As a reaction to FDR's New Deal, Republican Congressman Harold Knutson of Minnesota introduced the first version of the amendment in 1936. Like many Constitutional Amendments, this resolution did not receive a hearing or a vote. During President Dwight D. Eisenhower's first term, the Judiciary Committee of a barely Democratic Senate held its first hearing on this amendment. It again did not receive a vote.

After these partial defeats, BBA supporters shifted their focus to the states. From 1975 to 1980, 30 state legislatures passed resolutions calling for a constitutional convention to propose this Amendment directly to the states.

The election of President Reagan and a Republican Senate in 1980, renewed hopes for the Balanced Budget Amendment and passage by Congress. While the Senate did adopt the amendment in 1982, it failed to garner the necessary three-fifths majority in the House. This failure energized conservative groups such as the National Taxpayers Union and the National Tax Limitation Committee to refocus on state action.

In 1982 and 1983, the Alaska and Missouri legislatures passed resolutions supporting the BBA, bringing the total number of these resolutions to 32, two short of the 34 needed for a convention. However, a growing concern about the scope of a constitutional convention led some states to withdraw their resolutions, re-shifting focus to Congressional action.

From 1990 to 1994, Congress would make three additional attempts to codify this amendment. All failed to garner the necessary three-fifths majority.

However, the BBA made a comeback when it was included in Newt Gingrich's Contract with America. Twenty-six days after taking office, the newly empowered Republican majority adopted the BBA, giving conservatives their first Congressional win in a decade. Disappointment awaited in the Senate, where two separate votes fell just short of adoption. This failure, along with the balanced budget and the Budget surplus at the decade's end, sapped any remaining Congressional support for the BBA.

There was renewed Republican support for the amendment in 2000 as it was included in party's platform. The Bush Tax Cuts, wars in Afghanistan and Iraq, and the massive deficit spending created by them eventually led Republicans to sweep the Balanced Budget Amendment black under the rug. By 2004, the Republican Party left any mention of a balanced budget out of their platform.

Again in recent years, with the advent of the Tea Party and the return of extreme fiscal conservatism in the Republican party, there are currently twelve Balanced Budget Amendments in the House and three in the Senate.

I had my staff double check that for me. 12 Balanced Budget Amendments in the House. They are all basically the same. Some have even been offered by members of my own party.

I understand these Members' frustration, Mr. Speaker.—I've been trying pass my nine Amendments to the Constitution for 10 years now and my Amendments are based on FDR's "2nd Bill of Rights" which he proposed back in 1944. Today, 67 years later, here we are.

Mr. Speaker, I fundamentally believe that conservatives in congress are pushing for this amendment, not to force a vote in congress, but to rally states to act.

Mr. Speaker, we have a troubling national debt and deficit. But the Balanced Budget Amendment is not the solution.

The argument proponents of Balanced Budget Amendment make is as follows: like families, businesses, and states, the federal government should balance its budget. But since it does not, we need a constitutional amendment to guarantee that it will do so.

Nearly every state in this Union has some form of a balanced budget requirement. But those states are not out of debt. Their amendments have restricted their ability to care for their citizens in times of austerity or emergency.

According to a Forbes analysis of the global debt crises in January of 2010, every single state in the country is carrying some form of debt. These debts range from as little as $17 per capita in Nebraska to $4,490 in Connecticut.

How can this be, Mr. Speaker? It's because the infrastructure of these states allows them to hide debt in Capital Funds. The federal government cannot, and I would argue the federal government should not follow this path.

Congress should never seek to hide the fiscal realities from the public that bear the burden of the cost. Nor should we sell the public magic beans that a Balanced Budget Amendment will make the national debt and other problems go away. Debt will exist just as new problems will arise.

In the fiscal year 2012, approximately 44 states will face revenue shortfalls. Many are desperately looking for ways to declare their state bankrupt. Bankrupt, I say it again, Mr. Speaker, because this proposed amendment would place the federal government in a similar predicament. The effect in many states is calamitous.

For instance in Rhode Island, judges and court workers have cut pay and left 53 positions unfilled. This is still not enough to balance their budget. As a desperate last resort, the Chief Justice has begun to dispose of cases on backlog. Literally, just tossing them out. Florida is in the same predicament.

Mr. Speaker, a Balanced Budget Amendment would force the federal government to deny Americans the right to seek redress and justice in federal courts, for the sake of balancing the budget.

