passage on the immigration reform bill of 2006 and against cloture on the 2007 version of immigration reform. [S. 2611, Vote #157, 5/25/06; S. 1639, Vote #235, 6/28/07]

Cornyn Supported An Amendment To Declare English The National Language. In 2006 and 2007, Sen. Cornyn voted in favor of amendments introduced by Sen. Jim Inhofe (R-OK) that would have declared English the national language. [S. Amdt. 1151 to S. Amdt. 1150 to S. 1348, Vote #198, 6/6/07; S. Amdt. 4064 to S. 2611, Vote #131, 5/18/06]

Ties To Extremist Anti-Immigrant Funding

Cornyn Received $250 From A Board Member Of The Armstrong Foundation. Cornyn received a $250 contribution from John H. James on March 10, 2008. James sits on the board of the Armstrong Foundation. [Center for Responsive Politics, accessed 4/3/13; The Armstrong Foundation's 990 Form, 2011]

- **The Armstrong Foundation Has Given At Least $237,500 To Anti-Immigrant Groups.** The Armstrong Foundation contributed $77,500 to the Center for Immigration Studies (CIS) from 2004 to 2011; $20,000 to NumbersUSA between 2008 and 2010; $135,000 to the Center for America Unity between 2001 and 2006 ; and $5,000 to the VDARE Foundation. According to the Southern Poverty Law Center, the Center for Immigration Studies and NumbersUSA are "at the nexus of the American nativist movement" and "are all part of a network of restrictionist organizations conceived and created by John Tanton, the 'puppeteer' of the nativist movement and a man with deep racist roots." The Southern Poverty Law Center also writes that VDARE "is an anti-immigration hate website" that "regularly publishes articles by prominent white nationalists, race scientists and anti-Semites," while the Center for American Unity, which originally created VDARE, "has served to promote the work of white supremacists, anti-Semites and others on the radical right." [Armstrong Foundation IRS Forms 990, 2001-2011; SPLCenter.org, February 2009; SPLCenter.org, accessed 4/3/13]

Sen. David Vitter (R-LA)

Vitter chairs the Border Security and Enforcement First Immigration Caucus.

In 2010, Sen. Vitter Ran A Racist Anti-Immigration Attack Ad. According to the Times-Picayune, "Sen. David Vitter's campaign for re-election to the U.S. Senate is running a anti-immigration TV ad against Rep. Charlie Melancon, D-Napoleonville, that is being denounced as 'racist' and 'reprehensible' by the Louisiana Hispanic Chamber of Commerce and a leading national immigrant advocacy group. The ad, done in the broad, comic style of Vitter's ad-maker John Brabender, shows Hispanic 'illegal aliens' sneaking through a hole in a fence and being welcomed by folks holding a Melancon banner, a giant check made out to 'all illegal aliens' and signed by Treasury Secretary Timothy Geithner. The immigrants also are greeted by a band playing 'America the Beautiful,' fireworks and a limo that drives them away. Darlene Kattan, executive director of the Hispanic Chamber of Commerce of Louisiana, characterized the ad as 'racist' in the way that it plays off a 'Hollywood stereotype image of Latino workers.' 'It is totally unacceptable and we demand an immediate apology and the removal of the ad,' Kattan said. She added that the spot 'uses the word 'illegal' too many times, and we stress that word.'" [The Times-Picayune, 10/8/10; Vitter For Senate Ad, 10/6/10]

- **Vitter Had Previously Put Out A Racially Fraught Anti-Immigration Campaign Ad.** According to the Washington Post, "In the ad, a menacing photo of 'illegal aliens' stares out in black-and-white from the screen. The photo also showed up in advertising for Sen. David Vitter (R-La.), with the words 'Benefits for Illegals' scrawled beneath the three mens' faces. Only the photographer says the men were not illegal and had not immigrated to the United States at the time the photograph was taken. [...] They were farmers who had traveled from the far south of Mexico after their entire crop had failed and they were left with nothing to sell. They hoped to cross the border, but [photographer Chris] Floyd said he never knew if they did. At that point, 'It was a picture of Mexicans in Mexico.' [...] The caption for the photograph clearly identifies them as 'Mexicans pose for a portrait whilst gathered in the town square of Altar, Mexico.' The key words for the photograph do not use the term 'illegal,' but they do use the term 'Mexican Ethnicity.'" [Washington Post, 10/8/10]

Sen. Vitter: Gang Of Eight's Immigration Reform Proposal Is "Ridiculous" And Sen. Rubio Is "Amazingly Naïve." According to Politico, "Sen. David Vitter on Wednesday called Florida Sen. Marco Rubio 'amazingly naïve' and 'nuts' on the issue of immigration and slammed the new bipartisan reform proposal as 'ridiculous.' The Louisiana Republican told 'The Laura Ingraham Show' that the blueprint unveiled by a group of eight senators is a plan that mirrors the 'same old' failed immigration reform of 1986. Rubio's belief that enforcement mechanisms will work this time around is 'just amazingly naïve,' Vitter said. 'I love and respect Marco. I think he's just amazingly naïve on this issue,' Vitter said. 'This is the same old formula that we've dealt with before, including when it passed in 1986, and that is promises of enforcement and immediate amnesty. And of course, the promises of enforcement never materialize. The amnesty happens immediately — the millisecond the bill is signed into law, and the same is true here. No, they won't be citizens immediately. They will be legal.' 'Citizenship is guaranteed at that point as a practical matter,' he added. Vitter said that if the Florida Republican doesn't think legal status offers a pathway to citizenship, 'he's nuts.'" [Politico, 1/30/13]

Vitter: DREAM Act Is "The Illegal Alien Student Bailout." According to a press release from Sen. Vitter, "'I am extremely pleased that the U.S. Senate has once again rejected the illegal alien student bailout known as the DREAM Act,' said Vitter. 'The American people have made it very clear that they favor border enforcement over policies that encourage lawlessness, and today's bipartisan vote reaffirms what I have long argued - the American people will not tolerate amnesty in any form. In these difficult economic times, when unemployment rates are on the rise and government spending is unsustainable, the last thing legal tax-paying American citizens need is to see their hard-earned money used to finance the education of illegal aliens. Amnesty and economic incentives only exacerbate the problem of illegal immigration, and despite the efforts of liberals to push it yet again, I am pleased that we were once again able to defeat this irresponsible legislation,' said Vitter." [Vitter.Senate.gov, 10/9/10]

Sen. Vitter Cosponsored A Bill Requiring Government Services To Be Conducted In English Only. In 2008, Sen. Vitter co-sponsored S. 2719, which reads, in part, "No funds appropriated pursuant to any provision of law may be used to promulgate or enforce any executive order that creates an entitlement to services provided in any language other than English." The bill specifically nullified Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency." [Library of Congress, accessed 4/5/13]

- **Vitter Co-Sponsored An Amendment To Declare English The National Language.** In 2006 and 2007, Sen. Vitter voted in favor of amendments introduced by Sen. Jim Inhofe (R-OK) that would have declared English the national language. Vitter co-sponsored the 2007 amendment. [S. Amdt. 1151 to S. Amdt. 1150 to S. 1348, Vote #198, 6/6/07; S. Amdt. 4064 to S. 2611, Vote #131, 5/18/06; Library of Congress, accessed 4/5/13]

Sen. Vitter Blamed "Illegal Immigrants" For Louisiana's Loss Of A Congressional Representative. According to Politico, "Sen. David Vitter is blaming Louisiana's loss of a congressional seat on the large number of illegal immigrants he says are living in other states. By including illegal immigrants in the new 2010 census population counts, Vitter contends the federal government is penalizing states that don't 'welcome' them. 'Louisiana stands to lose clout in Congress, while states that welcome illegal immigrants stand to unfairly benefit from artificially inflated population totals,' the Republican senator said in a statement Tuesday." [Politico, 12/21/10]

Sen. Vitter Has Repeatedly Introduced A Bill Ending Birthright Citizenship, Which He Describes As "A Magnet To Attract More And More Adults Into Our Country Illegally." According to an op-ed from Sen. Vitter, "America's illegal immigration problem is out of control. To change this, we must better protect our borders, particularly the Mexican border, and ensure that only citizens and those in our country legally can be hired for jobs. Another change we must make is to stop babies born in this country to two illegal immigrant parents from automatically becoming U.S. citizens as they do now; this happens tens of thousands of times in the U.S. every year. This is just flat wrong, and it serves as a magnet to attract more and more adults into our country illegally. I believe the policy of birthright citizenship is incompatible with both the text and the legislative history of the 14th Amendment, which is why I recently introduced legislation so that a person born in the United States to illegal immigrants does not automatically gain citizenship unless at least one parent is a legal citizen, a lawful permanent resident (green card holder) or an active member of the Armed Forces." Sen. Vitter introduced a similar bill, the Birthright Citizenship Act of 2013, in the 113th Congress. [Sen. Vitter Op-Ed via CNN.com, 2/15/11; Birthright Citizenship Act of 2013 via Library of Congress, accessed 4/5/13]

Sen. Vitter Cosponsored E-Verify Legislation. According to a press release from Sen. Chuck Grassley, "Senator Chuck Grassley today introduced legislation that would permanently authorize and require employers to use the E-Verify program. [...] The Accountability Through Electronic Verification Act of 2013 is cosponsored by Senators John Boozman, Bob Corker, Mike Johanns, Mike Lee, Jeff Sessions, David Vitter, Roger Wicker, Deb Fischer, Orrin Hatch and Mike Enzi." [Grassley.Senate.gov, 1/31/13]

Sen. Vitter On Arizona's Immigration Law: "If President Obama Doesn't Want States To Act On Immigration, He Should Start Doing His Job." According to a press release from Sen. Vitter's office, "'The Arizona law is absolutely constitutional. If President Obama doesn't want states to act on immigration, he should start doing his job and controlling the border himself, not looking the other way,' Vitter said. Vitter serves as chairman of the U.S. Senate Border Security and Enforcement First Immigration Caucus and has been a vocal supporter of the Arizona immigration law. In November 2011, Sens. Vitter, Jim DeMint (R-S.C.) and Jeff Sessions (R-Ala.) offered legislation to prohibit President Obama's administration, including the Department of Justice (DOJ) and other agencies, from participating in lawsuits against South Carolina, Alabama and Arizona over recently passed immigration laws. In May 2011, Vitter applauded the U.S. Supreme Court ruling to uphold an Arizona law that requires all businesses to check to make sure their employees are in the country legally. In 2010, Vitter also introduced an amendment that would have prevented the administration from suing with taxpayers' money to block the Arizona law." Vitter.Senate.gov, 4/24/12]

Vitter Has Repeatedly Opposed Comprehensive Immigration Reform. Sen. Vitter voted against passage on the immigration reform bill of 2006 and against cloture on the 2007 version of immigration reform. [S. 2611, Vote #157, 5/25/06; S. 1639, Vote #235, 6/28/07]

Ties To Extremist Anti-Immigrant Funding

Vitter Has Received At Least $1150 From A Board Member Of NumbersUSA. Vitter received three $250 contributions from Laura Gutman, who sits on the board of NumbersUSA, in January 2010, August 2008, and October 2008. Vitter also received a $350 contribution from Gutman in August 2008. [Center for Responsive Politics, accessed 4/5/13; NumbersUSA.org, accessed 4/3/13]

• **NumbersUSA, Which Advocates Lower Legal Immigration, Is "At The Nexus Of The American Nativist Movement."** According to the Southern Poverty Law Center, "Three Washington, D.C.-based immigration-restriction organizations stand at the nexus of the American nativist movement: the Federation for American Immigration Reform (FAIR), the Center for Immigration Studies (CIS), and NumbersUSA. [...] FAIR, CIS and NumbersUSA are all part of a network of restrictionist organizations conceived and created by John Tanton, the 'puppeteer' of the nativist movement and a man with deep racist roots." According to NumbersUSA's "About Us" page, "Based in the Washington D.C. area and Arlington, Virginia, NumbersUSA Action is the nation's largest grassroots immigration-reduction organization with more than one million participants in all 435 congressional districts. Members mobilize to persuade public officials to support immigration policies that protect all Americans—especially the most vulnerable and including the foreign-born—from losing wages, taxes, individual freedoms, quality of life, and access to nature due to excessive immigration numbers that indiscriminately enlarge the U.S. population, the laborforce and government costs." [SPLCenter.org, February 2009; NumbersUSA, accessed 4/3/12; emphasis original]

Vitter Received $500 From A Trustee Of The William H. Donner Foundation. Vitter received $500 from Curtin Windsor, Jr. on October 18, 2004. Curtin is a trusteenumb at the William W. Donner Foundation. [Center for Responsive Politics, accessed 4/3/13; Donner.org, accessed 4/3/13]

• **William H. Donner Foundation Has Given At Least $175,000 To Anti-Immigrant Groups.** The William H. Donner Foundation contributed $140,000 to the Center for Immigration Studies (CIS) from 2006-2011. The foundation also contributed $35,000 to FAIR in 2003. According to the Southern Poverty Law Center, the Federation for American Immigration Reform and the Center for Immigration Studies are "at the nexus of the American nativist movement" and "part of a network of restrictionist organizations conceived and created by John Tanton, the 'puppeteer' of the nativist movement and a man with deep racist roots." SPLC also designates FAIR an anti-immigrant hate group. [Center for Responsive Politics, accessed 4/3/13; Donner Foundation IRS Forms 990, 2003-2011; SPLCenter.org, February 2009; SPLCenter.org, Summer 2002]

Sen. Chuck Grassley (R-IA)

Grassley is the Ranking Member on the Senate Judiciary Committee.

Grassley: The DREAM Act Would "Incentivize And Reward Illegal Behavior" And "Create A Rush To The Border." According to Sen. Grassley's prepared remarks for a Judiciary Committee hearing on the DREAM Act, "The sponsors of the legislation claim only children who came to this country through no fault of their own would benefit. But the legislation would actually set the stage for another mass amnesty by putting millions of individuals, not just young people, on a path to citizenship. It would open the door to massive fraud and abuse of our immigration system. [...] I'm concerned that the repercussions in discussing another amnesty will only create a rush to the border. This is dangerous not only for the men and women who patrol our boundaries, but for the immigrants themselves. It is not unusual for those wanting a better life to justify their illegal behavior, but it is just that: illegal. [...] I agree that diversity has made this country the greatest in the world. We are a nation of immigrants, and continue to be an incredibly welcoming nation. But we need to be cautious when considering proposals that incentivize and reward illegal behavior." In 2010, Grassley voted against the Senate's version of the DREAM Act. [Grassley Prepared Statement, 6/28/11; S.3992, Vote #268, 12/9/10]

Grassley Suggested That Obama's DREAM Act Directive Would Take Jobs Away From Young Americans. According to a press release from Sen. Grassley shortly after President Obama signed a directive ordering immigration officials to cease deportations of certain undocumented immigrants, "On top of providing amnesty to those under 30 years old, the administration now will be granting work authorizations to illegal immigrants at the same time young Americans face record-high unemployment rates. Americans also deserve to know how this amnesty program for hundreds of thousands of people will be funded, and whether resources for border security and enforcement will be diverted." [Grassley.Senate.Gov, 6/15/12]

Grassley Introduced Mandatory E-Verify Bill. According to a press release from Grassley's office, "Senator Chuck Grassley today introduced legislation that would permanently authorize and require employers to use the E-Verify program, an Internet-based system that assists employers in determining the eligibility of employees to work in the United States. Grassley is Ranking Member of the Senate Committee on the Judiciary which is responsible for immigration legislation." [Grassley.Senate.gov, 1/31/13]

• **Grassley-Sponsored E-Verify Amendment Previously Passed In Senate.** According to the ACLU, "Under Grassley's proposal, the DHS E-Verify system would require that all workers present government-issued photo ID to their employers, such as a passport or driver's license. This documentation requirement

would apply to all workers, including U.S. citizens, employed with an employer enrolled in E-Verify. The Grassley amendment encourages employers enrolled in E-Verify to verify the identification of all current employees, even if they have worked many years for that employer and even if they started work prior to the employer's enrollment in E-Verify. The Grassley amendment was one of many 'enforcement-only' amendments passed by the Senate this week and added to the Homeland Security Appropriations Act." [ACLU, 7/10/09]

Grassley Voted For An Amendment Barring The Justice Department From Challenging Arizona's Immigration Law. From a press release from Vitter's office, "U.S. Sens. David Vitter (R-Louisiana), chairman of the U.S. Senate Border Security and Enforcement First Immigration Caucus, and Jim DeMint (R-South Carolina), chairman of the U.S. Senate Steering Committee, introduced an amendment that would prohibit President Obama's administration, including the Department of Justice and other agencies, from participating in lawsuits seeking to invalidate the recently enacted Arizona immigration law. The DeMint-Vitter amendment (#4464) could be voted on next week as part of the debate on the small business bill on the Senate floor." [Vitter.Senate.Gov, 7/14/10; H.R. 4212, Vote #214, 7/21/10]

Grassley Voted Against Classifying "The Spouses And Minor Children Of Lawful Permanent Residents As Immediate Relatives." In 2007, then-Senator Clinton proposed an amendment to the Comprehensive Immigration Reform Act of 2007 to "reclassify the spouses and minor children of lawful permanent residents as immediate relatives." Grassley voted against the amendment. [S. Amdt. 1183 to S. Amdt 1150 to S. 1348, Vote #195, 6/6/07]

Grassley Voted For Amendment To Put Limit On Family-Sponsored Immigrant Visas. In 1996, Senator Simpson proposed an amendment to the Immigration Control and Financial Responsibility Act of 1996 "To provide for temporary numerical limits on family-sponsored immigrant visas, a temporary priority-based system of allocating family-sponsored immigrant visas, and a temporary per-country limit--to apply for the five fiscal years after enactment of S. 1664." Grassley was one of only 20 Senators to vote for the amendment. [S. 1664, Vote #83, 4/25/96]

Grassley Has Repeatedly Opposed Comprehensive Immigration Reform. Sen. Grassley voted against passage on the immigration reform bill of 2006 and against cloture on the 2007 version of immigration reform. [S. 2611, Vote #157, 5/25/06; S. 1639, Vote #235, 6/28/07]

Grassley Supported A Review Of Birthright Citizenship. According to the Iowa Independent, "U.S. Sen. Chuck Grassley, R-Iowa, has joined the list of Republicans who support a review of 'birthright citizenship.' The group — which thus far includes GOP Sens. Mitch McConnell, John McCain, Tom Coburn, John Kyl and Lindsey Graham — want to look into changing the Constitution's 14th Amendment to remove automatic citizenship for children born in the United States." [Iowa Independent, 8/4/10]

Ties To Extremist Anti-Immigrant Funding

Grassley Has Received $250 From A Board Member Of FAIR. Grassley received a $250 contributions from William W. Chip on March 13, 2009. Chip sits on the board of directors at the Federation for American Immigration Reform. [Center for Responsive Politics, accessed 4/5/13; FAIRUS.org, accessed 4/3/13]

- **FAIR Is An Anti-Immigrant Hate Group.** The Southern Poverty Law Center has designated the Federation for American Immigration Reform (FAIR) an anti-immigration hate group. [SPLCenter.org, Summer 2002]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

11-02-2012

Better Off: 2008 Vs. 2012

Summary

Ahead of the 2012 election, the conservative movement has made a concerted effort to undersell the economic recovery. Ads run by conservative outside groups regularly remark on lost jobs and paint a dismal economic picture. Mitt Romney brushed aside a report that over 170,000 new jobs were created in October to proclaim that the economy "is at a virtual standstill." Yet there is widespread evidence against the idea that the economy has stalled or worsened during President Obama's tenure. Where headlines in 2008 and early 2009 proclaimed job losses, a crashing housing market, and a contracting economy, the news in late 2012 is hopeful: 171,000 jobs were added in October, the 32nd straight month of private-sector growth; home prices are up while foreclosures are down; the economy is once again expanding; and consumer confidence is at its highest level since February 2008.

Jobs

2008

November 2008: "240,000 Jobs Disappeared" As "Unemployment Rate Jumped To The Highest Level In 14 Years." According to the New York Times: "In a sign that American workers may face even more difficult times for many months to come, the nation's unemployment rate last month jumped to the highest level in 14 years as job losses mounted. Gloomy enough was word from the government on Friday that a fresh 240,000 American jobs disappeared in October, the 10th consecutive month of retrenchment. It brought the toll of lost jobs to 1.2 million for the year -- more than half in the last three months alone -- while the unemployment rate climbed to 6.5 percent. Worse was the sense that little could be done near term to alter this now-accelerating trajectory." [New York Times via Nexis, 11/8/08]

2012

November 2012: Better-Than-Expected 171,000 New Jobs In "Just About Every Industry." According to the New York Times: "The nation's employers added 171,000 positions in October, the Labor Department reported on Friday, and more jobs than initially estimated in both August and September. Hiring was broad-based, with just about every industry except state government adding jobs." [New York Times, 11/2/12]

- **The Private Sector Has Added 4.97 Million Jobs Over 32 Consecutive Months Of Private-Sector Growth**. The following chart shows the monthly change in private-sector jobs dating back to January 2008:

[BLS.gov, accessed 11/2/12; MSNBC.com, 11/2/12]

Economic Growth

2008

Fourth Quarter 2008: "United States Economy Shrank At Its Fastest Pace In A Quarter Century". From the *New York Times*: "The United States economy shrank at its fastest pace in a quarter century from October through December, the government reported on Friday, in the broadest accounting yet of the toll of the credit crisis. Consumer spending and business investment all but disappeared, and economists said the contraction was likely to continue at an alarming pace well into the summer. The gross domestic product — a crucial measure of economic performance — shrank at an annual rate of 3.8 percent in the fourth quarter of 2008. The decline would have been much steeper — more than 5 percent — if shipments of goods had fallen as sharply as orders." [*New York Times*, 1/30/09]

2012

Third Quarter 2012: U.S. Economy Exceeded Expectations To Post 2 Percent Growth. From the *Miami Herald*: "The U.S. economy accelerated between July through September, growing at an annualized rate of 2 percent, the government said Friday in a report that slightly exceeded expectations. After growing at just 1.3 percent in the second quarter, the U.S. economy sped up in the subsequent three months, beating analyst expectations of a 1.8 percent third-quarter growth rate." [*Miami Herald*, 10/26/12]

Housing

2008

December 2008: "Sky Is Falling In Housing Market." From a *Forbes* article titled "Sky Is Falling In Housing Market": "The U.S. economy remains on shaky ground as the housing sector reports another wave of dismal data. The Standard & Poor's Case-Shiller index showed on Tuesday that the price of single-family homes in the 20-city metropolitan area dropped 18.0% during the month of October from the year-ago period. This is a record drop for the index, which has been measuring home price since 2000. [...] According to the data, 14 of the 20 metro areas that are monitored experienced record declines in housing prices during the month of October." [*Forbes*, 12/30/08]

2012

October 2012: National Association Of Realtors Chief Economist: "We're Experiencing A Genuine Recovery." From the National Association of Realtors: "Lawrence Yun , NAR chief economist, said the market trend is up. 'Despite occasional month-to-month setbacks, we're experiencing a genuine recovery,' he said. 'More people are attempting to buy homes than are able to qualify for mortgages, and recent price increases are not deterring buyer interest. Rather, inventory shortages are limiting sales, notably in parts of the West.'" [Realtor.org, 10/19/12]

Home Prices

2008

End Of 2008: Home Prices Were Dropping At A Record Rate. From CNNMoney: "Home prices declined at a record pace around the nation in the final three months of 2008, according to an industry report released Tuesday. The S&P Case-Shiller National Home Price Index reported that prices sank a

record 18.2% during the last three months of 2008, compared with the same period in 2007. Case-Shiller's index of 20 major metropolitan areas fell 18.5%, also a record." [Money.CNN.com, 2/24/09]

2012

The Housing Market Has Stopped Falling During Obama's Term. The following chart from finance and economics blog Calculated Risk shows the Standard & Poors/Case Shiller Home Price Indices since 1988:

[CalculatedRiskBlog.com, 10/30/12]

August 2012: Home Prices Rose In Almost All U.S. Cities. From NPR: "Home prices rose in August in nearly all U.S. cities, and many of the markets hit hardest during the crisis are starting to show sustained gains. The increases are the latest evidence of a steady housing recovery. The Standard & Poor's/Case Shiller index reported Tuesday that national home prices increased 2 percent in August compared with the same month a year ago. That's the third straight increase and a faster pace than in July. The report also said that prices rose in August from July in 19 of the 20 cities tracked by the index. Prices had risen in all 20 cities in the previous three months." [NPR.org, 10/30/12]

New-Home Construction

2008

December 2008: Home Construction Ended Its Worst Year Since 1959. From the *New York Times*: "In further signs of the dire economic situation, new-home construction fell to record lows in December and jobless claims continued to soar, the government reported Thursday. New-home construction fell 15.5 percent from November to December to an annual pace of 550,000 units, the slowest pace since the Commerce Department starting compiling the data in 1959. Home builders have all but shut down projects as home values plunge and potential buyers stay on the sidelines of the troubled housing market." [*New York Times*, 1/22/09]

2012

September 2012: Home Construction Reached A Four-Year High. From CNNMoney: "The housing recovery blossomed in September, as the pace of home building surged to a four-year high, according to a government report issued Wednesday. Builders started work at an annual pace of 872,000 homes last month, up 15% from the pace in August. They also filed for permits to build homes at an annual rate of 894,000, up 11.6% from the previous month. Both readings were the best since the summer of 2008, before the meltdown in financial markets that caused home lending and building to freeze up." [Money.CNN.com, 10/17/12]

Foreclosures

2008

Foreclosures Increasing At Record Rate Just Before Obama Took Office. From CNNMoney: "U.S. foreclosure filings spiked by more than 81% in 2008, a record, according to a report released Thursday,

and they're up 225% compared with 2006. A total of 861,664 families lost their homes to foreclosure last year, according to RealtyTrac, which released its year-end report Thursday. There were more than 3.1 million foreclosure filings issued during 2008, which means that one of every 54 households received a notice last year." [Money.CNN.com, 1/15/09]

2012

September 2012: Foreclosures Are At A Five-Year Low. From CNNMoney: "The wave of foreclosures hitting the nation's housing market has been much less severe than anticipated, with foreclosure filings at their lowest level in five years last month, according to a report out Thursday. Foreclosure filings -- including default notices, scheduled auctions and bank repossessions -- were reported on 180,427 properties in September, a 7% decline from August and down more than 16% from a year earlier, according to a report released Thursday by RealtyTrac, an online marketer of foreclosed properties. That's the lowest number of filings since September 2007." [Money.CNN.com, 10/11/12]

- **September 2012 Foreclosures Are Half What They Were At Peak Of Crisis.** From the *Baltimore Sun*: "The number of U.S. homes lost to foreclosure in September was half the number in September 2010 — the peak month of the foreclosure crisis, according to data released Wednesday." [*Baltimore Sun*, 11/2/12]

Consumer Confidence

2008

November 2008: "Consumer Confidence Fell To The Lowest Level" In 41 Years. According to the *New York Times*: "On Tuesday, consumer confidence fell to the lowest level since the Conference Board started tracking popular sentiment 41 years ago. A bare 11 percent say the country is headed in the right direction." [*New York Times* via Nexis, 11/2/08]

2012

November 2012: Consumer Confidence Reaches Highest Level Since February 2008. According to Bloomberg News: "Confidence among American consumers climbed in October to a more than four-year high, which may help drive bigger gains in the largest part of the economy. The Conference Board's sentiment index increased to 72.2, the highest since February 2008, from a revised 68.4 in September, figures from the New York-based private research group showed today. [...] The percent of respondents who say jobs are currently plentiful rose to the highest level since September 2008, indicating that a decline in joblessness is brightening Americans' moods. Lower gasoline prices and a budding housing recovery are also contributing to the improvement in confidence." [Bloomberg News, 11/1/12]

Auto Sales

2008

December 2008: "Auto Sales Plunged By 36 Percent" For Worst Year Since 1992. From Reuters: "U.S. auto sales plunged by 36 percent in December led by outsized declines at Chrysler LLC, Hyundai Motor and Toyota Motor Corp as the battered industry closed out its weakest year since 1992 in its largest single market." [Reuters, 1/6/09, stock market tags removed]

2012

September 2012: Car Sales At "Highest Level In More Than Four Years." From CNNMoney: "U.S. car buyers flooded showrooms in September, sending auto sales to their highest level in more than four years. Overall sales were were [*sic*] up 13% from a year ago, according to sales tracker Autodata, which put the pace of sales at an annual rate of just under 15 million vehicles. That easily topped most forecasts and was even better than the spike in sales caused by the government's "Cash for Clunkers" program three years ago. The last time sales reached this level was February 2008, before gas prices surged and the financial meltdown caused a deep, sustained drop in auto sales. [...] 'Retail sales in early September were 15% higher than they were a year ago, which is reflective of a healthy market,' said John Humphrey, senior vice president of global automotive operations at J.D. Power and Associates." Money.CNN.com, 10/2/12]

- **October 2012: Despite Superstorm Sandy, GM And Chrysler's Sales Strongest Since Financial Crisis.** From Reuters: "Superstorm Sandy's fury caused U.S. auto sales to fall short of expectations in October, but industry executives still see a strong fourth quarter as the housing market improves. While General Motors Co (GM.N) and Chrysler Group LLC both reported their strongest sales for October since the 2007-09 financial crisis, the massive storm that hit the U.S. East Coast took as much as 30,000 vehicle sales out of the mix by keeping shoppers away from dealers. [...] The U.S. auto industry ended October with a 7 percent increase in vehicle sales to more than 1.09 million, the highest level in October since 1.23 million sales were reported for that month in 2007. " [Reuters, 11/1/12]

Retail Sales

2008

December 2008: "Gloomy Retail Sales Report" Showed Sales Falling For Sixth Straight Month. From the *New York Times*: "A gloomy retail sales report pushed Wall Street sharply lower on Wednesday as investors received another reminder that business was bad. [...] The government reported on Wednesday that retail sales fell for a sixth consecutive month in December, as Americans holstered their credit cards and cut back on spending, even as stores offered discounts of 80 percent to entice shoppers." [1/14/09]

2012

September 2012: Consumer Spending Rose To Reach Highest Level Since February. From the *Wall Street Journal*: "U.S. consumer spending rose last month to its highest level since February, while Americans saved at the weakest pace in nearly a year. Personal-consumption expenditures—which measure purchases ranging from goods like cars, clothes and food to services such as health care and travel—increased 0.8% in September compared with the prior month, the Commerce Department said Monday. Meanwhile, personal income rose 0.4%. [...] Consumer spending accounts for two-thirds of demand in the economy." [*Wall Street Journal*, 10/29/12]

- **October 2012: Retail Sales Experienced A "Healthy Gain."** From the *Los Angeles Times*: "Shoppers hit the malls and handed retailers a healthy gain in October before Sandy pummeled the Northeast, a positive sign pointing to a decent holiday season head. Major chains posted a 2.7% increase in retail sales in October compared with the same month a year earlier, on par with analysts' expectations, according to Thomson Reuters' tally of 18 retailers. Excluding drugstores, however, retail sales are up 4.7%, exceeding expectations of 4.3%." [*Los Angeles Times*, 11/1/12]

Manufacturing

2008

November 2008: Manufacturing Activity Fell To Lowest Level Since 1982. According to the Milwaukee Journal Sentinel: "Business at U.S. manufacturers fell to the lowest level in 26 years in October, in what some economists said was another sign of recession. The Institute for Supply Management said Monday that its manufacturing index fell to 38.9, the lowest reading since September 1982, when the country was in a deep recession. Any reading below 50 signals contraction in the economy." [Milwaukee Journal Sentinel, 11/4/08]

2012

November 2012: Manufacturing Expansion "Picked Up Pace In October." From *The Hill*: "The expansion of the manufacturing sector picked up pace in October behind an increase in new orders and production, providing a final glimpse into growth only five days before the election. Activity increased to 51.7, up slightly from 51.5 in September, the second straight month of growth after three months of contraction, the Institute for Supply Management said Thursday. A reading above 50 indicates expansion." [*The Hill*, 11/1/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

09-13-2012

Meet The Man Behind The Claim That Obama 'Gutted' Welfare Reform

Summary

Following a July 2012 Health and Human Services memo offering states a chance to apply for waivers that would allow them more flexibility in complying with welfare's work requirements, conservatives began claiming that President Obama had 'gutted' the 1996 welfare reform law and waived all work requirements associated with receiving assistance. This is false. Currently, activities that fulfill work requirements are narrowly defined by changes made during the law's 2005 reauthorization, and the waivers would let states try out new approaches to moving welfare beneficiaries towards stable employment while maintaining the principle that recipients must be progressing towards work. Yet the allegation remains popular among conservatives, thanks largely to the efforts of the Heritage Foundation's in-house welfare expert, Robert Rector.

In the past two months, Rector has published at least 16 items on the subject of welfare reform, including the July 12 blog post cited in Mitt Romney's now-infamous television ad that provoked a storm of fact checks. Given his role in promoting the attack on the administration, Rector's record deserves a closer look.

Rector was involved in crafting the 1996 welfare reform law and has spent more than two decades arguing that Americans who live in poverty are not truly "poor" because they own "modern amenities," such as vehicles and household electronics. To bolster his position, Rector has cited statistics showing that impoverished Americans are "more likely to be overweight" than better-off Americans and outright denied that poverty is "harmful" to children. The clear intent of these claims is to undermine the logic behind the safety net. In fact, Rector has stated explicitly that welfare is based on the "idiot premise" that more resources will cause poor Americans to "behave more like middle-class people."

Instead, Rector apparently believes that poverty is merely a symptom of substandard values. Therefore, it is perhaps not surprising that he is also a committed advocate for abstinence-only education, which he regards not as a public health issue but a simple question of morality. Dismissing "effectiveness" as a "bogus issue" when it comes to abstinence-only education, Rector complains that comprehensive sex-ed "normalizes" sexual activity outside of marriage.

Rector is affiliated with the Heritage Foundation's Richard and Helen DeVos Center for Religion and Civil Society, and he has collaborated with other DeVos Center researchers on his work relating to welfare reform and poverty. While the entire DeVos family is deeply involved in GOP politics, the Richard and Helen DeVos Foundation is among the most generous funders of conservative organizations, such as Focus on the Family and the Media Research Center. The foundation has given Heritage at least $10 million since 1998, including $3 million in 2010.

Heritage Foundation Fueled Allegation That Obama 'Gutted' Welfare Reform

"...it was my research that was featured in those ads...it was all over the ads."

-Robert Rector, Heritage Foundation

GOP Welfare Ad Cited Heritage Foundation

Romney Ad Cited Heritage Foundation To Support Claim That Obama 'Gutted' Welfare Reform. According to an ad from the Romney campaign: "On July 12, President Obama quietly announced a plan to gut welfare reform by dropping work requirements." The line is accompanied by the onscreen citation pictured below:

[Mitt Romney, "Right Choice," 8/7/12]

• **Heritage: Obama Policy "Guts The Federal Work Requirements."** According to the Heritage Foundation's Robert Rector and Kiki Bradley, in a blog post titled, "Obama Guts Welfare Reform": "Today, the Obama Department of Health and Human Services (HHS) released an official policy directive rewriting the welfare reform law of 1996. The new policy guts the federal work requirements that were the foundation of the reform law. The Obama directive bludgeons the letter and intent of the actual reform legislation." [Heritage.org, 7/12/12]

• **Heritage: "The Result Is The End Of Welfare Reform."** According to the Heritage Foundation's Robert Rector and Kiki Bradley, in a blog post titled, "Obama Guts Welfare Reform": The new welfare dictate issued by the Obama Administration clearly guts the law. The Administration tramples on the actual legislation passed by Congress and seeks to impose its own policy choices — a pattern that has become all too common in this Administration. The result is the end of welfare reform." [Heritage.org, 7/12/12]

Heritage's Rector Bragged That "It Was My Research That Was Featured In Those Ads." During a Heritage Foundation "Blogger's Briefing," Robert Rector said: "The interesting thing I was just talking about on the way over here is that when Romney did ads about this it was my research that was featured in those ads. It was all over the ads. When the mainstream fact-checkers went to check those facts in the ads, guess how many called me? One out of about ten of them. Because they knew perfectly well that if they talked to me they might run into a fact that would counter their spin, and that would be highly unpleasant." [Heritage.org, 9/4/12]

Heritage Fellow Robert Rector Aggressively Promoting Argument That Obama 'Gutted' Welfare Reform

Robert Rector Has Published Eight Heritage Items About Welfare Reform Since July 12. Robert Rector has published the following items on the Heritage Foundation's website since July 12: "Obama Guts Welfare Reform" (7/12); "Obama Ends Welfare Reform as We Know It, Calls for $12.7 Trillion in New Welfare Spending" (7/17); "Obama Administration Rebuffs Congressional Inquiry on Legality of Gutting Welfare Reform" (7/19); "Even More Bad News on Obama HHS Gutting Welfare Reform" (7/26); "Ending Work for Welfare: Bogus Measures of Success" (8/24); "Ending Work for Welfare: An Overview" (8/29); "Ending Work for Welfare: Vague, Unverified Universal Engagement" (9/4); "Clinton Defends Obama on Gutting of His Welfare Reform Law" (9/6). [Heritage.org, accessed 9/6/12]

Rector Has Published Six *National Review* Items About Welfare Reform Since July 12. *National Review* has published the following items by Robert Rector since July 12: "Obama Ends Welfare Reform As We Know It" (7/12); "Obama's Attack on 'Workfare'" (8/8); "HHS Can't Waive Workfare" (8/9); "Clinton's Deceptive Defense" (8/9); "Not So Fast, 'Fact Checkers'" (9/5); "Clinton's Oratory Misses Truth On Work, Welfare" (9/7). [NationalReview.com, accessed 9/10/12]

Rector Wrote *Washington Post* Column Titled "How Obama Has Gutted Welfare Reform." On September 6, 2012, the *Washington Post* published a column titled "How Obama has gutted welfare reform," in which Robert Rector concludes: "The Obama administration is waiving the federal requirement that ensures a portion of able-bodied TANF recipients must engage in work activities. It is replacing that requirement with a standard that shows that the pre-reform welfare program was successful and the post-reform program a failure. If that is not gutting welfare reform, it is difficult to imagine what would be." [*Washington Post*, 9/6/12]

Rector Wrote McClatchy Column Titled "Undermining True Welfare Reform." On July 24, McClatchy published a column titled "Undermining True Welfare Reform," in which Robert Rector claims: "The Obama administration has quietly issued new bureaucratic rules that overturned the popular welfare reform law of 1996." [McClatchy via Kansas.com, 7/26/12]

Background On Welfare Waivers

The 1996 Welfare Reform Law And 2005 Reauthorization: Work Requirements With Little Flexibility For States

1996 Welfare Reform Law Turned Welfare Into A Block Grant Program With Work Requirements And Time Limits. From a report by the Center on Budget and Policy Priorities and the Center for Law and Social Policy: "The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established the TANF [Temporary Assistance for Needy Families] block grant and a set of rules related to receipt of TANF-related benefits, including work participation requirements, time limits, child support-related requirements, and immigrant-eligibility rules." [CBPP.org, February 2007]

- **1996 Law Required Welfare Recipients To Work After Receiving Benefits For Two Years.** From a 1996 Administration for Children and Families fact sheet on The Personal Responsibility and Work Opportunity Reconciliation Act of 1996: "Under the new law, recipients must work after two years on assistance, with few exceptions." [HHS.gov, September 1996]

- **Single-Parent Welfare Beneficiaries Must Work 20-30 Hours Per Week, Two-Parent Families Must Work 35-55 Hours Per Week.** From the Department of Health and Human Services' Administration for Children and Families: "The Deficit Reduction Act retained nearly all of the TANF provisions enacted in the original welfare reform law. For example, the law retained the requirement that 50 percent of all families with an adult participate in the 12 allowable work activities for specified hours each week and that 90 percent of two-parent families similarly participate for certain, specified hours. The hourly work participation requirements that adults must achieve to count in the State's work participation rates also did not change. This requires a single custodial parent with a child younger than six to participate for at least an average of 20 hours a week and for all others to participate for at least an average of 30 hours a week to count in the overall participation rate. Similarly, two-parent families must participate for at least an average of 35 hours a week (or an average of 55 hours a week if federally- funded child care is provided) to count in the two-parent participation rate." [HHS.gov, 2/5/08]

- **1996 Law Listed Categories Of Activities That Count Toward Work Requirements.** From a 1996 Administration for Children and Families fact sheet on The Personal Responsibility and Work Opportunity Reconciliation Act of 1996: "To count toward state work requirements, recipients will be required to participate in unsubsidized or subsidized employment, on-the-job training, work experience, community service, 12 months of vocational training, or provide child care services to individuals who are participating in community service. Up to 6 weeks of job search (no more than 4 consecutive weeks) would count toward the work requirement. However, no more than 20 percent of each state's caseload may count toward the work requirement solely by participating in vocational training or by being a teen parent in secondary school. Single parents with a child under 6 who cannot find child care cannot be penalized for failure to meet the work requirements. States can exempt from the work requirement single parents with children under age one and disregard these individuals in the calculation of participation rates for up to 12 months." [HHS.gov, September 1996]

- **After Five Years, Families Are Cut Off From Cash Assistance.** From a 1996 Administration for Children and Families fact sheet on The Personal Responsibility and Work Opportunity Reconciliation Act of 1996: "Families who have received assistance for five cumulative years (or less at state option) will be ineligible for cash aid under the new welfare law. States will be permitted to exempt up to 20 percent of their caseload from the time limit, and states will have the option to provide non-cash assistance and vouchers to families that reach the time limit using Social Services Block Grant or state funds." [HHS.gov, September 1996]

- **1996 Law Required Up To 90 Percent Of Families To Participate In Work Activities, But Allowed Reductions If States Reduced Caseload Below 1995 Enrollment.** From a report by the Center on Budget and Policy Priorities and the Center for Law and Social Policy: "Under the 1996 law, a specified proportion of the families in each state who were receiving assistance in a TANF-funded program had to participate in a set of federally defined work activities for a specified minimum number of hours each month. Each state had two such work requirements: one for all families with an adult receiving assistance (the so-called 'all-families' rate) and another rate just for two-parent families receiving assistance. A state that failed to meet one or both rates could be penalized. Starting in 2002, the work requirements were 50 percent for all families and 90 percent for two-parent families. However, these rates were adjusted downward by a 'caseload reduction credit': each state's target was reduced one percentage point for each percentage-point decline in the state's TANF caseload since 1995 that occurred for reasons other than eligibility changes." [CBPP.org, February 2007]

2005 Reauthorization 'Substantially Increased' Number Of Beneficiaries Required To Work And

Limited States' Flexibility. From the Center on Budget and Policy Priorities: "After a lengthy and contentious reauthorization process, Congress enacted changes to TANF in the Deficit Reduction Act of 2005 (DRA) that substantially increase the proportion of assistance recipients who must participate in work activities for a specified number of hours each week. In June 2006, the Department of Health and Human Services (HHS) issued new regulations that implement these changes and significantly limit states' flexibility in assigning recipients to work activities." [CBPP.org, 2/9/07]

• **2005 Reauthorization Reset Requirement For Up To 90 Percent Work Activity Participation, Using 2005 As A New Baseline.** From a report by the Center on Budget and Policy Priorities and the Center for Law and Social Policy: "The DRA ... modifies the caseload reduction credit so that as of October 1, 2006, adjustments to the work participation rates are based on caseload declines after 2005 rather than 1995." [CBPP.org, February 2007]

• **2005 Law Narrowed Definitions Of What Counts Towards Work Activities.** From a report by the Center on Budget and Policy Priorities and the Center for Law and Social Policy: "The 1996 law sets forth 12 categories of work activities that can count toward the work participation rates. Neither the law nor subsequent regulations, however, defined what could be considered in each of these 12 categories; there were no federal rules defining 'community service' or 'work experience,' for example. The interim final regulations contain definitions for each of these categories. The new definitions are quite narrow — much narrower than the definitions states had developed and used to determine their work participation rate previously. For example, activities designed to address barriers to employment (such as mental health treatment) can count toward the work participation rates only under the category of 'job readiness activities,' which are limited to six weeks per year for many states. The new regulations also prohibit states from counting recipients in bachelor's degree programs toward the participation rates under the category of 'vocational educational training.'" [CBPP.org, February 2007]

• **Work Activities Are Limited To Things Like Employment, Job Training, And Some Education.** According to a Health and Human Services fact sheet, activities that count as work are limited to:

- unsubsidized or subsidized employment
- work experience
- on-the-job training
- job search and job readiness assistance – not to exceed 6 weeks in a 12-month period and no more than 4 consecutive weeks (but up to 12 weeks if a State meets certain conditions)
- community service
- vocational educational training – not to exceed 12 months
- job skills training related to work
- education directly related to employment
- satisfactory secondary school attendance
- providing child care services to individuals who are participating in community service.

