THE MAP ACT

KEVIN BRADY'S "MAXIMIZING AMERICA'S PROSPERITY ACT" PROVIDES THE MAP FOR THE PATH TO PROSPERITY

A BETTER WAY TO CONTROL SPENDING

America has a spending disease and its symptoms of debt and a ballooning deficit are impossible to ignore.

Congress cannot control interest payments on the existing federal debt, but it can control discretionary and mandatory spending.

Other proposals to cap federal spending rely upon inappropriate metrics causing them to address the wrong problem or fail over time.

The MAP Act caps federal **non-interest spending** as a percentage of **full employment GDP** (also known as potential GDP) as its metrics.

- Focusing on federal non-interest spending attacks the problem – unsustainable growth in spending on federal programs, not the symptoms.
  - Focusing on non-interest spending prevents political gimmicks (such as claiming that tax increases will also reduce spending through lower interest outlays).
  - Focusing on non-interest spending avoids a "tax trap" that may prevent fixing the AMT or extending expiring tax provisions.
- **Full employment GDP** is a more stable measurement for capping federal spending than actual GDP.
  - Eliminates the pro-cyclical problem – spending can grow rapidly in the boom years under a GDP-based cap only to require large, political difficult cuts during recessions – that have caused some states to bust their state spending caps.
  - Reduces uncertainty by providing a more predictable path for spending over the next ten years.

NEW GUARDRAILS TO RESTRAIN SPENDING IN THE 21ST CENTURY

The MAP Act will help change the way that Washington does business in several ways:

1) **Realistic Sequestration:** Congress must live within its budgetary means. If Congress fails to keep spending below the caps, the **MAP ACT** provides for a sequestration that balances spending restraint with humanitarian concerns.
2) **Prioritization of Spending:** The President would be required to prioritize all spending programs in his budget submission in order from most essential to least essential.
3) **Legislative Line-Item Reductions for the President**: The President may submit up to 4 line-item reduction bills to Congress each year—considered with expedited procedure—to rescind funding for discretionary budget authority.
4) **Sunset Commission**: All agencies and programs would be terminated over a 12-year cycle unless Congress votes to extend them.
5) **Permanent Continuing Resolution**: A permanent CR would fund government at 90% of the appropriation for the previous fiscal year if Congress fails to pass necessary spending bills on time. Thus, "big spenders" could no longer threaten a government shutdown to push for more spending.

For more information, please contact Rep. Kevin Brady's office at (202) 225-4901.