In my home state of Illinois, mental-health services have been cut by $91 million. Human Service directors are fearful that these cuts will cause a real public-health and public safety crisis.

Iowa, Idaho, Alabama and Ohio are considering drastic cuts to education.

My colleagues across the aisle are so concerned about handing our children and grandchildren any amount of national debt, that they have failed to realize we are setting future generations up for failure.

States are already cutting too many services that make the American workforce strong and competitive. Should the federal government do the same, our legacy will be an America that is uneducated and ill-equipped to compete on a global level.

Mr. Speaker, as exemplified by its effects on the states, this amendment may sound good on its face, but it falls flat when examined more critically.

Like an optical illusion whose image changes as you draw closer, the Balanced Budget Amendment masquerades as the savior of our budget, yet in reality threatens to permanently destroy it.

According to the Center on Budget and Policy Priorities, Citizens for Tax Justice, and others, a federal Balanced Budget Amendment would: Damage our economy by making recessions deeper and more frequent; Heighten the risk of default and jeopardize the full faith and credit of the U.S. government; Lead to reductions in needed investments for the future; favor wealthy Americans over middle- and low-income Americans by making it far more difficult to raise revenues and easier to cut programs; And weaken the principle of majority rule.

Therefore, passing a Balanced Budget Amendment is not a prudent path for the nation to follow.

## FIVE FAULTS OF A BALANCED BUDGET AMENDMENT OUTLINED BY CENTER ON BUDGET AND POLICY PRIORITIES AND CITIZENS FOR TAX JUSTICE

**HON. JESSE L. JACKSON, JR.**

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 1, 2011*

Mr. JACKSON of Illinois. Mr. Speaker, the First Fault: a Balanced Budget Amendment would damage the economy and make recessions deeper and more frequent.

Under a Balanced Budget Amendment, Congress would be forced to adopt a rigid fiscal policy, requiring the budget to be balanced or in surplus every year, regardless of the current economic situation, or threat to the nation's security.

A sluggish economy with less revenue and more outgoing expenditures creates a deficit. As we've seen from recent events, a deficit necessitates economic stimulation to reverse negative growth.

That is why in the last session of Congress, the American Recovery and Reinvestment Act invested in roads, bridges, mass transit, and other infrastructure, provided 95% of working Americans with an immediate tax cut and extended unemployment insurance and COBRA for Americans hurt by the economic downturn through no fault of their own.

If Congress were forced to function under a Balanced Budget Amendment, deficit reduction would be mandated, even more so during periods of slow or stalled economic growth, which is the opposite of what is needed in such a situation.

This consistently proposed constitutional amendment risks making recessions more common and more catastrophic for middle class families, seniors, veterans and the poor. Under such an amendment, Congress is stripped of any power to adequately respond.

The Second Fault: A BBA would risk default and jeopardize the full faith and credit of the U.S. government while simultaneously challenging the Separation of Powers.

A BBA would bar the government from borrowing funds unless a three-fifths vote in both houses of Congress permitted a raise in the debt limit. Under such a scenario, a budget crisis in which a default becomes a threat is more likely, and because of the limits placed on the fluidity of the debt ceiling, that default becomes more likely to occur.

After a default of only a few days, long term impacts would quickly appear. Confidence in ability of the U.S. to meet binding financial obligations would erode almost immediately. The government pays relatively low interest rates on its loans because it pays its debts back in full and on time. A default would mimic an earthquake, shaking confidence in the U.S. on a global scale, resulting in exploding interest rates and aftershocks felt in our national economy.

The international economy would also succumb to the rumbling of this potential disaster, and our deep connection to it would cause even further chaos here at home.

Other BBA proponents argue that since states have to balance their budgets, so should the federal government. Indeed, many states are required to balance their operating budgets, but not their total budgets. No such distinction is made by a BBA.

''Rainy-day'' or reserve funds, which states can draw on to balance their budgets, are prohibited by a BBA. Many states operating under a BBA require the governor to submit a balanced budget, but do not require actual achievement of it. Some states allow governors to act unilaterally to cut spending in the middle of a fiscal year. This condition of the BBA would violate the federal Constitution's separation of powers.

The Founding Fathers were deliberate in their construction of government, and the separation of powers serves as a cornerstone in our democracy. Each branch has certain powers and limitations. Congress, the Courts, and the President work together, but in distinct ways, to move America forward. The threat of judicial involvement in matters of the budget, is real and present under the BBA.