[HHS.gov, April 2009]

• **2005 Reauthorization Also Put In Place "Significant" Work Activity Monitoring Requirements.** From a report by the Center on Budget and Policy Priorities and the Center for Law and Social Policy: "The DRA significantly changed the structure of federal TANF work requirements. Moreover, the interim final regulations issued by HHS in June 2006 adopted narrow definitions of the work activities that can count toward the work rates and instituted significant new requirements related to state monitoring of recipients' participation in work activities." [CBPP.org, February 2007]

The Waiver Memo: An Offer To Let States Try Out Better Welfare-To-Work Approaches

States Must Apply For Waivers

HHS Issued Memo Informing States They May Apply To Try Out Alternate Activities To Further Welfare Recipients' Work Preparation. From CNNMoney: "But last month, the Department of Health and Human Services added an option that allows for more flexibility for states that want to test alternate ways of putting families on the path back to employment. Recipients would still have to get jobs or prepare for work, but states can now apply for waivers of the original requirements. The purpose is to better help people get back to gainful employment and off government assistance. The administration said it met with state officials, who said that more flexibility could put more recipients to work." [Money.CNN.com, 8/8/12]

In Order For Alternate Activities To Be Approved, They Must Increase Welfare-To-Work Success By 20 Percent. From CNNMoney: "States must guarantee that the proposals will move at least 20% more people from welfare to work, according to Health and Human Services Secretary Kathleen Sebelius." [Money.CNN.com, 8/8/12]

Waivers Will Shift Focus Of Work Programs To Successful Outcomes, Not Just Participation. From the Center on Budget and Policy Priorities: "**Approved demonstration projects will have an explicit and intentional focus on improving employment outcomes.** In its waiver announcement, the

Department of Health and Human Services (HHS) notes that demonstration projects approved will be 'focused on improving employment outcomes' for participants. This is a major step forward. Under the current structure, states can meet their TANF work participation rate – the only measure of state performance – *without* recipients finding paying jobs. These demonstration projects will help to shift the focus of TANF employment programs from process and 'bean counting' (whether recipients participate in programs) to outcomes (whether they actually find and keep jobs)." [OffTheChartsBlog.org, 7/13/12, emphasis original]

Waivers May Allow TANF To Better Use Its Resources. From the Center on Budget and Policy Priorities: "TANF directors often say that they spend too much time tracking hours of participation and not enough time helping recipients find jobs. Through waivers, states will be able to develop new and more efficient systems for measuring participation and progress and will be able to target program activities to recipients with the greatest need for assistance in securing and retaining employment. This is a welcome departure from a system that often spends too much on families that could easily find employment on their own and too little on families that face substantial employment barriers." [OffTheChartsBlog.org, 7/13/12, emphasis original]

Families With Long-Term Trouble Maintaining Jobs May Need "More Creative And Intensive" Approaches. From the Center on Budget and Policy Priorities: "**Many families that have been unable to secure stable employment face serious barriers.** These range from mental and physical health problems and low cognitive functioning to domestic violence, substance abuse, and unstable housing. If these families are to engage consistently in welfare-to-work activities and ultimately move toward employment, more creative and intensive approaches tailored to meet their challenges will be needed." [CBPP.org, 2/9/07, emphasis original]

Welfare Reform And Work Requirements Remain Intact

Waivers Wouldn't Undo 1996 Work Requirements; They'd Relax Stringent 2005 Modifications. From the *Washington Post*'s Wonkblog: "Welfare experts frame the change as a slight walk-back from the stringent changes to the work requirements established in the Deficit Reduction Act of 2005 (DRA). The waivers don't return the program to the level of flexibility between the initial passage of welfare reform and the DRA's passage, they say, but it moves in that direction. In that way, though, the changes move the law closer to what most people think of as 'welfare reform.'" [WashingtonPost.com, 7/17/12]

Wonkblog: "The Obama Administration Is Not Removing The Bill's Work Requirements." From the Washington Post's Wonkblog: "One man's gutting is, of course, another man's tweaking, but in this case, the Obama administration is not removing the bill's work requirements at all. He's changing them to allow states more flexibility. But the principle that welfare programs must require recipients to move toward employment isn't going anywhere." [WashingtonPost.com, 7/17/12]

GOP 1996 Welfare Law Author Haskins: "No Plausible Scenario" In Which Waivers Are "A Serious Attack On Welfare Reform." From WNYC: "Even a Republican architect of the law, Ron Haskins, told NPR: 'There's no plausible scenario under which it really constitutes a serious attack on welfare reform.'" [WNYC.org, 8/22/12]

- **Haskins "Enthusiastically Supports" Waiver Policy.** From the *Washington Post*'s Wonkblog: "Ron Haskins, one of the reform's main authors who [Romney campaign policy director Lanhee] Chen cites in his e-mail, agrees with the Romney camp on two counts. One, he insists, the reform has been overwhelmingly successful. [...] He also believes the Obama administration should have pursued its waivers with the cooperation of Republicans. [...] But Haskins enthusiastically supports the actual policy of the waivers. Waivers are what made welfare reform possible in the first place, he argues, by letting states experiment with new practices and they can be useful going forward. For instance, he thinks they might offer a way around limitations that prevent welfare checks from going to employers to subsidize the hiring of welfare recipients, rather than to the recipients directly. Such combined welfare-work programs, Haskins believes, hold a lot of promise. 'What this really boils down to is an issue of trust,' he concludes. 'Do you trust that the secretary of HHS is only going to grant waivers that really are promising?...Maybe I'm naïve, but I just don't come to the conclusion that the Democrats would really use the waiver to undermine welfare reform.' [...] In sum, Haskins says, 'The Republican alarm on welfare reform might be a little exaggerated.'" [WashingtonPost.com, 8/7/12]

Waiver Memo Was A Response To State Complaints – And GOP Governors Like Mitt Romney Have Long Wanted More Flexibility

Waiver Memo Results From State Complaints About Welfare Paperwork And Reporting Requirements. From the *New York Times*: "What is happening now is a result of a presidential memo in February 2011 that urged executive departments and agencies to ask states for ideas on how to make the federal government more nimble. As the Health and Human Services Department began to solicit suggestions, a handful of states complained about being burdened by the welfare program's paperwork and reporting requirements." [*New York Times*, 7/17/12]

- **Two Out Of Five States Interested In Waivers Have GOP Governors.** From the *New York Times*: "At

the state level, the issue does not fall so clearly along party lines. Of the five states that have so far expressed interest in receiving waivers, two of them, Utah and Nevada, have Republican governors. The other states are California, Connecticut and Minnesota, according to the Health and Human Services Department." [*New York Times*, 7/17/12]

In 2005, Gov. Romney Asked For More Flexibility In Administering Welfare. From the *New York Times*: "State support of waivers is not a new phenomenon. In 2005, 29 Republican governors, including Mr. Romney and Mr. Huckabee, asked Senator Bill Frist, the majority leader, for more 'flexibility to manage their TANF programs and effectively serve low-income populations.' 'Increased waiver authority, allowable work activities, availability of partial work credit and the ability to coordinate state programs are all important aspects of moving recipients from welfare to work,' the letter read." [*New York Times*, 7/17/12]

Robert Rector's War To Redefine "Poor"

"Is poverty harmful for childhood? I think not," says Rector. "Your bank account does not indicate the type of home you have. Welfare is an idiot premise – that if we give people more money they will behave more like middle-class people."

-Washington Post, *8/9/95*

Rector: "Poverty" Isn't So Bad Because People Have "Modern Amenities"

Rector Report: Most Americans Living "In Poverty" Are Not Actually "Poor" Because They Have Air Conditioning And "Other Modern Amenities." In 2011, Robert Rector and Rachel Sheffield co-authored a Heritage Foundation report titled, "Air Conditioning, Cable TV, and an Xbox: What is Poverty in the United States today?" According to the report: "For decades, the U.S. Census Bureau has reported that over 30 million Americans were living in 'poverty,' but the bureau's definition of poverty differs widely from that held by most Americans. In fact, other government surveys show that most of the persons whom the government defines as 'in poverty' are not poor in any ordinary sense of the term. The overwhelming majority of the poor have air conditioning, cable TV, and a host of other modern amenities. They are well housed, have an adequate and reasonably steady supply of food, and have met their other basic needs, including medical care. Some poor Americans do experience significant hardships, including temporary food shortages or inadequate housing, but these individuals are a minority within the overall poverty population." [Heritage.org, 7/19/11]

- **"But What Does It Mean To Be 'Poor' In America?"** According to Robert Rector and Rachel Sheffield: "In recent years, the Census has reported that one in seven Americans are poor. But what does it mean to be 'poor' in America? How poor are America's poor?" [Heritage.org, 7/19/11]

- **"Relatively Few" Americans Who Live "In Poverty" Experience "Material Hardship."** According to Robert Rector and Rachel Sheffield: "Yet if poverty means lacking nutritious food, adequate warm housing, and clothing for a family, relatively few of the more than 30 million people identified as being 'in poverty' by the Census Bureau could be characterized as poor. While material hardship definitely exists in the United States, it is restricted in scope and severity. The average poor person, as defined by the government, has a living standard far higher than the public imagines." [Heritage.org, 7/19/11]

Rector Report Shows Percentage Of "Poor" Households With Microwaves, Cell Phones, Video Games, Etc. The following image from Robert Rector and Rachel Sheffield's July 2011 report on U.S. poverty shows the "Percentage of Poor U.S. Households Which Have Various Amenities":

[Heritage.org, 7/19/11]

Rector Concludes That "Typical" Poor Families Have Many "Household Conveniences." According to Robert Rector and Rachel Sheffield: "In 2005, the typical household defined as poor by the government had a car and air conditioning. For entertainment, the household had two color televisions, cable or satellite TV, a DVD player, and a VCR. If there were children, especially boys, in the home, the family had a game system, such as an Xbox or PlayStation. In the kitchen, the household had a refrigerator, an oven and stove, and a microwave. Other household conveniences included a clothes washer, a clothes dryer, ceiling fans, a cordless phone, and a coffee maker. The home of the typical poor family was not overcrowded and was in good repair. The family was able to obtain medical care when needed. By its own report, the family was not hungry and had sufficient funds during the past year to meet all essential needs. Poor families clearly struggle to make ends meet, but in most cases, they are struggling to pay for air conditioning and cable TV while putting food on the table." [Heritage.org, 7/19/11]

Rector Has Been Downplaying The Hardship Of Poverty For More Than 20 Years

1990 Rector Report: Poor Not Really Poor Because Many Own Cars And "Nearly Half" Have Air Conditioning. According to a Heritage Foundation brief on Robert Rector's 1990 report on poverty data: "The trouble is that the Census data overstate the number of persons in poverty and understate the living standards of low-income Americans. The Census Bureau's data seriously mislead policy makers and American taxpayers, who are spending about $180 billion a year to fight 'poverty,' because it tells little about the real poverty in America. Missing from yesterday's report are the facts that: * 38 percent of the persons whom the Census Bureau identifies as 'poor' own their own homes with a median value of $39,200; * Over 100,000 'poor' persons own homes with a value in excess of $200,000; * 62 percent of 'poor' households own a car; 14 percent own two or more cars; * Nearly half of all 'poor' households have air-conditioning; * 31 percent of all 'poor' households have microwave ovens; * Nationwide, over 22,000 'poor' households have heated swimming pools or hot tubs." [Heritage Foundation Reports via Nexis, 9/27/90]

- **Cato Institute Exposed Faulty Methodology Behind Rector Claim About Hot Tubs.** According to the January/February 1995 edition of *Cato Policy Report*: "For example, Robert Rector of the Heritage Foundation wrote that 22,000 Americans below the poverty line had hot tubs, and many conservative publications uncritically trumpeted the figure. But Rector's figure was 'extrapolated' from one case in a survey sample. It's disingenuous to claim that because one poor family in a sample of 10,000 has a hot tub, 22,000 poor families have hot tubs." [*Cato Policy Report*, January/February 1995]

1991: Rector Said "The Poor Are Not Hungry" Because They Are "More Likely To Be Overweight

Than Are Middle-Class Persons." According to *The Atlanta Journal and Constitution*, "However, conservative policy analyst Robert Rector of the Heritage Foundation said there are 'far fewer persons in material poverty' than the Census Bureau indicates. Most poor households have a car, nearly half have air conditioning, and nearly one-third have microwave ovens, he said. The official count excludes the homeless and those living in nursing homes, shelters or other institutions. In the United States, Mr. Rector said, 'The poor are not hungry and undernourished. In fact, adults are more likely to be overweight than are middle-class persons.'" [*The Atlanta Journal and Constitution* via Nexis, 9/27/91]

1993: Rector Bemoaned "Deliberate Political Effort To Exaggerate The Amount Of Poverty...In Order To Promote Additional Welfare Spending." According to Daily Report Card: "Analysts from both ends of the political spectrum offered analysis. Clifford Johnson, policy director at the Children's Defense Fund: 'We have gotten richer as a nation, but the benefits of that growing wealth have been all but invisible to a growing number of our families.' The CDF noted that 21.9%, or 14.6 million, children lived in poverty in 1992, making it the fourth straight year to see a rise in the child poverty rate. But The Heritage Foundation's Robert Rector said that the report is 'a deliberate political effort to exaggerate the amount of poverty in the United States in order to promote additional welfare spending.'" [Daily Report Card via Nexis, 10/5/93]

1995: "Is Poverty Harmful For Childhood? I Think Not." From a *Washington Post* column by reporter Megan Rosenfeld: "'Is poverty harmful for childhood? I think not,' says Rector. 'Your bank account does not indicate the type of home you have. Welfare is an idiot premise -- that if we give people more money they will behave more like middle-class people.'" [*Washington Post* via Nexis, 8/9/95]

Rector Used Selective Data For Argument That U.S. Poor Are Better Off Than Average Europeans. According to Fairness and Accuracy in Reporting (FAIR): "Rector has claimed that 'poor Americans live in larger houses or apartments' than 'the general population in Western Europe.' Presumably as evidence of this assertion, he included in this year's report a chart titled 'International Comparison of Living Space.' However, what the chart actually compares is the average floor space per person in certain European cities, such as Paris and Athens, with the average floor space in all poor U.S. households--22 percent of whom live in rural areas and 33 percent of whom live in suburbs. (Even with such an egregious bias, his numbers are underwhelming: The mostly rural and suburban homes of the U.S. poor are only about one-fourth larger than the average home in notoriously crowded Paris.)" [FAIR, January/February 1999, emphasis added]

Rector: Majority Of Poor Are Overweight, So "The Idea Of What We Need To Do Is Give Them More Food Is Just Kind Of Silly." According to McClatchy: "Robert Rector, a senior research fellow at the Heritage Foundation, a conservative think tank in Washington, D.C., said the government's quest to get more people on food stamps is not helping the poor. 'The majority of them are overweight, and the idea of what we need to do is give them more food is just kind of silly,' Rector said. His research has led him to believe that the food needs of America's low-income population are often exaggerated. He wrote that poor children eat more meat than richer kids. 'Most poor children in America today are, in fact, super-nourished and grow up to be, on average, one inch taller and 10 pounds heavier than the GIs who stormed the beaches of Normandy in World War II,' he wrote. But food prices have spiked recently, and wages have been sagging for decades. Agriculture Department economist Ephraim Leibtag said food prices are up 6.1% this month over last September, the steepest increase in almost 20 years. The cost of groceries has increased by a third in a decade. 'If you're buying the basics, you're just getting by,' he said." [McClatchy via Nexis, 10/4/08]

Robert Rector: Abstinence-Only Pioneer

"The next step of the debate in my mind is to recognize that we don't just have a problem with teen sexuality; we have a problem with young adult sexuality," he says. "Almost all unmarried people in their 20s are sexually active..."

-Los Angeles Times, *8/10/99*

Rector Worked To Insert Abstinence Education In Welfare Reform

Rector Is The "Architect Of The Abstinence-Only Movement." From the *Los Angeles Times*: "If there is an architect of the abstinence-only movement, it would be a rumpled and graying 47-year-old lobbyist named Robert Rector." [*Los Angeles Times* via Nexis, 8/10/99]

Rector Partnered With FRC And Christian Coalition To Engineer Abstinence-Only Provisions In Welfare Reform Act That Kept Funds From Comprehensive Sex Education. From the *Los Angeles Times*: "When Sen. Lauch Faircloth (R-N.C.) approached Rector to help draft the 1996 federal Welfare Reform Act, the policy analyst suggested the bill set aside funds to teach that sex outside marriage is wrong. 'We were looking for programs helping children practice self-control when they're minors,' Rector says, 'but also helping them understand the role of self-control in marriage in their adult lives. This is really not an issue solely about what teenagers are doing in the back seats of cars. It's an issue about the breakdown of adult relationships between men and women.' Led by Rector, representatives from the

Christian Coalition, the Family Research Council, a Washington-based family values advocacy group and others worked for months to draft tightly worded language that would prevent liberal-minded administrators from using potential funds for comprehensive sex education programs." [*Los Angeles Times* via Nexis, 8/10/99]

Abstinence Provisions Directed Funding To Programs That Taught Sex Outside Of Marriage Will Have "Harmful Physical And Psychological Effects." From the *Los Angeles Times*: "The measure said programs can receive money only if they teach the social, psychological and health gains to be realized by refraining from sexual activity; that abstinence is the expected standard for all school-age children; that a mutually faithful monogamous relationship in the context of marriage is the expected standard of human sexual activity; and that sexual activity outside marriage is likely to have 'harmful physical and psychological effects.' Funds cannot be used to endorse birth control. Tucked into the miscellaneous Title IX of the welfare legislation, the item escaped the scrutiny of sex education lobbyists, who were surprised to see the proposal appear from the oversight and investigations subcommittee of the House Commerce Committee." [*Los Angeles Times* via Nexis, 8/10/99]

Rector's Abstinence Provisions Came With $50 Million In Funding. From the New York Times: "Shoring up marriage was Robert Rector's vision a decade ago. A fellow at the Heritage Foundation, Mr. Rector wrote the first bill that legally defined abstinence education, and got it attached as a stowaway to the 1996 welfare overhaul, backed with $50 million for the states. A later Congress, irked at states' finding loopholes in the original intent, designated a second pool of abstinence money in 2001, now the lifeblood of the movement." [*New York Times* via Nexis, 7/18/07]

For Rector, Abstinence Education Is A Question Of Values, Not Public Health

Rector: Seeing Abstinence As A Public Health Issue Is A Distraction. From the Record Searchlight: "Robert Rector of the Heritage Foundation argues that viewing abstinence as a public health issue distracts from the real concern: that casual sex is toxic to marriage and increases the inclination to abort an unwanted child." [Record Searchlight via Nexis, 8/4/07]

Rector: Whether Or Not Sex Ed Programs Work Is A "Bogus Issue." From the Sexuality Information and Education Council of the United States: "After years of delay in its release, a federally supported evaluation of abstinence-only-until-marriage programs funded under the 1996 federal welfare reform law has proven the programs ineffective in changing teens' sexual behavior. [...] On a call yesterday organized by the Abstinence Clearinghouse, abstinence-only proponents were clearly rocked by the potentially ruinous news in the report. High profile abstinence-only advocate, Robert Rector, led the preemptive damage-control planning. He outlined several strategies the abstinence-only movement could use to rationalize the findings in the report saying, 'The other spin I think is very important is not [program] effectiveness, but rather the values that are being taught,' Rector said. Whether or not these programs work is a 'bogus issue,' Rector continued." [SIECUS.org, April 2007]

- ***Slate*: Rector's Paper Misrepresented Study To Make Case For Abstinence-Only.** From *Slate*: "In March, the Journal of Adolescent Health published a paper by sociologists Hannah Brückner and Peter Bearman, which found that adolescents who pledged to remain virgins until marriage had STD infection rates as young adults that were statistically indistinguishable from those of nonpledgers. Last month, Robert Rector and Kirk Johnson of the Heritage Foundation delivered two conference papers and a press release that accused Yale's Brückner and Columbia's Bearman of reaching an inaccurate conclusion that misled the press and public. [...] Rector and Johnson claim their analysis is the more thorough one because Bearman and Brückner used only one STD measure (the presence of three STD's in urine samples), while the present paper analyzes five STD measures based on urine samples, STD diagnoses, and STD symptoms. But Rector and Johnson's four new measures, all of which yield favorable results for pledgers with p-values less than 0.05, rely on subjects' self-reports. That adolescents who took virginity pledges might be less likely to report STD symptoms is a possibility Rector and Johnson don't seem to consider; but they should. When it comes to sex, people often lie. Urine samples don't. Worse still is the just-plain-wrong claim that Brückner and Bearman use only one STD measure. They use two: the gonorrhea-chlamydia-trichomoniasis test cited above and a urine test for human papilloma virus. In Rector and Johnson's paper, the HPV test has disappeared. It's hard for me to see any reason but the obvious one: The HPV test also showed no statistically significant difference—but pledgers scored a little higher than nonpledgers." [Slate.com, 7/7/05]

Rector: Comprehensive Sex Ed 'Normalizes Teen Sexual Activity' And 'Contains Very Explicit Sexual Material.' From the *New York Times*: "'Over 90 percent of parents want kids to be taught to abstain until they at least finish high school, and the comprehensive education curricula don't do that -- they pretty much normalize teen sexual activity,' said Robert Rector, senior research fellow at the Heritage Foundation, the conservative research group. 'They contain very explicit sexual material.'" [*New York Times* via Nexis, 5/11/10]

Rector: Safe Sex Programs "Scoff At Abstinence While Accepting And Condoning Casual Teen Sexual Activity." From a statement by Robert Rector: "By contrast, comprehensive sex education or abstinence plus programs do not encourage youth to delay sexual activity. Instead, these programs

pervasively teach that it is OK for teens to be sexually active as long as they use condoms. Virtually no parents approve of this message. The debate about sex education is a debate about fundamental values, although the comprehensive sex education lobby obscures this fact. Abstinence education programs are one of the few small voices in our society opposing the tidal wave of sexual promiscuity promoted to youth through media and popular culture. Unfortunately, it is likely there will be a strong effort in this Congress to eliminate abstinence education and replace it with comprehensive 'safe sex' programs that scoff at abstinence while accepting and condoning casual teen sexual activity. Ending abstinence education would be a great disservice to America's youth." [Rector Statement via Heritage.org, 4/13/07]

Rector Compared Educating Teens About Sex To 'Empowering [Them] To Make Their Own Choices About Whether To Do Drugs Or Drop Out Of School.' From *Teen Vogue*: "Critics of these programs worry that teenagers, if they choose to become sexually active, won't know how to protect themselves. According to a U.S. congressional staff analysis, many programs even contain false or misleading information, teaching that abortions cause suicide and sterility, or that half of all gay male teens have the HIV virus, or that touching someone's genitals can lead to pregnancy. 'Providing students with a complete set of accurate facts empowers them to make their own decisions,' says James Wagoner, president of Advocates for Youth, an organization that promotes comprehensive sex ed. 'Young people can be part of the solution they're not just hormonal accidents waiting to happen.' To this, Robert Rector, a leading supporter of abstinence-only education, counters, 'Should teenagers be empowered to make their own choices about whether to do drugs or drop out of school?'" [*Teen Vogue* via Nexis, December 2006]

Rector Misused Focus On The Family-Commissioned Poll To Claim Most Parents Support Abstinence-Only Education. From the Sexuality Information and Education Council of the United States: "In April, Robert Rector of the Heritage Foundation wrote a piece for The Washington Times ("War Against Abstinence," April 19, 2005) in which he launched a desperate attack on comprehensive sexuality education, a new bi-partisan amendment proposed by Senators Max Baucus (D-MT) and Lincoln Chafee (R-RI), and health and education organizations, including SIECUS. Rector's piece presented ideological fiction in an effort to misinform readers and advance his own far right agenda. SIECUS' response to this piece was published in the April 24, 2005 issue of The Washington Times Sunday Forum. Rector started his attack by incorrectly citing a Zogby poll of parents and young people as supporting a strict abstinence-only-until-marriage approach. In fact, this poll suggests that over 75% of parents want schools to teach about both abstinence and contraception. Although commissioned by the conservative organization Focus on the Family, this poll echoes what virtually every national, state, and local survey has found; parents want their children to receive comprehensive information about sexual health." [Sexuality Information and Education Council of the United States via Nexis, 6/22/05]

Rector: Problem Is Not Just Teen Sexuality But Also Unmarried People In Their 20s. From the *Los Angeles Times*: "Meanwhile, Robert Rector is looking to expand abstinence education. 'The next step of the debate in my mind is to recognize that we don't just have a problem with teen sexuality; we have a problem with young adult sexuality,' he says. 'Almost all unmarried people in their 20s are sexually active, and a lot of this behavior is not moving toward stable relationships. That's a very serious thing.'" [*Los Angeles Times* via Nexis, 8/10/99]

Rector's Work Supported By The Richard And Helen DeVos Foundation

Robert Rector Is Senior Research Fellow At Heritage's DeVos Center For Religion And Civil Society. According to the Heritage Foundation's website, Robert Rector is a senior research fellow for the Richard and Helen DeVos Center for Religion and Civil Society and the Domestic Policy Studies department. [Heritage.org, accessed 9/10/12]

- **Rector's 'Gutting Welfare Reform' Collaborator Is Research Fellow At Heritage's DeVos Center.** According to the Heritage Foundation's website, Katherine "Kiki" Bradley, who co-authored the "Obama Guts Welfare Reform" blog post cited in the Romney campaign's ad, is a research fellow at the Richard and Helen DeVos Center for Religion and Civil Society." [Heritage.org, accessed 9/10/12]

- **Rector's 'What Is Poverty?' Collaborator Is A Research Associate At Heritage's DeVos Center.** According to the Heritage Foundation's website, Rachel Sheffield, who co-authored Rector's 2011 report on poverty in America, is a research associate at the Richard and Helen DeVos Center for Religion and Civil Society." [Heritage.org, accessed 9/10/12]

DeVos Family Are Major Players In Conservative Politics

Forbes: "Few Billionaires Have A More Established Place In Conservative America Than The DeVos Clan." From *Forbes*: "Other than possibly the Koch brothers, few billionaires have a more established place in conservative America than the DeVos clan. Richard M. DeVos, co-founder of Amway and owner of the Orlando Magic, is No. 60 on the Forbes 400. He and his wife are regular donors to the Republican Party. The couple's foundation gives out millions each year, focusing on Christian and conservative organizations such as Focus on the Family and the American Enterprise Institute. At a gathering in Vail last June, Charles Koch thanked DeVos as one of the contributors who had given more than $1 million to

the conservative cause." [*Forbes*, 12/26/11]

Richard and Helen DeVos Foundation Has Given Over $10 Million To The Heritage Foundation. According to data from the DeVos Foundation's 990 forms, it has given at least $10,300,000 to the Heritage Foundation between 1998 and 2010. [Richard and Helen DeVos Foundation IRS Form 990-PF 1998-2010 via Conservative Transparency Database]

- **Heritage Foundation's DeVos Center For Religion And Civil Society Promotes "The Indispensable Role Of Family And Religion In Our American Order."** According to the Heritage Foundation's website: "The Richard and Helen DeVos Center for Religion and Civil Society examines the role that religion, family, and community plan [*sic*] in society and public policy. America's Founders understood that the family is part of the foundation of a free society, and that religious liberty is the first freedom and an important guarantor of a just society. Today more than ever, these critical institutions need to be strengthened and protected at the level of both principle and policy. Thanks to a grant from the Richard and Helen DeVos Foundation of Grand Rapids, Michigan, The Heritage Foundation in 2004 established the DeVos Center as a way to improve public discourse on these issues and to integrate serious reflection on the role of family, religion, and civil society across policy areas. The Heritage Foundation's approach to family and religion emphasizes these permanent institutions' role in sustaining freedom and the common good. We seek to convey the indispensable role of family and religion in our American order and in our conservative philosophy. Building on the significant research compiled in recent years, the DeVos Center endeavors to shape a healthy discourse that appreciates the historic and continuing significance of religion and moral virtue in American life. We work closely with all Heritage research departments to apply these principles to policy issues from economics to health care to foreign policy." [Heritage.org, accessed 9/10/12]

Richard and Helen DeVos Foundation Awarded Over $50 Million In Grants In 2010. In 2010, the Richard and Helen DeVos Foundation awarded grants totaling $52,596,202. In addition to the Heritage Foundation ($3 million), notable conservative recipients included Young America's Foundation ($2 million), Media Research Center ($1 million), Focus on the Family ($400,000), and FreedomWorks Foundation ($250,000). [Richard and Helen DeVos Foundation IRS Form 990-PF, 2010]

DeVos Family Members Are Deeply Involved With The Republican Party And Conservative Causes. According to *Forbes*: "Other members of the DeVos family share their patriarch's political leanings. Son Dick DeVos was an unsuccessful GOP candidate for Michigan governor in 2006. Daughter-in-law Betsy DeVos chaired the Michigan Republican Party and now heads the Alliance for School Choice. Betsy DeVos is the daughter of Elsa Prince Broekhuizen, who contributed $450,000 toward the 2008 effort to ban same-sex marriages in California. Her brother is Erik Prince, founder of the controversial security firm, Blackwater." [*Forbes*, 12/26/11]

- **Dick DeVos' Gubernatorial Platform Included Time Limit On Welfare Benefits.** According to the Associated Press: "In late June, DeVos put out a 65-page action plan he said would turn around the state's economy. It called for repealing the state's main business tax, cutting off welfare benefits after four years, ending Granholm's Cool Cities program that gives grants for urban improvements and offering merit pay for teachers." [Associated Press via Nexis, 11/8/06]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-07-2012

How The Affordable Care Act Makes Medicare Stronger

Summary

More than two years after the Affordable Care Act (ACA) was signed into law, the conservative crusade against the bill continues. Perhaps the most common attack against the law is that it hurts America's seniors, specifically by "cutting" or "slashing" $500 billion from Medicare. In reality, ACA's savings do not have a negative impact on current benefits – and the controversial GOP plan authored by Rep. Paul Ryan (R-WI) actually retained almost all of the spending reductions in the law. ACA also reduces overpayments to Medicare Advantage, a private alternative to the federally run plan, and creates a Senate-confirmed board of experts to find future savings. Meanwhile, conservative critics fail to mention that ACA closes the prescription drug "donut hole," provides free preventive services to millions of seniors, and extends the program's solvency.

Affordable Care Act Closes The Prescription Drug "Donut Hole"

"Donut Hole" Is Gap In Drug Coverage For Annual Costs From $2,830-6,440. From CNNMoney: "What's the donut hole? In addition to a $310 deductible, Medicare beneficiaries pay 25% of their drug costs until the total reaches $2,830 for the year. Then, they fall into a coverage gap. At that point, enrollees **must pay all costs out of pocket** until their annual expenses exceed $6,440. After that, seniors pay 5% of drug costs for the rest of the year." [CNNMoney, 6/7/10]

Affordable Care Act Eliminates Coverage Gap By 2020. The Kaiser Family Foundation explains how the Affordable Care Act closes the "donut hole":

- In 2010, Part D enrollees with spending in the coverage gap will receive a $250 rebate.
- Beginning in 2011, Part D enrollees who reach the coverage gap will receive a 50 percent discount on the total cost of their brand-name drugs in the gap, as agreed to by pharmaceutical manufacturers.
- Over time, Medicare will gradually phase in additional subsidies in the coverage gap for brand-name drugs (beginning in 2013) and generic drugs (beginning in 2011), reducing the beneficiary coinsurance rate in the gap from 100 percent to 25 percent by 2020. [KFF.org, March 2010]

The Donut Hole Got "Noticeably Smaller" In 2011, Benefitting Over 2 Million Seniors. As the Associated Press reported:

> Medicare's prescription coverage gap is getting noticeably smaller and easier to manage this year for millions of older and disabled people with high drug costs. [...]

> The average beneficiary who falls into the coverage gap would have spent $1,504 this year on prescriptions. But thanks to discounts and other provisions in President Barack Obama's health care overhaul law, that cost fell to $901, according to Medicare's Office of the Actuary, which handles economic estimates. [...]
>
> More than 2 million beneficiaries already have gotten some help, discounts that have gone largely to middle-class seniors, because the poor are covered in the gap at taxpayer expense. [Associated Press via Boston.com, 11/27/11]

5.2 Million People Have Benefitted From Prescription Drug Savings. From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

Affordable Care Act Expands Preventive Care For Seniors

Medicare Beneficiaries Will Receive Free Preventive Services, Annual Wellness Visits Under Health Care Law. As Kaiser Health News reported: "Starting in January, the new health-care law will make it easier and cheaper for seniors to get preventive care. Medicare beneficiaries will be able to receive for free all preventive services and screenings that receive an A or B recommendation for seniors from the U.S. Preventive Services Task Force. That includes mammograms and colorectal cancer screening, bone mass measurement and nutritional counseling for people at risk for diet-related chronic diseases such as diabetes. Medicare beneficiaries will also get a free annual wellness visit under the new law. The visit will cover a number of services, including a health risk assessment and a review of the person's functional and cognitive abilities. [...] Currently, seniors in traditional Medicare pay 20 percent of the cost for most covered preventive services." [KaiserHealthNews.org, 8/10/10]

- **More Than 25 Million Seniors Have Received Free Preventive Services.** The Centers for Medicare and Medicaid Services reports: "According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries." [CMS.gov, 2/15/12]

Affordable Care Act Savings Do Not "Cut" Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

Affordable Care Act Reduces Overpayments To Private "Medicare Advantage" Program And Lowers Future Spending

Medicare Advantage Is A Private Alternative To Traditional Medicare. According to the Kaiser Family Foundation: "Since the 1970s, Medicare beneficiaries have had the option to receive their Medicare benefits through private health plans, mainly health maintenance organizations (HMOs), as an alternative to the federally administered fee-for-service Medicare program. The Balanced Budget Act (BBA) of 1997 named Medicare's managed care program 'Medicare+Choice' and the Medicare Modernization Act (MMA) of 2003 renamed it 'Medicare Advantage.'" [KFF.org, November 2011]

"Overpayments" To Medicare Advantage Drive Up Premiums For Medicare Benificiaries. According to the Center on Budget and Policy Priorities: "In 2010, Medicare is estimated to pay private Medicare Advantage health plans between 9 and 13 percent more per enrollee than it costs to cover the same person under traditional Medicare. These overpayments, which average more than $1,100 for each Medicare Advantage beneficiary, cost Medicare nearly $44 billion between 2004 and 2009. Despite insurers' claims, a large portion of the overpayments benefit insurers rather than provide additional benefits to enrollees. For example, the Medicare Payment Advisory Commission (MedPAC) has found that among private fee-for-service plans — one type of Medicare Advantage plan — less than one-fourth of overpayments go toward additional benefits, on average. [...] By increasing Medicare costs, these overpayments also drive up premiums for the 31 million seniors and people with disabilities enrolled in traditional Medicare — by $86 for a couple in 2009. In addition, the overpayments weaken Medicare's long-term finances." [CBPP.org, 7/27/10, internal citations removed]

Affordable Care Act Reduces "Heftier Payments" To Private Medicare Advantage Plans. From FactCheck.org: "Whatever you want to call them, it's a $500 billion reduction in the growth of future spending over 10 years, not a slashing of the current Medicare budget or benefits. It's true that those who get their coverage through Medicare Advantage's private plans (about 22 percent of Medicare enrollees) would see fewer add-on benefits; the bill aims to reduce the heftier payments made by the government to Medicare Advantage plans, compared with regular fee-for-service Medicare." [FactCheck.org, 3/19/10]

Independent Payment Advisory Board: Finding Future Savings – Not 'Rationing' Care

ACA Establishes An Independent, Senate-Confirmed Board (IPAB) To Find Additional Savings. As explained by the Kaiser Family Foundation: "The 2010 health reform law (the Patient Protection and Affordable Care Act, also referred to as the ACA) establishes a new Independent Payment Advisory Board (IPAB) with authority to issue recommendations to reduce the growth in Medicare spending, and provides for the Board's recommendations to be considered by Congress and implemented by the Administration on a fast-track basis. [...] As authorized by the health reform law, IPAB is an independent board housed in the executive branch and composed of 15 full-time members appointed by the President and confirmed by the Senate." [Kaiser Family Foundation, April 2011]

IPAB Proposals Implemented Unless Congress Finds Alternative Savings Or Supermajority Overturns Them. According to the *Washington Post*: "Beginning with fiscal 2015, if Medicare is projected to grow too quickly, the IPAB will make binding recommendations to reduce spending. Those recommendations will be sent to Capitol Hill at the beginning of each year, and if Congress doesn't like them, it must pass alternative cuts — of the same size — by August. A supermajority of the Senate can also vote to amend the IPAB [spending] recommendations. If Congress fails to act, the secretary of Health and Human Services is required to implement the cuts by default." [*Washington Post*, 5/8/11]

And No, IPAB Cannot "Ration" Care. According to the Kaiser Family Foundation: "The Board is prohibited from recommending changes that would reduce payments to certain providers before 2020, and is also prohibited from recommending changes in premiums, benefits, eligibility and taxes, or other changes that would result in rationing." [Kaiser Family Foundation, April 2011]

Affordable Care Act Extends Solvency Of Medicare

"The Medicare Trust Fund Will Last Eight Years Longer" Thanks To Health Care Law. The *Huffington Post* reported: "The Medicare trust fund will last eight years longer than it would have without the passage of last year's health care law, the program's trustees announced Friday in a report. The nonpartisan lead actuary for Medicare, Rick Foster, estimated that without the health care overhaul, the program's trust fund would have run dry by 2016. With the law in effect, Foster projected, the trust fund will last through 2024." [*Huffington Post*, 5/13/11]

CBPP: "Medicare's Financing Challenges Would Be Significantly Greater Without The Health Reform Law." According to the Center on Budget and Policy Priorities:

> Medicare's financing challenges would be significantly greater without the health reform law (the Affordable Care Act, or ACA), which substantially improved the program's financial outlook. [...]

The 2011 report of Medicare's trustees finds that Medicare's Hospital Insurance (HI) trust fund will remain solvent — that is, able to pay 100 percent of the costs of the hospital insurance coverage that Medicare provides — through 2024; at that point, the payroll taxes and other revenue deposited in the trust fund will still be sufficient to pay 90 percent of Medicare hospital insurance costs. (The Medicare hospital insurance program is considered insolvent when revenues and trust fund balances will not cover 100 percent of projected costs.) Over the next 75 years, revenue will cover an average of 83 percent of Medicare's hospital insurance costs. This shortfall will need to be closed through the provision of additional revenues, program changes that slow the growth in costs, or most likely both. But the Medicare hospital insurance will not run out of all financial resources and cease to operate after 2024, as the "bankruptcy" term may suggest.

The 2024 date does not apply to Medicare coverage for physician and outpatient costs or to the Medicare prescription drug benefit; these parts of Medicare do not face insolvency and cannot run short of funds. [CBPP.org, 7/12/11, emphasis original, internal citations removed]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-06-2012

More Bad Medicine For Seniors In Latest Ryan Budget

Summary

House Budget Chairman Paul Ryan (R-WI) is out with an updated version of his fiscal blueprint for the country, replacing last year's widely panned plan to effectively end Medicare by turning it into a voucher system with an only slightly less destructive concoction. In his latest proposal, Ryan pitches a premium-support system that would offer seniors a voucher to buy either traditional Medicare or a private plan, purporting to control costs by allowing competition. But the vouchers wouldn't be able to keep up with rapidly rising medical costs, shifting the burden onto beneficiaries and eventually rendering traditional Medicare an unviable program.

Click here to read more about the Medicare overhaul in Rep. Ryan's previous budget, which was passed by the House GOP in 2011.

The New Ryan Budget Undermines Medicare

The 2013 Ryan Budget "Reiterates Republicans' Call Last Year For Overhauling Medicare." From Bloomberg: "The proposal reiterates Republicans' call last year for overhauling Medicare, though with some changes reflecting a compromise plan Ryan of Wisconsin has since written with Senator Ron Wyden, an Oregon Democrat. It would offer seniors, starting in 2023, subsidies they could use to buy private health insurance or use in Medicare. Either way, benefits would be capped, which would be a major change in how the open-ended program now operates." [Bloomberg, 3/20/12]

Latest Medicare Proposal Relies On Competitive Bidding To Slow Costs. From Ezra Klein's *Washington Post* blog: "The Republicans' budget, released today, would rely on competitive bidding. And although the structure of such programs can get complex, the thing to know is this: Under the Ryan budget, private plans would send the government an estimate of the premiums they would charge for insurance coverage that is at least as generous as the standard Medicare benefit package. The second-lowest of those 'bids' would set the benchmark for how much premium support seniors receive. Seniors could spend that support on traditional Medicare, a less-expensive private plan (and receive a rebate), or a more-costly coverage package (and pay the difference)." [WashingtonPost.com, 3/20/12]

CBPP President: Vouchers Would Lose Value Over Time. From a statement of Robert Greenstein, the president of the Center on Budget and Policy Priorities: "Once seniors reached the age of eligibility for Medicare, they would receive a premium-support voucher to help them buy coverage, with the voucher apparently rising in value from year to year by the rate of growth in the Gross Domestic Product (GDP) per capita plus one-half percentage point — which is below the rate of growth in health care costs in recent decades. Seniors who couldn't afford to spend more than the voucher amount likely would have to purchase insurance that covered fewer health services as time went by, since the voucher likely would not keep pace with increases in health care costs." [CBPP.org, 3/21/12]

Ryan Plan Would Shift Costs Onto Medicare Beneficiaries. From the Center on Budget and Policy Priorities: "The Ryan-Wyden plan would shift substantial costs to Medicare beneficiaries rather than protect them from cost increases, in part because the payment that beneficiaries would receive to help them buy coverage would likely fail to keep pace with health care costs." [CBPP.org, 3/19/12]

Ryan Plan Would Eventually Make Medicare Unsustainable. From the Center on Budget and Policy Priorities:

> Under premium support, traditional Medicare would tend to attract a less healthy pool of enrollees, while private plans would attract healthier enrollees (as occurs today with Medicare and private Medicare Advantage plans). Although the proposal calls for "risk adjusting" payments to health plans — that is, adjusting them to reflect the average health status of their enrollees — the risk adjustment process is highly imperfect and captures only part of the differences in costs across plans that stem from differences in the health of enrollees.
>
> Inadequate risk adjustment would mean that traditional Medicare would be only *partially* compensated for its higher-cost enrollees, which would force Medicare to raise beneficiary premiums to make up the difference. The higher premiums would lead more of Medicare's healthier enrollees to abandon it for private plans, very possibly setting off a spiral of rising premium costs and falling enrollment for traditional Medicare. Over time, traditional Medicare would become less financially viable and could unravel — *not* because it was less efficient than the private plans, but because it was competing on an unlevel playing field in which private plans captured the healthier beneficiaries and incurred lower costs as a consequence. Ryan-Wyden also would allow private plans to tailor their benefit packages to attract healthier beneficiaries and deter sicker ones, which only makes this outcome more likely. [CBPP.org, 3/19/12]

The New Ryan Budget Raises The Medicare Eligibility Age. From the Congressional Budget Office's analysis of the Ryan plan: "In addition, the eligibility age for Medicare would increase by two months per year beginning in 2023 until reaching age 67 in 2034." [CBO.gov, March 2012]

CBO: Effects Of Ryan Plan's Reduced Medicare Spending "Unclear," Could Include "Diminished Quality Of Care" And "Higher Costs." From the Congressional Budget Office's analysis of the Ryan plan:

> Under the specified path, average real (inflation-adjusted) spending for new enrollees in Medicare would rise in coming decades but at a much slower rate than would occur under the other policy scenarios that CBO has analyzed. Average net Medicare spending for 65-year-olds in 2011 was $5,500. Under the baseline scenario, average spending per 66-year-old in 2030 would be $8,600 in 2011 dollars (56 percent more); under the alternative fiscal scenario, that ending would rise to $9,600 in 2011 dollars (75 percent more); and under the specified path, it would be $7,400 in 2011 dollars (35 percent more). In 2050, the corresponding spending for a 67-year-old would be, in 2011 dollars, $17,000 under the baseline scenario, $19,100 under the alternative fiscal scenario, and $11,100 under the specified path. By 2050, spending for new enrollees under the specified path would be 35 percent below that for the baseline scenario and 42 percent below that for the alternative fiscal scenario.
>
> The implications of that substantial cut in spending relative to the other policy scenarios are unclear, because they would depend on both the specific policies that were implemented to generate that spending amount and the ways in which the nation's health care and health insurance systems reacted to those policies. **Possible consequences include the same kinds of effects noted for the baseline and alternative fiscal scenarios—reduced access to health care; diminished quality of care; increased efficiency of health care delivery; less investment in new, high-cost technologies; or some combination of those outcomes. In addition, beneficiaries might face higher costs, which could in turn reinforce some of the other effects.** At least some of those effects would of necessity be a great deal stronger than under the baseline scenario or alternative fiscal scenario because spending would be so much lower. However, as with the other scenarios, CBO does not have the capability at this time to estimate such effects for the specified path of Medicare spending. [CBO.gov, March 2012, emphasis added, internal citations removed]

 © AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

FACEBO TWITTE

BRIDGE PROJECT

ABOUT US | GET ON OUR E-MAIL LIST | CONTACT US

What is Research Reads? click to learn more

Ad Check | Conservative Transparency | Radical Rhetoric | Research Reads | Unabridged

BACK TO INDEX

FACEBO TWITTER

08-05-2012

Ryan Medicare Plan Eliminates Health Security For America's Seniors

Summary

In 2011, House Budget Committee Chairman Paul Ryan (R-WI) introduced a controversial plan that he claimed would "save" Medicare. The proposal was included in the House budget, which passed the lower chamber with nearly unanimous support from Republicans but was voted down in the Senate. The Medicare debate rages on, however, and the facts about the Ryan plan are too often obscured by the aggressive spin of its supporters and distracting arguments about the definition of words like "end" and "voucher." Whatever the right wants to call it, the Ryan plan is radical legislation that would hurt millions of Americans who rely on Medicare for health security.

