing between 19% and 45% of its general fund revenue forcing massive tax increases and massive cuts to government, or both to cover the state budget shortfalls, *New Mexico responsibly attached a fiscal note* to the proposal in their state for an Article V Constitutional Convention for a Balanced Budget. **Every state should consider attaching such a fiscal note** to any Article V Balanced Budget Amendment or Convention of States calling for fiscal restraints.

**Can any state afford to lose Billions of Dollars from their state general fund?** Would any state's delegation to a Constitutional Convention be willing to vote for a Federal Balanced Budget Amendment understanding that in order to Balance the Federal budget, their state would "lose" Billions in federal funds? Perhaps, only if they plan on never running for political office again.

These facts make it plain that Republican Legislators who support An Article V Constitutional Convention have either not thought through the consequences of a Balance Budget Amendment or are willing to settle for "Pie in the Sky" solutions that carry with them dangerous consequences including the wholesale revision of our U.S. Constitution.