The BBA would threaten the balance of power. It diminishes the authority of Congress, as the elected Representatives of the people, to have the final say on taxes and spending. Mr. Speaker, what purpose does this body serve if this amendment passes? Should we broaden the scope of Judicial Review granted to our federal courts?

By subverting the balance of power between the branches, this body steps on to a slippery slope of reassigning authority and moving away from the values inherent in our constitution.

The Third Fault: A BBA would lead to reductions in needed investments for the future.

Since the 1930's our nation has consistently made public investments that improve long-term productivity growth: in education, infrastructure, research and development. These efforts encourage increased private sector investment, leading to budget surplus, and a thriving economy. A Balanced Budget Amendment, which requires a balanced budget each and every year, would limit the government's ability to make public investments thereby hindering future growth.

For years, conservatives have abused the debt and the deficit as a springboard from which to argue for smaller government and cuts to programs that serve as social safety nets to American families. Although we must consider the debt and deficit, the larger and more significant issue is the nature of the debt—what created it.

If you invest fifty thousand dollars in a business, a house, or an education, you can expect future returns on your investment. If you ''invest'' the same fifty thousand dollars in a gun collection and ammunition, what are the future investment returns? Both investments result in a fifty-thousand-dollar debt, but only one results in returns that can transform that debt into a long term gain.

Social investments provide the potential for greater returns in the long run, in the same fashion as personal investments. Even small expenditures on social programs lay a foundation for great wealth in the long term.

If the nation chose to invest over a five-year period, $1.5 trillion in the building of roads, bridges, airports, railroads, mass transit, schools, housing, and health care, we would create a debt.

But the increased ability of companies to interact and ship their goods over well paved and planned roads, the new businesses that would sprout around a freshly built or newly expanded airport, the higher wages of a student who was well educated and a le to attend college resulting in more tax revenue, the improved productivity of employees at their healthiest, would eventually result in greater returns for our country.

The extension of Bush era tax cuts for corporations and the rich, brought about some short-term stimulus of consumer spending. But, similar to Reagan's tax cuts which resulted in record government deficits and debt, the long term damage outweighs the immediate effects.

Reagan's tax cuts for the rich came at the expense of investing in our nation's need for long-term balanced economic growth. The Reagan administration neglected and cut back on our nation's investment in infrastructure, education, health care, housing, job training, transportation, energy conservation, and much more.

The inclination of most conservatives in both parties, is to cut the debt by cutting programs for the most vulnerable among us—our poor, our children, our elderly, and minorities. This approach, however, has been proven false too many times. A Balanced Budget Amendment would take us back to this archaic and ineffective system, permanently.

The Fourth Fault: A Balanced Budget Amendment favors wealthy Americans over middle- and low-income Americans by making it harder to raise revenues and easier to cut programs.

Again, a BBA ultimately favors wealthy Americans over middle- and lower-income Americans. Under current law, legislation can pass by a majority of those present and voting by a recorded vote. The BBA however requires that legislation raising taxes be approved on a roll call vote by a majority of the full membership of both houses.

Thus, the BBA would make it harder to cut the deficit by curbing the special interest tax breaks of the oil and gas industries and make it easier to reduce programs such as Medicare, Medicaid, Social Security, veterans benefits, education, environmental programs, and assistance for poor children.

Wealthy individuals and corporations receive most of their government benefits in the form of tax entitlements while low income, and middle income Americans receive most of their government benefits through programs.

As evidenced by the cuts that both parties agreed upon recently, its far easier to cut social welfare programs than to cut spending on our military, or to increase taxes. As long as spending is a political issue, cuts to those programs that assist those with the smallest voice in government, will always happen first.

Raising taxes, the only option to address a budget deficit aside from cutting programs, is already a burdensome political issue. The additional requirements of a BBA further complicate the process of raising taxes. This means that the richest Americans will likely keep the benefits they receive from our government via tax cuts.

Meanwhile, the poor lose the programs that provide them with housing, food, job training, health care, and the means to survive. This will further reinforce the growing gap between the rich, and the rest of our society: middle class, working poor, and destitute alike.

Aside from this already distressing point, when the baby boom generation retires, the ratio of workers to retirees will fall to low levels. This poses difficulties for Social Security, since Social Security has been a pure ''pay-as-you-go'' system, with the payroll taxes of current workers paying for the benefits of current retirees.