Ryan Plan Would "Essentially End" Medicare For Future Seniors…

Ryan Plan Transforms Medicare Into A "Premium Support System." According to the Kaiser Family Foundation's overview of the Ryan plan: "The proposal would gradually transform Medicare into what is described as a 'premium support system.' Beginning in 2022, all newly-eligible Medicare beneficiaries (i.e., individuals turning 65 as well as younger, disabled individuals becoming eligible for Medicare) would only have access to health coverage through private insurance plans, rather than through the current government-run Medicare program (i.e., traditional Medicare), or under a Medicare Advantage plan. Under the new premium support system, Medicare beneficiaries would be entitled to a payment from the federal government to help defray premiums and other health care costs under the plan. The government would make payments directly to private health plans on behalf of Medicare eligible enrollees, rather than pay hospitals, physicians, and other medical providers directly for the services provided to their Medicare-eligible patients, as is currently the case. If the government payments to plans on behalf of enrollees were insufficient to cover premiums and/or other costs, beneficiaries would be responsible for additional costs. **In other words, Medicare would no longer provide coverage for medical care, but instead provide a 'subsidy' toward the purchase of a private health insurance plan.**" [Kaiser Family Foundation, April 2011, emphasis added]

• ***WSJ*: "The Plan Would Essentially End Medicare."** From the *Wall Street Journal*: "The plan would essentially end Medicare, which now pays most of the health-care bills for 48 million elderly and disabled Americans, as a program that directly pays those bills. Mr. Ryan and other conservatives say this is necessary because of the program's soaring costs. [...] Mr. Ryan's proposal would apply to those currently under the age of 55, and for those Americans would convert Medicare into a 'premium support' system." [*Wall Street Journal*, 4/4/11]

• ***National Review* Writer: "It's Fair…To Say It Ends The Program."** Writing for the conservative *National Review Online*, Robert VerBruggen declared, "I support Paul Ryan's Medicare reforms." He added: "The Ryan plan is a deep, serious reform — it ends some of the program's major features, and if traditional-Medicare supporters see those features as the core of the program, **it's fair for them to say it ends the program**." [*National Review Online*, 12/20/11, emphasis added]

…Forcing Retirees To Pay More For Care

Government Contributions Would Increase More Slowly Than Health Care Costs. According to *Time*'s Swampland blog: "The subsidies seniors receive would be based on the value of Medicare at the start of the plan. The subsidies would increase at a rate indexed to inflation, which is growing much more slowly than health care costs. The upshot? Medicare beneficiaries would spend far more out of pocket under this system than in the current one." [*Time*, 4/6/11]

CBO: "Most Elderly People Would Pay More For Their Health Care Than They Would Pay Under The Current Medicare System." In its analysis of the Ryan plan, the nonpartisan Congressional Budget Office concluded: "**Under the proposal, most elderly people would pay more for their health care than they would pay under the current Medicare system**. For a typical 65-year-old with average health spending enrolled in a plan with benefits similar to those currently provided by Medicare, CBO estimated the beneficiary's spending on premiums and out-of-pocket expenditures as a share of a benchmark: what total health care spending would be if a private insurer covered the beneficiary. By 2030, the beneficiary's spending would be 68 percent of that benchmark under the proposal, 25 percent under the extended-baseline scenario, and 30 percent under the alternative fiscal scenario." [CBO.gov, 4/5/11, emphasis original]

CBPP: "Out-Of-Pocket Spending Would Rise Dramatically." According to the Center on Budget and Policy Priorities: "CBO estimates that the total health care costs attributable to Medicare beneficiaries would be considerably *higher* under the private insurance plans they would purchase under the Ryan plan than under a continuation of traditional Medicare, because private plans have higher administrative expenses and higher payment rates for providers. Since the Ryan proposal would *reduce* the federal government's contribution for beneficiaries' health care costs even as it caused total costs to *increase*, beneficiaries' out-of-pocket spending would rise dramatically. In 2022, the first year the voucher would apply, CBO estimates that total health care expenditures for a typical 65-year-old would be almost 40 percent higher with private coverage under the Ryan plan than they would be with a continuation of traditional Medicare. (See graph.) CBO also finds that this beneficiary's annual out-of-pocket costs would *more than double* — from $6,150 to $12,500. In later years, as the value of the voucher eroded, the increase in out-of-pocket costs would be even greater." CBPP provided the following graph:

[Center on Budget and Policy Priorities, 4/7/11]

Ryan Plan Also Hurts Seniors Already Enrolled In Medicare

***National Journal*: "It's Not True" That Ryan Plan Would Not Affect Current Seniors.** As *National Journal* reported: "Republicans are convinced that burnishing the public's view of their unpopular proposal to overhaul Medicare depends on assuring today's seniors that they won't be affected. [...] There's only one problem with the strategy: It's not true." [*National Journal*, 6/2/11]

Ryan Plan Would Reopen Medicare "Doughnut Hole." As *National Journal* reported:

> [T]he proposal would also repeal last year's health care law, which means reopening a coverage gap in Medicare's prescription-drug benefit that the statute closed. The gap, commonly called the "doughnut hole," requires seniors to pay 100 percent of any prescription costs after the annual total reaches $2,840 and until it hits $4,550. Those who spend more or less have at least three-quarters of the costs covered. Under the 2010 health law, Medicare will pay 7 percent of the cost of generic drugs and 50 percent on name-brand pharmaceuticals; by 2020, the doughnut hole will be closed.

> If Congress were to pass Ryan's plan and repeal the law, as House Republicans want, the 3 million to 4 million seniors left in the doughnut hole each year would immediately face significant out-of-pocket costs. They and all other Medicare beneficiaries would also lose access to a host of preventive-care benefits in the health care law, including free wellness visits to physicians, mammograms, colonoscopies, and programs to help smokers quit. [*National Journal*, 6/2/11]

Third Way: Ryan Plan Turns Traditional Medicare Into "Second-Class Medicine." According to a report by the centrist think tank Third Way:

> **Under the Republican proposal, traditional Medicare would quickly become second-class medicine.** [...]
>
> The traditional Medicare plan, which covers three-fourths of today's beneficiaries, relies on its huge size to keep costs down. Doctors and hospitals are not required to participate in it, but they have little choice if they wish to treat any seniors, who are the nation's biggest health care consumers.
>
> Fewer doctors would participate in the traditional Medicare plan if there were an alternative. The traditional plan pays physicians about 20% less than private health insurance plans. Today, that is essentially a discount for the large volume of Medicare patients. Under the Ryan budget, it would become a reason for doctors to leave the traditional plan.
>
> By 2030, only 55% of Medicare beneficiaries would still be eligible for traditional Medicare according CBO. Actual enrollment would be less than half of Medicare beneficiaries because many seniors would continue to enroll in private health care coverage under Medicare Advantage. By 2040, traditional Medicare would have only about 20% of Medicare beneficiaries. [ThirdWay.org, **4/14/11**, internal citations removed]

Ryan Plan Retains Maligned "Cuts" In Obama's Affordable Care Act

AP: GOP Budget Contains "Cuts" That Republicans "Criticized Vigorously" In Health Care Debate. According to the Associated Press: "In a postelection reversal, House Republicans are supporting nearly $450 billion in Medicare cuts that they criticized vigorously last fall after Democrats and President Barack Obama passed them as part of their controversial health care law. The cuts are included in the 2012 budget that Rep. Paul Ryan, R-Wis., unveiled last week and account for a significant share of the $5.8 trillion in claimed savings over the next decade. [...] If left in effect, they would retain smaller payments over the next decade for hospitals, nursing homes, hospices and other Medicare providers that Democrats put in effect. In addition, federal subsidies would decline for seniors who purchase coverage through private insurance plans under Medicare Advantage, although Ryan proposed a small partial restoration in that area." [Associated Press via AOLNews.com, 4/13/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-04-2012

What Americans Lose If Conservatives Get Their Way On The Affordable Care Act

Summary

After several failed attempts to repeal or defund the Affordable Care Act, conservative candidates are persisting in making the destruction of the landmark health care reform law a campaign issue, with many promising to do away with the law come 2013. But the benefits in the law are already kicking in, and repealing the law would affect millions of Americans who are already seeing lower health care costs, better services, and protection against industry abuses.

Repeal Would Kick Millions Off Their Insurance

Up To 30 Million Could Lose Coverage Gained As A Result Of The Affordable Care Act. From the Congressional Budget Office: "CBO and JCT now estimate that the ACA, in comparison with prior law before the enactment of the ACA, will reduce the number of nonelderly people without health insurance coverage by 14 million in 2014 and by 29 million or 30 million in the latter part of the coming decade, leaving 30 million nonelderly residents uninsured by the end of the period." [CBO.gov, July 2012]

Up To 6.6 Million Young Adults Would Lose Health Care Coverage Through Their Parents' Plans. From the *Los Angeles Times*: "President Obama's healthcare law helped as many as 6.6 million young adults stay on or get on their parents' health plans in the first year and a half after the law was signed, a new survey indicates. [...] Earlier surveys by the federal government found that the number of people ages 19 to 25 without insurance declined after the law was signed, reversing years of erosion in health coverage for young adults." [*Los Angeles Times*, 6/8/12]

70,000 Americans With Pre-Existing Conditions Would Lose Insurance Coverage. According to the Department of Health and Human Services, as of May 31, 2012, 73,333 people were enrolled in the Pre-Existing Condition Insurance Plan (PCIP) created by the Affordable Care Act. [HealthCare.gov, 7/13/12]

About 20,000 People Per Year Would Again Face Losing Coverage Because They Reached Their Lifetime Coverage Limits. From *Time*: "Insurers are no longer allowed to set a lifetime limit on benefits. This is particularly helpful to people with very expensive or long-term health problems. The government estimates that about 20,000 people in the U.S. hit their lifetime limits every year." [*Time*, 9/23/10]

Those With Costly Health Conditions Would Again Be More Likely To Lose Coverage When They Reach Their Annual Limits. From *Time*: "The law also begins phasing out annual limits on coverage. Except for individual plans purchased before March 23, 2010, which may have 'grandfathered status,' all plans issued or renewed between Sept. 23, 2010, and Sept. 23, 2011, will not be able to set annual limits lower than $750,000. (The limit is raised each year until it is eliminated in 2014.)" [*Time*, 9/23/10]

- **The Minimum Annual Limit For Plans Starting Between September 23, 2011, And September 23, 2012, Is $1.25 Million.** From Families USA: "For plan years beginning on or after September 23, 2011, but before September 23, 2012, the annual limit amount rises to $1.25 million." [Families USA, September 2010]

Repeal Would Mean Higher Costs For Medicine And

Services

5.2 Million People Would Have To Pay More For Prescription Drugs. From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

Over 35 Million Seniors Would Lose Access To Free Preventive Services. The Centers for Medicare and Medicaid Services [CMS] report that 35,106,598 people were enrolled in Medicare Part B in 2011. CMS also reports:

> Beginning January 1, 2011, the Affordable Care Act eliminated Part B coinsurance and deductibles for recommended preventive services, including many cancer screenings and key immunizations. The law also added an important new service — an Annual Wellness Visit with a health professional — at no cost to beneficiaries.
>
> According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries, including 2,404,792 African-American beneficiaries, 537,110 Hispanic beneficiaries, 104,393 American Indian beneficiaries, and 508,398 Asian-American beneficiaries. [CMS.gov, 2/15/12]

An Estimated 54 Million Americans With Private Insurance Would See Costs Increase For Preventive Care Like Colonoscopies And Mammograms. From the Department of Health and Human Services:

> The Affordable Care Act requires many insurance plans (so-called 'non-grandfathered' plans) to provide coverage for and eliminate cost-sharing on certain recommended preventive health services, for policies renewing on or after September 23, 2010. Based primarily on guidelines from the U.S. Preventive Services Task Force, this includes services such as colonoscopy screening for colon cancer, Pap smears and mammograms for women, well-child visits, flu shots for all children and adults, and many more.
>
> While some plans already covered these services, millions of Americans were previously in health plans that did not. According to the Kaiser Family Foundation's Employer Health Benefits Survey in 2011, 31% of all workers were covered by plans that expanded their list of covered preventive services due to the Affordable Care Act. The most recent data from the Census Bureau show that 173 million Americans ages 0 to 64 currently have private coverage. Putting these facts together, we estimate that approximately 54 million Americans received expanded coverage of at least some preventive services due to the Affordable Care Act in 2011. [HHS.gov, February 2012, citations removed]

Over Four Million Small Businesses Would Lose Eligibility For Tax Credits. According a report from Small Business Majority and Families USA: "Starting this year, businesses with fewer than 25 workers and average wages of less than $50,000 will be eligible to receive a tax credit for the health insurance that they provide for their employees. The value of the credit this year (and until 2014) is up to 35 percent of the employer's costs for employee coverage (and up to 25 percent of the costs for nonprofit employers). The smallest firms with the lowest wages—those that employ 10 or fewer workers who earn an average wage of less than $25,000—are eligible for the full 35 percent tax credit (or 25 percent for nonprofits). From there, the size of the credit will phase out on a sliding scale. [...] **More than 4 million (4,015,300) small businesses will be eligible to receive a tax credit for the purchase of employee health insurance in 2010.** That's 83.7 percent of all small businesses in the country." [Small Business Majority, July 2010, emphasis original]

- **Two Million Workers Could Find Health Care They Obtained Last Year Through Their Small Business Employer Threatened.** From *Congressional Quarterly HealthBeat*: "In 2011, about 360,000 of the estimated 6 million small business employers in the United States are expected to benefit from the existing tax credit. That means about 2 million workers will be helped to get insurance, Karen Mills, head of the Small Business Administration, and Small Business Majority CEO John Arensmeyer noted on a phone call with reporters." [*Congressional Quarterly HealthBeat* via Nexis, 2/16/12]

Medical Students Who Have Pledged To Work In Underserved Areas Would Lose Loan Repayments. From the American Medical Association: "Seventy-seven fourth-year medical students will receive $9.1 million in loan repayments for participating in a new National Health Service Corps program aimed at encouraging more young people to go into primary care. [...] The Health Resources and Services Administration estimates that 17,722 primary care professionals are needed in medically underserved areas to meet a target of having one primary care professional for every 2,000 U.S. residents. Students in the pilot program, funded through the Patient Protection and Affordable Care Act, will receive up to $30,000 annually for four years. In exchange, they must agree to practice at least 40 hours a week for three years or at least 20 hours a week for six years in medically underserved rural and urban communities. [American Medical Association, 2/28/12]

Repeal Would Reopen The Door To Industry Abuses

Consumers Would Lose Rights Regarding Appealing Insurance Companies' Denial Of Claims. From the Department of Health and Human Services: "The Affordable Care Act ensures your right to appeal health insurance plan decisions--to ask that your plan reconsider its decision to deny payment for a service or treatment. New rules that apply to health plans created after March 23, 2010 spell out how your plan must handle your appeal (usually called an 'internal appeal'). If your plan still denies payment after considering your appeal, the law permits you to have an independent review organization decide whether to uphold or overturn the plan's decision. This final check is often referred to as an 'external review.'" [HealthCare.gov, 7/27/10]

Millions Of Children With Pre-Existing Conditions Would Lose Protection Against Insurance Company Discrimination. From CNN: "House Republicans began debate Tuesday on repealing the [health care reform] measure, which requires insurers to cover children with pre-existing conditions and gives people with health conditions access to a temporary program providing insurance coverage. [...] And the [Health and Human Services] agency said between 4 million and 17 million children have a pre-existing condition, and that 2 million of those are uninsured." [CNN, 1/18/11]

More Than 10,000 People Per Year Could Be Kicked Off Their Insurance Plans For Inadvertent Application Errors. From *Time*: "Insurance companies are no longer allowed to retroactively cancel policies just because people made inadvertent errors on their enrollment forms. Such action by insurers, while rare, is often egregious and a way for insurers to avoid paying for care when their customers become very ill. The new rule states that insurers can only rescind policies if enrollees are found to have committed fraud. The ban on unfair rescissions is, like coverage of pre-existing conditions in children, wildly popular but will affect only a small number of people. The government estimates that there are about 10,700 rescissions every year." [*Time*, 9/23/10]

Americans Would Again Be Subject To Unreasonable Insurance Rate Hikes With No Transparency. From the *New York Times*: "The law, signed by President Obama in March 2010, set detailed federal standards for health insurance, which had for decades been regulated mainly by the states. The law calls for the annual review of 'unreasonable increases in premiums.' Under rules issued last year by Ms. Sebelius, rate increases of 10 percent or more must be reviewed by state or federal officials." [*New York Times*, 1/12/12]

States Would Lose Funding For Oversight Of Unreasonable Rate Hikes. From the Centers for Medicare and Medicaid's Center for Consumer Information and Insurance Oversight: "The Affordable Care Act makes $250 million available to States to take action against insurers seeking unreasonable rate hikes. To date, 43 States and the District of Columbia are using $44 million in grants provided by HHS to help them improve their oversight of proposed health insurance rate increases." [CMS.gov, accessed 3/1/12]

- **Thousands Of Americans Have Already Avoided Rate Hikes Thanks To State Oversight.** From the Centers for Medicare and Medicaid's Center for Consumer Information and Insurance Oversight:

> State rate review activities are paying off for consumers:
>
> - Rhode Island's Insurance Commissioner used his rate review authority to reduce a proposed increase by a major insurer in that State from 7.9 percent to 1.9 percent.
> - Californians were saved from rate increases totaling as high as 87 percent after a California insurer withdrew its proposed increase after scrutiny by the State Insurance Commissioner.
> - Nearly 30,000 North Dakotans saw a proposed increase of 23.7 percent cut to 14 percent following a public outcry.
> - Connecticut's Insurance Department rejected a proposed 20 percent rate hike by one of the State's major insurers. [CMS.gov, accessed 3/1/12]

Consumers Would Lose Access To Transparent Information About How Their Insurance Companies Are Spending Their Premiums And Wouldn't Get Rebates From Overspenders. From the

Department of Health and Human Services: "Health and Human Services Secretary Kathleen Sebelius announced today that consumers will soon begin receiving unprecedented information on the value of their health insurance coverage, and some will receive rebates from insurance companies that spend less than 80 percent of their premium dollars on health care.The Affordable Care Act requires that insurance companies this year begin notifying customers how much of their premiums they have spent on medical care and quality improvement. Beginning in 2011, insurers were required to spend at least 80 percent of total premium dollars they collect on medical care and quality improvement. Insurance companies that do not meet the 80/20 standard (also known as the Medical Loss Ratio) are required to pay rebates to their customers this year."[HHS.gov, 2/16/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-03-2012

Private-Sector Recovery Diminished By Shrinking Government Payrolls

Summary

It's unremarkable for President Obama's opponents to deride his career in public service; ever since Ronald Reagan ran into term limits, conservatives have insisted that business experience is more important in the White House than intellect, vision, and policy knowledge. But conservative reverence for the business world and disdain for government work is so dogmatic today that Republicans often claim that Obama's policies have primarily, or even only, benefitted the public sector at the expense of the private economy. This is nonsense. The primary difference between the Obama recovery and the previous three post-recession economies, other than the depth of the crater Wall Street's actions created, is that where government payrolls expanded under Presidents Bush, Clinton, and Reagan, the public sector has shed well over half a million jobs since the end of the recession. Meanwhile, private-sector hiring has been far more consistent than conservatives would have you believe.

3.3 Million New Private-Sector Jobs Since Recession, But 640,000 Government Employees Out Of Work

Recession Officially Ran From December 2007 To June 2009, Making It The Longest Since World War II. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday by conference call. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in June 2009. The trough marks the end of the recession that began in December 2007 and the beginning of an expansion. The recession lasted 18 months, which makes it the longest of any recession since World War II. Previously the longest postwar recessions were those of 1973-75 and 1981-82, both of which lasted 16 months. In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 9/20/10]

- **Recession Resulted In 8.3 Million Job Losses.** According to the Associated Press, "the Great Recession killed 8.3 million jobs, compared with 1.6 million lost in the 2001 recession." [Associated Press via Yahoo! News, 5/4/12]

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

Since The Recession Ended In June 2009, The Private Sector Has Added 3.3 Million Jobs While Public-Sector Employment Has Fallen By Over 640,000. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 111,317,000 private-sector jobs in July 2012, an increase of 3,384,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 21,928,000 working in the public sector in July 2012, a decrease of 642,000 jobs. The private-sector gains and public-sector losses add up to a total increase of 2,742,000

jobs.

The following chart shows the cumulative private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

[BLS.gov, accessed 8/3/12; BLS.gov, accessed 8/3/12; NBER.org, 9/20/10]

• **Conservative AEI: The Public Sector Is Shrinking, But Private-Sector Growth Is Above Average.** From American Enterprise Institute scholar Mark J. Perry: "In the second quarter of 2012, 'public sector GDP' decreased -1.44%, and that was the eighth straight quarter of negative growth for total government spending, averaging -2.88% per quarter over the last two years. In contrast, there have been 12 consecutive quarters of positive growth for private sector GDP averaging 3.07% per quarter in the three years since the recession ended, which is slightly higher than the 2.8% average growth rate in private real GDP over the last 25 years." [AEI-Ideas.org, 7/31/12]

• **GOP-Favored "Government Downsizing" Has Been "A Drag" On Job Growth.** From the Associated Press: "Conservative Republicans have long clamored for government downsizing. They're starting to get it — by default. Crippled by plunging tax revenues, state and local governments have shed over a half million jobs since the recession began in December 2007. And, after adding jobs early in the downturn, the federal government is now cutting them as well. States cut 49,000 jobs over the past year and localities 210,000, according to an analysis of Labor Department statistics. There are 30,000 fewer federal workers now than a year ago — including 5,300 Postal Service jobs canceled last month. By contrast, private-sector jobs have increased by 1.6 million over the past 12 months. But the state, local and federal job losses have become a drag on efforts to nudge the nation's unemployment rate down from its painfully high 9.1 percent." [Associated Press, 10/25/11]

The Private Sector Has Added 4.5 Million Jobs Over 29 Consecutive Months Of Private-Sector Growth. The following chart shows the monthly change in private-sector jobs dating back to January 2008.

[BLS.gov, accessed 8/3/12; MSNBC.com, 8/3/12]

President Obama's Recovery Dragged Down By Government Layoffs

Previous Recoveries Were Bolstered By Public-Sector Growth. The following chart, based on BLS data, shows the cumulative change in public-sector employment in the first two years of the Obama recovery and the three most recent previous recoveries:

[BLS.gov, accessed 4/10/12]

In The Two-Year Period After June 2009, Public-Sector Employment Fell By 458,000 Workers While The Private Sector Added 1.2 Million Jobs. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 109,199,000 private-sector jobs in June 2011, an increase of 1,266,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 22,112,000 working in the public sector in June 2011, a decrease of 458,000 jobs. [BLS.gov, accessed 4/10/12; BLS.gov, accessed 4/10/12]

President Bush's Recovery Was Far More Government-Oriented Than President Obama's. From *Talking Points Memo*, which used Inauguration Day rather than the official ends of the two recessions as the starting point for their comparison:

> We've adjusted these to reflect percent change, to account for population growth. The basic story is that Obama's private-sector recovery has outpaced Bush's, but Obama's been hobbled by government cutbacks that Bush never faced. Quite the opposite, in fact.

To date, Obama's overseen a cumulative loss 274,000 private-sector jobs. If the recent job-growth trend continues, Obama will enter positive territory in the next month or two. By this point in his first term, Bush had overseen over 2.7 million private-sector jobs losses. By the end of his first term, that had rebounded to a cumulative loss of 913,000 jobs. [*Talking Points Memo*, 3/21/12]

2001 Recession: Government Payroll Growth Dulled Pain Of A Million Lost Private-Sector Jobs

Economy Was In Recession From March To November Of 2001. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in November 2001. The trough marks the end of the recession that began in March 2001 and the beginning of an expansion. The recession lasted 8 months, which is slightly less than average for recessions since World War II. In determining that a trough occurred in November 2001, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 6/17/03]

In The Two-Year Period After November 2001, Public-Sector Employment Rose By 200,000 While The Private Sector Shed 1,000,000 Jobs. According to the Bureau of Labor Statistics, there were 109,572,000 private-sector jobs in November 2001, and 108,605,000 private-sector jobs in November 2003, a decrease of 967,000 jobs. The BLS also reports that there were 21,326,000 Americans working in the public sector in November 2001, and 21,535,000 public-sector workers in November 2003, an increase of 209,000 government jobs. [BLS.gov, accessed 4/10/12; BLS.gov, accessed 4/10/12]

Early '90s Recession: Government Hiring Pushed Two-Year Jobs Recovery Total Over 1 Million

Recession Ran From July 1990 To March 1991. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met by conference call yesterday. The committee maintains a chronology of the U.S. business cycle that is widely used in the analysis of business conditions. In its meeting, the committee determined that the U.S. economy reached a trough of activity in March 1991. Previously, the committee had determined that the economy reached a peak of activity in July 1990. The eight-month period between July 1990 and March 1991 is a recession in the NBER's chronology. The committee thus determined that the recession ended in March 1991 and that an expansion began at that time." [NBER.org, 12/22/92]

In Two-Year Period Following Recession's End, The Private Sector Added Nearly 1 Million Jobs While Government Payrolls Expanded By 419,000 Jobs. According to the Bureau of Labor Statistics, there were 18,488,000 public-sector workers in March 1991, and 18,907,000 in March 1993, an increase of 419,000 jobs. The BLS also reports there were 90,047,000 private-sector workers in March 1991, and 91,010,000 in March 1993, an increase of 963,000 jobs. [BLS.gov, accessed 4/10/12; BLS.gov, accessed

4/10/12]

Reagan Recovery Included Large Increase In Government Payrolls

Recession Ran From July 1981 To November 1982. According to the National Bureau of Economic Research, the economy hit a peak in July 1981 and did not reach a trough until November 1982, at which point an expansion began. [NBER.org, accessed 4/10/12]

In Two-Year Period Following Recession's End, Private Sector Added 6.8 Million Jobs While Public-Sector Payrolls Grew By 300,000 Jobs. According to the Bureau of Labor Statistics, there were 15,977,000 government workers in November 1982, and 16,311,000 in November 1984, an increase of 334,000 public-sector jobs. The BLS also reports that private-sector employment grew from 72,793,000 in November 1982 to 79,649,000 in November 1984, an increase of 6,856,000 jobs. [BLS.gov, accessed 4/10/12; BLS.gov, accessed 4/10/12]

As Public-Sector Losses Kept Total Job Growth Down, Conservatives Claimed The Opposite

Rep. John Shimkus (R-IL): Private Employment Down, Government Jobs Up Under Obama. In a post at RedCounty.com, Rep. Shimkus wrote: "While private sector employment has declined under President Obama's watch, the president's record on government job creation is unmatched for his time in office. In the wake of the federal takeover of health insurance, the massive market interventions of Dodd-Frank, and the EPA's continued attempts to implement a cap-and-tax scheme against the will of Congress - President Obama has created plenty of work for federal regulators. To put this enormous expansion of government into perspective, if the federal government's regulatory operation were a business it would be the third largest in terms of employees." [Rep. Shimkus Post, RedCounty.com, 8/25/11]

Then-Presidential Candidate Tim Pawlenty Promised To "Get Back To The Premise That We're Gonna Grow The Private Economy Not The Government Economy." On *Fox News Sunday*, Pawlenty said: "Chris, [my economic plan] would unleash economic growth and job growth in this country. **It would get back to the premise that we're going to grow the private economy, not the government economy.** And it shows leadership and it puts specific proposals on the table. I wish President Obama would do that, instead of leading from behind and refusing to address the real issues facing our economy, including spending reform. He basically waits for people like Congressman Ryan and others to lead and then he follows. That's not what a president should do. The president should bring forward the real challenges to this country, put out real solutions, that's what I would have done. This plan, by the way, is one that gets back to the notion that we need to have a pro-growth economy focused on private sector job growth." [*Fox News Sunday*, 6/12/11]

Sen. Shelby (R-AL): "We've Grown The Government, But We Haven't Grown The Economy." On ABC's *This Week*, Sen. Richard Shelby said: "Well, I believe that stimulus basically doesn't work, for the most part. We've tried that. I think what we've got to do is create the conditions, tax reform, which we could do and we haven't, incentives for manufacturing. We've lost millions of jobs in manufacturing. And say this a new day. We've got to do it. We've got to be buoyant about where we're going. **We've got to grow this economy. The market grows the economy. Government -- we've grown the government, but we haven't grown the economy, and we better be mindful of that.**" [*This Week*, 6/12/11]

Claim That President Obama Favors Government Over Private Sector Is Frequent Element Of Mitt Romney's Campaign Rhetoric. From the *Huffington Post*:

> After Barack Obama signed the JOBS Act into law on Thursday, House Majority Leader Eric Cantor (R-Va.) made comments that appeared to contradict one of Mitt Romney's standby attack lines against the president.
>
> "The president said today that he's always believed that it's the private sector that is the job generator in this country," Cantor told reporters, according to MSNBC's First Read. "I agree with him, and I think most Americans agree with him."
>
> That statement is at odds with Romney's frequent assertion that Obama thinks of government, not business, as fueling economic growth.
>
> During his Wisconsin victory speech last Tuesday, for example, Romney said that the president's policies would hurt the private sector.
>
> "When the president attacks business and when his policies make it more difficult for businesses to grow and prosper, he is also attacking the very communities he wanted to help," Romney said.
>
> And at a rally in Wisconsin on Friday, Romney claimed that "In Barack Obama's government-

centered society, the government must do more because the economy is doomed to do less. When you attack business and vilify success, you will have less business and less success."

The criticism isn't new. In December, Romney said that "Obama believes government should create equal outcomes." [*Huffington Post*, 4/5/12]

- **Cantor Said Last Summer That Obama "Is Not Interested In Focusing On Private Sector Growth" So Much As "A Continued Expansion Of Government."** From *The Hill*: "House Majority Leader Eric Cantor (R-Va.) said Monday morning that the House Republican plan to boost job creation through deregulation is needed because the Obama administration has shown it is 'not interested' in creating jobs in the private sector. 'I think the administration has ... already demonstrated that it is not interested in focusing on private sector growth,' Cantor said Monday on Fox News. 'The record has been thus far, in this administration, a continued expansion of government, continued grabs at trying to tell people who want to go out and invest and create a profit that maybe they've done so, done enough already, and that we need to take that money and put it elsewhere.'" [*The Hill*, 8/29/11]

As Far Back As Early 2010, Senate Minority Leader Was Claiming Stimulus Only Saved Government Jobs, Ignored Private Sector. On the February 21, 2010, edition of *Fox News Sunday*, Sen. Mitch McConnell (R-KY) said: "The stimulus probably did save state government jobs, and you're going to have a couple of governors on here, and I'm sure they appreciate it -- the federal government borrowing money from our grandchildren to send it down to them to make their employment situation with state employees less severe. But Chris, if you look at the private sector, the private sector where job generation really needs to occur, the stimulus was sold to keep unemployment at 8 percent. It's now almost 10 percent, and in my state it's almost 11 percent. It has done little or nothing to stimulate private sector employment. [...] Well, that's their argument. And I'm sure that if you spend a trillion dollars on government jobs you'll save some government jobs. What I'm talking about is the way you get this economy going again is in the private sector. And there's very little -- scant -- evidence that the stimulus package created any private sector jobs. It probably did save a lot of state government jobs, and I'm sure the governors were grateful to have it." [*Fox News Sunday*, 2/21/10]

 © AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-02-2012

Unequal America: The Facts About Income Inequality And Economic Mobility

Summary

The American economic pie may have increased in size, but 95 percent of Americans are getting a smaller slice than in the past. This is partly because the top 1 percent of the country has nearly quadrupled the size of its own helping. Their nearly 300 percent increase in take-home pay over that time dwarfs the more modest progress of the rest. Furthermore, while conservatives allege that progressives seek equal outcomes for all, at the cost of American economic freedom, the fact is our storied "equality of opportunity" is overstated. Economic mobility is scarce in the U.S. compared to other advanced economies, and most born into wealth or poverty stay more or less where they started.

Earnings Have Exploded For The Top 1 Percent, While Everyone Else Has Seen Much More Modest Growth

Economic Boom Following World War II Saw Income Gains "Distributed Rapidly Across Income Classes." From the Economic Policy Institute's *State of Working America*: "Between 1947 and 1973, economic growth was both rapid and distributed equally across income classes. The poorest 20% of families saw growth at least as fast as the richest 20% of families, and everybody in between experienced similar rates of income growth. Since then, growth in average living standards has unambiguously slowed. Between 1973 and 1995, growth in productivity, or how much income can be generated in each hour of work, collapsed to less than half the rate that characterized the previous quarter century." [*The State Of Working America*, accessed 3/7/12]

Since 1979, Top 1 Percent Of Earners Have Seen Their Income Nearly Quadruple, While No Other Group's Even Doubled. From the CBO:

- **For the 1 percent of the population with the highest income, average real after-tax household income grew by 275 percent between 1979 and 2007** (see Summary Figure 1).
- For others in the 20 percent of the population with the highest income (those in the 81st through 99th percentiles), average real after-tax household income grew by 65 percent over that period, much faster than it did for the remaining 80 percent of the population, but not nearly as fast as for the top 1 percent.
- For the 60 percent of the population in the middle of the income scale (the 21st through 80th percentiles), the growth in average real after-tax household income was just under 40 percent.
- **For the 20 percent of the population with the lowest income, average real after-tax household income was about 18 percent higher in 2007 than it had been in 1979.**

The Center on Budget and Policy Priorities produced a graph of after-tax income gains for different earnings groups, based on the CBO data:

[CBO.gov, October 2011; CBPP.org, 3/7/12]

Share Of After-Tax Income Going To Top 1 Percent Has Doubled, While Share Going To The Poor Has Shrunk. From the Congressional Budget Office:

As a result of those changes, the share of household income after transfers and federal taxes going to the highest income quintile grew from 43 percent in 1979 to 53 percent in 2007 (see Summary Figure 3). The share of after-tax household income for the 1 percent of the population with the highest income more than doubled, climbing from nearly 8 percent in 1979 to 17 percent in 2007. The population in the lowest income quintile received about 7 percent of after-tax income in 1979; by 2007, their share of after-tax income had fallen to about 5 percent. The middle three income quintiles all saw their shares of after-tax income decline by 2 to 3 percentage points between 1979 and 2007. [CBO.gov, October 2011]

Only Top 5 Percent Of Households Have Seen Their *Share* Of Earnings Increase Since 1979. From Kevin Drum of *Mother Jones*:

If you look at the raw CBO figures, they show that a full tenth of the national income has shifted since 1979 to the top 1% of the country. The bottom quintiles have each given up a bit more than two percentage points each, and that adds up to 10% of all earnings. That 10% has flowed

almost entirely to the very tippy top of the income ladder.

[*Mother Jones*, 9/18/10]

Ratio Of CEO Pay To Worker Pay Exploded From 24:1 To Nearly 300:1 Prior To Recession. The Economic Policy Institute's *State of Working America* published a graph of the ratio of CEO compensation to that of the average production worker:

[*The State of Working America*, accessed 3/7/12]

Inequality Has Not Gotten Better Since The Financial Crisis

Although The Top 1 Percent Of Earners Absorbed Half The Income Losses Of The Great Recession, Their Earnings Rebounded Dramatically In 2010. From "Striking It Richer" by income inequality expert Emmanuel Saez: "The top 1% absorbed 49% of income losses from 2007 to 2009 while they absorbed a bigger 57% share of the income losses from 2000 to 2002. **In 2010, average real income per family grew by 2.3% but the gains were very uneven. Top 1% incomes grew by 11.6% while bottom 99% incomes grew only by 0.2%. Hence, the top 1% captured 93% of the income gains in the first year of recovery.** Such an uneven recovery can help explain the recent public demonstrations against inequality. It is likely that this uneven recovery has continued in 2011 as the stock market has continued to recover. [...] This suggests that the Great Recession will only depress top income shares temporarily and will not undo any of the dramatic increase in top income shares that has taken place since the 1970s." ["Striking It Richer: The Evolution Of Top Incomes In The United States," Emmanuel Saez, 3/2/12, emphasis added, internal citations and headers removed]

In 2010, The Top 1 Percent Saw Their Incomes Rise By Over $105,000 From The Previous Year, While The Bottom 99 Percent Earned $80 More Than In 2009. Roosevelt Institute fellow and financial blogger Mike Konczal prepared a chart of changes in income, with and without capital gains, from 2009-2010, by percentile:

	Average Income, 2009	Change in Income, 2009-2010	Change in Income, 2009-2010 (excluding capital gains)
Bottom 90%	$29,967	-$127	-$201
Bottom 99%	$41,696	$80	-$44
Top 1%	$913,451	$105,637	$42,685
Top 10-5%	$124,916	$711	$331
Top 5-1%	$201,580	$3,949	$3,024
Top 1-0.5%	$399,985	$18,394	$10,725
Top 0.5-0.1%	$738,187	$59,933	$29,689
Top 0.1-0.01%	$2,465,244	$336,775	$138,935
Top 0.01%	$19,631,207	$4,215,743	$1,294,312
(Source: Saez & Piketty, World Top Incomes Database, first two columns include capital gains)			

The Center on Budget and Policy Priorities prepared a graph of the top 1 percent's share of total pre-tax income from 1913-2010:

[Rortybomb, 3/5/12; CBPP.org, 3/7/12]

The Truth About Economic Mobility: Most Do Better Than Their Parents, But Wealth And Poverty Are Entrenched

In Absolute Terms, 84 Percent Of Americans Earn More Than Their Parents Did. According to the Pew Economic Mobility Project: "Eighty-four percent of Americans have higher family incomes than their parents did, and across all levels of the income distribution, this generation is doing better than the one that came before it." [Pew Economic Mobility Project, July 2012]

"Those At The Ends Of The Income Distribution Tend To Be Stuck There." According to the Pew Economic Mobility Project: "Americans raised at the top and bottom of the income ladder are likely to remain there themselves as adults. Forty-three percent of those who start in the bottom are stuck there as adults, and 70 percent remain below the middle quintile. Only 4 percent of adults raised in the bottom make it all the way to the top, showing that the "rags-toriches" story is more often found in Hollywood than in reality. At the other end of the ladder, 40 percent of those raised in the top stay there as adults, and 63 percent remain above the middle quintile. This lack of relative mobility is called "stickiness at the ends" because those at the ends of the income distribution tend to be stuck there over a generation." The following chart shows the percentage of Americans who end up in each income quintile based on where they start:

[Pew Economic Mobility Project, July 2012]

• **Race Is A Factor In Absolute Mobility Of Income And Wealth.** According to the Pew Economic Mobility Project: "A gap in absolute mobility exists between blacks and whites for both family income and wealth. For family income, a majority of all Americans exceed their parents; however, blacks have lower absolute mobility gains than whites. [...] While many fewer Americans surpass their parents' wealth than surpass their parents' income across the distribution, a majority in the bottom three quintiles do. However, when further analyzed by race, only 23 percent of blacks raised in the middle exceed their parents' wealth compared with 56 percent of whites." [Pew Economic Mobility Project, July 2012]

• **Black Americans Experience Less Relative Mobility And Are More Downwardly Mobile.** According to the Pew Economic Mobility Project: "A significant black-white gap also exists for relative mobility. More than half of black adults (53 percent for family income and 50 percent for family wealth) raised at the bottom remain stuck there as adults, but only a third of whites (33 percent for both) do. Blacks also are more downwardly mobile than whites. For family income, over half (56 percent) raised in the middle fall to the bottom or second rung as adults, compared with almost a third (32 percent) of whites. For family wealth, more than two-thirds (68 percent) of blacks raised in the middle fall to the bottom or second rung as adults, compared with just under a third (30 percent) of whites." [Pew Economic Mobility Project, July 2012]

Poverty And College Costs Help To Restrict Economic Mobility. From the *New York Times*: "One reason for the mobility gap may be the depth of American poverty, which leaves poor children starting especially far behind. Another may be the unusually large premiums that American employers pay for college degrees. Since children generally follow their parents' educational trajectory, that premium increases the importance of family background and stymies people with less schooling." [*New York Times*, 1/4/12]

Your Parents' Earnings Have A Much Stronger Influence On How Much You'll Make In America Than In Other Advanced Economies. From the Economic Policy Institute's *State of Working America*:

This version of the American dream is actually less common in the United States than in many peer nations. This chart shows the relationship between a son's earnings and his father's earnings. A far higher portion of a son's earnings in the United States can be explained by his father's earnings, illustrating once again the relatively low income mobility found in this country. [*The State of Working America*, accessed 3/7/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

08-01-2012

The Truth About Tax Cuts For The Rich, Deregulation, And Job Creation

Summary

Despite demanding immediate deficit reduction in a difficult economy, conservatives insist that any increase in tax rates for top income earners will kill jobs. Instead, they argue for lowering tax rates on the wealthiest Americans (while downplaying the deficit impact of such a tax cut) as way to increase hiring. There is no evidence for this argument, however intuitive it may seem. Lower tax rates on the rich are not associated with more hiring or stonger GDP growth, and while conservatives insist that top income tax rates hit small businesses heavily, their ludicrous definition of "small business" renders that statement meaningless. Along with the threat of higher taxes, conservatives insist that federal regulations are holding back job creation and have made loosening the rules a focus of their agenda. However, tax breaks for the wealthy and deregulation do almost nothing to increase consumer demand, which is the true driver of hiring and expansion decisions.

Tax Breaks For The Wealthiest Americans Do Not Create Jobs Or Grow The Economy

Lower Top Marginal Tax Rates Are Not Historically Associated With More Job Creation Or Economic Growth. The following two charts from the Center for American Progress show the average annual growth in GDP and total payroll employment, by top marginal tax rate since 1950:

According to CAP: "These numbers do not mean that higher rates necessarily lead to higher growth. But the central tenet of modern conservative economics is that a lower top marginal tax rate will result in more growth, and these numbers do show conclusively that history has not been kind to that theory." [Center for American Progress, 6/27/11; Center for American Progress; 6/21/11]

CBO: Reducing Income Taxes Is Less Effective Than Other Policies To Encourage Job Growth. According to the Congressional Budget Office:

- Policies that would have the largest effects on output and employment per dollar of budgetary cost in 2012 and 2013 are ones that would reduce the marginal cost to businesses of adding employees or that would be targeted toward people who would be most likely to spend the additional income. Such policies include reducing employers' payroll taxes (especially if limited to firms that increase their payroll), increasing aid to the unemployed, and providing additional refundable tax credits in 2012 for lower- and middle-income households.

- Policies that would primarily affect businesses' cash flow but would have little impact on their marginal incentives to hire or invest would have only small effects. Such policies include reducing

business income taxes and reducing tax rates on repatriated foreign earnings.

CBO prepared the following chart showing the projected effect on employment of various policy options:

[CBO.gov, 11/15/11]

Bloomberg: "Give The Wealthiest Americans Americans A Tax Cut And History Suggests They Will Save The Money Rather Than Spend It." As reported by Bloomberg: "Give the wealthiest Americans a tax cut and history suggests they will save the money rather than spend it. Tax cuts in 2001 and 2003 under President George W. Bush were followed by increases in the saving rate among the rich, according to data from Moody's Analytics Inc. When taxes were raised under Bill Clinton, the saving rate fell. The findings may weaken arguments by Republicans and some Democrats in Congress who say allowing the Bush-era tax cuts for the wealthiest Americans to lapse will prompt them to reduce their spending, harming the economy." [Bloomberg, 9/14/10]

CRS: Allowing Tax Cuts For The Rich To Expire Will Reduce Deficits "Without Stifling The Economic Recovery." According to Reuters: "Letting tax rates for the wealthy rise will not put a short-term damper on the economic recovery, according to a report by the non-partisan research arm of the U.S. Congress. [...] Republicans want the cuts continued for all income groups while Democrats favor letting them expire for the most affluent Americans. 'If the economy is still weak, a temporary extension (of all the rates) will not harm the economy,' despite adding to the deficit, the CRS report said, citing CRS economist Thomas Hungerford. But allowing the rates to rise just for the wealthy could help 'reduce budget deficits in the short term without stifling the economic recovery.'" [Reuters, 7/19/12]

Bush Tax Cuts Led To Falling Family Income, Weakest Economic Growth Since World War II

Even Prior To 2007 "Great Recession," Period Following Bush Tax Cuts Had "Slowest Average Annual Growth Since World War II." From David Leonhardt of the *New York Times*:

Why should we believe that extending the Bush tax cuts will provide a big lift to growth? Those tax cuts passed in 2001 amid big promises about what they would do for the economy. **What followed? The decade with the slowest average annual growth since World War II. Amazingly, that statement is true even if you forget about the Great Recession and simply look at 2001-7.** [...] Here's a chart ranking five-year periods over the past 50 years, in descending order of average annual growth:

[*New York Times*, 11/18/10, emphasis added]

Median Household Income Fell For The First Time On Record Following The Bush Tax Cuts. From the Center for American Progress: "Looking at median household incomes is even more telling than median wage growth because it gives a better sense of a family's total resources. Whereas a high median wage might be offset by fewer hours worked, median income is an overall measure of income. The Bush economic cycle saw the first decline in median household incomes of any cycle since 1967, when the Census Bureau began tracking household data. [Center for American Progress, February 2009]

Despite Conservative Rhetoric, Few Top Income Taxpayers Are Actual "Small Businesses"

CBPP: "Only 2.5 Percent Of Small Business Owners Face The Top Two Rates." According to the Center on Budget and Policy Priorities: "Allowing the top two marginal tax rates to return to pre-2001 levels as scheduled next year would affect very few small businesses, a recent Treasury Department study found. The study shows that only 2.5 percent of small business owners face the top two rates." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservatives Rely On Definition Of "Small Business" That Counts President Obama And Mitt Romney.** According to the Center on Budget and Policy Priorities: "The claims that allowing the Bush tax cuts for high-income people to expire would seriously harm small businesses rest on an exceedingly broad, and misleading, definition of 'small business.' The definition is so broad, in fact, that under it, both President Obama and Governor Romney would count as small business owners — as would 237 of the nation's 400 wealthiest people." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservative Definition Of "Small Businesses" Includes Multi-Billion-Dollar Corporations Like Bechtel And PricewaterhouseCoopers.** According to the Center for American Progress: "'That's 750,000 small businesses in America, the most productive, the ones that are the most successful, getting hit by a tax increase on top of everything else that's happened to them in the last 18 months of this administration,' said Senate Minority Leader Mitch McConnell (R-KY). But McConnell's number is only accurate if you take an incredibly expansive view of what constitutes a small business. Included in that 750,000 is the Bechtel Corporation, the largest engineering firm in the country. It is the fifth-largest privately owned company in the United States, posting gross revenue in 2008 of $31.4 billion. [...] The auditing firm PricewaterhouseCoopers, which has operations in more than 150 countries, fits the bill as well." [Center for American Progress, 10/21/10]

• **Former Bush Economist Alan Viard: GOP's Definition Of Small Businesses Is A "Fallacy."** As reported by the *Washington Post*: "Which is why Republicans continually define pass-through entities of all sizes as small businesses, a position [former Bush White House economist Alan] Viard called a 'fallacy.' 'How can it be that 3 percent of owners are accounting for 50 percent of small business income? Those firms they're owning can't be all that small,' Viard said. 'And that's true. They're very large.'" [*Washington*

Post, 9/17/10]

Joint Committee On Taxation: "3.5 Percent Of All Taxpayers With Net Positive Business Income" Fall Into Top Tax Bracket. According to the Joint Committee on Taxation: "The staff of the Joint Committee on Taxation estimates that in 2013 approximately 940,000 taxpayers with net positive business income (3.5 percent of all taxpayers with net positive business income) will have marginal rates of 36 or 39.6 percent under the president's proposal, and that 53 percent of the approximately $1.3 trillion of aggregate net positive business income will be reported on returns that have a marginal rate of 36 or 39.6 percent." [Joint Committee On Taxation, 6/18/12]

Congressional Research Service: High-End Tax Cuts "Are Not Efficiently Targeted To Small Businesses." From the CRS: "As the findings in this report suggest, across-the-board tax cuts for high income individuals are not efficiently targeted to small businesses. [...] This report has examined the justification for retaining the lower rates for the top two tax rates because of concerns that allowing them to rise will reduce job creation by small businesses. An important reservation about such a justification is that lowering the top tax rates benefits only a small share (3% or so) of businesses, and 80% or more of the tax cut's benefits do not accrue to business." [Congressional Research Service, 9/3/10]

Those In The Top Bracket Still Benefit From Middle-Income Tax Cuts. According to the Center on Budget and Policy Priorities:

> Furthermore, as Figure 2 shows, under the proposal to allow tax cuts on income above $250,000 ($200,000 for single filers) to expire, taxpayers in the top two brackets would still keep sizeable tax cuts on the first $250,000 of their income ($200,000 for single filers).

[Center on Budget and Policy Priorities, 7/19/12]

Conservative Argument That Deregulation Will Save The Economy Is Not Supported By Evidence

***Washington Post*: Economists Find "Little Evidence" That Regulations Have A Significant Impact On Overall Employment.** According to the *Washington Post*: "Economists who have studied the matter say that there is little evidence that regulations cause massive job loss in the economy, and that rolling them back would not lead to a boom in job creation." [*Washington Post*, 10/19/11]

McClatchy: "Little Evidence" To Support Blaming "Excessive Regulation And Fear Of Higher Taxes For Tepid Hiring." As reported by McClatchy: "Politicians and business groups often blame excessive regulation and fear of higher taxes for tepid hiring in the economy. However, little evidence of that emerged when McClatchy canvassed a random sample of small business owners across the nation. 'Government regulations are not 'choking' our business, the hospitality business," Bernard Wolfson, the president of Hospitality Operations in Miami, told The Miami Herald. 'In order to do business in today's environment, government regulations are necessary and we must deal with them. The health and safety of our guests depend on regulations. It is the government regulations that help keep things in order.'" [McClatchy, 9/1/11]

• **McClatchy: "Some Pointed To The Lack Of Regulation In Mortgage Lending As A Principal Cause Of The Financial Crisis."** As reported by McClatchy: "McClatchy reached out to owners of small businesses, many of them mom-and-pop operations, to find out whether they indeed were being choked by regulation, whether uncertainty over taxes affected their hiring plans and whether the health care overhaul was helping or hurting their business. Their response was surprising. None of the business owners complained about regulation in their particular industries, and most seemed to welcome it. Some pointed to the lack of regulation in mortgage lending as a principal cause of the financial crisis that brought about the Great Recession of 2007-09 and its grim aftermath." [McClatchy, 9/1/11]

• **National Association For Business Economics Economic Policy Survey: 80 Percent Of Members Say Current Regulatory Environment "Good" For Businesses.** From the NABE's August 2011 Economic Policy Survey: "Regulatory activity has gained a lot of attention, with many groups suggesting that American businesses are overregulated by the current administration. With that said, 80 percent of survey respondents felt that the current regulatory environment was 'good' for American businesses and the overall economy." [NABE.com, August 2011]

ProPublica: Regulations Mostly "Just Shift Jobs Within The Economy." As reported by ProPublica: "But is the claim that regulation kills jobs true? We asked experts, and most told us that while there is relatively little scholarship on the issue, the evidence so far is that the overall effect on jobs is minimal. Regulations do destroy some jobs, but they also create others. Mostly, they just shift jobs within the economy. 'The effects on jobs are negligible. They're not job-creating or job-destroying on average,' said Richard Morgenstern, who served in the EPA from the Reagan to Clinton years and is now at Resources for the Future, a nonpartisan think tank." [ProPublica, 9/21/11]

Regulatory Expert: "Current Rhetoric About Regulation Killing Jobs Is Nothing More Than Not Letting A Good Crisis Go To Waste." From ProPublica: "'The issue in regulation always should be whether it delivers benefits that justify the cost,' said [Roger] Noll[, co-director of the Program on Regulatory Policy at the Stanford Institute for Economic Policy Research]. 'The effect of regulation on jobs has nothing to do with the mess we're in. The current rhetoric about regulation killing jobs is nothing more than not letting a good crisis go to waste.'" [ProPublica, 9/21/11]

Former Reagan Adviser: "Regulatory Uncertainty Is A Canard Invented By Republicans" And Unsupported By The Facts. According to former Reagan adviser Bruce Bartlett: "These constraints have led Republicans to embrace the idea that government regulation is the principal factor holding back employment. They assert that Barack Obama has unleashed a tidal wave of new regulations, which has created uncertainty among businesses and prevents them from investing and hiring. No hard evidence is offered for this claim; it is simply asserted as self-evident and repeated endlessly throughout the conservative echo chamber. [...] In my opinion, regulatory uncertainty is a canard invented by Republicans that allows them to use current economic problems to pursue an agenda supported by the business community year in and year out. In other words, it is a simple case of political opportunism, not a serious effort to deal with high unemployment." [*New York Times*, 10/4/11]

The Key To Job Growth Is Consumer Demand

***Wall Street Journal*: "Scant Demand, Rather Than Uncertainty Over Government Policies," Is "The Main Reason" For Slow Recovery In Jobs Market.** From the *Wall Street Journal*: "The main reason U.S. companies are reluctant to step up hiring is scant demand, rather than uncertainty over government policies, according to a majority of economists in a new Wall Street Journal survey. [...] In the survey, conducted July 8-13 and released Monday, 53 economists—not all of whom answer every question—were asked the main reason employers aren't hiring more readily. Of the 51 who responded to the question, 31 cited lack of demand (65%) and 14 (27%) cited uncertainty about government policy. The others said hiring overseas was more appealing." [*Wall Street Journal*, 7/18/11]

***Wall Street Journal*: Businesses Need "A Burst In Demand Strong Enough To Propel Hiring."** As reported by the *Wall Street Journal*: "Forecasting firm Macroeconomic Advisers, which sees growth at a 2.3% pace in the second half of this year and 2.8% in 2012, expects firms to keep banking strong profits. But even if businesses remain strong enough to make it through a slowdown, they may have to wait longer for a burst in demand strong enough to propel hiring. 'The biggest problem is that their order books are thin,' said Macroeconomic Advisers chairman Joel Prakken. 'They need fat order books to add people. They need fat order books to buy machines.'" [*Wall Street Journal*, 8/29/11]

***Wall Street Journal*: Because People Are Spending Less, Businesses Are Holding $2 Trillion On Their Balance Sheets Rather Than Hiring.** As reported by the *Wall Street Journal*: "Corporations have a higher share of cash on their balance sheets than at any time in nearly half a century, as businesses build up buffers rather than invest in new plants or hiring. Nonfinancial companies held more than $2 trillion in cash and other liquid assets at the end of June, the Federal Reserve reported Friday, up more than $88 billion from the end of March. [...] The reduction of debt could place the economy onto firmer footing in the long run. In the short term, however, the effect of consumers paying off debts and companies hoarding cash is less spending, investing and hiring. Economists call this problem the 'paradox of thrift,' when individuals and businesses need to save more to prepare for a downturn, but everyone doing so at the

same time makes a downturn more likely." [*Wall Street Journal*, 9/17/11, emphasis added]

CBO Director Elmendorf: "Primary Reason" For Persistent Unemployment Is "Slack Demand For Goods And Services." From a blog post by Doug Elmendorf on CBO.gov: "Slack demand for goods and services (that is, slack aggregate demand) is the primary reason for the persistently high levels of unemployment and long-term unemployment observed today, in CBO's judgment. However, when aggregate demand ultimately picks up, as it eventually will, so-called structural factors—specifically, employer-employee mismatches, the erosion of skills, and stigma—may continue to keep unemployment and long-term unemployment higher than normal." [CBO.gov, 2/16/12]

AP: "Most Economists Believe There Is A Simpler Explanation" For Slow Job Growth: "There Isn't Enough Consumer Demand." From the Associated Press: "Is regulation strangling the American entrepreneur? Several Republican presidential candidates say so. The numbers don't. [...] Labor Department data show that only a tiny percentage of companies that experience large layoffs cite government regulation as the reason. Since Barack Obama took office, just two-tenths of 1 percent of layoffs have been due to government regulation, the data show. Businesses frequently complain about regulation, but there is little evidence that it is any worse now than in the past or that it is costing significant numbers of jobs. **Most economists believe there is a simpler explanation: Companies aren't hiring because there isn't enough consumer demand.**" [Associated Press, 10/12/11, emphasis added]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

07-31-2012

Rep. Paul Ryan's Severely Conservative Budget Benefits The Rich At The Expense Of The Vulnerable

Summary

Those familiar with House Budget Committee Chairman Paul Ryan's (R-WI) last budget proposal won't be shocked at this year's updated "Path to Prosperity," a fiscal plan for 2013 and beyond that pledges policy prescriptions for "safeguarding America from the perils of debt, doubt and decline." Like the old version of the "Path," Ryan's second attempt at engineering fiscal policy – including recommendations for overhauling the tax code, cutting spending, and reforming Medicare and Medicaid – takes an axe to federal spending that benefits those without political or economic power but showers tax breaks on the wealthy. With its absence of reasonable solutions for lowering debt and its far-fetched proposals to shift the country's fiscal burdens onto the poor and middle class, the latest Ryan plan is at heart the same as the old one: A blueprint not for stabilizing the country's fiscal situation but for forcing an ultra-conservative vision on the federal government.

Ryan Plan's Cuts Are Enormous, Unrealistic, And Wouldn't Balance The Budget Until 2040

The New Ryan Plan Proposes Even Larger Deficit Cuts Than Last Year's GOP Budget. From the Associated Press: "This year's GOP measure would produce deficit estimates that are significantly lower than a comparable measure passed by the House a year ago, claiming deficit cuts totaling $3.3 trillion – spending cuts of $5.3 trillion tempered by $2 trillion in lower taxes – below Obama over the coming decade. The deficit in 2015, for example, would drop to about $300 billion from $1.2 trillion for the current budget year. Last year's GOP draft called for a 2015 deficit more than $100 billion higher." [Associated Press via HuffingtonPost.com, 3/20/12]

The New Ryan Budget Cuts Spending By $100 Billion From This Year To Next. From the Associated Press: "The measure would cut spending from $3.6 trillion this year to the $3.5 trillion range in 2013 and freeze it at that level for two more years." [Associated Press via HuffingtonPost.com, 3/20/12]

The New Ryan Budget Cuts Spending By $5 Trillion Over The Next Ten Years. From Bloomberg: "House Budget Committee Chairman Paul Ryan today proposed reducing spending by $5 trillion over the next decade from the U.S. budget with Medicaid, food stamps, Pell college tuition grants and other programs facing reductions." [Bloomberg, 3/20/12]

Ryan Requested CBO Use The Unrealistic Assumption That Non-Entitlement Spending Will Go Below Four Percent Of GDP. From Ezra Klein's *Washington Post* blog:

> Translated out of CBO-ese, what that means is that CBO hasn't looked at whether Ryan's budget will achieve the results Ryan says it will. Rather, it looked at what will happen *assuming* Ryan's budget achieves the results that Ryan says it will.

On the third page, CBO writes, "Chairman Ryan and his staff specified rules by which revenues and spending would evolve." They then detail what those rules were:

Ryan tells CBO to assume his tax plan will raise revenues to 19 percent of GDP and then hold them there. He tells them to assume his Medicare plan will hold cost growth in Medicare to GDP+0.5 percentage points. He tells them to assume that spending on Medicaid and the Children's Health Insurance Program won't grow any faster than inflation. He tells them to assume that all federal spending aside from Medicare, Medicaid and Social Security will fall from 12.5 percent of GDP in 2011 to 3.75 percent of GDP in 2050.

It's that last assumption, perhaps, that shows most clearly how unlikely Ryan's specified budget path is. He's saying that in 2050, spending on defense, on food stamps, on infrastructure, on education, on research and development, on the federal workforce, and everything [*sic*] other non-entitlement program combined will be less than four percentage points of GDP.

Consider that defense spending has never fallen below three percentage points of GDP, and Mitt Romney has promised to keep it above four percentage points of GDP. Ryan has not outlined a realistic goal. [WashingtonPost.com, 3/20/12]

CBO: Ryan Plan Decreases Federal Spending On Programs Other Than Health Care And Social Security To Historical Lows. From the Congressional Budget Office's analysis of the Ryan plan: "The specified path for spending on all federal programs other than Social Security and the major health care programs would cause such spending to grow much more slowly than in CBO's two scenarios—and to decline sharply as a share of GDP, from 12½ percent in 2011 to 5¾ percent in 2030 and 3¾ percent in 2050. By comparison, spending in this category has exceeded 8 percent of GDP in every year since World War II. Spending for defense alone has not been lower than 3 percent of GDP in any year during that period." [CBO.gov, March 2012]

CBPP: Ryan Plan Also Decreases Total Federal Spending To A Level Not Sustained Since Before Medicare And Medicaid Existed. From the Center on Budget and Policy Priorities: "In addition, CBO shows that *total* federal spending — including Social Security, interest, and health care — would fall to 16 percent of GDP by 2050 under Ryan's budget path, a target specifically included in the Ryan budget resolution. This would be the lowest level since 1950, when Medicare, Medicaid, most federal funding for education, highways, and environmental protection, and various other significant federal activities did not exist." [CBPP.org, 3/20/12]

CBPP: Ryan Budget's Drastic Cuts Would Destroy Core Government Functions Outside Social Security, Health Care, And Defense. From the Center on Budget and Policy Priorities: "The CBO report, prepared at Chairman Ryan's request, shows that Ryan's budget path would shrink federal expenditures for everything other than Social Security, Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and interest payments to just 3¾ percent of the gross domestic product (GDP) by 2050. Since, as CBO notes, "spending for defense alone has not been lower than 3 percent of GDP in any year [since World War II]" and Ryan seeks a high level of defense spending — he *increases* defense funding by $228 billion over the next ten years above the *pre*-sequestration baseline — the rest of government would largely have to disappear. That includes everything from veterans' programs to medical and scientific research, highways, education, nearly all programs for low-income families and individuals other than Medicaid, national parks, border patrols, protection of food safety and the water supply, law enforcement, and the like." [CBPP.org, 3/20/12]

The New Ryan Plan Reneges On Last Year's Budget Deal By Setting Discretionary Spending Limits That Are Lower Than Agreed Upon. From the *Wall Street Journal*: "Democrats quickly attacked the Ryan budget not just for cutting what they called necessary government programs, but also for ostensibly reneging on a bipartisan deal reached after tough negotiations in August. That deal set a 2013 spending level of $1.047 trillion for discretionary programs, but the Ryan budget establishes a figure of $1.028 trillion. Republicans say the initial figure was an upper limit, not an ironclad level, but Democrats disagree." [*Wall Street Journal*, 3/20/12]

CBPP President: Ryan Budget Would Slash Non-Defense Discretionary Spending To "$800 Billion Below The Level To Which That Funding Would Fall If Sequestration Occurred Every Year Through 2021." According to a statement by Robert Greenstein, the president of the Center on Budget and Policy Priorities: "The Budget Control Act of last August substantially cut funding for non-defense discretionary programs by imposing tough annual budget caps, but the Ryan budget would cut these programs nearly $1.2 trillion *below* the caps. In fact, it would slash funds for non-defense discretionary programs over the coming decade by $800 billion *below the level to which that funding would fall if sequestration occurred every year through 2021*." [CBPP.org, 3/21/12, italics original]

Under The New Ryan Budget, The Deficit Would Begin To Grow Again After 2018 And The Budget Wouldn't Be Balanced Until 2040. From Bloomberg: "The proposal would produce $3.1 trillion in deficits over the next decade, a little less than half as much as President Barack Obama's budget plan. The deficit would shrink to $166 billion in 2018 under the proposal, though it would begin growing again in

subsequent years. The plan would not balance the government's books until 2040." [Bloomberg, 3/20/12]

The New Ryan Plan's Cuts Rely On The Decimation Of The Safety Net

The New Ryan Budget Cuts Crucial Safety Net Programs. From the Associated Press: "The GOP plan released by House Budget Committee Chairman Paul Ryan would, if enacted into law, wrestle the deficit to a manageable size in short order, but only by cutting Medicaid, food stamps, Pell Grants and a host of other programs that Obama has promised to protect." [Associated Press via HuffingtonPost.com, 3/20/12]

The New Ryan Budget Cuts Spending On "Income Security," Veterans Programs. According to the *Washington Post*'s "Wonkblog": "Over the next decade, Ryan would spend 30 percent less than the White House on 'income security' programs for the poor — that's everything from food stamps to housing assistance to the earned-income tax credit. (Ryan's budget would spend $4.8 trillion over this timeframe; the White House's would spend $6.8 trillion.) Compared with Obama, Ryan would spend 38 percent less on transportation and 24 percent less on veterans. He'd spend 20 percent less on 'General science, space, and basic technology.' And, compared with the White House, he'd cut 'Education, training, employment, and social services' by a full 44 percent." [WashingtonPost.com, 3/20/12]

CBPP President: Ryan Budget Would "Likely Increase Poverty And Inequality More Than Any Other Budget In Recent Times." According to a statement by Robert Greenstein, the president of the Center on Budget and Policy Priorities: "In essence, this budget is Robin Hood in reverse — on steroids. It would likely produce the largest redistribution of income from the bottom to the top in modern U.S. history and likely increase poverty and inequality more than any other budget in recent times (and possibly in the nation's history)." [CBPP.org, 3/21/12]

Medicaid And CHIP

The New Ryan Plan's Biggest Cuts Are To Health Care Programs. From Ezra Klein's *Washington Post* blog: "On the spending side, Ryan's biggest cuts come from health-care programs. He eliminates the $1.5 trillion that the Affordable Care Act uses to purchase health insurance for 30 million Americans. Then he cuts Medicaid and related health programs by $770 billion — which is to say, by about a third. Medicare takes $200 billion in cuts on top of that." [WashingtonPost.com, 3/20/12]

The New Ryan Budget Block-Grants Medicaid. From the Associated Press: "Medicaid would be sharply cut and awarded to states as a flexible block grant." [Associated Press via HuffingtonPost.com, 3/20/12]

Medicaid Block Grants Would Not Grow At A Rate That Allows Them To Keep Pace With Projected Costs. From the Center on Budget and Policy Priorities: "The Ryan plan would replace Medicaid with a block grant that would grow each year with inflation and U.S. population growth, or more than 3.5 percentage points less than current projected annual growth in Medicaid (which is influenced by the growing number of elderly beneficiaries as the population ages) and significantly below the cost growth that the Ryan budget would allow in Medicare." [CBPP.org, 3/20/12]

CBPP President: Medicaid Is Already More Cost-Effective Than Private Insurance, And Its Costs Are Rising More Slowly Than The Private Sector. From a statement of Robert Greenstein, the president of the Center on Budget and Policy Priorities: "Medicaid already costs substantially less per beneficiary than private insurance because it pays health providers rock-bottom rates and has low administrative costs. In addition, its per-beneficiary costs have been rising more slowly than private-sector health care costs. Assertions that Medicaid costs are highly inflated and that states can provide comparable health care for much less money may serve as convenient rationales for severe cuts in health care for some of the nation's most vulnerable people, but they do not reflect reality." [CBPP.org, 3/21/12]

- **Block Granting Medicaid Shifts Financial Risks To States, Threatening Access To Care.** From the Center on Budget and Policy Priorities:

> Converting Medicaid to a block grant is attractive to some federal policymakers because it could produce large federal budgetary savings (and, in doing so, potentially ease pressure on certain other parts of the federal budget — such as the tax code, where, for example, policymakers will face a decision on whether to extend the Bush tax cuts for high-income households beyond 2012). But a block grant would almost certainly shift substantial costs to the states. Instead of the federal government picking up half to three-quarters of unanticipated Medicaid cost increases that result from a recession, the onset of a new disease, or the development of new pharmaceutical or other treatments, states would have to bear *all* of those costs themselves (once they exhausted their block grant allocation). A block grant would make Medicaid much more financially unpredictable and risky for states.
>
> A block grant may also appeal to some federal policymakers because it would force the *states* to "be the bad guys" — making the decisions about which people to drop from coverage or which

medical services to curtail when federal funding proved inadequate. States would essentially be left "holding the bag" — they would either have to contribute more state funding (by raising taxes or cutting other programs) or, more likely, exercise their increased flexibility to institute wide-ranging cuts in eligibility, benefits, and/or provider reimbursement rates. Those cuts could add millions to the ranks of uninsured. They also could impede access to care for tens of millions of people who continued being covered, as a consequence of substantial increases in co-payment and premium charges or cuts in reimbursements that cause substantial numbers of providers to leave the program.

A block grant would also significantly deepen state budget holes in recessions, forcing still larger state budget cuts or tax increases in those periods and thereby further slowing state economies and making the loss of jobs even greater. [CBPP.org, 2/23/11]

CBPP President: Ryan Plan For Medicaid Could Kick Up To 27 Million Low-Income People Off Insurance. According to Robert Greenstein, the president of the Center on Budget and Policy Priorities: "Last year, the Urban Institute estimated that a very similar Ryan Medicaid block-grant proposal would likely cause 14 to 27 million low-income Americans to lose coverage by 2021 (in addition to the 17 million people who no longer would gain coverage due to the repeal of health reform and its Medicaid expansion)." [CBPP.org, 3/21/12]

CBO: Ryan Plan Would Likely Impact Access To Health Care For Medicaid Beneficiaries. From the Congressional Budget Office's analysis of the Ryan plan: "If states were given additional flexibility to allocate federal funds for Medicaid and CHIP according to their own priorities, they might be able to improve the efficiency of those programs in delivering health care to low-income populations. Nevertheless, even with significant efficiency gains, the magnitude of the reduction in spending relative to such spending in the other scenarios means that states would need to increase their spending on these programs, make considerable cutbacks in them, or both. **Cutbacks might involve reduced eligibility for Medicaid and CHIP, coverage of fewer services, lower payments to providers, or increased costsharing by beneficiaries—all of which would reduce access to care. Because the specified paths for health spending do not include spending for exchange subsidies, the number of people without health insurance would be much higher than under CBO's other scenarios.**" [CBO.gov, March 2012, emphasis added]

Additional Safety Net Cuts

Second-Biggest Cuts In New Ryan Plan Are 'Substantial' Cuts To Food Stamps And Tax Credits For The Poor. From Ezra Klein's *Washington Post* blog: "Ryan's next significant source of cuts is so-called 'other mandatory.' Compared to the president's budget, Ryan cuts $1.8 trillion from this category. Some of that might simply be an accounting difference: The president's budget proposes to move infrastructure spending from the 'discretionary' side of the budget to the 'mandatory' side. Ryan might be moving that back, which isn't, in and of itself, a spending cut. But beyond that, the main programs in 'other mandatory'are low-income supports like refundable tax credits for the poor and food stamps. Ryan is cutting these quite substantially." [WashingtonPost.com, 3/20/12]

The New Ryan Plan Block-Grants The Food Stamp Program. From the *Wall Street Journal*: "The budget, which sets spending for the 2013 fiscal year, which starts Oct. 1, also takes aim at a variety of high-profile programs. It recommends repealing President Barack Obama's health plan, eventually eliminating Fannie Mae and Freddie Mac, and turning Medicaid and the Supplemental Nutritional Assistance Program, formerly known as food stamps, into block-grant programs." [*Wall Street Journal*, 3/20/12]

The New Ryan Plan Could Cut Millions Of Low-Income Families Off Food Assistance. According to the Center on Budget and Policy Priorities: "House Budget Committee Chairman Paul Ryan's budget plan includes cuts in SNAP (formerly known as the Food Stamp Program) of $133.5 billion — more than 17 percent — over the next ten years (2013-2022), which would necessitate ending assistance for millions of low-income families, cutting benefits for millions of such households, or some combination of the two. Chairman Ryan proposed a similarly deep SNAP cut last year. [...] Since more than 90 percent of SNAP expenditures are for food assistance benefits for low- income households, and most of the remaining funds go for necessary state administrative costs to determine program eligibility and operate the program properly, policymakers couldn't possibly achieve cuts of this magnitude without substantially scaling back SNAP eligibility or reducing benefits deeply, with serious effects on low-income families and individuals. [...] If the cuts were to come solely from eliminating eligibility for categories of currently eligible households or individuals, more than 8 million people would need to be cut from the program, if the cuts began taking effect in 2013. [...] If the cuts were to come solely from across-the-board benefit cuts, SNAP benefits would have to be cut by about $22 to $27 per person per month in 2016 dollars. This would require setting the maximum benefit at about 86 percent of the Thrifty Food Plan (TFP), USDA's estimate of the minimum amount that a family needs to afford a bare-bones, nutritionally adequate diet." [CBPP.org, 3/22/12, internal citations removed]

Under The New Ryan Plan, 1 Million Students Would Lose Pell Grants. From the *Huffington Post*:

"More than 1 million students would lose Pell grants entirely over the next 10 years under Rep. Paul Ryan's budget, according to an analysis that the national reform organization Education Trust provided to The Huffington Post. And by the looks of it, the Ryan budget, which is slated to hit the House floor this week, would hit the poorest kids hardest. [...] The plan proposed by Ryan (R-Wis.), who chairs the House Budget Committee, would chop away at Pell grant eligibility, thereby reducing total Pell grants by about $170 billion over the next decade; allow the interest rate for federally subsidized Stafford loans to double; end student loan interest subsidies for those still in school; and make Pell spending discretionary -- instead of mandatory -- allowing further cuts down the line. Pell grants, the largest source of federal financial aid, currently help more than 9 million students to afford college. Following last year's budget standoffs, next year's maximum Pell grant of $5,645 will cover just one-third of the average cost of college -- the smallest share ever." [*Huffington Post*, 3/27/12]

The Ryan Plan Institutes A Regressive Tax System That Wouldn't Raise Enough Revenue

CBPP: The Ryan Plan's Tax Proposals "Disproportionately Benefit Wealthy Americans." According to a statement by Robert Greenstein, the president of the Center on Budget and Policy Priorities: "In fact, TPC reported yesterday that the four major new tax cuts in the Ryan plan — cutting the top income rate to 25 percent and creating a lower tax bracket of 10 percent, cutting the corporate income tax rate to 25 percent and exempting from taxation the profits that U.S. corporations earn overseas, repealing the Alternative Minimum Tax, and repealing the tax increases in health reform — *would cost $4.6 trillion in lost federal revenue over the next ten years* (not counting the overseas corporate profits exemption). All four revenue-losing measures would disproportionately benefit wealthy Americans." [CBPP.org, 3/21/12]

The New Ryan Budget Preserves $40 Billion In Tax Giveaways To Oil And Gas Companies. From the Center for American Progress: "American families have been plagued by higher oil and gasoline prices over the past several years despite a significant increase in domestic oil production and rigs, and decline in consumption. But while high prices threaten the economy and family budgets, they enrich American oil companies with huge profits. Yet it appears that House Budget Committee Chairman Paul Ryan's (R-WI) proposed FY 2013 budget resolution would retain a decade's worth of oil tax breaks worth $40 billion. And his budget would cut billions of dollars from investments to develop alternative fuels and clean energy technologies that would serve as substitutes for oil and help protect middle-class families from volatile energy prices as well as create jobs. In short, the Ryan budget compounds the cost of high oil and gasoline prices on the middle class." [AmericanProgress.org, 3/20/12]

The New Ryan Plan Cuts The Top Individual Tax Rate To 25 Percent, And Flattens The Tax Code By Enacting Just Two Brackets. From the Associated Press: "On taxes, the measure calls for eliminating a host of tax deductions and credits in order to produce a far simpler income tax code with just two rates for individuals: 10 percent and 25 percent. But Ryan doesn't say the income levels at which the new rates would apply, nor does he specify which popular tax breaks – like the child tax credit or the mortgage interest deduction – might be spared." [Associated Press via HuffingtonPost.com, 3/20/12]

- **Shifting To Ryan's Proposed Two-Rate Tax Code Would Cost Over $2.5 Trillion In Lost Revenue By 2022.** According to the Tax Policy Center, enacting "ordinary income tax rates of 10 and 25 percent" would reduce the federal government's tax revenue by $2,549,000,000 between 2012 and 2022. [TaxPolicyCenter.org, 3/20/12]

- **The Top Marginal Rate Hasn't Been As Low As 25 Percent Since 1931.** According to the Tax Policy Center, the top marginal income tax rate has been above 25 percent every year since 1931. [TaxPolicyCenter.org, 1/31/11]

The New Ryan Plan Would Make The Bush Tax Cuts And An Estate Tax Reduction Permanent, Costing Upwards Of $5 Trillion Over Ten Years. According to a statement by Robert Greenstein, the president of the Center on Budget and Policy Priorities: "Moreover, this $4.6 trillion revenue loss would come on top of about *another $5 trillion revenue loss* over the coming decade, TPC reported, from Chairman Ryan's proposal to make permanent all of the Bush tax cuts along with other tax cuts that are scheduled to expire, such as an estate-tax giveaway from late 2010 that benefits the estates of only the wealthiest one-quarter of one percent of people who die." [CBPP.org, 3/21/12]

The New Ryan Plan's Territorial Tax System That Would Cut Or Eliminate The Taxes Corporations Owe On Foreign Earnings. From *National Journal*: "Ryan's plan would also create a territorial tax system that would offer a low tax rate, if any taxes, on the profit that U.S. companies earn overseas--a page from the playbook of the Ways and Means Committee Chairman Dave Camp, who introduced a similar international tax plan last fall." [*National Journal*, 3/20/12]

The New Ryan Budget Also Cuts Top Corporate Tax Rate To 25 Percent. From Bloomberg: "The Pentagon would be spared while the top individual and corporate tax rates would fall to 25 percent under the plan." [Bloomberg, 3/20/12]

- **The Ryan Budget's Corporate Tax Changes Would Cost Over A Trillion Dollars By 2022.** According to the Tax Policy Center, instituting the corporate tax provisions specified in Ryan's plan would decrease

federal tax revenues by $1,101,000,000 between 2012 and 2022. [TaxPolicyCenter.org, 3/20/12]

The New Ryan Budget Gets Rid Of The Alternative Minimum Tax. From Bloomberg: "It would cut the corporate tax rate to 25 percent while eliminating the alternative minimum tax." [Bloomberg, 3/20/12]

- **Getting Rid Of The Alternative Minimum Tax Would Cost $670 Billion In Lost Revenue Over The Next Decade.** According to the Tax Policy Center, repealing the alternative minimum tax would reduce revenues collected by the federal government by $670 billion between 2012 and 2022. [TaxPolicyCenter.org, 3/20/12]

Ryan Plan Doesn't Account For $700 Billion In Revenues It Promises To Raise. From the Tax Policy Center's Tax Vox blog: "To put it another way, TPC figures such a tax package would generate revenues of about 15.8 percent of Gross Domestic Product in 2022. His budget aims to collect about 18.7 percent. That means he'd have to find about $700 billion in new revenues by cutting tax preferences. Keep in mind that TPC did not model the actual Ryan plan, since it is not specific enough to estimate. Instead, we looked at a plan with the elements of his proposal." [TAxVox.TaxPolicyCenter.org, 3/20/12]

Ryan Budget's Failure To Raise As Much Revenue As President's Plan Is Due To Lower Taxes On The Wealthy. From Ezra Klein's *Washington Post* blog: "At the end of his initial release, Ryan posts a table comparing his budget to the president's budget. The single largest difference is in the tax section: Ryan raises $2 trillion less in revenue than the White House does. In the president's budget, those revenues come mostly from increasing taxes on the wealthy. So that's the first big gap between the two proposals: Under Ryan's budget, revenue would be lower, and the distribution of taxes more regressive, than under Obama's budget." [WashingtonPost.com, 3/20/12]

The New Ryan Medicare Plan Is Bad News For Seniors

The New Ryan Budget "Reiterates Republicans' Call Last Year For Overhauling Medicare." From Bloomberg: "The proposal reiterates Republicans' call last year for overhauling Medicare, though with some changes reflecting a compromise plan Ryan of Wisconsin has since written with Senator Ron Wyden, an Oregon Democrat. It would offer seniors, starting in 2023, subsidies they could use to buy private health insurance or use in Medicare. Either way, benefits would be capped, which would be a major change in how the open-ended program now operates." [Bloomberg, 3/20/12]

The Ryan Plan Relies On Competitive Bidding To Slow Medicare Costs. From Ezra Klein's *Washington Post* blog: "The Republicans' budget, released today, would rely on competitive bidding. And although the structure of such programs can get complex, the thing to know is this: Under the Ryan budget, private plans would send the government an estimate of the premiums they would charge for insurance coverage that is at least as generous as the standard Medicare benefit package. The second-lowest of those 'bids' would set the benchmark for how much premium support seniors receive. Seniors could spend that support on traditional Medicare, a less-expensive private plan (and receive a rebate), or a more-costly coverage package (and pay the difference)." [WashingtonPost.com, 3/20/12]

CBPP President: Vouchers Would Lose Value Over Time. From a statement of Robert Greenstein, the president of the Center on Budget and Policy Priorities: "Once seniors reached the age of eligibility for Medicare, they would receive a premium-support voucher to help them buy coverage, with the voucher apparently rising in value from year to year by the rate of growth in the Gross Domestic Product (GDP) per capita plus one-half percentage point — which is below the rate of growth in health care costs in recent decades. Seniors who couldn't afford to spend more than the voucher amount likely would have to purchase insurance that covered fewer health services as time went by, since the voucher likely would not keep pace with increases in health care costs." [CBPP.org, 3/21/12]

Ryan Plan Would Shift Costs To Seniors, "Likely Lead To The Gradual Demise Of Traditional Medicare." According to the Center on Budget and Policy Priorities: "The Ryan-Wyden plan would shift substantial costs to Medicare beneficiaries rather than protect them from cost increases, in part because the payment that beneficiaries would receive to help them buy coverage would likely fail to keep pace with health care costs. The plan also would likely lead to the gradual demise of traditional Medicare by making the pool of Medicare beneficiaries smaller, older, and sicker — and increasingly costly to cover." [CBPP.org, 3/19/12]

Ryan Plan Would Eventually Make Medicare Unsustainable. From the Center on Budget and Policy Priorities:

> Under premium support, traditional Medicare would tend to attract a less healthy pool of enrollees, while private plans would attract healthier enrollees (as occurs today with Medicare and private Medicare Advantage plans). Although the proposal calls for "risk adjusting" payments to health plans — that is, adjusting them to reflect the average health status of their enrollees — the risk adjustment process is highly imperfect and captures only part of the differences in costs across plans that stem from differences in the health of enrollees.

> Inadequate risk adjustment would mean that traditional Medicare would be only *partially* compensated for its higher-cost enrollees, which would force Medicare to raise beneficiary premiums to make up the difference. The higher premiums would lead more of Medicare's healthier enrollees to abandon it for private plans, very possibly setting off a spiral of rising premium costs and falling enrollment for traditional Medicare. Over time, traditional Medicare would become less financially viable and could unravel — *not* because it was less efficient than the private plans, but because it was competing on an unlevel playing field in which private plans captured the healthier beneficiaries and incurred lower costs as a consequence. Ryan-Wyden also would allow private plans to tailor their benefit packages to attract healthier beneficiaries and deter sicker ones, which only makes this outcome more likely. [CBPP.org, 3/19/12]

The New Ryan Budget Raises The Medicare Eligibility Age. From the Congressional Budget Office's analysis of the Ryan plan: "In addition, the eligibility age for Medicare would increase by two months per year beginning in 2023 until reaching age 67 in 2034." [CBO.gov, March 2012]

CBO: Effects Of Ryan Plan's Reduced Medicare Spending "Unclear," Could Include "Diminished Quality Of Care" And "Higher Costs." From the Congressional Budget Office's analysis of the Ryan plan:

> Under the specified path, average real (inflation-adjusted) spending for new enrollees in Medicare would rise in coming decades but at a much slower rate than would occur under the other policy scenarios that CBO has analyzed. Average net Medicare spending for 65-year-olds in 2011 was $5,500. Under the baseline scenario, average spending per 66-year-old in 2030 would be $8,600 in 2011 dollars (56 percent more); under the alternative fiscal scenario, that ending would rise to $9,600 in 2011 dollars (75 percent more); and under the specified path, it would be $7,400 in 2011 dollars (35 percent more). In 2050, the corresponding spending for a 67-year-old would be, in 2011 dollars, $17,000 under the baseline scenario, $19,100 under the alternative fiscal scenario, and $11,100 under the specified path. By 2050, spending for new enrollees under the specified path would be 35 percent below that for the baseline scenario and 42 percent below that for the alternative fiscal scenario.
>
> The implications of that substantial cut in spending relative to the other policy scenarios are unclear, because they would depend on both the specific policies that were implemented to generate that spending amount and the ways in which the nation's health care and health insurance systems reacted to those policies. **Possible consequences include the same kinds of effects noted for the baseline and alternative fiscal scenarios—reduced access to health care; diminished quality of care; increased efficiency of health care delivery; less investment in new, high-cost technologies; or some combination of those outcomes. In addition, beneficiaries might face higher costs, which could in turn reinforce some of the other effects.** At least some of those effects would of necessity be a great deal stronger than under the baseline scenario or alternative fiscal scenario because spending would be so much lower. However, as with the other scenarios, CBO does not have the capability at this time to estimate such effects for the specified path of Medicare spending. [CBO.gov, March 2012, emphasis added, internal citations removed]

The Ryan Plan Contains A Host Of Destructive Policy Prescriptions

The Ryan Plan Repeals Health Care Reform And Eliminates Fannie And Freddie. From the *Wall Street Journal*: "The budget, which sets spending for the 2013 fiscal year, which starts Oct. 1, also takes aim at a variety of high-profile programs. It recommends repealing President Barack Obama's health plan, eventually eliminating Fannie Mae and Freddie Mac, and turning Medicaid and the Supplemental Nutritional Assistance Program, formerly known as food stamps, into block-grant programs." [*Wall Street Journal*, 3/20/12]

The Ryan Plan Weakens Wall Street Reforms. From Ezra Klein's *Washington Post* blog: "On financial regulation, Paul Ryan's 2013 budget basically cuts-and-pastes its recommendations from last year: it wants to repeal parts of Dodd-Frank that give new power to federal regulators to break up big banks, arguing that the regulations actually make bailouts more likely, not less so. Ryan isn't proposing an alternative, however, so his plan to repeal the government's new 'resolution authority:' would bring us back to the pre-Dodd Frank era — which was also, of course, the era in which bank bailouts proved necessary." [WashingtonPost.com, 3/20/12]

The Ryan Plan Kills 10 Percent Of The Jobs In The Federal Government. From the *Wall Street Journal*: "Mr. Ryan (R., Wis.), chairman of the House Budget committee, proposes reducing the federal work force by 10% over three years through attrition." [*Wall Street Journal*, 3/20/12]

The New Ryan Budget Reverses Defense Sequestration By Pushing For Safety Net Cuts. From the Associated Press: "Also at issue, though, are across-the-board spending cuts set to take effect in January, punishment for the failure of last year's supercommittee to come up with a new package of $1.2 trillion in deficit cuts over the next decade as part of last summer's deal to let the government keep borrowing. Those cuts, including $55 billion from defense accounts and $43 billion from non-defense accounts approved by lawmakers each year, are universally opposed by defense hawks and liberals alike. The GOP plan would reverse the cuts by requiring various committees and try come up with at least $261 billion in other savings over the coming decade, including curbs to food stamps, federal employee pensions, and further cuts to federal health care programs. Republicans are likely to reprise a bid to tighten oversight of the child tax credit to make sure illegal immigrants don't claim it." [Associated Press via HuffingtonPost.com, 3/20/12]

The New Ryan Budget "Punts" On Politically Difficult Choices. From Ezra Klein's *Washington Post* blog: "Ryan prides himself on making tough choices. But where such choices need to be made for politically powerful constituencies — say, the tax breaks offered to the wealthy and the middle class, or the benefits offered to current seniors — Ryan punts. Changes for seniors don't begin for a decade, the tax breaks Ryan will close to pay for his tax cuts go unnamed, and, of course, there are no tax increases at all. When such choices need to be made for programs that the poor depend on, however, Ryan is considerably more specific, and considerably more willing to inflict real budgetary pain on current beneficiaries." [*Washington Post*'s Wonkblog, 3/20/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

07-30-2012

Conservative Hostility To Women's Rights Doesn't Stop At Health Care

Summary

Amid a decades-long crusade against abortion rights and a more recent uproar over access to contraceptives, conservatives' efforts to intrude upon women's control over their own health care are well publicized. But the GOP of recent years has also demonstrated that women's physical safety, economic security, and equal access to the workforce are increasingly low on the priority list. For the first time since its initial 1994 passage, the GOP has put up a fight against reauthorizing the Violence Against Women Act. Republicans on both the state and national level have sneered at the need for laws that address the fact that women still earn only about 75 percent of what men do for performing the same jobs. Conservatives have rejected legislation to mandate paid parental leave – something every other economically advanced country in the world requires. They are skeptical about allowing women to serve in military combat roles despite an on-the-ground reality that already puts women in dangerous combat situations. And they are dismissive of an Equal Rights Amendment that would afford the same weight to sex-based discrimination that the 14th Amendment currently gives race-based discrimination.