This was acceptable as long as today's workers could pay for today's retirees. But, in the future, when there are fewer workers to pay for more retirees, the system will be out of balance. So in 1977 and 1983, the Social Security Administration took important and prudent steps toward addressing this issue. It allowed the accumulation of reserves to be used later when needed. These changes were akin to what families do by saving for retirement during their working years, and then drawing down on their savings after they reach retirement.

The BBA insists that the total government expenditures in any year, including those for Social Security benefits, not exceed total revenues collected in that same year, including revenues from Social Security payroll taxes. Thus, the benefits of the baby boomers would have to be financed in full by the taxes of those working and paying into the system then. This undercuts the central reforms of 1983.

Drawing down on any part of accumulated reserves, required under present law, under a BBA would mean the trust funds were spending more in benefits in those years than they were receiving in taxes. Under a BBA, that would be impermissible deficit spending.

The Fifth Fault: A BBA weakens the principle of majority rule and makes balancing the budget more difficult.

Most Balanced Budget Amendments require that unless three-fifths of the members of Congress agree to raise the debt ceiling, the budget must be balanced at all times. They also require that legislation raising taxes must be approved on a roll call vote by a majority of the full membership of both houses, not just those present and voting.

Clearly this provision weakens the current principle of majority rule. A three-fifths requirement empowers a minority (40 percent, plus one). It creates a small group, willing to threaten economic turmoil and disruption unless they get their way, with the ability to extort concessions or exercise unprecedented leverage over our national economic and fiscal policy.

Mr. Speaker, haven't the last few weeks demonstrated how difficult it already is to reach consensus on a budget? This provision will make it simply impossible.

Ezra Klein Argument: There is a final fault, which is not on my list, but is significant

enough to mention: Ezra Klein, of the Washington Post, cleverly points out in a recent article titled, ''The Worst Idea in Washington'' that under a BBA, not a single budget of the Bush or Reagan Administrations would qualify as Constitutional. In fact, the only recent Administration which would not violate the requirements of the Balanced Budget Amendment would be President Clinton for only two of his budgets.

Mr. Speaker, if President Reagan's budget wouldn't qualify, is this really something we should even be considering?

Conclusion: I've listed a few, and certainly not an exhaustive list, of arguments against the Balanced Budget Amendment. The truth is the federal budget is quite unlike the fiscal practices of businesses, families, and states. Contrary to popular myth, except in times of war and recessions, the country has a conservative record of keeping deficits in line.

Our government needs the flexibility to respond in times of economic downturn or war, in a way that businesses, families and states never have to consider.

I've been in the House long enough to know, that when my colleagues on the other side of the aisle came into the majority with large deficits and debt, I knew their first response would be to cut social spending, weaken government regulation, and underfund protection of workers' rights, civil rights, environmental protections, you name it.

I wish I could say I didn't see this coming. But, conservative politicians want to get the government ''off the backs'' of business, finance and industry. They are willing and ready to use the current economic situation to do it and they intend to place the burden on the backs of middle class families, seniors, children, veterans and the poor.

The Republican budget we voted on today does just that. The Balanced Budget Amendment aims to make it a permanent fixture.

Mr. Speaker, I know we can do better. We cannot balance the budget on the backs of middle class Americans. We need to achieve the America of everyone's dreams. The burden of that dream must rest squarely on the shoulders of every American that can carry it.

I find it offensive that some of the most profitable corporations in this country pay no taxes and some even get a refund. I find it offensive that the richest 400 people in the country who have more wealth than half of all Americans combined have an effective tax rate of only 16.6%.

In the words of William Jennings Bryan, ''When I find a man who is not willing to bear his share of the burdens of the government which protects him, I find a man who is unworthy to enjoy the blessings of a government like ours.'' With those wise words, I yield back the balance of my time.

## HONORING ALVIN AURELIANO DAVIS

### HON. FREDERICA S. WILSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 1, 2011*

Ms. WILSON of Florida. Mr. Speaker, I rise today to recognize and honor Alvin Aureliano Davis, who was recently named the 2012 Macy's Florida Department of Education State Teacher of the Year. With this honor, Mr. Davis will serve as the Christa McAuliffe Ambassador for education, touring Florida as an education advocate. Mr. Davis is the band teacher at Miramar High School and has been a music educator for the past 11 years. By actively encouraging his students and keeping them engaged on obtainable goals, his students find success both in and out of the classroom. For the past three years, every student who was a regular participating member of the Miramar High band program has gone on to college under his guidance and leadership.