Violence Against Women Act (VAWA)

The Violence Against Women Act, First Passed In 1994, Is A Multifaceted Effort To Address Violence Against Women. From the Urban Institute: "In 1994, Congress passed the Violence Against Women Act (VAWA) as Title IV of the Violent Crime Control and Law Enforcement Act (P.L. 103-322). This event marked a turning point in federal recognition of the extent and seriousness of violence against women, and a commitment to address the problem from the federal vantage point. [...] The resulting Violence Against Women Act for the first time recognizes the common barriers to legal protection faced by women victims of violent crimes. The four subtitles within the Act—the Safe Streets Act, Safe Homes for Women, Civil Rights for Women and Equal Justice for Women in the Courts, and Protections for Battered Immigrant Women and Children—target domestic violence, sexual assault, stalking, and protection against gender-motivated violence. The Act undertakes reform in legislation, rules of evidence, and the policies and procedures of law enforcement agencies and the courts. It creates new offenses and tougher penalties, mandates victim restitution, and begins system reforms that will, for example, shield victims during prosecution and increase consistency in sentencing. Recognizing that attitudinal change and knowledge are essential to practical implementation of legal reforms, VAWA authorizes support for prevention, education, and training and the development of systems for maintaining records on violent incidents and perpetrators and improving communication within the justice system." [Urban.org, 3/1/96]

Violence Against Women Act Has Twice "Been Reauthorized Without Much Fanfare." From *Mother Jones*: "The Violence Against Women Act (VAWA), which first passed in 1994 and has been reauthorized twice since then, increased federal penalties for domestic violence and provided funding for groups and services that aid victims of domestic abuse. The bill hit the bipartisan sweet spot of being both tough on crime and oriented toward women's rights. Usually it's reauthorized without much fanfare." [MotherJones.com, 3/20/12]

In April 2012, Senate Passed Bipartisan VAWA Version That Extended LGBT, Native American, And Immigrant Protections. From CBS News: "In a rare election-year moment of bipartisanship, the Senate

passed the Violence Against Women Act (VAWA) on Thursday afternoon, legislation that gives women protections and recourse against violence and abuse. The bill passed with bipartisan support by a vote of 68 - 31. The vote was to reauthorize the measure, which first passed in 1994 and is credited with a 51 percent increase of victims reporting domestic abuse, for five years. VAWA provides services for victims of domestic violence, dating violence, sexual assault and stalking. It also locks in money for testing roughly 400,000 rape kits that, according to Human Rights Watch, have gone untested. In addition, the Senate-passed measure provides protections for gay, lesbian and transgender couples, provides visas for undocumented immigrants who have been victims of abuse, and provides new authority for Native Americans officials in cases of abuse of Native American women by non-Native Americans. Republicans sought but failed to weaken these provisions through the amendment process." [CBSNews.com, 4/26/12]

- **All 31 Of The Bill's Opponents Were Republican Men.** [S. 1925, Vote #87, 4/26/12]

In May 2012, House Passed GOP Version Of VAWA That Left Out LGBT And Immigrant Protections. From CNN: "The House of Representatives passed the Republican version of the Violence Against Women Act on Wednesday, despite strong opposition from Democrats. The GOP version, passed 222-205, offers a stark contrast from the bill passed by the Senate in late April. [...] The Violence Against Women Act was first enacted in 1994. It has been reauthorized twice since then with bipartisan support and very little controversy. That's not the case this time around. The Senate approved a bill last month with bipartisan support, voting 68-31 with every Republican woman supporting the measure. That version expands coverage to offer services to more illegal immigrants who are victims of domestic abuse. It also specifies that the law include gay, lesbian and transgender victims. Human Rights Watch released a report Wednesday showing immigrant farmworkers are especially at risk for domestic abuse and argued provisions in the Senate bill -- not the House version – 'would go some way toward fixing the problem and should be enacted.' House Republicans oppose those changes, saying they are unnecessary because the law already covers all victims, and instead favor a narrower version of renewing the law." [CNN.com, 5/16/12]

- **House Version Also Left Out Senate's Protections For Native American Women.** From the *Christian Science Monitor*: "The House bill does not include a Senate provision that would allow Native American women to take American citizens who abuse them to court within the tribal legal system. Republicans say that the Senate measure is unconstitutional and replace it with a proposal that allows Native American women to apply for protection orders from local US courts. Democrats contend that without the Senate's proposals, Native American women abused on an Indian reservation are often left without legal recourse." [*Christian Science Monitor*, 5/16/12]

House GOP Says They're "Waiting For The Senate To Fix Their Bill." From *The Hill*: "House Republicans say they've yet to see any substantive negotiations on the legislation and are waiting for the Senate to fix their bill. Senate leaders, on the other hand, want the House to take up their version, which passed with bipartisan support and had the backing of most advocacy groups." [*The Hill*, 6/23/12]

Fair Pay Laws

Lilly Ledbetter Fair Pay Act Empowers Women And Others To Seek Redress For Discriminatory Pay When They Discover It – Not When It Starts. From the *New York Times*:

> Lilly M. Ledbetter discovered when she was nearing retirement that her male colleagues were earning much more than she was. A jury found her employer, the Goodyear Tire and Rubber Company plant in Gadsden, Ala., guilty of pay discrimination, in violation of Title VII of the Civil Rights Act of 1964.
>
> But in a 5-4 decision, the Supreme Court threw out the case, ruling that she should have filed her suit within 180 days of the date that Goodyear first paid her less than her peers. The narrow majority rejected the argument that each subsequent discriminatory paycheck was a new violation of the law.
>
> Courts around the country cited the decision hundreds of times as a reason for rejecting lawsuits claiming discrimination based on race, sex, age and disability, without regard to the underlying merits of the individual cases.
>
> On Jan. 29, 2009, President Barack Obama affixed his signature to the Lilly Ledbetter Fair Pay Act, his first official bill as president. The legislation expanded workers' rights to sue in this kind of case, and relaxed the statute of limitations, restarting the six-month clock every time the worker receives a paycheck. [NYTimes.com, accessed 3/29/12]

- **Nearly All Republicans In The House And Senate Voted Against The Lilly Ledbetter Act.** The House of Representatives passed the Lilly Ledbetter Fair Pay Act of 2009 with 247 Democrats voting in favor and five voting against passage. Only three House Republicans voted in favor of the bill, but 172 voted against passage. The Senate passed the bill with 56 Democrats voting in favor and none voting

against the bill. Only five Senate Republicans voted for passage, and 36 voted against it. [S. 181, Vote #37, 1/27/09; S. 181, Vote #14, 1/22/09]

Paycheck Fairness Act Would Have Strengthened 1963 Equal Pay Act To Help Prevent Wage Discrimination. From the *Huffington Post*: "Among other provisions, the Paycheck Fairness Act, which has already passed the House, would ensure that a law already on the books -- the Equal Pay Act of 1963 -- is properly enforced. It would also make sure that women aren't punished for seeking out information about what their male colleagues are earning in order to ensure they are being paid properly." [HuffingtonPost.com, 11/17/10]

• **Chamber Of Commerce "Launched An All-Out Offensive" Against Lilly Ledbetter Act And Paycheck Fairness Act.** From NPR: "On Friday, the House passed legislation that would dramatically increase the window of time during which employees can file claims for pay disparities. [...] Members also approved a second labor and employment bill, the Paycheck Fairness Act, which would allow workers claiming wage discrimination to seek punitive damages and make it easier to expand the pool of plaintiffs in class action cases. [...] The U.S. Chamber of Commerce has launched an all-out offensive against the measures, saying they would be a boon to trial lawyers and undermine the rights of employers. 'The bottom line for the business community is that we entirely agree in creating fair play in the workplace,' says chamber spokesman J.P. Fielder. 'But we oppose opening up the process to litigation that will hurt small businesses.'" [NPR.org, 1/9/09]

• **Senate Republicans Blocked Paycheck Fairness Act In 2010.** From CBS News: "Senate Republicans have succeeded in blocking a measure designed to reduce wage disparities between men and women. The 58-41 vote to take up the Paycheck Fairness Act fell short of the 60 needed to overcome GOP opposition. [...] Republicans and business groups said the bill would expose employers to more litigation by removing limits on punitive and compensatory damage awards." [CBS News, 11/17/10]

• **House Republicans Overwhelmingly Voted Against Passage Of Paycheck Fairness Act.** The House of Representatives passed the Paycheck Fairness Act in early 2009 with 246 Democrats voting for passage and three voting against passage. Only 10 Republicans voted for passage, but 160 voted against it. [H.R. 12, Vote #8, 1/9/09]

• **AEI's Sommers: Paycheck Fairness Act Would "Perpetuate Falsehoods About The Status Of Women In The Workplace" And "Create Havoc In a Precarious Job Market."** From American Enterprise Institute resident scholar Christina Hoff Sommers: "[T]he bill isn't as commonsensical as it might seem. It overlooks mountains of research showing that discrimination plays little role in pay disparities between men and women, and it threatens to impose onerous requirements on employers to correct gaps over which they have little control. [...] The Paycheck Fairness bill would set women against men, empower trial lawyers and activists, perpetuate falsehoods about the status of women in the workplace and create havoc in a precarious job market. It is 1970s-style gender-war feminism for a society that should be celebrating its success in substantially, if not yet completely, overcoming sex-based workplace discrimination." [*New York Times*, 9/21/10]

Wisconsin Republicans Repealed State-Level Equal Pay Act. From the *Huffington Post*: "A Wisconsin law that made it easier for victims of wage discrimination to have their day in court was repealed on Thursday, after Wisconsin Gov. Scott Walker (R) quietly signed the bill. The 2009 Equal Pay Enforcement Act was meant to deter employers from discriminating against certain groups by giving workers more avenues via which to press charges. Among other provisions, it allows individuals to plead their cases in the less costly, more accessible state circuit court system, rather than just in federal court. In November, the state Senate approved SB 202, which rolled back this provision. On February, the Assembly did the same. Both were party-line votes in Republican-controlled chambers. [...]Women earn 77 cents for every dollar that men make. In Wisconsin, it's 75 cents, according to the Wisconsin Alliance for Women's Health (WAWH), which also estimates that families in the state 'lose more than $4,000 per year due to unequal pay.'" [*Huffington Post*, 4/6/12]

• **Wisconsin State Senator Said Wage Gap Exists Partly Because "Money Is More Important For Men."** From the *Daily Beast*: "'The idea that pay discrimination is a myth is a myth in and of itself,' says Fatima Goss Graves, vice president for education and employment at the National Women's Law Center. 'Study after study has shown the exact opposite.' [Republican state senator Glenn Grothman, a major driver of the repeal] doesn't accept these studies. When I ran the numbers by him, he replied, 'The American Association of University Women is a pretty liberal group.' Nor, he argued, does its conclusion take into account other factors, like 'goals in life. You could argue that money is more important for men. I think a guy in their first job, maybe because they expect to be a breadwinner someday, may be a little more money-conscious. To attribute everything to a so-called bias in the workplace is just not true.'" [TheDailyBeast.com, 4/7/12]

In 2011, Minnesota Republicans Tried To Repeal State-Level Pay Equity Act. From the Minnesota Independent: "Rep. Steve Drazkowski, R-Mazeppa, has introduced another version of his bill to repeal the Pay Equity Act (PEA), a program started in the 1980s that ensures that women are paid a comparable wage to men in local government jobs. As of Thursday, when Drazkowski introduced his new bill, Republicans have authored four bills this session aimed at repealing the Pay Equity Act. Twenty-two Republicans in the House and Senate are sponsoring the legislation; 21 of the sponsors are men. The

original repeal of the PEA was contained in a broader bill authored by Drazkowski that repealed a number of local government mandates; a similar bill is pending in the Senate. Senate Republicans then offered a standalone bill to repeal fair pay laws, and Drazkowski's bill (HF698) introduced on Thursday brings the total tally of bills to four." [MinnesotaIndependent.com, 2/24/11]

Paid Parental Leave

Federal Employees Paid Parental Leave Act Would Allow Federal Employees Four Weeks Of Paid Parental Leave. From the *Washington Post*: "Under the Federal Employees Paid Parental Leave Act, federal and congressional employees would receive four weeks of paid parental leave after birth or adoption, or taking in a foster a child. The Office of Personnel Management (OPM) would have the discretion to grant an additional four weeks of paid leave. Employees could still use accrued vacation days as part of their parental leave, and the bill would make it easier to use sick leave to care for a new child by eliminating the current requirement to demonstrate medical need." [*Washington Post*, 6/20/08]

The Latest Version Of The Federal Employees Paid Parental Leave Act Is Languishing In Committee. According to GovTrack.us, the Federal Employees Paid Parental Leave Act of 2011 was introduced in the House on February 10, 2011, and remains in committee. [GovTrack.us, accessed 3/30/12]

In 2008 And 2009, House Passed Paid Parental Leave Act Over Republican Objections. The House of Representatives passed the 2008 version of the Federal Employees Paid Parental Leave Act with 228 Democrats and 50 Republicans voting in favor and 145 Republicans and one Democrat voting against the bill. In 2009, the House passed the bill with 234 Democrats and 24 Republicans voting in favor, and 149 Republicans and 5 Democrats voting against. [H.R. 5781, Vote #428, 6/19/08; H.R. 626, Vote #310, 6/4/09]

- **2008 and 2009 Versions Died In Senate.** According to GovTrack.us, the 2008 version of the Federal Employees Paid Parental Leave Act, introduced in the 110th Congress, died after passing the House, as did the 2009 version, introduced in the 111th Congress. [GovTrack.us, accessed 3/30/12; GovTrack.us, accessed 3/30/12]

Americans For Tax Reform: Paid Leave Is A "Bailout" For Federal Employees. From a statement on the 2009 version of the Federal Employees Paid Parental Leave Act from Americans for Tax Reform's Center for Fiscal Accountability: "The Center for Fiscal Accountability urges all Members of the U.S. House of Representatives to vote NO on H.R. 626, the Federal Employees Paid Parental Leave Act of 2009. This bill would extend four weeks of paid leave to federal employees following the birth, adoption or fostering of a child, and further authorizes the Director of the Office of Personal Management to subjectively extend the paid leave to eight weeks. At a time when taxpayers are footing the bill for a series of massive government bailouts and an unprecedented expansion of federal spending, and are struggling to make ends meet, asking them to bail out government employees who already enjoy a generous compensation and benefit structure is no less than a slap in the face. [FiscalAccountability.org, 6/4/09]

U.S. Is One Of The Only Countries Without Paid Parental Leave. From Reuters: "The United States is decades behind the rest of the world in parental leave policy, a Human Rights Watch report said on Wednesday. Of the 190 countries studied in the report, 178 guaranteed paid leave for new mothers and nine were unclear about their maternity policies. Just three countries clearly offer no legal guarantee of paid maternity leave -- Papua New Guinea, Swaziland and the United States." [Reuters, 2/23/11]

Equal Rights Amendment

Enacting An Equal Rights Amendment Would Add A Constitutional Prohibition Against Gender-Based Discrimination. From the *Washington Post*: "The amendment consists of 52 words and has one key line: 'Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.' That sentence would subject legal claims of gender discrimination to the same strict scrutiny given by courts to allegations of racial discrimination." [*Washington Post*, 3/28/07]

The ERA Passed Congress In 1972 But Fell Three States Short Of Ratification At 1982 Deadline. From *The Hill*: "By 1982, the ERA had been ratified by 35 states, three short of the 38 needed to become an amendment. [...] The ERA was first proposed in the 1920s, and Congress finally approved it in 1972." [*The Hill*, 3/23/12]

Democratic Senators Have Proposed Lifting 10-Year Ratification Deadline To Allow Remaining Three States To Approve The ERA. From *The Hill*: "Nine Senate Democrats this week proposed that states be given another chance to ratify an amendment to the Constitution affirming the equal treatment of men and women, 30 years after the amendment fell just short of being added to the country's founding document. Sen. Ben Cardin (D-Md.) and eight other Democrats proposed a joint resolution that would remove the 1982 deadline for getting 38 states to ratify the Equal Rights Amendment (ERA)." [*The Hill*, 3/23/12]

- **Democrats Introduced A Similar Measure In The House.** According to GovTrack.us, Rep. Tammy Baldwin (D-WI) introduced H.J. Res. 47, which "eliminates the time limit for ratification of the equal rights

amendment." The measure has 32 co-sponsors, all Democrats. [GovTrack.us, accessed 4/3/12]

Rep. Maloney Has Re-Introduced The ERA. From the *Huffington Post*: "The Equal Rights Amendment, which Congress passed in 1972 but has not yet been ratified by the necessary 38 states, simply says that equality under the law 'shall not be denied or abridged by the United States or any state on account of sex.' Rep. Carolyn Maloney (D-N.Y.) reintroduced the legislation this year in hopes that it would finally become a part of the Constitution." [HuffingtonPost.com, 3/22/12]

- **The House ERA Bill Has 185 Cosponsors, Nearly All Democrats.** According to GovTrack.us, Rep. Maloney's bill (H.J. Res. 69) has 185 cosponsors. All but seven are Democrats. [GovTrack.us, accessed 4/3/12]

GOP Rep. Hanna At ERA Rally: "My Side" Doesn't "Speak Out On Your Behalf." From the *Huffington Post*: "As the only Republican Congressman at a rally for the Equal Rights Amendment on Thursday, Rep. Richard Hanna (R-N.Y.) gave women an unexpected piece of advice: Give your money to Democrats. 'I think these are very precarious times for women, it seems. So many of your rights are under assault,' he told the crowd of mostly women. 'I'll tell you this: Contribute your money to people who speak out on your behalf, because the other side -- my side -- has a lot of it. And you need to send your own message. You need to remind people that you vote, you matter, and that they can't succeed without your help.'" [HuffingtonPost.com, 3/22/12]

AEI Scholar: ERA Is Unnecessary. From American Enterprise Institute resident scholar Christina Hoff Sommers: "[T]he ERA would have no good consequences--none--and many terrible ones. [...] The ERA, first introduced in 1923, was passed by Congress and sent to the states for ratification in 1972. It says: 'Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.' What could be fairer or more reasonable? But the Equal Protection Clause of the Fourteenth Amendment already bans unreasonable state discrimination against women, while the Civil Rights Act and other federal statutes ban unreasonable private discrimination. A robust body of law has developed since the 1972 banning sex discrimination in jury selection, unemployment benefits, and family property law and promoting women's progress in the workplace, sports, and other arenas. The new campaign has a different purpose: to ban reasonable forms of discrimination. By changing the constitutional standard from 'equal protection' to 'equality of rights,' the ERA would hand radical feminist groups such as the National Organization for Women and the National Women's Law Center a powerful weapon to wage war on what they view as 'the gender system.'" [AEI.org, 4/3/07]

Women In The Military

Although Some Restrictions On Women In The Military Were Recently Lifted, Women Are Still Forbidden From Serving In Combat. From the *New York Times*: "Reflecting the steady but glacial evolution of the role of American women in war, the Pentagon took a small step Thursday and announced that women would be formally permitted in crucial and dangerous jobs closer to the front lines. But it stopped short of officially allowing women to serve in combat. The decision, the result of a yearlong Pentagon review ordered by Congress, allows women to be permanently assigned to a battalion — a ground unit of some 800 personnel — as radio operators, medics, tank mechanics and other critical jobs. [...] The new rules keep in place a ban on women serving in the infantry, in combat tank units and in Special Operations commando units." [*New York Times*, 2/9/12]

In 2011, Rep. Sanchez Introduced An Amendment To The Defense Budget That Would Have Removed Barriers To Women In Combat Units. From the *Army Times*: "Rep. Loretta Sanchez, D-Calif., a senior member of the House Armed Services Committee, has prepared an amendment repealing the policy that prevents women from serving in front-line combat units in the Army and Marine Corps. The House is scheduled to take up HR 1540, the 2012 defense authorization bill, next week with plans to pass the $689 billion policy bill by Memorial Day. [...] Her legislation, called the Women's Fair and Equal Right to Military Service Act, cites ongoing operations in Iraq and Afghanistan as proof women are already serving in the thick of combat. [...] Sanchez's bill would repeal the ground combat exclusion from the law but would leave the date of any change to the Defense Department and the services, which are directed to come up with policies that 'do not restrict members of the armed forces from assignments to units and positions based on gender.'" [ArmyTimes.com, 5/20/11]

- **House Republicans Voted Down Sanchez's Amendment.** The House of Representatives rejected Sanchez's amendment number 64 to H.R. 1540, with 218 Republican members voting against the bill and 15 voting in favor. Sixteen Democrats voted against passage, and 169 voted for it. [Amdt. 64 to H.R. 1540, Vote #369, 5/26/11]

Santorum Opposes Allowing Women In Combat Because It's "Not In The Best Interests Of Men, Women Or The Mission." From the *Today* show's website: "'When you have men and women together in combat, I think men have emotions when you see a woman in harm's way,'[GOP presidential candidate Rick] Santorum told TODAY's Ann Curry Friday. [...] On CNN Thursday, he said that having women serve in combat was 'not in the best interests of men, women or the mission.' '(It's) because of that reason of a sort of natural inclination to not focus on the mission because of the natural inclination to want to protect someone because it's natural within our culture,' he told Curry. Curry asked the former Pennsylvania senator whether he believes women are not capable of fighting alongside men in the fiercest parts of the

battle. 'No, that's not the issue," he said. 'I've never raised that as a concern. The issue...is how men would react to seeing women in harm's way or potentially being injured or in a vulnerable position and not being concerned about accomplishing the mission.'" [Today.MSNBC.MSN.com, 2/10/12]

FRC Senior Fellow: No Women In Combat; "Even The Most Homely Woman Gets Sexual Attention In Austere Settings." From an op-ed in Human Events by Family Research Council senior fellow Robert Maginnis: "Let's cut to the chase and deal with the real issue. Feminists and their spineless male supporters won't be satisfied until women are serving in every ground combat role, including infantry and Special Forces. [...] Two factors are at play in mixed sex units. There is the aspect that men are hardwired to protect women (Santorum's view) and the matter of sexual attraction. Both matter when building cohesive teams because favoritism and attraction enters the picture. And yes, even the most homely woman gets sexual attention in austere settings. [...] [I]f military women lack physical strength, aggression, threaten unit cohesion, and express no desire for ground combat assignments, then who is pushing for women in combat? Civilian feminists view ground combat a glass ceiling for women's equal opportunity. They could not care less about our fighting ability or the precedent this sets for future women." [HumanEvents.com, 2/14/12]

- **Maginnis Is A Senior Fellow At The Family Research Council.** According to his bio on the Family Research Council's website, Bob Maginnis is a Senior Fellow for National Security at the Family Research Council. [FRC.org, accessed 4/4/12]

GOP Leaders Have "Reservations" About Women In Combat. From the *Boston Herald*: "Other leading Republicans, including Vietnam veteran and Senate Armed Services Committee member John McCain, have expressed deep reservations about opening all combat positions to women. McCain, who is traveling overseas, was not available for comment, according to his spokesman, Brian Rogers." [Boston.com, 2/23/12]

Seventy-Five Percent Of Americans Think Women Should Be Allowed In Direct Combat Units. From Quinnipiac: "American voters also support 75 - 22 percent allowing women to engage in close ground combat. Support is 70 - 27 percent among men, 79 - 17 percent among women and 67 - 29 percent among voters in military households. All party, age, income, religious and education groups support the measure." [Quinnipiac.edu, 2/23/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

07-29-2012

It's Not Just Abortion: The Far-Reaching Conservative War On Women's Health

Summary

Attempts to restrict women's access to legal and safe abortion is only the tip of the iceberg when it comes to the conservative assault on women's health care. Conservatives, particularly the increasingly right-wing House Republicans who rode into the majority on a Tea Party wave, have also sought to undermine and defund a variety of what ought to be non-divisive women's health care services. Over the last year or so, conservatives have ramped up the war on women's health care, including access to contraceptives, preventive services like cancer screenings, and programs that promote maternal and childhood health.

Title X: Birth Control And Cancer Screenings

House GOP Repeatedly Tried To Zero Out Title X Funding

In The 2011 Spending Bill, House Republicans Tried To Completely Eliminate A Program That Provides Family Planning And Cancer Screenings For Low-Income Women. From the National Women's Law Center: "The bill to fund – and de-fund – the federal government for the remainder of fiscal year 2011, H.R. 1, passed the House on February 19, 2011, on a party-line vote (all but three Republicans voting voted for the bill; all Democrats voting voted against it). [...] H.R. 1 eliminates funding for the Title X program, which for more than 40 years has provided family planning services, breast and cervical cancer screenings, and other preventive health care to low-income women in need. Title X-funded health centers serve more than five million low-income women and men each year, and six in 10 women who obtain health care from a family planning center consider it to be their primary source of health care." [National Women's Law Center, 2/23/11]

The Eventual Compromise Cut 5.5 Percent From The Title X Budget. From the *Huffington Post*: "House Republicans already cut funds for Title X by 5.5 percent during budget negotiations earlier this year, and health advocates say that even that small cut was devastating to the increasing number of unemployed and uninsured people who rely on the program for basic health and preventative care. Title X-funded health systems have had to furlough and lay off employees as a result of the cuts, while the recession is driving more and more patients to seek services there." [*Huffington Post*, 10/4/11]

The GOP-Proposed 2012 Labor-HHS Budget Again Sought To Eliminate The Entire Title X Program. From the *Huffington Post*: "Rep. Denny Rehberg (R-Mont.), who chairs the House Appropriations Subcommittee on Labor, Health and Human Services and Education, proposed a budget bill for fiscal year 2012 last week that 'eliminates 79 wasteful programs,' including Title X." [*Huffington Post*, 10/4/11]

Title X Saves Taxpayers Money And Helps Prevent Unintended Pregnancies

Every Public Dollar Spent On Family Planning Saves Almost Four Times As Much On Medicaid Expenses For Unintended Pregnancies. From the Guttmacher Institute: "Yet, although the costs of contraception can be daunting for individual women, insurance coverage of contraceptive services and supplies—both public and private—actually saves money. Guttmacher Institute research finds that every public dollar invested in contraception saves $3.74 in short-term Medicaid expenditures for care related to births from unintended pregnancies. In total, services provided at publicly funded family planning centers saved $5.1 billion in 2008. (Significantly, these savings do not account for any of the broader health, social

or economic benefits to women and families from contraceptive services and supplies and the ability to time, space and prepare for pregnancies.)" [Guttmacher Institute, Winter 2011]

By Law, Title X Money Cannot Fund Abortions. From the Department of Health and Human Services: "In addition to contraceptive services and related counseling, Title X-supported clinics provide a number of related preventive health services such as: patient education and counseling; breast and pelvic examinations; breast and cervical cancer screening according to nationally recognized standards of care; sexually transmitted disease (STD) and Human Immunodeficiency Virus (HIV) prevention education, counseling, testing and referral; and pregnancy diagnosis and counseling. By law, Title X funds may not be used in programs where abortion is a method of family planning." [HHS.gov, accessed 2/16/12]

Eliminating Title X Funding Would Result In An Estimated 400,000 More Abortions. From the Guttmacher Institute: "Contraceptive services at Title X–funded clinics in 2008 helped to avert some 973,000 unintended pregnancies, which would have resulted in 433,000 unplanned births and 406,000 abortions." [Guttmacher Institute, May 2010]

Contraceptive Services From Publicly Funded Clinics On The Whole Helped Avoid 1.5 Million Unintended Pregnancies. From the Guttmacher Institute: "In 2008, an estimated 7.1 million female contraceptive clients were served at publicly funded clinics. ... Publicly funded clinics helped to avert some 1.5 million unintended pregnancies. Of these pregnancies, 656,000 would have resulted in an unplanned birth and 616,000 would have resulted in an abortion." [Guttmacher Institute, May 2010]

The Conservative "Vendetta" Against Planned Parenthood

House Republicans Voted To Deprive Planned Parenthood Of All Federal Money Via An Amendment To Their 2011 Funding Bill. From *Politico*: "The House just approved Rep. Mike Pence's amendment to cut off funding to Planned Parenthood, checking off a hot-button social issue even as it set up a bigger showdown over defunding the health care law. The vote was 240-185 with 11 Democrats voting for the amendment, and seven Republicans voting against. One member voted present. A group of Republicans on the floor applauded when the vote hit 218." [*Politico*, 2/18/11]

Republicans Threatened To Shut Down The Government Over Planned Parenthood Funding. From the *Huffington Post*: "The United States government is on the verge of shutting down over a dispute about subsidized pap smears, according to sources familiar with the budget negotiations. [...] At a late-night White House meeting between the president and key congressional leaders, House Speaker John Boehner (R-Ohio) made clear that his conference would not approve funding for the government if any money were allowed to flow to Planned Parenthood through legislation known as Title X." [*Huffington Post*, 4/7/11]

Rep. Pence Sponsored A Bill To Defund Planned Parenthood By Prohibiting Title X Funds From Going To Organizations That Also Provide Abortions. From the *Wall Street Journal*: "Rep. Mike Pence (R., Ind.), has proposed a bill that would prevent abortion providers from receiving Title X money. Mr. Pence has made it clear his legislation is aimed at Planned Parenthood Federation of America, which is the nation's biggest provider of abortion services and also a major recipient of Title X money. 'The largest abortion provider in America should not also be the largest recipient of federal funding under Title X,' Mr. Pence said at a recent 'March for Life.' 'The time has come to deny any and all federal funding to Planned Parenthood of America.'" [*Wall Street Journal*, 2/9/11]

Rep. Cliff Stearns Launched A "Sweeping Investigation" Into Planned Parenthood's Use Of Federal Money. From the *National Journal*: "House Republicans have opened a sweeping investigation into Planned Parenthood, requesting reams of financial information and details on how the women's health organization keeps federal funds separate from abortion services. House Energy and Commerce Oversight and Investigations Chairman **Cliff Stearns**, R-Fla., sent Planned Parenthood a six-page letter earlier this month detailing the committee's request. House Republicans have repeatedly tried to strip Planned Parenthood of federal funding because it provides abortions, even though federal funds are not used for those services. 'The Committee has questions about the policies in place and actions undertaken by PPFA and its affiliates relating to its use of federal funding and its compliance with federal restrictions on the funding of abortion,' the letter said." [*National Journal*, 9/27/11]

- **House Democrats Suggested Investigation Was Part Of "A Republican Vendetta" Against Planned Parenthood, Which Is Regularly Audited.** From a letter Reps. Henry Waxman (D-CA) and Diana DeGette (D-CO) sent to Rep. Cliff Stearns (R-FL): "We question the basis for the investigation and whether Planned Parenthood is being singled out as part of a Republican vendetta against an organization that provides family planning and other medical care to low-income women and men. [...] We are aware of no predicate that would justify this sweeping and invasive request to Planned Parenthood. The HHS Inspector General and state Medicaid programs regularly audit Planned Parenthood and report publicly on their findings. These audits have not identified any pattern of misuse of federal funds, illegal activity, or other abuse that would justify a broad and invasive congressional investigation." [Democrats.EnergyCommerce.House.gov, 9/27/11]

Planned Parenthood's Public Funding Provides Health Care Services For Rural And Underserved Women

The Vast Majority Of Planned Parenthood's Services Are Contraception, STI Tests And Treatment, And Cancer Screenings – Not Abortion. The following chart, provided by Planned Parenthood Federation of America, breaks down the types of services provided by Planned Parenthood health centers:

[Planned Parenthood, 2012]

An Estimated 90 Percent Of The Women Who Visit Planned Parenthood Do Not Get Abortions. From Ezra Klein's *Washington Post* blog: "Tait Sye, spokesman for Planned Parenthood, e-mails: 'I would say the chart is intended to capture the breadth of care we provide. We are very transparent in what the chart represents, and the number of women who come to PP for care. I don't know how they get 1 in 3, but if you want to follow their mathematical logic, you would take number of patients and divide by number of abortions. So, about 1 in 10 women who come to PP, come for abortion care (assuming a woman does not come for a 2nd abortion). 3 million women/ 329,000 abortions.'" [*Washington Post*, 2/3/12]

By Law, The Federal Funding Planned Parenthood Receives Cannot Pay For Abortions. From the *New York Times*: "With a total budget of some $1.1 billion, more than a third of which comes from the federal, state and local governments, Planned Parenthood offers family planning, H.I.V. counseling, treatment for sexually transmitted diseases, cancer screening and other services as well as abortions, mainly to low-income women. Congress has long barred the use of federal money for abortion, but it provides more than $75 million a year to Planned Parenthood affiliates to support family planning for low-income women. Millions more in federal dollars are provided for sex education and, indirectly, through Medicaid and other programs." [*New York Times*, 2/17/11]

• **The Hyde Amendment Bars Federal Money For Abortions Except In Cases Of Rape, Incest, Or If The Life Of The Mother Is In Danger.** From NPR: "'Today's Hyde language, which has been in every annual Labor-HHS [Health and Human Services] appropriations bill since 1976, specifically prohibits federal dollars from being used to pay for abortions except if the pregnancy was the result of rape, incest or the life of the mother was in danger,' said Sen. Orrin Hatch (R-UT) on the Senate floor. That's true." [NPR.org, 12/14/09]

Planned Parenthood President: Most Clinics Provide Medical Care In Rural Or Underserved Communities. From the *Huffington Post*: "Cecile Richards, the president of Planned Parenthood, told HuffPost that the funding cut would be a threat to women's health. 'We have three million come to us every year and two million come through some kind of federal program either for an annual pap or for birth control or for a breast exam or even prenatal care,' she noted, adding that the cuts would disproportionately impact rural areas with relatively few medical options. 'More than 70 percent of our health centers, more than 800 centers in the country, are located in rural America or communities that are medically underserved communities. That's what's getting lost here.'" [*Huffington Post*, 4/7/11]

***Slate*: "For Many Women In Rural And Isolated Areas, Planned Parenthood Is The Only Reliable Source Of Contraception."** From *Slate*: "For many women in rural and isolated areas, Planned Parenthood is the only reliable source of contraception. If the Pence amendment terminates their access, more of these women–many of whom are either uninsured or on Medicaid—will face unintended pregnancies." [*Slate*, 3/28/11]

Planned Parenthood Is Able To Provide Reproductive Health Services At A Lower Cost Than Other Providers. From *Slate*:

> The Pence amendment would, rather than cut overall spending, shift patients from Planned Parenthood to other clinics—clinics that typically charge the government more for the same services. ... Planned Parenthood cost the government an average of $148 for a patient's

contraceptive care in a year, while other clinics spent $215 a year per patient. Just pushing contraceptive care for these patients from Planned Parenthood to other clinics would thus cost the government an additional $174 million a year.

How can Planned Parenthood offer services so much less expensively than other providers? In part, it's because there is a federal law that requires drug companies to provide deep discounts to organizations with an overt family planning mission. According to Ehrmann, the organization also saves money by keeping up with the latest standards of care. For instance, Planned Parenthood provides women full pelvic exams once every three years instead of every year, and unlike many providers, it doesn't require a full exam every time a patient comes in with a specific complaint. Also, like Wal-Mart, Planned Parenthood has an economy of scale advantage—it's the biggest reproductive health care provider in the country, with more than 800 clinics nationwide. "Because we're a large organization," said Planned Parenthood spokesman Tait Sye, "we're able to do national purchasing for medical supplies and other things at lower costs." [*Slate*, 3/28/11]

Planned Parenthood Primarily Serves Low-Income Women. According to Planned Parenthood, 76 percent of the clients who visit their health care centers have incomes "at or below 150 percent of the federal poverty level." [PlannedParenthood.org, 2012]

Planned Parenthood Estimates Its Services Avert Over Half A Million Unintended Pregnancies Each Year. Planned Parenthood estimates the "number of unintended pregnancies averted by Planned Parenthood contraceptive services each year" to be 584,000. [PlannedParenthood.org, 2012]

Planned Parenthood Estimates Its Services Help Avoid Over 275,000 Abortions Each Year. According to Planned Parenthood, the "estimated number of abortions averted by Planned Parenthood contraceptive services each year" totals 277,000. [PlannedParenthood.org, 2012]

Conservative Hostility To International And Domestic Family Planning

Rep. Ron Paul Introduced A Bill To Defund All Family Planning Programs. According to the Kaiser Family Foundation, on March 15, 2011, Rep. Ron Paul introduced the "Taxpayers' Freedom of Conscience Act of 2011," which "would prevent federal expenditures on any form of family planning programs/activities both foreign and domestic." [Kaiser Family Foundation, accessed 2/21/12]

A GOP-Led House Committee Voted To Prohibit U.S. Aid For International Family Planning Organizations That Also Counsel Women On Abortion. From the *Huffington Post*: "The House Foreign Affairs Committee voted on Thursday to reinstate an extreme version of the Global Gag Rule, which blocks all U.S. monetary assistance -- including funding for HIV/AIDS, water and sanitation, child survival and education -- to international health organizations that counsel women on family planning options. [...] The U.S. currently provides $648.5 million in family planning money to developing countries, serving about 215 million women who would otherwise have no access to any kind of contraception. None of that money is spent on abortions, as the Helms Amendment has prevented U.S. tax dollars from funding overseas abortions since 1973. Under the Global Gag Rule, foreign healthcare professionals must make the difficult decision to either deny their patients full and accurate information about safe and legal abortions, or violate U.S. law and risk the loss of funding." [*Huffington Post*, 9/21/11]

The GOP-Controlled House Foreign Affairs Committee Passed A Bill To Eliminate U.S. Funding To The U.N. Population Fund. From the *Huffington Post*: "The House Foreign Affairs Committee approved a bill on Wednesday that zeroes out U.S. aid to the United Nations Population Fund, a women and children's health program that works to reduce maternal mortality, prevent HIV/AIDS and provide contraception to the world's most vulnerable populations." [*Huffington Post*, 10/5/11]

- **Republicans Claim U.N. Population Fund Supports China's One Child Policy.** From the *Huffington Post*: "House Republicans say they are pushing the legislation because the fund, known as the UNFPA, is complicit in China's controversial one-child policy, which enforces abortion and sterilization." [*Huffington Post*, 10/5/11]

The U.N. Population Fund Doesn't Aid China's One-Child Policy, But It Does Work To Promote Maternal And Child Health

A Bush-Era State Department Investigation Found That The U.N. Population Does Not Support China's Coercive Family Planning Policies. From the *Huffington Post*: "But according to the UNFPA, the organization has no involvement with China's one-child efforts. The UNFPA says it does not support abortion as a method of family planning and does not send any American funds to China. In fact, the U.S. State Department conducted an investigation of the UNFPA in 2002 and found 'no evidence that UNFPA has knowingly supported or participated in the management of a program of coercive abortion or involuntary sterilization' in China." [*Huffington Post*, 10/5/11]

One Of The U.N. Population Fund's Areas Of Interest Is "Prevention Of Abortion." From the United Nations Population Fund's website:

> Working with a range of partners, UNFPA assists governments in delivering sexual and reproductive health care throughout the life cycle of women and youths. These areas include:
>
> - Voluntary family planning
> - Antenatal, safe delivery and post-natal care
> - Prevention of abortion and management of its consequences
> - Treatment of reproductive-tract infections
> - Prevention, care and treatment of sexually transmitted infections, including HIV
> - Information, education and counselling, as appropriate, on human sexuality and reproductive health
> - Prevention of violence against women, care for survivors of violence and other actions to eliminate traditional harmful practices
> - Appropriate referrals for further diagnosis and management of the above.
>
> [UNFPA.org, accessed 2/21/12]

The U.N. Population Fund Works to Reduce Poverty, Fights HIV, And Promotes Maternal And Child Health. From the United Nations Population Fund's website: "UNFPA, the United Nations Population Fund, is an international development agency that promotes the right of every woman, man and child to enjoy a life of health and equal opportunity. UNFPA supports countries in using population data for policies and programmes to reduce poverty and to ensure that every pregnancy is wanted, every birth is safe, every young person is free of HIV/AIDS, and every girl and woman is treated with dignity and respect. [...] The goals of UNFPA - achieving universal access to sexual and reproductive health (including family planning), promoting reproductive rights, reducing maternal mortality and accelerating progress on the ICPD agenda and MDG 5 - are inextricably linked. UNFPA also focuses on improving the lives of youths and women by advocating for human rights and gender equality and by promoting the understanding of population dynamics." [UNFPA.org, accessed 2/21/12]

GOP Tried To Reroute Money From The Affordable Care Act And Teen Pregnancy Prevention To Ineffective Abstinence Education

Rep. Hultgren Introduced A Bill To Reallocate Federal Money To Abstinence-Only Educational Programs. On September 8, 2011, Rep. Randy Hultgren (R-IL) introduced the "Abstinence Education Reallocation Act of 2011," which would allow the Secretary of Health and Human Services to "award grants on a competitive basis to public and private entities to provide qualified sexual risk avoidance education to youth and their parents." The bill states that grants will go only to education that has "as its sole purpose teaching of the skills and benefits of sexual abstinence as the optimal sexual health behavior for youth." [Abstinence Education Reallocation Act of 2011, 9/8/11]

- **Hultgren's Bill Funds Abstinence Education By Raiding The Affordable Care Act's Prevention And Public Health Fund.** From the text of H.R. 2874, the Abstinence Education Reallocation Act of 2011: "There is authorized to be appropriated $110,000,000 for each of fiscal years 2012 through 2016 to carry out this Act. Amounts authorized to be appropriated by the preceding sentence shall be derived exclusively from amounts in the Prevention and Public Health Fund established by section 4002 of the Patient Protection and Affordable Care Act." [Abstinence Education Reallocation Act of 2011, 9/8/11]

The GOP-Proposed Draft 2012 Labor-HHS Budget Bill Would Have Decimated New Teen Pregnancy Prevention Initiative And Funded Abstinence-Only Education. From RH Reality Check:

> The proposed bill cuts funding for the Teen Pregnancy Prevention Initiative from $110 million to just $20 million. The new initiative, according to the Sexuality Information and Education Council of the United States (SIECUS), funds a total of 102 grantees in 36 states and is set to reach over 800,000 young people annually. It began in FY 2010 and was designed to support 'medically accurate and age-appropriate programs to reduce teen pregnancy and underlying behavioral risk factors.' Many saw this as the Obama Administration's answer to the Bush-era investment in abstinence-only-until-marriage programs which did not work. Not only would the cuts force the government to drastically reduce the number of grantees receiving money, the proposed bill also removes the important requirement that all programs be evidence-based, which disregards the intent of the initiative and makes room for abstinence-only programs to apply.

> But they might not have to because the bill also resurrects the Community-Based Abstinence Education (CBAE) grant program. CBAE was always considered the strictest of the funding streams for abstinence-only programs in part because the money went straight from the Department of Health and Human Services to community-based organizations bypassing the states which were often more relaxed about the definition of what constitutes an abstinence-only program. Funding for CBAE was finally eliminated in Fiscal Year 2010. In this proposed bill, it once again would receive $20 million. [RH Reality Check, 10/3/11]

A Later 2012 Labor-HHS Budget Proposal Added $5 Million For Abstinence Education. From *The Hill*: "House GOP appropriators unveiled late Wednesday an omnibus spending bill that sets aside $69.7 billion for the Department of Health and Human Services. That's $700 million less than what HHS got for the fiscal year that ended Sept. 30 and $3.4 billion below the president's budget request. [...] The bill also eliminates cuts to Planned Parenthood, while adding $5 million for abstinence education, which wasn't funded last year or in the president's budget request." [*The Hill*, 12/15/11]

Abstinence Education Has Not Proven Effective – But Comprehensive Sex-Ed Has

2011 Study: States With Abstinence-Only Public School Education Have Higher Teen Pregnancy Rates. From the University of Georgia:

> States that prescribe abstinence-only sex education programs in public schools have significantly higher teenage pregnancy and birth rates than states with more comprehensive sex education programs, researchers from the University of Georgia have determined.
>
> The researchers looked at teen pregnancy and birth data from 48 U.S. states to evaluate the effectiveness of those states' approaches to sex education, as prescribed by local laws and policies.
>
> "Our analysis adds to the overwhelming evidence indicating that abstinence-only education does not reduce teen pregnancy rates," said Kathrin Stanger-Hall, assistant professor of plant biology and biological sciences in the Franklin College of Arts and Sciences. [...]
>
> Along with teen pregnancy rates and sex education methods, Hall and Stanger-Hall looked at the influence of socioeconomic status, education level, access to Medicaid waivers and ethnicity of each state's teen population.
>
> Even when accounting for these factors, which could potentially impact teen pregnancy rates, the significant relationship between sex education methods and teen pregnancy remained: the more strongly abstinence education is emphasized in state laws and policies, the higher the average teenage pregnancy and birth rates. [UGA.edu, accessed 2/22/12]

2007 Study: Abstinence-Only Programs Don't Keep Teens From Having Sex. From the *Washington Post*: "A long-awaited national study has concluded that abstinence-only sex education, a cornerstone of the Bush administration's social agenda, does not keep teenagers from having sex. Neither does it increase or decrease the likelihood that if they do have sex, they will use a condom. Authorized by Congress in 1997, the study followed 2000 children from elementary or middle school into high school. The children lived in four communities -- two urban, two rural. All of the children received the family life services available in their community, in addition, slightly more than half of them also received abstinence-only education. By the end of the study, when the average child was just shy of 17, half of both groups had remained abstinent." [*Washington Post*, 4/14/07]

National Campaign to Prevent Teen And Unplanned Pregnancy: No Evidence In Favor Of Abstinence Programs. From a 2007 study by the National Campaign to Prevent Teen And Unplanned Pregnancy: "At present, there does not exist any strong evidence that any abstinence program delays the initiation of sex, hastens the return to abstinence, or reduces the number of sexual partners. In addition, there is strong evidence from multiple randomized trials demonstrating that some abstinence programs chosen for evaluation because they were believed to be promising actually had no impact on teen sexual behavior. That is, they did not delay the initiation of sex, increase the return to abstinence or decrease the number of sexual partners. At the same time, they did not have a negative impact on the use of condoms or other contraceptives. [...] Many of the abstinence programs improved teens' values about abstinence or their intentions to abstain, but these improvements did not always endure and often did not translate into changes in behavior." [The National Campaign to Prevent Teen And Unplanned Pregnancy, November 2007]

Independent 2009 CDC Task Force: "Insufficient Evidence" About Abstinence Programs. From the *Washington Post*: "[T]here is insufficient evidence to know whether programs that focus on encouraging

teens to remain sexually abstinent until marriage are effective, the panel concluded." [*Washington Post*, 2/22/12]

Guttmacher: "Strong Evidence" In Favor Of Comprehensive Sex Ed. From the Guttmacher Institute: "Strong evidence suggests that comprehensive approaches to sex education help young people both to withstand the pressures to have sex too soon and to have healthy, responsible and mutually protective relationships when they do become sexually active." [Guttmacher Institute, February 2012]

2011 Study: Lowest Teen Pregnancy Rates Occurred In States That Mandated Comprehensive Sex-Ed. From the University of Georgia: "The paper indicates that states with the lowest teen pregnancy rates were those that prescribed comprehensive sex and/or HIV education, covering abstinence alongside proper contraception and condom use. States whose laws stressed the teaching of abstinence until marriage were significantly less successful in preventing teen pregnancies." [UGA.edu, accessed 2/22/12]

2009 CDC Task Force: Comprehensive Sex-Ed Programs Are Effective In Reducing Risky Sexual Behavior. From the *Washington Post*: "Sex-education programs that encourage teens to delay sexual activity and teach them about contraception cut risky sexual behavior, increase condom use and lower the chances of getting the AIDS virus and other infections, a panel of independent experts concluded in a report released Friday. [...] The conclusions came after the Task Force on Community Preventive Services, an independent 15-member panel that issues public-health recommendations, reviewed an analysis of 83 studies of sexual-education programs conducted between 1980 and 2007. The analysis was conducted by a 19-member team of experts assembled by the federal Centers for Disease Control and Prevention to examine the politically sensitive question." [*Washington Post*, 2/22/12]

National Campaign to Prevent Teen And Unplanned Pregnancy: Two-Thirds Of Comprehensive Programs Had "Positive Behavioral Effects." From a 2007 study by the National Campaign to Prevent Teen And Unplanned Pregnancy: "Two-thirds of the 48 comprehensive programs that supported both abstinence and the use of condoms and contraceptives for sexually active teens had positive behavioral effects. Specifically, over 40 percent of the programs delayed the initiation of sex, reduced the number of sexual partners, and increased condom or contraceptive use; almost 30 percent reduced the frequency of sex (including a return to abstinence); and more than 60 percent reduced unprotected sex. Furthermore, nearly 40 percent of the programs had positive effects on more than one of these behaviors." [The National Campaign to Prevent Teen And Unplanned Pregnancy, November 2007]

GOP Spending Bill Would Have Cut Over $700 Million From Program That Feeds Pregnant Women And Babies

WIC: Food For Pregnant Women, New Mothers, And Babies

In Their 2011 Funding Bill, House Republicans Voted To Cut Funding For Programs To Promote Health Of Pregnant Women, Infants, And Young Children. From the National Women's Law Center: "H.R. 1 cuts $747 million from the Special Supplemental Nutrition Program for Women, Infants, and Children, better known as the WIC program. The WIC program provides nutritious food, counseling, and other supports to 9.6 million low-income pregnant women, new mothers, and infants each month. This program makes a real difference; studies have linked WIC participation with higher birth weight and lower infant mortality." [National Women's Law Center, 2/23/11]

To Qualify For WIC, Mothers And Children Must Be At "Nutritional Risk"

WIC Grants Pay For Food And Health Care For Pregnant Women And Young Mothers. From the *Huffington Post*: "The federal Women, Infants and Children (WIC) program provides federal grants to states for food vouchers, regular check-ups and nutrition education for low-income pregnant women and mothers of young children." [*Huffington Post*, 5/2/11]

To Qualify, WIC Applicants Must Be At "Nutritional Risk." According to the U.S. Department of Agriculture's Food and Nutrition Service: "Pregnant, postpartum and breastfeeding women, infants, and children up to age 5 are eligible [for WIC]. They must meet income guidelines, a State residency requirement, and be individually determined to be at 'nutritional risk' by a health professional." [FNS.USDA.gov, accessed 2/17/12]

In FY 2011, 6.8 Million Of The Nearly 9 Million WIC Participants Were Infants Or Children. According to the U.S. Department of Agriculture's Food and Nutrition Service, 8,960,439 people participated in the WIC program in fiscal year 2011. Of those, 2,102,734 were infants and 4,760,922 were children. [FNS.USDA.gov, 2/1/12]

GOP Spending Bill Would Also Have Cut Millions From A Health Care Program For Mothers And Their Children

House Republicans Voted To Cut Programs Supporting Prenatal Health Care. From the National Women's Law Center: "H.R. 1 cuts $50 million from the Title V Maternal & Child Health Block Grant. Title V supported programs provide prenatal health services to 2.5 million women and primary and preventive health care to 31 million children each year. Cuts this deep will devastate state and local programs serving women, babies, children, and children with special health care needs." [National Women's Law Center, 2/23/11]

Title V Seeks To Reduce The U.S.' Higher-Than-Average Infant Mortality Rate

The Maternal And Child Health Program Seeks To Reduce Infant Mortality And Provide Health Care For Low-Income And At-Risk Pregnant Women. According to the Department of Health and Human Services, the Title V Maternal and Child health Program seeks to:

1. Assure access to quality care, especially for those with low-incomes or limited availability of care;
2. Reduce infant mortality;
3. Provide and ensure access to comprehensive prenatal and postnatal care to women (especially low-income and at risk pregnant women);
4. Increase the number of children receiving health assessments and follow-up diagnostic and treatment services;
5. Provide and ensure access to preventive and child care services as well as rehabilitative services for certain children;
6. Implement family-centered, community-based, systems of coordinated care for children with special healthcare needs; and
7. Provide toll-free hotlines and assistance in applying for services to pregnant women with infants and children who are eligible for Title XIX (Medicaid). [HRSA.gov, accessed 2/17/12]

The U.S. Infant Mortality Rate Is Higher Than The Average For Developed Regions. According to the United Nations Department of Economic and Social Affairs, the average infant mortality rate in the United States over 2005-2010 was 7 infant deaths per 1000 live births. The infant mortality rate for "more developed regions" (which includes Europe, Northern America, Australia/New Zealand and Japan) over the 2005-2010 period was 6 infant deaths per 1000 live births. [ESA.UN.org, accessed 2/21/12]

The Primary Reason For High Infant Mortality Rates Is Preterm Births. From the Population Reference Bureau: "A new report from the U.S. National Center for Health Statistics finds that a higher rate of premature births in the United States is the main reason for this poor ranking on infant mortality. In 2004, one in eight U.S. births (12.4 percent) were preterm—born before 37 weeks of gestation—much higher than recorded in most European countries, and double the proportion in Ireland, Finland, and Greece (see figure). Most fully developed babies are born at 37 to 42 weeks of gestation." [PRB.org, December 2009]

Title V Serves Most American Women Who Give Birth

Title V Is The Only Federal Program That Is Focused Only On Improving The Health Of Mothers And Children. From the Department of Health and Human Services: "The Department of Health and Human Services (HHS) supports a wide range of programs designed to prevent infant mortality, led by the Maternal and Child Health Services Block Grant to States (Title V), administered by HHS Health Resources and Services Administration (HRSA) and funded at $730 million (FY 2005). Title V is the only federal program that focuses solely on improving the health of all mothers and children." [HHS.gov, 1/13/06]

Most (60 Percent) Of Women Who Give Birth In A Given Year Get Support From Title V. From the Department of Health and Human Services: "HRSA provides block grants to states to develop service systems to meet critical challenges in maternal and child health, including reducing infant mortality. These state efforts are developed with careful attention to Health Status Indicators and National Performance Measures, among them those that emphasize the importance of adequate prenatal care in improving the health of pregnant women and reducing infant mortality. In an average year, about 60 percent of U.S. women who give birth receive services through MCH programs." [HHS.gov, 1/13/06]

 © AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

07-28-2012

Contraceptive Coverage: No Bitter Pill For Most Americans

Summary

The arguments in favor of the new Health and Human Services (HHS) rule requiring employers to provide health plans that cover contraceptives with no cost-sharing are overwhelming. Yet, as is often the case in matters concerning women's health and reproductive rights, what ought to be an issue of effective and practical modern public health policy has been reframed by the right as a threat to religious liberty. Despite an exception to the HHS rule allowing religiously affiliated employers to avoid paying premiums that support contraceptives by shifting the responsibility onto insurers, conservatives remain outraged. But the outside groups and politicians who persist in protesting over the issue are at odds with the American public.

The Origins Of The Uproar Over Contraceptive Coverage

The Affordable Care Act Requires New Insurance Plans To Cover Preventive Services For Free. From *The New York Times*: "Starting this year, insurers will be required under the Affordable Care Act to completely cover such services as annual physicals, childhood vaccinations and dozens of screening tests for everything from high blood pressure to abdominal aortic aneurysms." [*The New York Times*, 9/19/11]

Sen. Mikulski Added An Amendment To The ACA Mandating That Preventive Care Specific To Women Must Be Covered. From RH Reality Check: "By a vote of 61-39, the Senate passed the Mikulski Amendment to the Patient Protection and Affordable Care Act today. The Mikulsi Amendment, submitted by Sen. Barbara Mikulski (D-MD), requires all health plans to cover comprehensive women's preventive care and related screenings, at no additional charge to women." [RH Reality Check, 12/3/09]

Since Guidelines For Women's Preventive Care Did Not Yet Exist, It Was Left To HHS To Determine Which Services Must Be Covered. From the Guttmacher Institute: "The Mikulski amendment is tied by law to guidelines from HRSA [the Department of Health and Human Services' Health Resources and Services Administration], but in contrast to the category for minors' care, such guidelines do not currently exist. Accordingly, HRSA must quickly flesh them out in the coming months if they are to be up and running by the time the preventive care provision takes effect in September, or anytime soon thereafter." [Guttmacher Institute, Spring 2010]

In July 2011, The Institute Of Medicine Recommended That Covered Women's Preventive Care Include Contraceptives. From the Institute of Medicine, part of the National Academy of Sciences:

> Given the magnitude of change, the U.S. Department of Health and Human Services charged the IOM with reviewing what preventive services are important to women's health and well-being and then recommending which of these should be considered in the development of comprehensive guidelines. The IOM defined preventive health services as measures—including medications, procedures, devices, tests, education and counseling—shown to improve well-being, and/or decrease the likelihood or delay the onset of a targeted disease or condition. **The**

IOM recommends that women's preventive services include:

- improved screening for cervical cancer, counseling for sexually transmitted infections, and counseling and screening for HIV;
- **a fuller range of contraceptive education, counseling, methods, and services** so that women can better avoid unwanted pregnancies and space their pregnancies to promote optimal birth outcomes;
- services for pregnant women including screening for gestational diabetes and lactation counseling and equipment to help women who choose to breastfeed do so successfully;
- at least one well-woman preventive care visit annually for women to receive comprehensive services; and
- screening and counseling for all women and adolescent girls for interpersonal and domestic violence in a culturally sensitive and supportive manner. [Institute of Medicine, 7/19/11, emphasis added]

In August 2011, HHS Adopted The Institute Of Medicine's Recommendations As Rules Governing New Insurance Plans. From the Department of Health And Human Services: "Historic new guidelines that will ensure women receive preventive health services at no additional cost were announced today by the U.S. Department of Health and Human Services (HHS). Developed by the independent Institute of Medicine, the new guidelines require new health insurance plans to cover women's preventive services such as well-woman visits, breastfeeding support, domestic violence screening, and contraception without charging a co-payment, co-insurance or a deductible." [HHS.gov, 8/1/11]

HHS Exempted A Narrow Group Of Religious Institutions – Essentially Houses Of Worship – From Paying For Contraceptive Coverage For Employees. From *Ms. Magazine*: "The Department of Health and Human Services (HHS), under Secretary Kathleen Sebelius, issued a narrow religious exemption, which the Administration is considering broadening. This religious exemption is applicable to 'not-for-profit groups that have the inculcation of religious values as their purpose, primarily employ individuals who hold certain religious beliefs and primarily serve a population with those tenants.' It is interpreted that this religious exemption would only cover employees of the religious institutions themselves, such as employees of churches, synagogues, or mosques. [*Ms. Magazine*, 11/21/11]

In January 2012, The Obama Administration Clarified That Religiously Affiliated Organizations, Such As Catholic Hospitals, Were Not Exempt From The Contraceptive Requirements. From NBC: "It was just on Jan. 20 that the Obama administration announced that religious-affiliated employers -- outside of churches and houses of worships -- had to cover birth control free of charge as preventative care for women. These hospitals, schools and charities were given an extra year to comply, until August 2013, but that concession failed to satisfy opponents, who responded with outrage. [NBC, 2/10/12]

After Backlash, The Obama Administration Tweaked The Policy To Require Insurance Companies, Not Religious Affiliates, To Pay For Free Contraceptive Coverage For In Health Plans For Affiliates' Employees. From CBS News: "In what senior administration officials described as an 'accommodation' in the wake of an uproar from religious leaders, President Obama announced Friday that the government will not force religiously-affiliated institutions such as schools, charities and hospitals to directly provide birth control coverage as part of their employees' health care coverage. Female employees of these religiously-affiliated institutions will, however, still have access to no-cost contraceptive coverage. It will come directly from the employee's health insurer, who will be required to offer the coverage for free. Religious organizations will not be required to provide the contraception coverage, subsidize it or refer women to it." [CBS News, 2/10/12]

In March, The Administration Proposed Ideas For How The Contraceptive Compromise Could Work. From *Politico*:

> President Obama announced in February that religiously affiliated employers — such as Catholic hospitals — will not have to cover contraception for their employees. Instead, insurers will be required to enroll their employees into the coverage free of charge. But the final rule issued at the time did not provide any details on how this would work, leaving many questions. The document issued Friday does not fill in those blanks, but it floats ideas under consideration for implementing the policy. [...] An administration official explained during a background call with reporters Friday that the administration is considering three options for self-insured plans:
>
> - Require the companies that self-insured plans hire to manage their employee benefits, called third-party administrators, to cover the cost of these benefits out of revenues not connected with the religiously affiliated employer.
>
> - Cover the cost of the benefit by having the new reinsurance program established by the health care reform law pay rebates to third-party administrators.

- Have a separate insurance company provide the benefit to these employees.

The proposal also suggests giving the exemption to religious organizations that cover some, but not all, FDA-approved contraceptives. [*Politico*, 3/16/12]

The Contraceptive Rule Updates Longstanding State And National Policy

Employers Already Have To Include Contraceptives As Part Of Their Health Plans – The Only Difference Is Now They're Free. From NPR: "Here's the rub: The only truly novel part of the plan is the 'no cost' bit. [...] In fact, employers have pretty much been required to provide contraceptive coverage as part of their health plans since December 2000. That's when the federal Equal Employment Opportunity Commission ruled that failure to provide such coverage violates the 1978 Pregnancy Discrimination Act. That law is, in turn, an amendment to Title VII of the 1964 Civil Rights Act, which outlaws, among other things, discrimination based on gender." [NPR, 2/10/12]

- **The EEOC Ruling Applies To Employers With 15 Or More Employees.** From the National Women's Law Center: "[T]he federal law prohibiting sex discrimination in the workplace has been held to bar all employers with at least 15 employees from singling out prescription contraception for exclusion from an otherwise comprehensive employee health plan." [National Women's Law Center, August 2009]

A Majority Of States Have Laws Requiring Insurance Plans That Include Prescription Coverage To Cover Contraceptives. From the Guttmacher Institute: "28 states require insurers that cover prescription drugs to provide coverage of the full range of FDA-approved contraceptive drugs and devices; 17 of these states also require coverage of related outpatient services." [Guttmacher Institute, 2/2/12]

The Original Narrow Religious Exemption Has Been Upheld On The State Level. From NPR:

> There are now lawsuits challenging the constitutionality of the policy, including a new one filed on behalf of the religious television network EWTN. But the exemptions have already been tested in court, at least at the state level.
>
> In 2004, the California Supreme Court upheld that state's law, in a suit brought by Catholic Charities, on a vote of 6-1.
>
> The court ruled that Catholic Charities didn't qualify as a "religious employer" because it didn't meet each of four key criteria (which, by the way, are the same as those in the new federal regulation):
>
> - The organization's primary purpose is "the inculcation of religious values."
> - It primarily employs people of that religion.
> - It primarily serves people of that religion.
> - It's a registered nonprofit organization.
>
> Two years later, in 2006, New York's top state court rejected a claim by Catholic Charities and several other religious groups that the state's contraceptive coverage law discriminated against them because it exempted churches but not their religiously affiliated groups.
>
> "When a religious organization chooses to hire nonbelievers, it must, at least to some degree, be prepared to accept neutral regulations imposed to protect those employees' legitimate interests in doing what their own beliefs permit," the justices wrote. [NPR, 2/10/12]

Affordable Contraception Is A Public Health Issue That Benefits Women, Children, And Society

Cost Affects Individuals' Contraceptive Use

"Cost-Prohibitive" Nature Of Contraceptives Promotes Imperfect Use. From the Center for American Progress:

> High costs have forced many women to stop or delay using their preferred method, while others have chosen to depend on less effective methods that are the most affordable.
>
> - Surveys show that nearly one in four women with household incomes of less than $75,000 have put off a doctor's visit for birth control to save money in the past year.

- Twenty-nine percent of women report that they have tried to save money by using their method inconsistently.
- More than half of young adult women say they have not used their method as directed because it was cost-prohibitive. [Center for American Progress, 2/15/12]

Women Who Don't Use Birth Control Or Who Use It Inconsistently Account For 95 Percent Of Unintended Pregnancies. From the Guttmacher Institute:

> Among the 43 million women at risk of an unintended pregnancy in 2002, 6% did not use a method all year, 10% had a gap in use of at least one month and 19% reported inconsistent use (e.g., skipped pills). This behavior has clear consequences: The one-third of women who do not use a method or who use one inconsistently account for 95% of unintended pregnancies.
>
> Although there are myriad reasons behind these distressing statistics, cost is one important barrier. ... A national survey from 2004 found that one-third of women using reversible contraception would switch methods if they did not have to worry about cost; these women were twice as likely as others to rely on lower-cost, less effective methods. According to another recent study of 10,000 women in the St. Louis area, when offered the choice of any contraceptive method at no cost, two-thirds chose long-acting methods—a level far higher than in the general population. Findings like this help explain why rates of unintended pregnancies are far higher among poor and low-income women than among their higher-income counterparts. ... [A]ccording to three recent studies, lack of insurance is significantly associated with reduced use of prescription contraceptives. [Guttmacher Institute, Winter 2011]

Even With Private Insurance, Cost-Sharing Forces Many Women Pay A Significant Portion Of Their Contraceptive Costs. From the Center for American Progress:

> Although three-quarters of American women of childbearing age have private insurance, they still have had to pay a significant portion of contraceptive costs on their own.
>
> - A recent study shows that women with private insurance paid about 50 percent of the total costs for oral contraceptives, even though the typical out-of-pocket cost of noncontraceptive drugs is only 33 percent.
> - In some cases oral contraceptives approach 29 percent of out-of-pocket spending on health care for women with private insurance. [Center for American Progress, 2/15/12]

Studies Indicate That Even "Seemingly Small Cost- Sharing Requirements Can Dramatically Reduce Preventive Health Care Use." From the Guttmacher Institute: "Yet, cost-sharing poses a significant problem even for women who are insured. A 2010 study found that women with private insurance that covers prescription drugs paid 53% of the cost of their oral contraceptives, amounting to $14 per pack on average. What they would pay for a full year's worth of pills amounts to 29% of their annual out-of-pocket expenditures for all health services. Numerous studies have demonstrated that even seemingly small cost-sharing requirements can dramatically reduce preventive health care use, particularly among lower-income Americans." [Guttmacher Institute, Winter 2011]

Available Contraception Yields Better Health...

Guttmacher: Using Contraceptives To Help Plan Pregnancies Has "Substantial Benefits For The Health And Well-Being Of Women, Infants, Families And Society." According to the Guttmacher Institute: "An extensive body of research shows that contraceptive use helps women avoid unintended pregnancy and improve birth spacing, resulting in substantial benefits for the health and well-being of women, infants, families and society. The evidence strongly suggests that coverage without cost-sharing of contraceptive counseling and the provision of all methods approved by the Food and Drug Administration, as specified by the guidelines, is a low-cost or even cost-saving means of helping women overcome financial barriers to choosing a contraceptive method they will be able to use consistently and effectively. That may be particularly important with respect to long-acting, reversible methods (such as the IUD and the implant), which are extremely effective and cost-effective in the long run, but have high up-front costs." [Guttmacher.org, Summer 2011, citations removed]

Using Contraceptives = Avoiding Unintended Pregnancies = Fewer Abortions. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women:

The effectiveness of contraceptive use for individual women and couples translates into lower rates of unintended pregnancy and subsequent abortion among the broader population. Cross-country comparisons provide some evidence for this relationship: Unintended pregnancy in the United States is higher than in other developed countries, and contraceptive use is lower. ... International comparisons also provide evidence that contraceptive use reduces women's recourse to abortion. [...]

Trends in unintended pregnancy rates in the United States provide further evidence of the effectiveness of contraceptive use. The proportion using contraceptives among unmarried women at risk of unintended pregnancy increased from 80% in 1982 to 86% in 2002; this increase was accompanied by a decline in unmarried women's unintended pregnancy and abortion rates over the same period, with the abortion rate for unmarried women falling from 50 per 1,000 women in 1981 to 34 per 1,000 in 2000. [Guttmacher Institute testimony, 1/12/11, citations removed]

In 2006, Publicly Funded Contraception Helped Avoid Almost 2 Million Unintended Pregnancies And Over 800,000 Abortions. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "More than nine million clients received publicly funded contraceptive services in 2006, and that national effort helped women avoid 1.94 million unintended pregnancies, including 810,000 abortions. By facilitating access to a more effective mix of contraceptive methods, publicly funded family planning centers enable their clients to have 78% fewer unintended pregnancies than are expected among similar women who do not use or do not have access to these services. Indeed, in the absence of this public effort, levels of unintended pregnancy and abortion would be nearly two-thirds higher among U.S. women overall and close to twice as high among poor women." [Guttmacher Institute testimony, 1/12/11, citations removed]

Increased Contraceptive Use Is Responsible For Most Of The Decline In Adolescent Pregnancy. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "Similarly, increased contraceptive use led to a decline in the risk of pregnancy among adolescents. One study found that from 1991 to 2003, contraceptive use improved among sexually active U.S. high school students, with an increase in the proportion reporting condom use at last sex (from 38% to 58%), and declines in the proportions using withdrawal (from 19% to 11%) and no method (18% to 12%); these adolescents' risk of pregnancy declined 21% over the 12 years. Another study found that increased contraceptive use was responsible for 77% of the sharp decline in pregnancy among 15–17-year-olds between 1995 and 2002 (decreased sexual activity was responsible for the other 23%); and increased contraceptive use was responsible for all of the decline in pregnancy among 18–19-year-olds." [Guttmacher Institute testimony, 1/12/11, citations removed]

Contraceptives Let Women Space Out Pregnancies, Which Means Children Will Be Born Healthier. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "The most direct, positive effects of helping women and couples plan the number and timing of their pregnancies and births are those related to improving birth outcomes. Short birth intervals have been linked with numerous negative perinatal outcomes. U.S. and international studies have found a causal link between the interpregnancy interval (the time between a birth and a subsequent pregnancy) and three major measures of birth outcomes: low birth weight, preterm birth and small size for gestational age. For this reason, contraceptive use to help women achieve optimal spacing is important to help them improve their infants' health." [Guttmacher Institute testimony, 1/12/11, citations removed]

...Higher Quality Of Life...

Marriages And Relationships Are More Likely To Dissolve After Unintended Pregnancies. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "There is also some evidence that unintended pregnancy has significant negative effects on relationship stability. Both marriages and cohabitations are more likely to dissolve after an unintended first birth than after an intended first birth, even after controlling for a range of sociodemographic variables. Moreover, mothers and fathers who have an unplanned birth report less happiness and more conflict in their relationship and more depressive symptoms for the mother, compared with similar women and men who have a planned birth. Unintendedness of the pregnancy by the father, in particular, is associated with greater relationship conflict and has very slight (though statistically significant) negative effects on children's attachment security and mental proficiency." [Guttmacher Institute testimony, 1/12/11, citations removed]

Access To The Pill Improved Social And Economic Outlooks For Women. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "The advent of the pill allowed women greater freedom in career decisions in two main ways. The first is that having a reliable form of contraception allowed women to invest in higher education and a career with far less risk of an unplanned pregnancy. Secondly, the pill led to an increase in the age at first marriage across the total population; as a result, a woman could pursue a career or education before marrying while

facing less of a risk that she would be unable to find a desirable husband later." [Guttmacher Institute testimony, 1/12/11]

There May Be Links Between Unintended Pregnancy And Child Abuse, Maternal Depression. From testimony the Guttmacher Institute provided to the Institute of Medicine's Committee on Preventive Services for Women: "Moreover, although evidence is limited, several studies from the United States, Europe and Japan suggest an association between unintended pregnancy and subsequent child abuse. There is also some evidence of an association between unintended pregnancy and maternal depression and anxiety, although the strength of this finding is limited by poor study design." [Guttmacher Institute testimony, 1/12/11]

...And Lower Health Care Costs

After Congress Mandated Contraceptive Coverage For Federal Employees, Premiums Did Not Increase Because Health Care Costs Did Not Go Up. From the Department of Health and Human Services:

> Evidence from well-documented prior expansions of contraceptive coverage indicates that the cost to issuers of including coverage for all FDA-approved contraceptive methods in insurance offered to an employed population is zero.
>
> In 1999, Congress required the health plans in the Federal Employees Health Benefits (FEHB) program to cover the full range of FDA-approved contraceptive methods. The FEHB program is the largest employer-sponsored health benefits program in the United States, and at the time, it covered approximately 9 million Federal Employees, retirees and their family members and included approximately 300 health plans. The premiums for 1999 had already been set when the legislation passed, so the Office of Personnel Management (OPM), which administers the FEHB program, provided for a reconciliation process. However, there was no need to adjust premium levels because there was no cost increase as a result of providing coverage of contraceptive services. [HHS.gov, February 2012]

The *Direct* Costs Of Providing Contraceptive Coverage Would Add Less Than 0.5 Percent To Premiums. From the Department of Health and Human Services: "The direct costs of providing contraception as part of a health insurance plan are very low and do not add more than approximately 0.5% to the premium costs per adult enrollee. Studies from three actuarial firms, Buck Consultants, PriceWaterhouseCoopers (PwC), and the Actuarial Research Corporation (ARC) have estimated the direct costs of providing contraception coverage. In 1998, Buck Consultants estimated that the direct cost of providing contraceptive benefits averaged $21 per enrollee per year. PwC actuaries completed an analysis using more recent, 2003 data from MedStat for the National Business Group on Health, and determined that a broader range of services (contraceptive services, plus lab and counseling services) would cost approximately $41 per year. The most recent actuarial analysis, completed by the Actuarial Research Corporation in July 2011, using data from 2010, estimated a cost of about $26 per year per enrolled female." [HHS.gov, February 2010, citations removed]

Taking Into Account The Medical And Indirect Costs Of Unintended Pregnancies, Contraceptive Coverage Saves Employers Almost $100 Per Year Per Employee. From the Department of Health and Human Services:

> When medical costs associated with unintended pregnancies are taken into account, including costs of prenatal care, pregnancy complications, and deliveries, the net effect on premiums is close to zero. One study author concluded, "The message is simple: regardless of payment mechanism or contraceptive method, contraception saves money."
>
> When indirect costs such as time away from work and productivity loss are considered, they further reduce the total cost to an employer. Global Health Outcomes developed a model that incorporates costs of contraception, costs of unintended pregnancy, and indirect costs. They find that it saves employers $97 per year per employee to offer a comprehensive contraceptive benefit. Similarly, the PwC actuaries state that after all effects are taken into account, providing contraceptive services is "cost-saving." [HHS.gov, February 2010, citations removed]

Study Estimated It Costs Employers Up To 17 Percent More To *Not* Provide Contraceptive Coverage. From the Guttmacher Institute: "Moreover, a 2000 study by the National Business Group on Health, a membership group for large employers to address their health policy concerns, estimated that it costs employers 15–17% more to not provide contraceptive coverage in their health plans than to provide

such coverage, after accounting for both the direct medical costs of pregnancy and indirect costs such as employee absence and reduced productivity. Mercer, the employee benefits consulting firm, reached a similar conclusion. And a more recent National Business Group on Health report, drawing on actuarial estimates by PricewaterhouseCoopers, concluded that even if contraception were exempted from cost-sharing, the savings from its coverage would exceed the costs." [Guttmacher Institute, Winter 2011]

Every Public Dollar Spent On Contraception Saves Almost Four Times That Much On Medicaid Expenses For Unintended Pregnancies. From the Guttmacher Institute: "Yet, although the costs of contraception can be daunting for individual women, insurance coverage of contraceptive services and supplies—both public and private—actually saves money. Guttmacher Institute research finds that every public dollar invested in contraception saves $3.74 in short-term Medicaid expenditures for care related to births from unintended pregnancies. In total, services provided at publicly funded family planning centers saved $5.1 billion in 2008. (Significantly, these savings do not account for any of the broader health, social or economic benefits to women and families from contraceptive services and supplies and the ability to time, space and prepare for pregnancies.)" [Guttmacher Institute, Winter 2011]

The American Public Supports Contraceptive Coverage

Most Americans Think Employers Should Have To Include Free Contraception In Their Health Plans. From the *New York Times*: "Over all, 63 percent of Americans said they supported the new federal requirement that private health insurance plans cover the cost of birth control, according to the survey of 1,519 Americans, conducted from Feb. 13 to Feb. 19 for the Henry J. Kaiser Family Foundation. The poll has a margin of sampling error of plus or minus three percentage points." [*New York Times*, 3/1/12]

Nearly Two-Thirds Of Americans Think Contraceptive Coverage By Religious Affiliates Is A Matter Of Women's Health, Not Religious Liberty. According to a Bloomberg poll conducted March 8-11, 62 percent of adult Americans think the "controversy over whether education and health care facilities affiliated with religious organizations, such as the Catholic Church, should provide access to birth control through health insurance plans" is "a matter of a woman's health and access to birth control." Thirty-three percent view it as "a matter of religious liberty." [Bloomberg News Poll, March 8-11, 2012]

About 60 Percent Of Catholics Support Free Contraception In Employer Health Plans. According to the Public Religion Research Institute: "Catholics generally agree with the distinction made by the Obama administration between churches and religiously affiliated institutions: roughly 6-in-10 Catholics report that religiously affiliated social service agencies (59 percent), colleges (60 percent), hospitals (59 percent), and privately owned small businesses (58 percent) should be required to provide health care plans that cover contraception at no cost." [PRRI.org, 6/27/12]

Fox News Poll: Plurality Of Respondents Support Requirement "That Employer Health Plans Provide Birth Control Coverage." From a Fox News poll conducted from June 3-5, 2012:

The new Obama health care law requires that employer health plans provide birth control coverage as part of preventive services for women. Most Catholic and other religious-affiliated hospitals and universities don't do that and are fighting the new requirement in court because they say it violates their religious rights under the Constitution. Overall, who do you believe is right in this situation -- the Catholic Church or the government?

The Catholic Church	41%
The government	47
(Don't know)	12

[Fox News Poll, June 3-5, 2012]

Several Catholic Organizations Praised The Administration's Compromise

Association Of Jesuit Colleges And Universities "Appreciates The Compromise." From a press release from the Association of Jesuit Colleges and Universities: "The Association of Jesuit Colleges and Universities (AJCU) acknowledges and appreciates the compromise that President Obama has made to accommodate religious institutions in regard to the birth control mandate under the Affordable Care Act. We commend the Obama Administration for its willingness to work with us on moving toward a solution, and we look forward to working out the details of these new regulations with the White House." [AJCUNet.edu, 2/10/12]

Catholics United Praised Obama For 'Rising Above The Fray' And 'Respecting Religious Liberty." From a press release from Catholics United: "Today the Obama Administration announced that the President would be issuing a new regulation fully respecting the religious liberty of Catholic organizations

while maintaining access to contraceptive services for all employees. ... Using the standard of Catholic moral theology, this solution is acceptable because no Catholic or Catholic institution will be directly involved in what the church deems to be an immoral act. 'Catholics United has been calling on both sides of this heated debate to work towards today's win-win solution,' said James Salt, executive director of Catholics United. 'President Obama has shown us that he is willing to rise above the partisan fray to deliver an actual policy solution that both meets the health care needs of all employees and respects the religious liberty of Catholic institutions.' [Catholics-United.org, 2/10/12]

Sisters Of Mercy Of The Americas Were "Pleased" With Compromise. From a statement released by the Catholic service organization Sisters of Mercy of the Americas: "The Sisters of Mercy of the Americas are pleased that adjustments are being made in the new health insurance requirements that will ensure conscience protections for religious-affiliated institutions. We commend President Obama for his openness to dialogue on this issue and his willingness to address these concerns." [SistersOfMercy.org, 2/10/12]

Leadership Conference Of Women Religious: President's Resolution "Is A Fair And Helpful Way For Us To Move Forward." From a statement issued by the Leadership Conference of Women Religious, a Catholic group whose 1500-plus members represent over 80 percent of American nuns: "The Leadership Conference of Women Religious (LCWR) is grateful that President Obama and the administration listened to the concerns raised about providing effective healthcare coverage in a way that respects and honors the conscience rights of religious institutions. We believe the resolution the President made is a fair and helpful way for us to move forward. We are grateful to the many individuals and organizations who courageously voiced their concerns on this critical matter and worked together to find a resolution. Such collaboration and mutual respect model an effective way for our country to deliberate on the many complex issues we face. LCWR supports the full implementation of the Affordable Care Act so that the urgent needs of the uninsured can be met." [LCWR.org, 2/10/12; LCWR.org, accessed 8/1/12]

But Despite Compromise – And The Health Benefits, Cost-Effectiveness, And Public Support – Conservatives Still Oppose The Policy

Conservative Groups

Heritage Foundation: Compromise Is A "Fig Leaf" Necessitated By Improperly Designed Health Reforms. On the Heritage Foundation's *Foundry* blog, Thomas Messner, Edmund Haislmaier, and Ryan T. Anderson write:

> Under pressure for trampling religious freedom, last Friday the Obama Administration announced certain potential modifications to the rule. Sort of. What the Administration actually did was post the final rule *without any changes*. That's right—they posted the final rule without any modifications from the August 2011 version that caused the furor in the first place. And then they promised that sometime during the next year, they would pursue a *new* rule to address concerns about religious freedom.
>
> Decide for yourself how much weight to put on the Administration's promise to protect religious freedom in some future rulemaking process. Even if the Administration does exactly what it says it will do, however, the announced "compromises" are little more than a fig leaf, meaning the forced coverage mandate—on this and future issues—persists as a serious threat to religious freedom.
>
> In short, this issue isn't going away, as badly as the Administration might want it to. That means more spin from the Administration and its allies in the days and weeks ahead.
>
> Concerned citizens, leaders of religious institutions, and public officials should respond by keeping their focus on three basic points:
>
> 1. Religious freedom goes hand in hand with limited government and with greater freedom in general.
> 1. The basic structure of Obamacare makes these kinds of conflicts both inevitable and recurring.
> 2. Properly designed health reforms would never have produced this situation in the first place.
> [*The Foundry*, 2/14/12]

FRC President Tony Perkins: Compromise Is "Deceptive" And "Fundamentally Wrong." From a video of Family Research Council president Tony Perkins:

> PERKINS: Hoping to quell the uprising, the president announced that a compromise was being

put forth that would provide the drugs and services to employees without the religious organization having to pay for them. The insurance company would provide the contraception to the employees free of charge. [...]

This latest fig leaf from the Obama administration is not only deceptive, this mandate remains fundamentally wrong and still violates the religious freedoms and conscience rights of Americans. Even if this compromise were legitimate, it applies only to religious organizations. The freedom of religion was granted to every American, not just those who work at religious organizations.

This is yet another example of President Obama's flawed view of our rights as Americans. He has repeatedly said he supports the freedom of worship. Freedom of worship is what happens within the four walls of a church or possibly under the roof of your own home. The freedom of religion, which our Constitution serves to protect, recognizes our ability to lives our lives according to our faith, just as the Bible instructs us to do." [Tony Perkins Statement via FRCblog.com, 2/10/12]

Richard Land: "So-Called Compromise" On "Abortion Mandate" Is Obama's "Attempt To Mollify His Radical Pro-Abortion Supporters." From a statement from Richard Land, president of the Southern Baptist Convention's Ethics and Religious Liberty Commission:

"Southern Baptists and people of other various faith communities are outraged with President Obama's so-called compromise on his administration's abortion mandate. In his attempt to mollify his radical pro-abortion supporters, President Obama has declared that individual conscience is subject to government edict.

"The president's failure to grasp the seriousness of this issue reveals a dangerous presidential blind spot concerning First Amendment constitutional religious free exercise guarantees. [...]

"Today President Obama let down his fellow Americans of religious faith by dismissing these issues of inviolable conscience as troublesome inconveniences. The president's so-called compromise tramples the deeply held beliefs of tens of millions of Americans, beliefs that are guaranteed and protected by the U.S. Constitution.

"Mr. President, mere accounting tricks will not suffice. You have given your fellow citizens' cry of conscience the dismissive back of your hand by offering them not a solution, but a distinction without a difference." [ERLC.com, 2/10/12]

American Family Association: Compromise Is A "Shell Game." From a release put out by the American Family Association:

Last week, President Barack Obama proposed a "compromise" over his administration's earlier healthcare mandate to force churches and religious organizations to provide abortion inducing drugs and devices, as well as surgical sterilization, in their insurance plans.

What was his "compromise?" Make the insurance companies pay for it instead!

Obama's latest mandate is nothing more than a shell game. Religious organizations and Christian-owned businesses will still be paying for insurance plans which will, in turn, give "free" contraceptives and abortifacients to their employees. Where in the constitution does any president get the authority to mandate that private companies provide services or products for "free" to consumers?

The American people are not stupid, and realize insurance companies will simply pass the costs on to the insured. That's you, me, churches, and every other religious institution, including EVERY Christian-owned business, that provides insurance to its employees. [AFA.net, 2/14/12, emphasis original]

- **SPLC: The Family Research Council And The American Family Association Are Hate Groups.** The Southern Poverty Law Center has designated the Family Research Council and the American Family Association as anti-gay "hate groups." [SPLCenter.org, accessed 2/23/12]

Conservative Politicians

Romney: Compromise Is "Another Deception." From the *National Journal*: "At the event, Romney also waded into the political fray over the decision by the Obama administration today to require insurers, rather than private employers, to pay for coverage of contraception. The move reversed an earlier decision that would have required religious-affiliated organizations, such as Catholic hospitals, to provide the coverage, prompting an outcry from across the political spectrum. 'Today he did the classic Obama retreat all right, and what I mean by that is, it wasn't a retreat at all. It's another deception,' Romney said, arguing that that religious organizations still will have to pay for contraception after insurance companies pass the costs along to employers. 'Companies consist of people, and someone has to pay -- the owners, the employees or the customers, and they pass those costs on to the customers,' he said." [*National Journal*, 2/10/12]

Santorum: Insurance Companies Shouldn't Have To Cover Birth Control Because It "Costs Just A Few Dollars." Rick Santorum made the following statement at the 2012 Conservative Political Action Conference: "[I]nterestingly enough, here is what they are forcing them to do — in an insurance policy, they or forcing them to pay for something that costs just a few dollars. Is that what insurance is for? The foundational idea that we have the government tells you that you have to pay for everything as a business. Things that are not really things you need insurance for, and still forcing on something that is not a critical economic need, when you have an economic distress, where you would need insurance. But forcing them even more to do it for minor expenses." [Santorum Statement via *ThinkProgress*, 2/10/12]

Rep. Issa Convened One-Sided Hearing To Attack Contraception Rule From Religious Freedom Angle. From a *Los Angeles Times* editorial:

> When Rep. Darrell Issa, the California Republican who chairs the House Committee on Oversight and Government Reform, convened a hearing Thursday on religious freedom and the mandate that health insurers cover contraception, he ignited a firestorm of protest before he even started.
>
> The first of two panels he assembled was all male — something that a Democratic congresswoman on the committee noted immediately and not favorably, given that women's health was at the heart of what was being discussed. A photo of the panel of clergymen at a table before the committee went viral on Facebook.
>
> The Democrats who made political hay of Issa's choice of witnesses were right; surely it says something troubling that the committee didn't bother to find a single woman to testify on its first panel. (There were two on the second.) But it is at least as troubling that there was no one at all — male *or* female, on either panel — called to testify in support of the Obama administration's proposed mandate. [...]
>
> The title of the hearing alone was a giveaway: "Lines Crossed: Separation of Church and State. Has the Obama Administration Trampled on Freedom of Religion and Freedom of Conscience?" [*Los Angeles Times*, 2/19/12]

Sen. Blunt: The Administration's Compromise Is "Unconstitutional" And "An Accounting Gimmick." From a statement released by Sen. Roy Blunt (R-MO):

> U.S. Senator Roy Blunt (Mo.) released the following statement today in response to President Barack Obama's announcement regarding the U.S. Department of Health and Human Services' (HHS) health care mandate:
>
> **"It's still clear that President Obama does not understand this isn't about cost – it's about who controls the religious views of faith-based institutions. President Obama believes that he should have that control. Our Constitution states otherwise.**
>
> **"Just because you can come up with an accounting gimmick and pretend like religious institutions do not have to pay for the mandate, does not mean that you've satisfied the fundamental constitutional freedoms that all Americans are guaranteed."** [Sen. Blunt Release, 2/10/12, emphasis original]

• **Sen. Blunt Introduced An Amendment That Would Let Any Employer Opt Out Of Covering Any Health Service For Any "Moral" Reason.** From *Mother Jones*:

Obama's Affordable Care Act requires all health care plans to offer certain services and benefits, including birth control. Last week, Sen. Roy Blunt (R-Mo.) offered a "conscience amendment," to the law, pitching it as a way to allay religious employers' qualms about providing birth control to their employees.

But Blunt's proposal doesn't just apply to religious employers and birth control. Instead, it would allow any insurer or employer, religiously affiliated or otherwise, to opt out of providing any health care services required by federal law—everything from maternity care to screening for diabetes. Employers wouldn't have to cite religious reasons for their decision; they could just say the treatment goes against their moral convictions. That exception could include almost anything—an employer could theoretically claim a "moral objection" to the cost of providing a given benefit. The bill would also allow employers to sue if state or federal regulators try to make them comply with the law. [*Mother Jones*, 2/14/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Oct 12

KATE CONWAY

The Week In Conservative Attack Ads

Including a stray late-Friday-afternoon spot that didn't make it into our roundup from last week, Bridge Project fact-checked 10 conservative ads this week. Eight of those were from the usual players – the U.S. Chamber of Commerce, which focused on House races, Crossroads GPS, which took on its usual Senate targets, and American Crossroads, with a presidential ad. The remaining two came from the National Rifle Association and American Unity PAC, more minor players on the electioneering ad scene.

Rhetorically, this week saw a heavy focus on supposed threats to small business jobs, with six of the ads mentioning small businesses specifically. But most of the conservative claims about "small business" rely on distortions – for example, the conservative definition of a small business often includes large corporations and wealthy individuals rather than the mom-and-pop businesses the term conjures for most people. And the health care law, often cited as a source of crippling new taxes on small business, actually offers tax credits that will help those small businesses provide their employees with health insurance.

Gunning For A Republican President

This week's ad from the NRA, a $1.5 million buy the group says it's airing in Ohio, Virginia, Florida and Wisconsin, is a citation- and fact-free attack on President Obama – although he's not named in the version of the ad we saw. "They're attacking our Second Amendment rights," the ad warns, before urging viewers to vote for Romney, who signed an assault weapons ban as governor of Massachusetts. But despite the ad's heavy hinting about the president's hostility toward gun owners, Obama has affirmed the U.S.' "strong tradition of gun ownership," and the only gun laws he's signed while in office have expanded gun owners' carrying rights.

A Pro-LGBT Republican Super PAC Attacks A Pro-LGBT Candidate

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

American Unity PAC, a super PAC that has so far been a minor player in the election, rolled out an ad late last week hitting California House candidate Raul Ruiz. Launched earlier this year with funding from billionaire Paul Singer, the PAC's unusual focus is on nudging Republican candidates with a good track record on LGBT issues towards full endorsement of marriage equality. But American Unity PAC's anti-Ruiz ad doesn't mention marriage, or any LGBT issue whatsoever. Instead, it peddles conservative talking points that mislead on the Affordable Care Act. Ruiz has voiced full support for marriage equality, while his Republican opponent, Rep. Mary Bono Mack, has stopped short of doing so.

readmore >

Tweet Like

Oct 8

"Nonpartisan Study" Backing Romney's Tax Plan Comes From Conservative Think Tank That Employed Romney Advisers

In an effort to discredit the Tax Policy Center's conclusion that Mitt Romney's tax plan would either impose higher taxes on the middle class or require increased deficits, Republicans are touting a supposedly "nonpartisan study" proving otherwise. Last week, the Romney campaign released a television ad referencing the study that purports to refute the criticism of Romney's plan.

The "nonpartisan" analysis comes from the American Enterprise Institute, a decidedly conservative think tank in Washington, DC. In fact, Romney's economic team includes at least three people affiliated with AEI. Romney advisers Glenn Hubbard and Gregory Mankiw are both listed on AEI's website as "visiting scholars." Hubbard, who preceded Mankiw as chairman of President George W. Bush's Council of Economic Advisers, was "an architect of the Bush tax cuts in 2001 and 2003," according to the *Washington Post*. Another economic adviser and surrogate, Kevin Hassett, is AEI's Director of Economic Policy Studies.

The author of the report backing Romney's position is Alex Brill, an AEI research fellow who also served on President George W. Bush's Council on Economic Advisers. While Brill insists that Romney's plan is "not a tax hike on the middle class," he has previously criticized President Obama's preference for tax cuts geared toward the middle class instead of the wealthiest Americans. In October 2008, Brill co-authored an op-ed arguing that "rate cuts for high incomes or reductions in investment taxes" are superior to Obama's "tax favors for the middle class."

readmore >

Tweet Like

Oct 5

ALAN PYKE

The Week In Conservative Attack Ads

We checked 26 new attack ads in the last week, including a trio that appeared late last Friday afternoon. The heavy volume makes sense given that the campaign is entering the home stretch, and it was powered by 15 new U.S. Chamber of Commerce ads, all of them in House races. Karl Rove's Crossroads GPS (3 ads) and American Crossroads (2) combined to come in a distant second, and the remaining six came from the arch-conservative Club for Growth, the anti-immigration obsessives at NumbersUSA, the Iowa-based American Future Fund, Restore Our Future, and the abortion-focused Susan B. Anthony List's new "Women Speak Out PAC."

Jobs Data Invalidates Conservative Talking Points

A pair of new data points from the Bureau of Labor Statistics should curb two of the most common pieces of misdirection in ads about the economy. First, the September jobs report released today reported that the unemployment rate dropped to 7.8 percent. That isn't just good news for the American economy, it's good news for fans of honest politicking: It renders moot the talking points about how long the rate has been over 8 percent, which has been one of the primary ways conservative groups distract attention from the fact that a decade of their economic policies created the worst recession in 70 years.

Second, the BLS announced preliminary estimates of their annual benchmark revisions, to be finalized in February. Their historical jobs data for the year won't be revised officially until the number is final, but they estimate the economy added 368,000 more overall jobs — and 453,000 more private-sector jobs — than previously thought in the year ending March 2012. Coupled with the 200,000 new jobs from today's BLS report (counting revisions to the last two months), that means that President Obama has overseen a net gain in jobs, even if you count the first several months of 2009 against him (which conservative groups insist upon doing even though he inherited an economy that was in ongoing collapse from the financial crisis). The American Crossroads ad we checked this week should be the last time they can get away with pretending the president is responsible for the massive layoffs early in his term.

It's also worth noting that at this same point in his first term, President Bush had overseen a net loss of 1.5 million private-sector jobs, while President Obama's official private-sector net total is 514,000 *gained*— and if the benchmark revisions are accurate, he's overseen just shy of a million private-sector job gains on net:

Chamber Of Commerce Gears Up

The 15 new Chamber ads we checked were all in House races, and nearly all focused on health care and taxes. Seven of them went after California

Democrats, six targeted New Yorkers, and two were aimed at Illinois. According to the Chamber, the Affordable Care Act is going to destroy the economy with taxes, unless the Democrats do it first by ending the Bush tax cuts for the wealthiest. Neither of these claims holds any water when you move past the scary voices and vague rhetoric and actually sift the facts. But it's no surprise the Chamber would be so happy to mislead about the health care law — after all, it received $100 million from giant insurance companies in 2009-10 to fight against reform.

readmore >

Tweet Like

Oct 1

American Crossroads Attacks Obama For Boycotting Ahmadinejad's Speech

American Crossroads has released a web video criticizing President Obama's response to last month's attack on the U.S. Consulate in Libya. In particular, the group complains that "Obama snubbed key allies and skipped meetings with world leaders" at the United Nations – a point they drive home visually with footage of an empty chair behind a nameplate reading "United States."