Alvin Davis graduated from Florida A&M University with a Bachelor of Science degree in Music Education. He began his professional career as the band instructor at Crystal Lake Middle School, teaching the fundamentals of band to 6th thru 8th graders. As the director of the Miramar High School band, Mr. Davis, has continuously constructed his music program and performances with the philosophy of developing an award winning, academic-focused music program on the cutting edge of creativity and band pageantry.

Mr. Davis has a genuine and vested interest in his students. Passing on the legacy of music appreciation is only part of his greater mission of instilling academics and discipline. He requires his students to receive one-on-one counseling with a member of the band staff, and he personally reviews students' report cards and interim reports. Every school band rehearsal includes a one-hour study hall where students are tutored. He has implemented guidelines that high school seniors can perform only if they have registered to take the ACT or SAT college entrance exams, and must prove they have applied for admission to a college or university.

Over the years he has developed a reputation as an educator with a heart as big as the moon as he is wholeheartedly dedicated to the entire educational welfare of students.

Alvin Davis is the husband of Tiffani Davis and the proud father of 16-month-old Caitlyn. I proudly acknowledge his achievement as the 2012 Macy's Florida Department of Education State Teacher of the Year and appreciate his commitment to the many students whose lives he has positively impacted.

## INTRODUCTION OF THE PRESIDENTIAL DOLLAR COIN EFFICIENCY ACT OF 2011

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 1, 2011*

Mrs. MALONEY. Mr. Speaker, I rise today to introduce the ''Presidential Dollar Coin Efficiency Act of 2011.'' This bill makes some changes to a law I was proud to cosponsor back in 2005, the ''Presidential Dollar Coin Act of 2005.'' At the time, the Congressional Budget Office estimated that the bill would reduce the deficit by $280 million over the life of the program. However, since the law has been in place, it is clear that demand for the dollar coins has not been as high as predicted. The Federal Reserve is now spending its resources to house excess coin stock that comes back to the reserve banks after they have been in circulation.

The bill I am introducing today will address the problems of a lack of coordination between the Fed and Treasury and will remove some of the statutory restrictions in the law that keep the two agencies from running the program efficiently in an environment of lower demand. But the bill will maintain the program which numismatists, citizens, and businesses have invested in and which should continue.

The bill seeks to make changes to the program that will allow it to function more efficiently with the goal of reducing the number of coins that have to be stored at the Fed. It will also require the Fed and Treasury to coordinate administration of the Presidential Dollar Coin program by: requiring the two agencies to come up with a plan to reduce excess reserves; eliminating the introductory period for unmixed coins; capping the number of coins that the Mint can produce based on numismatic demand from the year before; removing the requirement that the Mint spend money on marketing the coin; and moving up the reporting requirement under a law passed last year that gives the Mint the authority to research and develop new metals for coins.

By removing some of the statutory constraints that were placed on the Fed and Treasury in the original law, I believe that this worthy program can continue in a more limited manner which will reduce excess coin stock being housed at the Fed. I urge my colleagues to support this legislation.

## INTRODUCING THE PARENTAL CONSENT ACT

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Monday, August 1, 2011*

Mr. PAUL. Mr. Speaker, I rise to introduce the Parental Consent Act. This bill forbids federal funds from being used for any universal or mandatory mental-health screening of students without the express, written, voluntary, informed consent of their parents or legal guardians. This bill protects the fundamental right of parents to direct and control the upbringing and education of their children.

The New Freedom Commission on Mental Health has recommended that the federal and state governments work toward the implementation of a comprehensive system of mental-health screening for all Americans. The commission recommends that universal or mandatory mental-health screening first be implemented in public schools as a prelude to expanding it to the general public. However, neither the commission's report nor any related mental-health screening proposal requires parental consent before a child is subjected to mental-health screening. Federally-funded universal or mandatory mental-health screening in schools without parental consent could lead to labeling more children as ''ADD'' or ''hyperactive'' and thus force more children to take psychotropic drugs, such as Ritalin, against their parents' wishes.

Already, too many children are suffering from being prescribed psychotropic drugs for nothing more than children's typical rambunctious behavior. According to the article ''Better but Not Best: Recent Trends in the Well-Being of The Mentally Ill'' (Health Affairs, May/June 2009) in 2006 more than one in 20 children were prescribed medications for mental-health conditions!