However, that seat was only unoccupied because U.S. officials boycotted Iranian President Mahmoud Ahmadinejad's address to the summit, which was delivered on the Jewish holy day of Yom Kippur. Making matters worse, the empty chair appears just moments after a line about "rogue nations calling for a new world order," accompanied by footage of Ahmadinejad giving the very speech the U.S. refused to attend.

See the similar images below from the *Washington Post* recording of Ahmadinejad's address (top) and the Crossroads video (bottom):

readmore >

Tweet Like

Sep 28

The Week In Conservative Attack Ads

After last week's wave of House ads, conservative outside groups focused most of their attention on the Senate this week. Of the 14 ads we fact-checked, eight of them targeted Senate hopefuls (five from Karl Rove's Crossroads groups and three from the U.S. Chamber of Commerce), compared to only two hitting House candidates (both from the Congressional Leadership Fund). We also answered presidential ads from Restore Our Future, Americans for Job Security, and American Future Fund. Finally, Americans for Prosperity joined the conservative campaign to oust three Florida Supreme Court justices.

Koch Connections

Americans for Prosperity didn't release new TV ads in any federal races, but that doesn't mean the Koch brothers' influence was absent from the airwaves. Two groups with financial ties to the Kochs issued attacks on President Obama.

Americans for Job Security put $8.2 million behind an ad that paints a misleading picture of the economy and declares, "The future is getting worse under Obama." A self-described "bipartisan, pro-business" group, AJS does not disclose its donors. However, its largest known source of funding in the midterm election cycle was the mysterious Center to Protect Patient Rights ($4,828,000), which is run by a reported "Koch operative."

American Future Fund also released a presidential ad in Minnesota that attempts – misleadingly – to use the president's own words against him. The Iowa-based group received seed money from hog and ethanol "baron" Bruce Rastetter, but it is similarly secretive about its donors. In 2010, AFF received $11,685,000 from the Koch-linked Center to Protect Patient Rights, accounting for about half of its revenue for the year.

Messaging Medicare

The message of the week was clear in Florida, where American Crossroads and the U.S. Chamber of Commerce accused Sen. Bill Nelson (D) of supporting Medicare cuts. Both groups misrepresent the Affordable Care Act's impact on seniors, while ignoring the fact that Nelson's opponent, Rep. Connie Mack (R), voted for the same reductions in future Medicare spending (along with Rep. Paul Ryan's plan to transform Medicare into a voucher program). Americans for Prosperity reinforced the message with its ACA-based attack on three Florida Supreme Court justices, which claimed the health care law allows "unelected bureaucrats" to "cut Medicare."

readmore ›

Tweet Like

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Sep 21

The Week In Conservative Attack Ads

This week, conservatives flooded the airwaves with attacks on Democratic candidates. We fact-checked a total of 21 new ads, exceeding our total from the previous three weeks combined. The increase in volume was marked by 11 spots targeting House candidates, signaling a heightened focus on lower-level races as we approach the final stretch of campaign season.

New Players, Same Money?

Karl Rove's groups were active as usual – American Crossroads launched a misleading attack on President Obama and Crossroads GPS targeted three Senate hopefuls – but they let some of their allies lead the charge this week.

The House ads we fact-checked included five from the Center for Individual Freedom, three from the American Action Network (along with one from the AAN-affiliated Congressional Leadership Fund), and two from the National Federation of Independent Business. Notably, Crossroads GPS made sizable "social welfare" contributions to both CFIF ($2.75 million) and NFIB ($3.7 million) in 2010 – and CFIF spent just slightly less than its haul, $2.5 million, on political ads. Crossroads GPS also gave $500,000 to AAN, which in turn gave approximately the same amount ($499,895) to American Crossroads.

On the Senate side, the U.S. Chamber of Commerce went after five candidates, heavily emphasizing their alleged failures on energy policy. Wisconsin's Tammy Baldwin was the only candidate subjected to attacks from both Crossroads GPS and the Chamber.

Where Are The Jobs?

While there were plenty of dishonest claims about Medicare, energy policy, and taxes, one subject was conspicuously absent in many of this week's ads: the economy. Indeed, the word "job" showed up in just eight of 21 ads, typically in the context of specific policy gripes rather than grim representations of the overall economic climate. After the creation of 4.6 million jobs over 30 consecutive months of private-sector growth, perhaps conservatives are realizing that their efforts to assign blame for the consequences of the Great Recession aren't fooling anyone.

readmore ›

Tweet Like

Sep 18

ALAN PYKE

Romney's "47 Percent" Comments Reflect Conservative Dogma

The *Mother Jones* video of Mitt Romney telling his donors that the 47 percent of Americans who pay no income tax are entitled, dependent "victims" is consistent with the nominee's preference for addressing inequality "in quiet rooms." But this is no mere pander to wealthy Republican donors. In the Obama era, conservatives have fully embraced the notion that those who owe no federal income tax must have more "skin in the game." That means raising income taxes on the bottom 47 percent of earners.

In August of last year, the *Wall Street Journal* labeled this soak-the-poor idea "the new Republican orthodoxy." Indeed, Republican leaders, movement activists, and powerful conservative institutions have pushed for "skin in the game," for higher taxes on the bottom half of the income distribution.

WSJ: Increasing Taxes On Those So Poor They Don't Owe Federal Income Tax Is "The New Republican Orthodoxy." From the *Wall Street Journal*: "And [then-presidential candidate Jon Huntsman] agrees with the new Republican orthodoxy that the half of American households no longer paying income tax – mainly working poor families and seniors – should be brought onto the income tax rolls. 'Marco Rubio was right when he said we don't have enough people paying taxes in this country,' he said, referring to the senator from Florida." [*Wall Street Journal*, 8/21/11]

Heritage Foundation Portrayed Those Who Pay No Income Taxes As "The Non-Taxpaying Public" Who "Paid Nothing." From the Heritage Foundation: "One of the most worrying trends in the Index [of Dependence on Government] is the coinciding growth in the non-taxpaying public. The percentage of people who do not pay federal income taxes, and who are not claimed as dependents by someone who does pay them, jumped from 14.8 percent in 1984 to 49.5 percent in 2009. This means that in 1984, 34.8 million tax filers paid no taxes; in 2009, 151.7 million paid nothing." [Heritage.org, 2/8/12]

House Majority Leader Cantor Said "Everybody Should Have Some Skin In The Game, Even If It's A Dollar." During an appearance at Rice University, Rep. Eric Cantor (R-VA) said: "You speak about sort of the fairness issue in the tax code, and I agree that the tax code does not breed fair results. And we've got to look to see and make sure it's a balanced approach. But right now what you have is almost I think almost 46, 47 percent of the people of this country don't pay any income taxes. Now to me, I gotta ask, is that fair? I mean I think everybody should have some skin in the game, even if it's a dollar, we ought to have people willing to make sure, or making sure that they're part of what we're trying to do." [Cantor Remarks via YouTube.com, 11/10/11]

Conservative Activists Launched "We Are The 53 Percent" Site To Decry Americans Who Don't Pay Income Taxes. From the *Washington Post*: "Conservative activists have created a Tumblr called 'We are the 53 percent' that's meant to be a counterpunch to the viral 'We are the 99 percent' site that's become a prominent symbol for the Occupy Wall Street movement. The Tumblr is supposed to represent the 53 percent of Americans who pay federal income taxes, and its assumption is that the Wall Street protesters are part of the 46 percent of the country who don't. 'We are the 53 percent' was originally the brainchild of Erick Erickson, founder of RedState.org, who worked together with Josh Trevino, communications director for the right-leaning Texas Public Policy Foundation, and conservative filmmaker Mike Wilson to develop the site, according to Trevino. The overriding message is that the protesters have failed to take personal responsibility, blaming their economic troubles on others. 'Suck it up you whiners. I am the 53 percent subsidizing you so you can hang out on Wall Street and complain,' writes Erickson, in the Tumblr's inaugural post." [*Washington Post*, 10/10/11, emphasis added]

This new orthodoxy on the right is provocative, but it's also based on an erroneous understanding of who pays which taxes.

readmore >

Tweet Like

Sep 15

ALAN PYKE

The Week In Conservative Attack Ads

We added eight ad checks this week, with conservative outside groups focusing their fire on the Nevada, Virginia and Ohio Senate races. Only two of them didn't come from Crossroads GPS: an obscure group called the Treasure Coast Jobs Coalition lobbed tired Recovery Act claims at Rep. Allen West's (R-FL) opponent, and the American Future Fund turned Paul Ryan's Republican National Convention lie about a Wisconsin auto plant into a 60-second spot.

Crossroads GPS hit Rep. Shelley Berkley (D-NV) and Sen. Sherrod Brown (D-OH) with the standard misleading Medicare attacks ("Laughable" in Nevada and "Football" in Ohio), but got a bit more creative in Virginia. The group released two versions of an ad called "Teeth" that attacks Gov. Tim Kaine (D-VA) over education funding, and alleged in another that his support for the congressional debt ceiling deal meant he "supports cutting what matters: our jobs." Karl Rove's behemoth also launched two presidential ads, taking an Obama quote out of context in Nevada and scrambling to defend Mitt Romney's tax plans in "Broke."

GPS Tacks On "Magic Words"

It's nothing new to see Crossroads GPS dominate the week's advertising. But with less than 60 days to Election Day, nonprofits like GPS would have to disclose funders of any "issue ads" that name a federal candidate. But the federal lawsuit that closed the issue ads loophole didn't address express advocacy from social welfare groups, so GPS is now implementing a strategy other nonprofit behemoths hinted at earlier this summer.

So what does the change look like? You won't detect it in our transcripts of this week's ads. So far, GPS is simply slapping the word "vote" into the on-screen text at the end of each ad. In some cases, that means they're telling viewers to "Vote No on Tim Kaine." In the Nevada presidential spot, the text riffs off the out-of-context Obama quote at the heart of the ad: "This election...don't blow another vote on Obama."

Crossroads GPS: "Bunch of Cash" NV

Like Share More info

readmore >

Tweet Like

Sep 14

Values Voters Summit Speakers Warn Of "Sexual Anarchy," Sharia, And Hitler-Like Policies

This weekend, social conservatives are gathering in Washington, DC for the annual Values Voters Summit hosted by the Family Research Council. The event will feature speeches by conservative lawmakers, including House Majority Leader Eric Cantor and vice presidential candidate Paul Ryan, as well as prominent leaders in the social conservative movement. People for the American Way put together a helpful primer on several controversial speakers who will take the stage. Here are just some of the extreme views that will be represented.

readmore >

Tweet Like

Sep 13

Meet The Man Behind The Claim That Obama 'Gutted' Welfare Reform

Following a July 2012 Health and Human Services memo offering states a chance to apply for waivers that would allow them more flexibility in complying with welfare's work requirements, conservatives began claiming that President Obama had 'gutted' the 1996 welfare reform law and waived all work requirements associated with receiving assistance. This is false. Currently, activities that fulfill work requirements are narrowly defined by changes made during the law's 2005 reauthorization, and the waivers would let states try out new approaches to moving welfare beneficiaries towards stable employment while maintaining the principle that recipients must be progressing towards work.

Yet the allegation remains popular among conservatives, thanks largely to the efforts of the Heritage Foundation's in-house welfare expert, Robert Rector. In the past two months, Rector has published at least 16 items on the subject of welfare reform, including the July 12 blog post cited in Mitt Romney's now-infamous television ad that provoked a storm of fact checks. Given his role in promoting

the attack on the administration, Rector's record deserves a closer look.

Rector was involved in crafting the 1996 welfare reform law and has spent more than two decades arguing that Americans who live in poverty are not truly "poor" because they own "modern amenities," such as vehicles and household electronics. To bolster his position, Rector has cited statistics showing that impoverished Americans are "more likely to be overweight" than better-off Americans and outright denied that poverty is "harmful" to children. The clear intent of these claims is to undermine the logic behind the safety net. In fact, Rector has stated explicitly that welfare is based on the "idiot premise" that more resources will cause poor Americans to "behave more like middle-class people."

Instead, Rector apparently believes that poverty is merely a symptom of substandard values. Therefore, it is perhaps not surprising that he is also a committed advocate for abstinence-only education, which he regards not as a public health issue but a simple question of morality. Dismissing "effectiveness" as a "bogus issue" when it comes to abstinence-only education, Rector complains that comprehensive sex-ed "normalizes" sexual activity outside of marriage.

Rector is affiliated with the Heritage Foundation's Richard and Helen DeVos Center for Religion and Civil Society, and he has collaborated with other DeVos Center researchers on his work relating to welfare reform and poverty. While the entire DeVos family is deeply involved in GOP politics, the Richard and Helen DeVos Foundation is among the most generous funders of conservative organizations, such as Focus on the Family and the Media Research Center. The foundation has given Heritage at least $10 million since 1998, including $3 million in 2010.

Click here for our full Research Read on Rector's work.

readmore >

Tweet Like

1 2 3 4 5

< previous | next >

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Sep 7

The Week In Conservative Attack Ads

As the nation turned its attention to the Democratic National Convention, conservative groups were again relatively quiet on the airwaves. We fact checked six television ads, including two extremely misleading attacks on Democratic candidates from the Adelson-funded YG Action Fund. In addition, Americans for Prosperity released an ad falsely comparing the Affordable Care Act to Canada's single-payer health care system, Crossroads GPS continued its assault on North Dakota Senate candidate Heidi Heitkamp, and the Club for Growth shifted its focus from Republican primaries to the general election.

30 Months, 4.6 Million Private-Sector Jobs

American Crossroads countered the convention with an ad blasting President Obama's economic record and suggesting that he has taken the country "backward." In fact, the economy now has gained 4.6 million private-sector jobs in the last 30 months, but government employment continues to shrink, restraining the overall recovery. The following chart shows the accumulation of private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

Conservatives typically attack Obama's record by blaming him for the impact of the Great Recession, including enormous monthly job losses in the first several months of his presidency. However, even if you start counting job totals in the first full month of their presidencies (February 2001 and February 2009), President Obama's private-sector job record is significantly better than President Bush's at this point in his first term.

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

YG Action Fund In The House

YG Action Fund, a group connected to House Majority Leader Eric Cantor (R-VA) and funded by Sheldon Adelson, jumped into the fray this week. In Illinois, the group disparaged recently retired National Guard general William Enyart (D) for having "little private-sector experience" without mentioning his 30-plus years of military service. The group also dishonestly portrayed Rep. Mike McIntyre (D-NC) as a tax-hiker and attempted to link him to the Affordable Care Act, which he opposed.

readmore ›

Tweet Like

Sep 4

MATT FINKELSTEIN

Whose Taxes Would David Koch Raise?

Last week, conservative mega-donor David Koch made headlines when he broke with Republican Party dogma on marriage equality, defense spending, and – apparently – taxes. In an interview with *Politico*, Koch suggested that he could support raising taxes in order to lower the deficit. "I think it's essential to be able to achieve spending reductions, and maybe it's going to require some tax increases. We got to come close to balancing the budget; otherwise, we're in a terrible deep problem," he said.

Unfortunately, when Congress attempted to negotiate a bipartisan deficit-reduction plan last year, Koch didn't use his influence to encourage obstinate conservatives to embrace additional revenues. In fact, Americans for Prosperity, the organization at the heart of the Koch brothers' political machine, unequivocally opposed the inclusion of any tax increases and chastised Republicans who were willing to entertain them. At a press conference, AFP president Tim Phillips issued a 'stern warning' to Congress about raising taxes (watch it here):

> PHILLIPS: Last November, Republicans across this great country promised throughout their campaigns to do two key things in pursuit of economic recovery and job creation. Number one was to not raise taxes – was to hold the line and in fact to push for tax reform that cuts the onerous tax rates that are harming job creation in this country. And the

second thing they promised to do was to genuinely cut spending in Washington, D.C., and rein in these budget deficits that are literally imperiling are long-term and short-term economic prosperity. They made those two promises to the American people last fall. And certainly it helped them, and millions of Americans believed them and supported them.

Now, they face a moment of truth. We're going to find out whether they're going to keep their promises to not raise tax increases – or to not increase taxes – and are they going to genuinely cut spending. **Sadly, we know where the president is on tax increases, and we know where Nancy Pelosi is, and we know where Harry Reid stands. They want to raise taxes. They're open about it. It's part of their makeup, sadly enough. But Republicans have made a different promise to the American people, and we're calling on them and urging them and sternly warning them to keep their word to the American people they made just last fall. And candidly, while we applaud the super committee not raising taxes, it was troubling and disconcerting to see tax increase offers on the table.** That's not the way to prosperity.

More recently, AFP has called for tax reform that combines "lower tax rates and broader tax bases." That's conservative code for tax cuts for the wealthy and tax increases on lower-income Americans, particularly those who do not earn enough to owe federal income taxes. David Koch's admission that more revenues may be necessary to balance the budget is a welcome development, but he should say exactly whose taxes he is willing to raise.

readmore >

Tweet Like

Aug 31

The Week In Conservative Attack Ads

This week, conservative power players descended on Tampa for the Republican National Convention. According to reports, leaders of conservative outside groups spent the week wooing GOP mega-donors, seeking even more cash for their final push to defeat President Obama.

Consequently, it was a slow week for the release of new ads. We fact-checked five conservative ads – four of them targeting separate Senate candidates, along with one unusual spot warning about "mass immigration." Notably, none of them came from Karl Rove's Crossroads groups, which sat the week out but made their presence felt in Tampa.

"Already Going Bankrupt"

Ever since President Obama signed the Affordable Care Act, its conservative opponents have complained that the law "cut" Medicare, the implication being that seniors would lose benefits. This has been a common theme in attack ads, but it now appears that conservative groups are trying out a new wrinkle.

Last week, Americans for Prosperity contended that the health care law "took over $700 billion from Medicare, **which was already going bankrupt**, to pay for more spending." 60 Plus Association echoed AFP this week, saying the ACA "cuts $700 billion from Medicare…to pay for more wasteful spending in Washington," adding that "**Medicare is already going bankrupt**."

The ads, running in Indiana and Virginia respectively, seem to suggest that the ACA will somehow contribute to Medicare "going bankrupt." In fact, the opposite is true. The health care law reduces future Medicare spending, allowing it to remain solvent for longer. As *New York Times* reported, undoing the law's Medicare savings would "hasten the insolvency of Medicare by eight years."

The Anti-Immigrant Rap

In addition to the standard lines of attack, we looked at a singular ad from NumbersUSA urging a reduction in the numbers of legal immigrants given green cards each year. Featuring a rap song performed by an actor playing an unemployed recent college graduate, the ad blamed immigrants for the difficulties of finding a job. That's a pretty common refrain from NumbersUSA, a nativist group with ties to John Tanton, an anti-immigrant activist with connections to the white nationalist movement. Since 2001, NumbersUSA has gotten over $800,000 from the Sarah Scaife Foundation and the Scaife Family Foundation, major funders of the political right controlled by billionaire Richard Mellon Scaife.

readmore >

Tweet Like

Aug 24

KATE CONWAY

The Week In Conservative Attack Ads

Earlier this week, Crossroads GPS made the unusual decision to pull its support from a competitive Senate race, dropping planned ads attacking Missouri Democrat Claire McCaskill after tasteless comments on "legitimate rape" from her Republican opponent, Todd Akin, made headlines. The group's multi-million-dollar assault on the airwaves continued across other states, however. Of the 13 ads we fact-checked this week, Crossroads GPS was responsible for five of them, attacking Tammy Baldwin in Wisconsin, Bill Nelson in Florida, Martin Heinrich in New Mexico, Sherrod Brown in Ohio, and Jon Tester in Montana. We also looked at three ads from Koch-funded Americans for Prosperity, three from the American Future Fund, one from the National Federation of Independent Business, and one from pro-Romney super PAC Restore Our Future.

Most of the spots mentioned the Affordable Care Act, with many misrepresenting the facts to sell support for the law as support for a budget-busting behemoth. All three American Future Fund ads referred to the "$2 trillion health care law," a willful distortion that counts the law's costs but none of the savings to obscure the fact that the law reduces the deficit. Five of the ads (three from Crossroads GPS, one from AFP, and one from Restore Our Future) spread misinformation about the "failed" or "wasteful" stimulus, which actually helped save the economy from an even deeper recession.

Focus On Florida

This week showed particularly heavy interest in the Florida Senate race between Democrat Bill Nelson and Republican Connie Mack. Three separate conservative outside groups targeted the Sunshine State, each ad taking a different tack. Crossroads GPS took advantage of public confusion over the Affordable Care Act's impact on Medicare, dishonestly suggesting to Florida's seniors that their benefits will be cut and they'll lose control of their health care decisions. American Future Fund focused on the national debt, though it also

mentioned the health care law and threw in a gratuitous line calling for Nelson to "protect seniors." NFIB, a business group that received $3.7 million from Crossroads GPS in 2010, took a more personal approach, highlighting a Florida business owner who claimed that a "conglomeration" of regulations were impairing his businesses' ability to grow.

Spotlight: American Future Fund

Although Karl Rove's Crossroads GPS and the Koch-linked Americans for Prosperity are fairly well-known, three of this week's ads came from the murkier American Future Fund, a group that claims to have spent around $25 million on the 2010 elections.

AFF's efforts are interlaced with those of other top conservative players through its participation in the Rove-headed Weaver Terrace Group strategy meetings and through its funding. The group's biggest known donor is the mysterious Center to Protect Patient Rights, which also gave generously to other conservative ad-makers like Americans for Prosperity and the 60 Plus Association, and is run by Koch operative Sean Noble, according to the *Los Angeles Times*. In addition, it received about $375,000 in seed money from Republican donor Bruce Rastetter, who is connected to the Koch brothers through an ethanol production company whose growth he oversaw before selling its production facilities to Koch Industries.

readmore ›

Tweet Like

Aug 21

MATT FINKELSTEIN

FRC's Tony Perkins Takes Tampa

In advance of next week's Republican National Convention, party leaders are crafting an official platform that is "likely to be the most conservative in years," according to *Politico*. The influence of the conservative movement – and social conservatives in particular – became apparent this morning when the platform committee rejected a proposal to recognize civil unions between LGBT couples.

In fact, Family Research Council (FRC) president Tony Perkins claims to have written the marriage plank of the platform himself. "You should read the entire plank on marriage, which I wrote. I'm very happy with it," he said in an interview. Perkins also boasted that FRC had "help[ed] delegates hold the line on social issues," and that he personally contributed to "amendments on conscience rights, abortion in health care, and stem cell research."

Perkins' role is a reminder of the far right's influence over the national debate, especially when it comes to issues of equality. Beyond its opposition to "counterfeit marriage," FRC consistently fights against efforts to prevent anti-LGBT discrimination. Here are some lowlights from FRC's record:

> **FRC: "Counterfeit Marriage" Endangers Society Like "Permitting Unqualified Individuals To Fly Airplanes."** According to a Family Research Council "Issue Brief" titled "Ten Facts About Counterfeit Marriage": Discrimination occurs when someone is unjustly denied some benefit or opportunity. But it must first be demonstrated that such persons deserve to be treated equally regarding the point in question. For example, FAA and airline regulations rightly discriminate regarding who is allowed into the cockpit of an airplane. Those who are not trained pilots have no rightful claim to 'discrimination' because they are denied the opportunity to fly an airplane. Similarly, the accumulated

wisdom of thousands of years of human history, as expressed in virtually all cultures, has defined marriage as between a man and a woman. Homosexual activists conveniently avoid the question of whether homosexual relationships merit being granted equality with marriage. Although not strictly comparable, radically altering the definition of marriage can also pose dangers to society in much the same way as permitting unqualified individuals to fly airplanes." [FRC.org, "Ten Facts About Counterfeit Marriage," accessed 8/21/12]

Read more below.

readmore >

Tweet Like

1 2 3 4 5

< previous | next >

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Aug 17

ALAN PYKE

The Week In Conservative Attack Ads

On Monday we learned that just two conservative nonprofits have spent more on television ads in the presidential race than every super PAC combined. ProPublica's tally of advertising data shows that Americans for Prosperity and Karl Rove's Crossroads GPS have aired a combined $59.9 million in "ads mentioning a candidate for president."

There is plenty of action further down the ticket as well. Of the 14 ads Bridge Project fact checked in the last week, just two targeted President Obama. Eight came from Crossroads GPS, three from the 60 Plus Association (on which more below), two from AFP, and one from the Romney super PAC Restore Our Future. AFP's ads (one in the Wisconsin Senate race, the other an explicit recommendation against voting for Obama) focused on debt and the health care law. The debt – and dishonest claims about its sources – were the focus of three of Crossroads GPS' ads, while multiple ads disingenuously accused senators of voting to tax small businesses. A pair of Crossroads GPS ads in the Virginia Senate contest misrepresented Tim Kaine's record as governor and his stance on defense spending.

Recalculating: Crossroads GPS Takes A Detour In North Dakota

In an effort to paint well-liked North Dakota Senate candidate Heidi Heitkamp as a corrupt politician, Crossroads GPS cycled through a series of attempted hits on her service as the state's attorney general. But the group succeeded only in demonstrating its willingness to blatantly distort the facts. The first ad, "Hiding Taxes," alleged that Heitkamp "spent taxpayer dollars on private planes." But the same *Bismarck Tribune* article the ad cited said the planes were provided by the federal government at no charge, and that the Attorney General was using them to catch drug traffickers. The lie exposed, Crossroads GPS took the rare step of pulling the ad down, only to put it back up with the planes claim rewritten. The new language – Heitkamp "allowed staff to fly a taxpayer-funded plane" – stretches so hard to sound scandalous that it's almost funny.

By the end of the week, a third Heitkamp attack was on North Dakota airwaves, this one accusing her of a "pay to play" scheme with a lawyer who worked on the multi-state Master

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

Settlement Agreement with tobacco companies. Rather than misrepresent real reporting, this time Crossroads GPS just cited the conservative *Wall Street Journal* editorial page and a right-wing talk radio host's blog. Actual news reports and documentary evidence disprove the ad's claims.

Ain't That A Shame: 60 Plus And Pat Boone To Lie To Seniors

The 60 Plus Association calls itself the conservative AARP, and since late last year it's been using aging crooner Pat Boone as its emissary to the seniors it claims to represent. This week voters in Montana, Florida and Ohio are seeing Boone label the Affordable Care Act "disastrous" and fearmonger about bureaucrats who will "deny you the care you deserve." This is 60 Plus' wheelhouse, and with Medicare taking up more and more of the national conversation, expect them to keep hinting at the "death panels" characterization of health care reform.

readmore ›

Tweet Like

Aug 14

Welcome To Bridge Project: A New Effort To Hold Conservatives Accountable

One billion dollars.

That's how much conservative outside groups are planning to spend in an election-year push "unlike anything seen before in American politics," according to *Politico*. American Crossroads and Crossroads GPS, the affiliated super PAC and nonprofit hatched by Karl Rove, are expected to spend $300 million on their own. Meanwhile, the billionaire Koch brothers and their fundraising network plan to unload a reported $400 million to further the cause of installing a more conservative government.

The bulk of that cash likely will be spent on advertising, as already evidenced by the barrage of TV spots that conservative outside groups have aired throughout the summer. Those ads – many of them from advocacy groups that participate in strategy meetings hosted by Rove – reliably distort the facts about progressive figures and the policies they support.

Bridge Project is a new effort to hold conservatives accountable. As outside groups flood the airwaves, we won't let their dishonest attacks go unanswered. The **Ad Check** section of our website currently features 88 fact checks of ads released since the beginning of March.

Furthermore, Bridge Project is committed to showing who really stands to benefit from conservative attempts to deceive the American people. Our interactive **Conservative Transparency** database allows visitors to follow the money trail between conservative groups and their most generous supporters. The funding database includes contributions to super PACs and outside groups running attack ads, as well as to conservative institutions promoting an extreme ideological agenda.

Readers can also get the facts about important issues with our **Research Reads** and watch the most outrageous statements made by conservative leaders in our **Radical Rhetoric** archive.

By keeping a watchful eye on the conservative movement, pushing back against false attacks, and following the money behind an agenda that would take the nation backward, we will hold conservatives accountable for putting their extreme ideology above the best interests of the American people.

Welcome to Bridge Project.

readmore ›

Tweet Like

1 2 3 4 5

‹ previous

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Nov 2

ALAN PYKE

16 Men, Over $150 Million: The DNA Of A Conservative Megadonor

This post has been edited to reflect an updated total for Sheldon Adelson.

You haven't heard of him because he doesn't actually exist. But if you threw the 16 people who have given more than $2 million conservative super PACs this cycle into a genetic recombinator that would average them according to the amount each gave, you'd end up with a plutocrat straight out of central casting. He would be over 75 years old. He would be a white man. If you pooled his progenitors' wealth rather than average it, he would be worth something like $51 billion. That fortune comes primarily from the casino and finance industries (but also draws on coal company holdings, real estate empires, entertainment promotion, and even a skin cream sales multi-level marketing scheme). If he were a country, he'd be about the 71st largest economy in the world, well ahead of places like Uruguay, Kenya, and Lithuania.

He's fond of saying that President Obama will "eliminate free enterprise" in favor

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

of a "socialist-style economy." But despite that avowed free-market ideology, he's used his wealth to tilt the playing field in his favor on everything from nuclear waste deals to custom-built regulatory shams in Texas, to complex business dealings in Macau. And his attitude toward his own workforce is far less generous than his philanthropic giving might suggest: His companies brag of being "entirely union-free" (though they're quieter about their thousands of safety violations), one group of employees resorted to a hunger strike for pay equity with their English-speaking colleagues, and his primary revenue stream – the casino empire – is under investigation by the feds and mired in a nasty legal battle with his former business partner.

Here's a rundown of the 16 real men who've combined to give over $150 million – just that we know about, and not counting reported donations to anonymously funded groups – to conservative super PACs during this cycle:

Sheldon Adelson

Age: 79

Net Worth: $20,500,000,000

Publicly Reported Super PAC Spending For 2012: $53,690,000

Background: Self-made casino mogul billionaire convinced that Barack Obama is a socialist who is insufficiently supportive of Israel on the international stage. Business dealings in Chinese Macau currently under federal investigation. Made more money in the Obama era than any other American, but sees an Obama "quest to socialize this country" through "redistribution of wealth" and "government controlling people's lives." [Read our full Conservative Transparency profile]

Recipients: Restore Our Future, Winning Our Future, Ending Spending, YG Action Fund, Congressional Leadership Fund, Texas Conservatives Fund, Independence Virginia, FreedomPAC, Treasure Coast Jobs Coalition, Patriot Prosperity, Conservative Renewal PAC, Hispanic Leadership Action Fund

Harold Simmons

Age: 81

Net Worth: $7,100,000,000

Publicly Reported Super PAC Spending For 2012: $26,860,000

Background: Started with a single Texas drug store in 1960, now runs multi-billion-dollar diversified business empire through his holding company Contran Corp. Known to fellow corporate raiders as "Ice Man," apparently. Major donor to Texas Republicans who advanced Simmons' plans to dispose of nuclear waste in the state. Says things like "Obama is the most dangerous American alive... because he would eliminate free enterprise in this country." Original Swift Boat donor and American Crossroads donor. Counts Karl Rove a personal adviser. [Read our full Conservative Transparency profile]

Recipients: American Crossroads, Restore Our Future, Make Us Great Again, Conservative Renewal PAC, CATPAC

Bob Perry

Age: 79

Net Worth: $600,000,000

Publicly Reported Super PAC Spending For 2012: $21,465,000

Background: Runs largest homebuilding firm in Texas. Long-time GOP money man, including Swift Boat donations and major gifts to Texas Gov. Rick Perry (no relation), who helped create a building commission that did more to protect

companies like Perry Homes from lawsuits than to help home buyers get satisfaction for shoddy work. [Read our full Conservative Transparency profile]

Recipients: American Crossroads, Independence Virginia, Congressional Leadership Fund, Club for Growth Action, FreedomPAC, Maverick PAC

J. Joe Ricketts

Age: 71

Net Worth: Less than $1 billion (exact worth unknown)

Publicly Reported Super PAC Spending For 2012: $12,850,000

Background: Co-owns the Chicago Cubs. Founded TD Ameritrade precursor. Primary funder of the Ending Spending Action Fund. After a proposal for race-baiting TV ads dredging up Rev. Jeremiah Wright was leaked to the press, Ricketts denied he had anything to do with it (though the subtitle, "The Ricketts Plan," suggests the firm that wrote the plan intended it for his desk). [Read our full Conservative Transparency profile]

Recipients: Ending Spending, Restore Our Future, Campaign for Primary Accountability

Robert Rowling

Age: 58

Net Worth: $4,900,000,000

Publicly Reported Super PAC Spending For 2012: $5,135,000

Background: Turned father's oil fortune into much larger fortune. Investor who owns Gold's Gym, Omni Hotels, and substantial shares of major energy companies. Beyond his generous political giving, he runs a charity dedicated to helping advance Christianity around the world through donations to various pro-life and family-values causes. [Read our full Conservative Transparency profile]

Recipients: American Crossroads, Restore Our Future, Texas Conservatives Fund

Jerry Perenchio

Age: 81

Net Worth: $2,400,000,000

Publicly Reported Super PAC Spending For 2012: $4,650,000

Background: Former Univision owner (who stonewalled Spanish-language staff's request to be paid as much as English-language staff, until they went on a hunger strike), sports promoter (from boxing to Billie Jean King), and talent agent (to Richard Burton and Elizabeth Taylor, among others). Perenchio's motives are a bit of a mystery, though he once told a reporter "I really don't want my name in the goddamn paper." [Read our full Conservative Transparency profile]

Recipients: Restore Our Future, American Crossroads, Our Destiny, Stop Special Interest Money Now, No New Taxes Committee, Californians for a Fresh Start

Robert Mercer

Age: 65

Net Worth: Less than $1 billion (exact worth unknown); Paid $125M in 2011

Publicly Reported Super PAC Spending For 2012: $4,104,354

Background: Once a leading researcher with IBM, specializing in language recognition and artificial intelligence, Mercer was lured into the high finance world by a man he met while working on code-breaking projects for the Pentagon. Became co-CEO of Renaissance Technologies, a "quant" hedge fund reliant on computer algorithms, in 2010. Was the money behind "Ground Zero mosque" ads and 2010 super PAC ads against a House Democrat who supports higher hedge fund taxes. NRA member and litigious model train enthusiast. [Read our full Conservative Transparency profile]

Recipients: American Crossroads, Restore Our Future, Club for Growth Action, Prosperity First Inc., Republican Super PAC Inc., FreedomPAC, National Horizon, Coalition for American Values

Bill Koch

Age: 72

Net Worth: $4,000,000,000

Publicly Reported Super PAC Spending For 2012: $4,000,000

Background: One of the less famous Koch brothers, expelled from the family business in 1983, owner of Oxbow mining empire. Paid $2.3 million at auction for only known authentic photograph of Billy the Kid. Recently accused of kidnapping and interrogating an employee at the fake wild west town he had built outside of Aspen, CO. "He has a personal relationship with Mitt," but not a broader love for the GOP, according to a spokesman. [Read our full Conservative Transparency profile]

Recipients: Restore Our Future

John W. Childs

Age: 70

Net Worth: Less than $1 billion (was $1.2 billion in 2006)

Publicly Reported Super PAC Spending For 2012: $3,375,000

Background: Financier, specializing in leveraged buyouts. Successful takeover and resale of Snapple in 1990s helped him launch his own private equity shop. Investments include NutraSweet and Sunny D. Fined for illegal $25,000 contribution for pro-Romney radio ad in 2002. Longtime GOP donor. [Read our full Conservative Transparency profile]

Recipients: Club for Growth Action, American Crossroads, Restore Our Future, Congressional Leadership Fund

Joe Craft

Age: 61

Net Worth: $1,400,000,000

Publicly Reported Super PAC Spending For 2012: $3,100,000

Background: Worked his way up the ladder at a coal company that he now owns (Alliance Resource Partners). One of his mines was cited for 840 safety violations in the 15 months prior to a fatal 2010 incident. University of Kentucky basketball practice gym bears his name. Kentucky finance co-chair for Romney-Ryan campaign. Backed Sharron Angle and Sen. Jim Inhofe in the past. [Read our full Conservative Transparency profile]

Recipients: American Crossroads, Restore Our Future

Steven J. Lund

Age: 58

Net Worth: Less than $1B

Publicly Reported Super PAC Spending For 2012: $3,000,000

Background: Multi-level marketing mogul in charge of Nu-Skin, and attempted to "further mainstream our brands" with a licensing deal with the Salt Lake City Olympics. Active in Church of Latter Day Saints officialdom. Hid his first $2 million in pro-Romney super PAC money as donations from shell corporations ("Eli Publishing" and "F8 LLC") before reporters tracked them down. Reportedly a personal friend of Mitt Romney.

Recipients: Restore Our Future

Harlan Crow

Age: 62

Net Worth: "Hundreds of Millions"

Publicly Reported Super PAC Spending For 2012: $2,665,000

Background: Leads family real estate firm Crow Holdings, after taking over with the firm in crisis in 1988 and shoring up its future through tough renegotiation of its debts. Eclectic art collector with a garden full of busts of defeated dictators. Close personal relationship with Supreme Court Justice Clarence Thomas has brought scrutiny. One of the first defectors from Rick Perry to Mitt Romney. Serves on American Enterprise Institute board.

Recipients: Restore Our Future, American Crossroads, Freedomworks, Texas Conservatives Fund, Campaign for Primary Accountability, FreedomPAC, American Unity, JanPAC

Kenneth Griffin

Age: 43

Net Worth: $3,100,000,000

Publicly Reported Super PAC Spending For 2012: $2,580,000

Background: Hedge fund boss whose ambitions to build high-frequency trading firm Citadel into the next Goldman Sachs crumbled with the financial collapse. Got married at the Potemkin village that Louis XVI built for Marie Antoinette to go pretend to be poor, and the reception featured Cirque du Soleil and Donna Summer. Convinced that the wealthy "have an insufficient influence" on our politics, and that President Obama is turning America into the Soviet Union. [Read our full profile]

Recipients: Restore Our Future, Ameriacn Crossroads, Campaign for Primary Accountability

Foster Friess

Age: 72

Net Worth: $530,000,000

Publicly Reported Super PAC Spending For 2012: $2,485,000

Background: Major conservative Christian donor, funder of Islamophobia, and original funder the *Daily Caller*. Back in his day an aspirin between the knees

kept the stork away. Biggest backer of Rick Santorum's campaign. Runs site that (1) describes him as "The Man Atop The Horse," and (2) publishes blog posts by him like "Income Inequality Is Good For Everyone," alongside pieces like "Is The President Losing The Hip-Hop Vote?" by T.J. Haley. (Did we mention he helped launch the *Daily Caller*?) [Read our full profile]

Recipients: Red, White, And Blue Fund, Restore Our Future, Freedomworks, Leaders for Families Super PAC, FreedomPAC, USA Super PAC, Fund for Freedom, Inc., Friends of the Majority, Club for Growth Action, Independence Virginia

Paul Singer

Age: 68

Net Worth: $1,100,000,000

Publicly Reported Super PAC Spending For 2012: $2,258,210

Background: Founder of Elliott Management, $19 billion "sovereign vulture" hedge fund specializing in buying up the debts of countries like Argentina and suing to force payment. Convinced crippling inflation is coming, even as other inflation hawks have said they were wrong. Hardline conservative, save for gay rights issues, where he has laid out $8.6 million to support equality since 2001. Believes the wealthy are unfairly "vilified," and that inflation is a "moral failing."

Recipients: American Crossroads, Restore Our Future, Club for Growth Action

Julian Robertson

Age: 80

Net Worth: $2,600,000,000

Publicly Reported Super PAC Spending For 2012: $2,250,000

Background: Founded Tiger Management hedge fund, where many of today's hedge funders worked before starting their own firms. Perpetually described with some form of the word "legend" in the financial press. Obama is "doing an awful job" but "he's so cocky maybe doesn't see it."

Recipients: Restore Our Future

Tweet Like

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

DNA OF A CONSERVATIVE MEGADONOR

BRIDGE PROJECT

16 Men, Over $150 Million In Influence

AGE: 75.4
NET WORTH: Approx. $51 Billion
GENDER: Male
BUSINESSES: Casinos, Finance, Coal, Entertainment, Skin Creams

DISCLOSED 2012 SUPER PAC CONTRIBUTIONS:

$154,467,564

Sheldon Adelson: $53.7M

Harold Simmons: $26.8M

Bob Perry: $21.4M

Julian Robertson $2.2M

J. Joe Ricketts $12.8M

Robert Rowling $5.1M

Jerry Perenchio $4.6M

Robert Mercer $4.1M

Paul Singer $2.2M

Bill Koch $4M

John Childs $3.3M

Joe Craft $3.1M

Steven Lund $3M

Harlan Crow $2.6M

Ken Griffin $2.5M

Foster Friess $2.4M

Oct 26

The Week In Conservative Attack Ads

In the penultimate week before Election Day, conservative outside groups once again flooded the airwaves with attacks on Democratic candidates. Ten conservative groups were responsible for the 31 televisions ads we fact-checked – 16 of them targeting House candidates, 10 aimed at Senate candidates, and five attacking President Obama or cheerleading for Mitt Romney. As they did last week, Karl Rove's American Crossroads and Crossroads GPS led the way, accounting for 12 of the ads we debunked. Since Monday, the two groups have announced four separate ad buys totaling a whopping $22.8 million.

Aside from American Crossroads and Crossroads GPS, several groups contributed to the assault on President Obama and Democratic Senate candidates. Restore Our Future, 60 Plus, and the American Future Fund each weighed in on the presidential race. We also fact-checked two Senate ads from the U.S. Chamber of Commerce and one apiece from American Commitment and Hardworking Americans Committee.

Coleman Groups Drill House Candidates With Oil-Funded Ads

But the most prolific groups focused on the House, where, in addition to four spots from Crossroads GPS, we answered five ads from the Congressional Leadership Fund, four from American Action Network, and three from Grover Norquist's Americans for Tax Reform. Former Minnesota senator Norm Coleman is the chairman of both CLF, a super PAC, and AAN, a nonprofit that does not disclose its donors. CLF's top individual contributors are billionaire Romney boosters Sheldon Adelson and Bob Perry, but it also recently received $2.5 million from Chevron – the "largest contribution from a publicly traded corporation" since the *Citizens United* decision – which is a good indication of who Big Oil expects to prioritize its interests in the next Congress.

Getting Personal

At this point, the attacks on President Obama and Democratic Senate candidates are fairly predictable, typically misrepresenting the impact of progressive policies and often relying on sources that contradict their conclusions. In the House, however, conservative groups tend to get more personal – and to veer even further from reality. For instance, AAN is running an ad in California that blasts Democratic candidate Jose Hernandez for living in Texas prior to his run for office, going so far as to portray Hernandez dressed as a cowboy. The crucial missing detail, of cousre, is that Hernandez only lived in Houston while working at NASA as an astronaut.

Tweet Like

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-24-2012

American Crossroads: "Survive"

An ad from American Crossroads features two small business owners talking about the challenges they face, which they blame on President Obama's policies. However, despite the statements in the ad, the conservative charge that taxes and regulations are holding back job growth is not supported by the evidence. Instead, experts cite consumer demand, which plummeted as a result of the recession Obama inherited, as the key to increased hiring. While we are still recovering from the devastating impact of the recession, the private sector has added 4.7 million new jobs over the last 31 consecutive months of growth. Meanwhile, consumer confidence is now at its highest level since 2007.

REVIEW TRANSCRIPT

"Little Evidence" To Support Claim That Taxes And Regulations Are Hurting Job Growth

***Washington Post*: Economists Find "Little Evidence" That Regulations Have A Significant Impact On Overall Employment.** According to the *Washington Post*: "Economists who have studied the matter say that there is little evidence that regulations cause massive job loss in the economy, and that rolling them back would not lead to a boom in job creation." [*Washington Post*, 10/19/11]

McClatchy: "Little Evidence" To Support Blaming "Excessive Regulation And Fear Of Higher Taxes For Tepid Hiring." As reported by McClatchy: "Politicians and business groups often blame excessive regulation and fear of higher taxes for tepid hiring in the economy. However, little evidence of that emerged when McClatchy canvassed a random sample of small business owners across the nation. 'Government regulations are not 'choking' our business, the hospitality business,' Bernard Wolfson, the president of Hospitality Operations in Miami, told The Miami Herald. 'In order to do business in today's environment, government regulations are necessary and we must deal with them. The health and safety of our guests depend on regulations. It is the government regulations that help keep things in order.'" [McClatchy, 9/1/11]

***Wall Street Journal*: "Scant Demand, Rather Than Uncertainty Over Government Policies," Is "The Main Reason" For Slow Recovery In Jobs Market.** From the *Wall Street Journal*: "The main reason U.S. companies are reluctant to step up hiring is scant demand, rather than uncertainty over government policies, according to a majority of economists in a new Wall Street Journal survey. [...] In the survey, conducted July 8-13 and released Monday, 53 economists—not all of whom answer every question—were asked the main reason employers aren't hiring more readily. Of the 51 who responded to the question, 31 cited lack of demand (65%) and 14 (27%)

cited uncertainty about government policy. The others said hiring overseas was more appealing." [*Wall Street Journal*, 7/18/11]

• **Former Reagan Adviser: "Regulatory Uncertainty Is A Canard Invented By Republicans" And Unsupported By The Facts.** According to former Reagan adviser Bruce Bartlett: "These constraints have led Republicans to embrace the idea that government regulation is the principal factor holding back employment. They assert that Barack Obama has unleashed a tidal wave of new regulations, which has created uncertainty among businesses and prevents them from investing and hiring. No hard evidence is offered for this claim; it is simply asserted as self-evident and repeated endlessly throughout the conservative echo chamber. [...] In my opinion, regulatory uncertainty is a canard invented by Republicans that allows them to use current economic problems to pursue an agenda supported by the business community year in and year out. In other words, it is a simple case of political opportunism, not a serious effort to deal with high unemployment." [*New York Times*, 10/4/11]

• **Regulatory Expert: "Current Rhetoric About Regulation Killing Jobs Is Nothing More Than Not Letting A Good Crisis Go To Waste."** From ProPublica: "'The issue in regulation always should be whether it delivers benefits that justify the cost,' said [Roger] Noll[, co-director of the Program on Regulatory Policy at the Stanford Institute for Economic Policy Research]. 'The effect of regulation on jobs has nothing to do with the mess we're in. The current rhetoric about regulation killing jobs is nothing more than not letting a good crisis go to waste.'" [ProPublica, 9/21/11]

AP: "Most Economists Believe There Is A Simpler Explanation" Than Regulation For Slow Job Growth: "There Isn't Enough Consumer Demand." From the Associated Press; "Is regulation strangling the American entrepreneur? Several Republican presidential candidates say so. The numbers don't. [...] Labor Department data show that only a tiny percentage of companies that experience large layoffs cite government regulation as the reason. Since Barack Obama took office, just two-tenths of 1 percent of layoffs have been due to government regulation, the data show. Businesses frequently complain about regulation, but there is little evidence that it is any worse now than in the past or that it is costing significant numbers of jobs. **Most economists believe there is a simpler explanation: Companies aren't hiring because there isn't enough consumer demand.**" [Associated Press, 10/12/11, emphasis added]

***Wall Street Journal*: Businesses Need "A Burst In Demand Strong Enough To Propel Hiring."** As reported by the *Wall Street Journal*: "Forecasting firm Macroeconomic Advisers, which sees growth at a 2.3% pace in the second half of this year and 2.8% in 2012, expects firms to keep banking strong profits. But even if businesses remain strong enough to make it through a slowdown, they may have to wait longer for a burst in demand strong enough to propel hiring. 'The biggest problem is that their order books are thin,' said Macroeconomic Advisers chairman Joel Prakken. 'They need fat order books to add people. They need fat order books to buy machines.'" [*Wall Street Journal*, 8/29/11]

CBO Director Elmendorf: "Primary Reason" For Persistent Unemployment Is "Slack Demand For Goods And Services." From a blog post by Doug Elmendorf on CBO.gov: "Slack demand for goods and services (that is, slack aggregate demand) is the primary reason for the persistently high levels of unemployment and long-term unemployment observed today, in CBO's judgment. However, when aggregate demand ultimately picks up, as it eventually will, so-called structural factors—specifically, employer-employee mismatches, the erosion of skills, and stigma—may continue to keep unemployment and long-term unemployment higher than normal." [CBO.gov, 2/16/12]

The Economy Has Added 4.7 Million Private-Sector Jobs In The Last 31 Months

The Private Sector Has Added 4.7 Million Jobs Over 31 Consecutive Months Of Private-Sector Growth. The following chart shows the monthly change in private-sector jobs dating back to January 2008:

[BLS.gov, accessed 10/5/12; MSNBC.com, 10/5/12]

Consumer Confidence Is At Its Highest Level Since September 2007. According to Bloomberg News: "Confidence among U.S. consumers unexpectedly jumped in October to the highest level since before the recession began five years ago, raising the odds that retailers will see sales improve. The Thomson Reuters/University of Michigan preliminary October consumer sentiment index increased to 83.1, the highest level since September 2007, from 78.3 the prior month. The gauge was projected to fall to 78, according to the median forecast of 71 economists surveyed by Bloomberg News." [Bloomberg News, 10/12/12]

Massive Monthly Job Losses Obama Inherited Have Turned To Steady Private-Sector Growth

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

Since The Recession Ended In June 2009, The Private Sector Has Added 3.5 Million Jobs While Public-Sector Employment Has Fallen By 569,000. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 111,499,000 private-sector jobs in September 2012, an increase of 3,566,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 22,001,000 working in the public sector in September 2012, a decrease of 569,000 jobs. The private-sector gains and public-sector losses add up to a total increase of 2,797,000 jobs. The following chart shows the cumulative private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

[BLS.gov, accessed 10/5/12; BLS.gov, accessed 10/5/12; NBER.org, 9/20/10]

• **Conservative AEI: The Public Sector Has Shrunk, But Private-Sector Growth Is Above Average.** From American Enterprise Institute scholar Mark J. Perry: "In the second quarter of 2012, 'public sector GDP' decreased -1.44%, and that was the eighth straight quarter of negative growth for total government spending, averaging -2.88% per quarter over the last two years. In contrast, there have been 12 consecutive quarters of positive growth for private sector GDP averaging 3.07% per quarter in the three years since the recession ended, which is slightly higher than the 2.8% average growth rate in private real GDP over the last 25 years." [AEI-Ideas.org, 7/31/12]

New Data Shows Positive Net Job Growth Under Obama – Even Including Job Losses In Early 2009

Latest BLS Benchmark Shows "Net Job Growth...During Obama's First Term." According to the *Huffington Post*: "The Labor Department on Thursday morning quietly released a new benchmark for payroll employment in the U.S. It turns out that with the revision, there has been net job growth -- not much, but more than nothing -- during Obama's first term. According to the revision, total non-farm payrolls stood at 133.686 million jobs in August, up from 133.561 million in January 2009, when Obama's first term began. Before the revision, payrolls were at 133.300 million in August. In other words, 125,000 jobs have been created, in total, during Obama's first term, compared with a prior estimate of a loss of 261,000." [*Huffington Post*, 9/27/12]

Many Small Businesses Are Eligible For Tax Credits Under The Affordable Care Act

Affordable Care Act Offers Tax Credits To Many Small Businesses. According to a report from Small Business Majority and Families USA: "Congress included in the Affordable Care Act a significant new tax credit for small business owners who provide their workers with health insurance. Under this new tax credit, businesses that have fewer than 25 full-time workers and average wages of less than $50,000 are now eligible to receive a tax credit of up to 35 percent of the cost of the health insurance that they provide for their workers. To qualify for the tax credit, small businesses must cover at least 50 percent of each employee's health insurance premiums. In 2014, the size of the credit will increase to cover up to 50 percent of the cost of health insurance provided to workers." [SmallBusinessMajority.org, May 2012]

• **More Than 3.2 Million Small Businesses Eligible For ACA Tax Credit.** According to a report from Small Business Majority and Families USA: "Our analysis found that more than 3.2 million small businesses, employing 19.3 million workers across the nation, will be eligible for this tax credit when they file their 2011 taxes. In total, these small businesses are eligible for more than $15.4 billion in credits for the 2011 tax year alone, an average of $800 per employee." [SmallBusinessMajority.org, May 2012]

ACA Requires Businesses With More Than 50 Employees To Provide Affordable Coverage Or Pay A Fee. According to a report from Small Business Majority and FamiliesUSA: "While the Affordable Care Act created this new tax credit to help small business owners and workers, it does not force these small business owners to provide coverage for their workers. There are no employer mandates in the law, and there are no employer responsibility requirements at all for businesses with fewer than 50 workers, which account for 96 percent of all firms in the United States. Starting in 2014, businesses with 50 or more workers that do not offer coverage or that offer only unaffordable coverage to their workers will be assessed a fee if one or more of their workers receives a federal individual premium tax credit to purchase coverage in an exchange." [SmallBusinessMajority.org, May 2012]

Bush Policies And Recession – Not Obama's Spending – Caused Debt To Skyrocket

Prior To President Obama's Inauguration, President Bush Had Already Created A Projected $1.2 Trillion Deficit For Fiscal Year 2009. From the *Washington Times*: "The Congressional Budget Office announced a projected fiscal 2009 deficit of $1.2 trillion even if Congress doesn't enact any new programs. [...] About the only person who was silent on the deficit projection was Mr. Bush, who took office facing a surplus but who saw spending balloon and the country notch the highest deficits on record." [*Washington Times*, **1/8/09**]

***NYT*: President Bush's Policy Changes Created Much More Debt Than President Obama's.** The *New York Times* published the following chart comparing the fiscal impact of policies enacted under the Bush and Obama administrations:

[*New York Times*, 7/24/11]

Recession Added Hundreds Of Billions In Deficits By Increasing Spending On Safety Net While Shrinking Tax Revenue. The Center on Budget and Policy Priorities (CBPP) explains: "When unemployment rises and incomes stagnate in a recession, the federal budget responds automatically: tax collections shrink, and spending goes up for programs like unemployment insurance, Social Security, and Food Stamps." According to CBPP: "The recession battered the budget, driving down tax revenues and swelling outlays for unemployment insurance, food stamps, and other safety-net programs. Using CBO's August 2008 projections as a benchmark, we calculate that the changed economic outlook alone accounts for over $400 billion of the deficit each year in 2009 through 2011 and slightly smaller amounts in subsequent years. Those effects persist; even in 2018, the deterioration in the economy since the summer of 2008 will account for over $300 billion in added deficits, much of it in the form of additional debt-service costs." [CBPP.org, 11/18/10; CBPP.org, 5/10/11, citations removed]

Over The Coming Decade, The Bush Tax Cuts Are The Primary Cause Of Federal Budget Deficits. The Center on Budget and Policy Priorities prepared a chart showing the deficit impact of the Bush tax cuts (orange), the Iraq and Afghanistan wars, the recession itself, and spending to rescue the economy:

[CBPP.org, 5/10/11]

CBPP: Bush Tax Cuts And Wars Are Driving The Debt. According to the Center on Budget and Policy Priorities:

> The complementary chart, below, shows that the Bush-era tax cuts and the Iraq and Afghanistan wars — including their associated interest costs — account for almost half of the projected public debt in 2019 (measured as a share of the economy) if we continue current policies.

[Center on Budget and Policy Priorities, 5/20/11]

Spending Growth Under Obama Is Low

January 2009 (Pre-Obama): Federal Spending Projected To Spike To $3.5 Trillion Without Any Policy Changes. In January 2009, the Congressional Budget Office projected: "Without

changes in current laws and policies, CBO estimates, outlays will rise from $3.0 trillion in 2008 to $3.5 trillion in 2009." [Congressional Budget Office, "The Budget and Economic Outlook: Fiscal Years 2009 to 2019," January 2009]

Accounting For Inflation And President Obama's Impact On FY 2009, Spending Will Have Grown By Just 1.7 Percent From 2009 To 2012. According to Michael Linden, Director of Tax and Budget Policy at the Center for American Progress:

> [I]n January 2009, before President Obama had even taken office, the Congressional Budget Office projected that federal spending would exceed $3.5 trillion for fiscal year 2009, half a trillion more than the government spent in 2008. Again, that was BEFORE President Obama event took office. It's reasonable to use that number as our best guess at what spending would have been in FY2009 under ANY president. [...]
>
> Of course, the CBO's projections aren't perfect. They change as the economy changes and as laws change. Fortunately, CBO also tells us in subsequent reports how and why its previous estimates have changed. We can use that to understand how much of the total federal spending in fiscal year 2009 was attributable to legislative changes that occurred AFTER President Obama took office.
>
> The answer is that out of a total of $3.5 trillion actually spent in FY09, only $165 billion, less than 5 percent, was the result of policy changes signed into law by President Obama.
>
> In other words, probably the best baseline against which to judge spending under Obama is $3.5 trillion (the amount actually spent in 2009) minus $165 billion (the added amount Obama himself actually approved): $3.35 trillion. This year, the CBO expects that the federal government will spend $3.6 trillion. After accounting for inflation, that's a growth rate of just 1.7 percent. By comparison, and using the exact same methodology, spending in President Bush's first term was up nearly 15 percent. [ThinkProgress.org, 5/25/12]

PolitiFact: Spending Growth Under Obama Is "Second-Slowest" In Recent History. According to PolitiFact: "Obama has indeed presided over the slowest growth in spending of any president [in recent history] using raw dollars, and the growth on his watch was the second-slowest if you adjust for inflation." [PolitiFact.com, 5/23/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-24-2012

American Crossroads: "At Stake"

Clint Eastwood may not speak to an empty chair in the ad he filmed for American Crossroads, but he's no less confused about President Obama's record than he was during his infamous performance at the Republican National Convention. The octogenarian actor says, "In the last few years, America's been knocked down," ignoring nearly five million new private-sector jobs created in the last two-and-a-half years of growth. He also wrongly blames Obama for high deficits driven mainly by Bush policies, such as tax breaks for the wealthy, and the recession the president inherited.

FACEBO TWITTER

REVIEW TRANSCRIPT

"The Last Few Years": 4.7 Million New Private-Sector Jobs

The Private Sector Has Added 4.7 Million Jobs Over 31 Consecutive Months Of Private-Sector Growth. The following chart shows the monthly change in private-sector jobs dating back to January 2008.

[BLS.gov, accessed 10/5/12; MSNBC.com, 10/5/12]

Massive Monthly Job Losses Obama Inherited Have Turned To Steady Private-Sector Growth

Recession Officially Ran From December 2007 To June 2009, Making It The Longest Since World War II. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday by conference call. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in June 2009. The trough marks the end of the recession that began in December 2007 and the beginning of an expansion. The recession lasted 18 months, which makes it the longest of any recession since World War II. Previously the longest postwar recessions were those of 1973-75 and 1981-82, both of which lasted 16 months. In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 9/20/10]

- **Recession Resulted In 8.3 Million Job Losses.** According to the Associated Press, "the Great Recession killed 8.3 million jobs, compared with 1.6 million lost in the 2001 recession." [Associated Press via Yahoo! News, 5/4/12]

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

Since The Recession Ended In June 2009, The Private Sector Has Added 3.5 Million Jobs While Public-Sector Employment Has Fallen By 569,000. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 111,499,000 private-sector jobs in September 2012, an increase of 3,566,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 22,001,000 working in the public sector in September 2012, a decrease of 569,000 jobs. The private-sector gains and public-sector losses add up to a total increase of 2,797,000 jobs. The following chart shows the cumulative private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

[BLS.gov, accessed 10/5/12; BLS.gov, accessed 10/5/12; NBER.org, 9/20/10]

- **Conservative AEI: The Public Sector Has Shrunk, But Private-Sector Growth Is Above Average.** From American Enterprise Institute scholar Mark J. Perry: "In the second quarter of 2012, 'public sector GDP' decreased -1.44%, and that was the eighth straight quarter of negative growth for total government spending, averaging -2.88% per quarter over the last two years. In contrast, there have been 12 consecutive quarters of positive growth for private sector GDP averaging 3.07% per quarter in the three years since the recession ended, which is slightly higher than the 2.8% average growth rate in private real GDP over the last 25 years." [AEI-

Ideas.org, 7/31/12]

New Data Shows Positive Net Job Growth Under Obama – Even Including Job Losses In Early 2009

Latest BLS Benchmark Shows "Net Job Growth...During Obama's First Term." According to the *Huffington Post*: "The Labor Department on Thursday morning quietly released a new benchmark for payroll employment in the U.S. It turns out that with the revision, there has been net job growth -- not much, but more than nothing -- during Obama's first term. According to the revision, total non-farm payrolls stood at 133.686 million jobs in August, up from 133.561 million in January 2009, when Obama's first term began. Before the revision, payrolls were at 133.300 million in August. In other words, 125,000 jobs have been created, in total, during Obama's first term, compared with a prior estimate of a loss of 261,000." [*Huffington Post*, 9/27/12]

Bush Policies And Recession Caused Debt To Skyrocket

Prior To President Obama's Inauguration, President Bush Had Already Created A Projected $1.2 Trillion Deficit For Fiscal Year 2009. From the *Washington Times*: "The Congressional Budget Office announced a projected fiscal 2009 deficit of $1.2 trillion even if Congress doesn't enact any new programs. [...] About the only person who was silent on the deficit projection was Mr. Bush, who took office facing a surplus but who saw spending balloon and the country notch the highest deficits on record." [*Washington Times*, **1/8/09**]

***NYT*: President Bush's Policy Changes Created Much More Debt Than President Obama's.** The *New York Times* published the following chart comparing the fiscal impact of policies enacted under the Bush and Obama administrations:

[*New York Times*, 7/24/11]

Recession Added Hundreds Of Billions In Deficits By Increasing Spending On Safety Net While Shrinking Tax Revenue. The Center on Budget and Policy Priorities (CBPP) explains: "When unemployment rises and incomes stagnate in a recession, the federal budget responds automatically: tax collections shrink, and spending goes up for programs like unemployment insurance, Social Security, and Food Stamps." According to CBPP: "The recession battered the budget, driving down tax revenues and swelling outlays for unemployment insurance, food stamps, and other safety-net programs. Using CBO's August 2008 projections as a benchmark, we calculate that the changed economic outlook alone accounts for over $400 billion of the deficit each year in 2009 through 2011 and slightly smaller amounts in subsequent years. Those effects persist; even in 2018, the deterioration in the economy since the summer of 2008 will account for over $300 billion in added deficits, much of it in the form of additional debt-service costs."

[CBPP.org, 11/18/10; CBPP.org, 5/10/11, citations removed]

Over The Coming Decade, The Bush Tax Cuts Are The Primary Cause Of Federal Budget Deficits. The Center on Budget and Policy Priorities prepared a chart showing the deficit impact of the Bush tax cuts (orange), the Iraq and Afghanistan wars, the recession itself, and spending to rescue the economy:

[CBPP.org, 5/10/11]

CBPP: Bush Tax Cuts And Wars Are Driving The Debt. According to the Center on Budget and Policy Priorities:

> The complementary chart, below, shows that the Bush-era tax cuts and the Iraq and Afghanistan wars — including their associated interest costs — account for almost half of the projected public debt in 2019 (measured as a share of the economy) if we continue current policies.

[Center on Budget and Policy Priorities, 5/20/11]

Spending Growth Under Obama Is Low

January 2009 (Pre-Obama): Federal Spending Projected To Spike To $3.5 Trillion Without Any Policy Changes. In January 2009, the Congressional Budget Office projected: "Without changes in current laws and policies, CBO estimates, outlays will rise from $3.0 trillion in 2008 to $3.5 trillion in 2009." [Congressional Budget Office, "The Budget and Economic Outlook: Fiscal Years 2009 to 2019," January 2009]

Accounting For Inflation And President Obama's Impact On FY 2009, Spending Will Have Grown By Just 1.7 Percent From 2009 To 2012. According to Michael Linden, Director of Tax and Budget Policy at the Center for American Progress:

> [I]n January 2009, before President Obama had even taken office, the Congressional Budget Office projected that federal spending would exceed $3.5 trillion for fiscal year 2009, half a trillion more than the government spent in 2008. Again, that was BEFORE President Obama event took office. It's reasonable to use that number as our best guess at what spending would have been in FY2009 under ANY president. [...]
>
> Of course, the CBO's projections aren't perfect. They change as the economy changes and as laws change. Fortunately, CBO also tells us in subsequent reports how and why its previous estimates have changed. We can use that to understand how much of the total federal spending in fiscal year 2009 was attributable to legislative changes that occurred AFTER President Obama took office.
>
> The answer is that out of a total of $3.5 trillion actually spent in FY09, only $165 billion, less than 5 percent, was the result of policy changes signed into law by President Obama.
>
> In other words, probably the best baseline against which to judge spending under Obama is $3.5 trillion (the amount actually spent in 2009) minus $165 billion (the added amount Obama himself actually approved): $3.35 trillion. This year, the CBO expects that the federal government will spend $3.6 trillion. After accounting for inflation, that's a growth rate of just 1.7 percent. By comparison, and using the exact same methodology, spending in President Bush's first term was up nearly 15 percent. [ThinkProgress.org, 5/25/12]

PolitiFact: Spending Growth Under Obama Is "Second-Slowest" In Recent History. According to PolitiFact: "Obama has indeed presided over the slowest growth in spending of any president [in recent history] using raw dollars, and the growth on his watch was the second-slowest if you adjust for inflation." [PolitiFact.com, 5/23/12]

Republicans Have Opposed President Obama's Deficit-Reduction Efforts

September 2011: Obama Proposed $3 Trillion In Deficit Reduction, "Republicans Swiftly Responded ... With Opposition." According to the *Los Angeles Times*: "President Obama on Monday made an aggressive pitch for his $3-trillion deficit-reduction strategy, promising to veto any proposal that fails to raise revenues by asking wealthy Americans to 'pay their fair share.' [...] His plan for lopping $3 trillion from the deficit is on top of the approximately $1 trillion in spending cuts that he signed into law in August, after reaching a deal with Republican congressional leaders to lift the nation's debt ceiling. On Monday, Republicans swiftly responded to the president's proposal with opposition. [*Los Angeles Times*, 9/19/11]

April 2011: GOP Rejected Obama Proposal To Reduce Deficits By $4 Trillion. According to the *Boston Globe*: "President Obama pledged yesterday to pare the projected deficit by $4 trillion in the next 12 years, vowing to protect the nation's most vulnerable while pushing again for higher taxes for its richest citizens. [...] His call for the end of the Bush tax cuts for incomes above $250,000 for couples reignites a ferocious debate from the fall midterm elections. That element of the speech triggered the most vociferous and immediate opposition from Republicans." [*Boston Globe*, 4/14/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-23-2012

Crossroads GPS: "Simple"

Armed with misleading claims and a clip of Heidi Heitkamp playing softball, Crossroads GPS alleges she "will go to bat for the Obama agenda," while Rep. Rick Berg is the "independent voice" North Dakota needs in the Senate. Of course, Congressman Berg's voting record does not reflect that supposed independence – but it does include two votes for the exact Medicare savings GPS attacks Heitkamp for supporting. The ad's claim that Heitkamp wants to "hit job creators with higher taxes" fares no better under scrutiny.

Berg "An Independent Voice"? Not In His First Term

Rep. Rick Berg Voted With GOP 93 Percent Of The Time. [OpenCongress.org, accessed 10/23/12]

On Key Votes, Rep. Rick Berg Voted With GOP 100 Percent Of The Time. [*Washington Post* Key Votes Database, accessed 10/23/12]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits – And Rick Berg Voted To Preserve Them

PolitiFact: Affordable Care Act Does Not Cut Medicare's Budget, It Attempts To Reduce Future Costs. According to PolitiFact, "Neither Obama nor his health care law literally cut a dollar amount from the Medicare program's budget. Rather, the health care law instituted a number of changes to try to bring down future health care costs in the program." [PolitiFact, 8/15/12]

Medicare Spending Reductions "Aimed At Insurance Companies And Hospitals, Not Beneficiaries." According to PolitiFact: "What kind of spending reductions are we talking about? They were mainly aimed at insurance companies and hospitals, not beneficiaries. The law makes significant reductions to Medicare Advantage, a subset of Medicare plans run by private insurers. Medicare Advantage was started under President George W. Bush, and the idea was that competition among the private insurers would reduce costs. But in recent years the plans have actually cost more than traditional Medicare. So the health care law scales back the payments to private insurers. Hospitals, too, will be paid less if they have too many re-admissions, or if they fail to meet other new benchmarks for patient care. Obama and fellow Democrats say the intention is

to protect beneficiaries' coverage while forcing health care providers to become more efficient." [PolitiFact, 8/15/12]

• **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

Repealing ACA's Medicare Savings "Would Hasten The Insolvency Of Medicare By Eight Years." According to the *New York Times*: "Mitt Romney's promise to restore $716 billion that he says President Obama 'robbed' from Medicare has some health care experts puzzled, and not just because his running mate, Representative Paul D. Ryan, included the same savings in his House budgets. The 2010 health care law cut Medicare reimbursements to hospitals and insurers, not benefits for older Americans, by that amount over the coming decade. But repealing the savings, policy analysts say, would hasten the insolvency of Medicare by eight years — to 2016, the final year of the next presidential term, from 2024. While Republicans have raised legitimate questions about the long-term feasibility of the reimbursement cuts, analysts say, to restore them in the short term would immediately add hundreds of dollars a year to out-of-pocket Medicare expenses for beneficiaries. That would violate Mr. Romney's vow that neither current beneficiaries nor Americans within 10 years of eligibility would be affected by his proposal to shift Medicare to a voucherlike system in which recipients are given a lump sum to buy coverage from competing insurers." [*New York Times*, 8/21/12]

Congressman Rick Berg Voted For Those Medicare Savings

2011 GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

• **Rep. Berg Voted To Keep The Medicare Savings By Supporting House GOP Budget In 2011.** Along with 234 other House Republicans, Rep. Berg voted "yea" on the House Republican budget. [H.Con. Res. 34, Vote #277, 4/15/11]

Paul Ryan-Authored 2011 And 2012 Budgets Include Same Medicare Spending Reductions. From Talking Points Memo: "'There's only one president that I know of in history that robbed Medicare — $716 billion to pay for a new risky program of his own that we call Obamacare,' Romney said in a CBS interview Sunday evening. The claim is central to Romney's strategy of deflecting attacks on his vice presidential pick's plan to remake Medicare. But it papers over important facts, one of which is Ryan's budget blueprints — which Republicans overwhelmingly voted for in 2011 and 2012 — include the same cuts he's slamming." [Talking Points Memo, 8/13/12]

• **Rep. Berg Voted To Keep The Medicare Savings By Supporting House GOP Budget In 2012.** Along with 227 other House Republicans, Rep. Berg voted "yea" on the House Republican budget. [H.Con. Res. 112, Vote #151, 3/29/12]

Repeal Would Increase Deficits And Reduce Or Eliminate Coverage For Millions

CBO: Repealing ACA Would Add $109 Billion To Deficit Between 2013 And 2022. From a letter the Congressional Budget Office sent to House Speaker John Boehner (R-OH): "H.R. 6079 would repeal the ACA, with the exception of one subsection that has no budgetary effect. [...]Assuming that H.R. 6079 is enacted near the beginning of fiscal year 2013, CBO and JCT estimate that, on balance, the direct spending and revenue effects of enacting that legislation would cause a net increase in federal budget deficits of $109 billion over the 2013–2022 period." [CBO.gov, 7/24/12]

Up To 6.6 Million Young Adults Would Lose Health Care Coverage Through Their Parents' Plans. From the *Los Angeles Times*: "President Obama's healthcare law helped as many as 6.6 million young adults stay on or get on their parents' health plans in the first year and a half after

the law was signed, a new survey indicates. [...] Earlier surveys by the federal government found that the number of people ages 19 to 25 without insurance declined after the law was signed, reversing years of erosion in health coverage for young adults." [*Los Angeles Times*, 6/8/12]

70,000 Americans With Pre-Existing Conditions Would Lose Insurance Coverage. According to the Department of Health and Human Services, as of May 31, 2012, 73,333 people were enrolled in the Pre-Existing Condition Insurance Plan (PCIP) created by the Affordable Care Act. [HealthCare.gov, 7/13/12]

5.2 Million People Would Have To Pay More For Prescription Drugs. From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

Over 35 Million Seniors Would Lose Access To Free Preventive Services. The Centers for Medicare and Medicaid Services [CMS] report that 35,106,598 people were enrolled in Medicare Part B in 2011. CMS also reports:

> Beginning January 1, 2011, the Affordable Care Act eliminated Part B coinsurance and deductibles for recommended preventive services, including many cancer screenings and key immunizations. The law also added an important new service — an Annual Wellness Visit with a health professional — at no cost to beneficiaries.
>
> According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries, including 2,404,792 African-American beneficiaries, 537,110 Hispanic beneficiaries, 104,393 American Indian beneficiaries, and 508,398 Asian-American beneficiaries. [CMS.gov, 2/15/12]

Heitkamp Favors Raising Taxes On Million-Dollar Incomes, Not 'Hitting Job Creators'

Heitkamp Campaign: Ask Million-Dollar-Per-Year Earners, Including 645 North Dakotans, To Help Reduce The Deficit. From Heitkamp's campaign website: "I also believe those who earn more than $1 million a year should help reduce the deficit. Only 645 North Dakotans would be impacted by this change, and it would generate $46 billion for deficit reduction." [HeidiForNorthDakota.com, accessed 8/8/12]

Those In The Top Bracket Still Benefit From Middle-Income Tax Cuts. According to the Center on Budget and Policy Priorities:

> Furthermore, as Figure 2 shows, under the proposal to allow tax cuts on income above $250,000 ($200,000 for single filers) to expire, taxpayers in the top two brackets would still keep sizeable tax cuts on the first $250,000 of their income ($200,000 for single filers).

[Center on Budget and Policy Priorities, 7/19/12]

CRS: Allowing Tax Cuts For The Rich To Expire Will Reduce Deficits "Without Stifling The Economic Recovery." According to Reuters: "Letting tax rates for the wealthy rise will not put a short-term damper on the economic recovery, according to a report by the non-partisan research arm of the U.S. Congress. [...] Republicans want the cuts continued for all income groups while Democrats favor letting them expire for the most affluent Americans. 'If the economy is still weak, a temporary extension (of all the rates) will not harm the economy,' despite adding to the deficit, the CRS report said, citing CRS economist Thomas Hungerford. But allowing the rates to rise just for the wealthy could help 'reduce budget deficits in the short term without stifling the economic recovery.'" [Reuters, 7/19/12]

Few Top Income Taxpayers Are Actual Small Businesses

CBPP: "Only 2.5 Percent Of Small Business Owners Face The Top Two Rates." According to the Center on Budget and Policy Priorities: "Allowing the top two marginal tax rates to return to pre-2001 levels as scheduled next year would affect very few small businesses, a recent Treasury Department study found. The study shows that only 2.5 percent of small business owners face the top two rates." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservatives Rely On Definition Of "Small Business" That Counts President Obama And Mitt Romney.** According to the Center on Budget and Policy Priorities: "The claims that allowing the Bush tax cuts for high-income people to expire would seriously harm small businesses rest on an exceedingly broad, and misleading, definition of 'small business.' The definition is so broad, in fact, that under it, both President Obama and Governor Romney would count as small business owners — as would 237 of the nation's 400 wealthiest people." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservative Definition Of "Small Businesses" Includes Multi-Billion-Dollar Corporations Like Bechtel And PricewaterhouseCoopers.** According to the Center for American Progress: "'That's 750,000 small businesses in America, the most productive, the ones that are the most successful, getting hit by a tax increase on top of everything else that's happened to them in the last 18 months of this administration,' said Senate Minority Leader Mitch McConnell (R-KY). But McConnell's number is only accurate if you take an incredibly expansive view of what constitutes a small business. **Included in that 750,000 is the Bechtel Corporation, the largest engineering firm in the country. It is the fifth-largest privately owned company in the United States, posting gross revenue in 2008 of $31.4 billion. [...] The auditing firm PricewaterhouseCoopers, which has operations in more than 150 countries, fits the bill as well.**" [Center for American Progress, 10/21/10, emphasis added]

• **Former Bush Economist Alan Viard: GOP's Definition Of Small Businesses Is A "Fallacy."** As reported by the *Washington Post*: "Which is why Republicans continually define pass-through entities of all sizes as small businesses, a position [former Bush White House economist Alan] Viard called a 'fallacy.' 'How can it be that 3 percent of owners are accounting for 50 percent of small business income? Those firms they're owning can't be all that small,' Viard said. 'And that's true. They're very large.'" [Washington Post, 9/17/10]

Joint Committee On Taxation: "3.5 Percent Of All Taxpayers With Net Positive Business Income" Fall Into Top Tax Bracket. According to the Joint Committee on Taxation: The staff of the Joint Committee on Taxation estimates that in 2013 approximately 940,000 taxpayers with net positive business income (3.5 percent of all taxpayers with net positive business income) will have marginal rates of 36 or 39.6 percent under the president's proposal, and that 53 percent of the approximately $1.3 trillion of aggregate net positive business income will be reported on returns that have a marginal rate of 36 or 39.6 percent. [Joint Committee On Taxation, 6/18/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-23-2012

Crossroads GPS: "Biggest Votes"

Crossroads GPS hits Indiana Senate candidate Joe Donnelly over his support for the Affordable Care Act, claiming it cuts Medicare spending and raises taxes on the middle class, and suggesting it is responsible for rising health insurance premiums. In reality, the law finds future Medicare savings without cutting current spending or benefits, it doesn't raise taxes on most Americans, and it slows the growth in health care costs, which are primarily to blame for higher premiums.

REVIEW TRANSCRIPT

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

PolitiFact: Affordable Care Act Does Not Cut Medicare's Budget, It Attempts To Reduce Future Costs. According to PolitiFact, "Neither Obama nor his health care law literally cut a dollar amount from the Medicare program's budget. Rather, the health care law instituted a number of changes to try to bring down future health care costs in the program." [PolitiFact, 8/15/12]

Medicare Spending Reductions "Aimed At Insurance Companies And Hospitals, Not Beneficiaries." According to PolitiFact: "What kind of spending reductions are we talking about? They were mainly aimed at insurance companies and hospitals, not beneficiaries. The law makes significant reductions to Medicare Advantage, a subset of Medicare plans run by private insurers. Medicare Advantage was started under President George W. Bush, and the idea was that competition among the private insurers would reduce costs. But in recent years the plans have actually cost more than traditional Medicare. So the health care law scales back the payments to private insurers. Hospitals, too, will be paid less if they have too many re-admissions, or if they fail to meet other new benchmarks for patient care. Obama and fellow Democrats say the intention is to protect beneficiaries' coverage while forcing health care providers to become more efficient." [PolitiFact, 8/15/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

Rising Health Care Costs Are Due To Market Forces, And Are Slowed By ACA

Most Of The Rise In Insurance Premiums Is Due To Increasing Health Care Costs. From FactCheck.org: "Health insurance premiums for employer-sponsored family plans jumped a startling 9 percent from 2010 to 2011, and Republicans have blamed the federal health care law. But they exaggerate. The law — the bulk of which has yet to be implemented — has caused only about a 1 percent to 3 percent increase in premiums, according to several independent experts. The rest of the 9 percent rise is due to rising health care costs, as usual." [FactCheck.org, 10/24/11]

- **Premium Increases Slowed To 4 Percent In 2012.** From the *Los Angeles Times*: "Health insurance premiums for employer-sponsored coverage rose a moderate 4% this year, a national survey shows, but experts warn that rates may climb higher next year. Annual insurance premiums for families increased 4%, on average, to $15,745, according to the annual survey by the Kaiser Family Foundation and the Health Research & Educational Trust. That was down from a 9% hike in 2011. [*Los AngelesTimes*, 9/11/12]

Rising Health Care Costs Are Part Of A Long-Term Trend. The following chart from CNNMoney illustrates increasing health care costs between 2002 and 2011:

[Money.CNN.com, 5/11/11]

Without ACA, Health Care Costs Would Rise Even Faster. From CNNMoney: "The individual mandate would help spread health care costs to a larger pool of individuals, thus potentially lowering costs. Should the Supreme Court strike down the Affordable Care Act, consumers can expect that percentage to increase even more as costs rise 'very fast,' [Mathematica Policy Research senior fellow Deborah] Chollet said. Without the law's measures to promote preventative care and spread costs across a larger population, overall costs will rise, she explained. Those without employer-provided health care coverage ... will likely pay more for their plans because there will be fewer restrictions on insurers. Individuals could be denied coverage altogether because of a pre-existing health condition or offered coverage only at a very high premium, both of which are prohibited under the Affordable Care Act, Chollet added. Those with insurance through their employer will also pay more to cover the growing number of uninsured, she said." [Money.CNN.com, 3/29/12]

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

- **Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts.** According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-23-2012

Restore Our Future: "Better"

Restore Our Future is running an ad in 10 states making the case that "Barack Obama's economy isn't working." The pro-Romney super PAC blames President Obama for the consequences of the devastating recession he inherited, ignoring the fact that the economy is growing and the private sector has added 4.7 million jobs in the last 31 months. The group also blames Obama for high deficits fueled by Bush policies and the recession, as well as for the credit downgrade that resulted from the GOP's reckless approach to the debt ceiling and refusal to consider any deficit-reduction measure that increases revenue.

FACEBO TWITTER

REVIEW TRANSCRIPT

The Economy Has Added 4.7 Million Private-Sector Jobs In The Last 31 Months

The Private Sector Has Added 4.7 Million Jobs Over 31 Consecutive Months Of Private-Sector Growth. The following chart shows the monthly change in private-sector jobs dating back to January 2008.

[BLS.gov, accessed 10/5/12; MSNBC.com, 10/5/12]

"The Last Four Years": Massive Monthly Job Losses Obama Inherited Have Turned To Steady Private-Sector Growth

Recession Officially Ran From December 2007 To June 2009, Making It The Longest Since World War II. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday by conference call. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in June 2009. The trough marks the end of the recession that began in December 2007 and the beginning of an expansion. The recession lasted 18 months, which makes it the longest of any recession since World War II. Previously the longest postwar recessions were those of 1973-75 and 1981-82, both of which lasted 16 months. In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 9/20/10]

• **Recession Resulted In 8.3 Million Job Losses.** According to the Associated Press, "the Great Recession killed 8.3 million jobs, compared with 1.6 million lost in the 2001 recession." [Associated Press via Yahoo! News, 5/4/12]

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

Since The Recession Ended In June 2009, The Private Sector Has Added 3.5 Million Jobs While Public-Sector Employment Has Fallen By 569,000. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 111,499,000 private-sector jobs in September 2012, an increase of 3,566,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 22,001,000 working in the public sector in September 2012, a decrease of 569,000 jobs. The private-sector gains and public-sector losses add up to a total increase of 2,797,000 jobs.

The following chart shows the cumulative private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

[BLS.gov, accessed 10/5/12; BLS.gov, accessed 10/5/12; NBER.org, 9/20/10]

• **Conservative AEI: The Public Sector Is Shrinking, But Private-Sector Growth Is Above Average.** From American Enterprise Institute scholar Mark J. Perry: "In the second quarter of 2012, 'public sector GDP' decreased -1.44%, and that was the eighth straight quarter of negative growth for total government spending, averaging -2.88% per quarter over the last two years. In contrast, there have been 12 consecutive quarters of positive growth for private sector GDP averaging 3.07% per quarter in the three years since the recession ended, which is slightly higher

than the 2.8% average growth rate in private real GDP over the last 25 years." [AEI-Ideas.org, 7/31/12]

• **GOP-Favored "Government Downsizing" Has Been "A Drag" On Job Growth.** From the Associated Press: "Conservative Republicans have long clamored for government downsizing. They're starting to get it — by default. Crippled by plunging tax revenues, state and local governments have shed over a half million jobs since the recession began in December 2007. And, after adding jobs early in the downturn, the federal government is now cutting them as well. States cut 49,000 jobs over the past year and localities 210,000, according to an analysis of Labor Department statistics. There are 30,000 fewer federal workers now than a year ago — including 5,300 Postal Service jobs canceled last month. By contrast, private-sector jobs have increased by 1.6 million over the past 12 months. But the state, local and federal job losses have become a drag on efforts to nudge the nation's unemployment rate down from its painfully high 9.1 percent." [Associated Press, 10/25/11]

New Data Shows Positive Net Job Growth Under Obama – Even Including Job Losses In Early 2009

Latest BLS Benchmark Shows "Net Job Growth...During Obama's First Term." According to the *Huffington Post*: "The Labor Department on Thursday morning quietly released a new benchmark for payroll employment in the U.S. It turns out that with the revision, there has been net job growth -- not much, but more than nothing -- during Obama's first term. According to the revision, total non-farm payrolls stood at 133.686 million jobs in August, up from 133.561 million in January 2009, when Obama's first term began. Before the revision, payrolls were at 133.300 million in August. In other words, 125,000 jobs have been created, in total, during Obama's first term, compared with a prior estimate of a loss of 261,000." [*Huffington Post*, 9/27/12]

Bush Policies And Recession Caused Debt To Skyrocket

Prior To President Obama's Inauguration, President Bush Had Already Created A Projected $1.2 Trillion Deficit For Fiscal Year 2009. From the *Washington Times*: "The Congressional Budget Office announced a projected fiscal 2009 deficit of $1.2 trillion even if Congress doesn't enact any new programs. [...] About the only person who was silent on the deficit projection was Mr. Bush, who took office facing a surplus but who saw spending balloon and the country notch the highest deficits on record." [*Washington Times*, **1/8/09**]

***NYT*: President Bush's Policy Changes Created Much More Debt Than President Obama's.** The *New York Times* published the following chart comparing the fiscal impact of policies enacted under the Bush and Obama administrations:

[*New York Times*, 7/24/11]

Recession Added Hundreds Of Billions In Deficits By Increasing Spending On Safety Net While Shrinking Tax Revenue. The Center on Budget and Policy Priorities (CBPP) explains: "When unemployment rises and incomes stagnate in a recession, the federal budget responds automatically: tax collections shrink, and spending goes up for programs like unemployment insurance, Social Security, and Food Stamps." According to CBPP: "The recession battered the budget, driving down tax revenues and swelling outlays for unemployment insurance, food stamps, and other safety-net programs. Using CBO's August 2008 projections as a benchmark, we calculate that the changed economic outlook alone accounts for over $400 billion of the deficit each year in 2009 through 2011 and slightly smaller amounts in subsequent years. Those effects persist; even in 2018, the deterioration in the economy since the summer of 2008 will account for over $300 billion in added deficits, much of it in the form of additional debt-service costs." [CBPP.org, 11/18/10; CBPP.org, 5/10/11, citations removed]

Over The Coming Decade, The Bush Tax Cuts Are The Primary Cause Of Federal Budget Deficits. The Center on Budget and Policy Priorities prepared a chart showing the deficit impact of the Bush tax cuts (orange), the Iraq and Afghanistan wars, the recession itself, and spending to rescue the economy:

[CBPP.org, 5/10/11]

CBPP: Bush Tax Cuts And Wars Are Driving The Debt. According to the Center on Budget and Policy Priorities:

> The complementary chart, below, shows that the Bush-era tax cuts and the Iraq and Afghanistan wars — including their associated interest costs — account for almost half of the projected public debt in 2019 (measured as a share of the economy) if we continue current policies.

[Center on Budget and Policy Priorities, 5/20/11]

Republicans Have Opposed President Obama's Deficit-Reduction Efforts

September 2011: Obama Proposed $3 Trillion In Deficit Reduction; "Republicans Swiftly Responded ... With Opposition." According to the *Los Angeles Times*: "President Obama on Monday made an aggressive pitch for his $3-trillion deficit-reduction strategy, promising to veto any proposal that fails to raise revenues by asking wealthy Americans to 'pay their fair share.' [...] His plan for lopping $3 trillion from the deficit is on top of the approximately $1 trillion in spending cuts that he signed into law in August, after reaching a deal with Republican congressional leaders to lift the nation's debt ceiling. On Monday, Republicans swiftly responded to the president's proposal with opposition. [*Los Angeles Times*, 9/19/11]

April 2011: GOP Rejected Obama Proposal To Reduce Deficits By $4 Trillion. According to the *Boston Globe*: "President Obama pledged yesterday to pare the projected deficit by $4 trillion in the next 12 years, vowing to protect the nation's most vulnerable while pushing again for higher taxes for its richest citizens. [...] His call for the end of the Bush tax cuts for incomes above $250,000 for couples reignites a ferocious debate from the fall midterm elections. That element of the speech triggered the most vociferous and immediate opposition from Republicans." [*Boston Globe*, 4/14/11]

Credit Downgrade Resulted From GOP Playing Politics With Debt Limit And Refusing To Consider New Revenues

Standard & Poor's: "We Lowered Our Long-Term Rating" Because Of "The Prolonged Controversy Over Raising The Statutory Debt Ceiling." According to Standard & Poor's: "We lowered our long-term rating on the U.S. because we believe that the prolonged controversy over raising the statutory debt ceiling and the related fiscal policy debate indicate that further near-term progress containing the growth in public spending, especially on entitlements, or on reaching an agreement on raising revenues is less likely than we previously assumed and will remain a contentious and fitful process. [...] The statutory debt ceiling and the threat of default have become political bargaining chips in the debate over fiscal policy." [Standard & Poor's, 8/5/11]

S&P Explanation Of Downgrade Cited "Republicans In Congress" Who "Continue To Resist Any Measure That Would Raise Revenues." According to Standard & Poor's: "Under our revised base case fiscal scenario--which we consider to be consistent with a 'AA+' long-term rating and a negative outlook--we now project that net general government debt would rise from an estimated 74% of GDP by the end of 2011 to 79% in 2015 and 85% by 2021. Even the projected 2015 ratio of sovereign indebtedness is high in relation to those of peer credits and, as noted, would continue to rise under the act's revised policy settings. Compared with previous projections, our revised base case scenario now assumes that the 2001 and 2003 tax cuts, due to expire by

the end of 2012, remain in place. We have changed our assumption on this because the majority of Republicans in Congress continue to resist any measure that would raise revenues, a position we believe Congress reinforced by passing the act." [Standard & Poor's, 8/5/11]

***National Journal*: Credit Downgrade Resulted From "The Political Game Of Chicken...That Republicans Initiated And Pushed To The Limit."** According to the *National Journal*: "The big new element on Friday was an official outside recognition that U.S. creditworthiness is being undermined by a new factor: political insanity. S&P didn't base its downgrade on a change in the U.S. fiscal and economic outlook. It based it on the political game of chicken over the debt ceiling, a game that Republicans initiated and pushed to the limit, and on a growing gloom about the partisan deadlock. Part of S&P's gloom, moreover, stemmed explicitly from what a new assessment of the GOP's ability to block any and all tax increases. S&P was remarkably blunt that its downgrade was mostly about heightened political risks: 'The political brinksmanship of recent months highlights what we see as America's governance and policymaking becoming less stable, less effective, and less predictable than what we previously believed,' it said." [*National Journal*, 8/6/11]

***National Journal*: "It's Hard To Read The S&P Analysis As Anything Other Than A Blast At Republicans." According** to the *National Journal*: "To be sure, S&P didn't specifically single out Republicans. It criticized the overall $2.4 trillion deal as too limited, and it implicitly criticized both political parties for refusing to tackle their sacred cows - entitlements, in the case of Democrats; tax increases in the case of Republicans. But it's hard to read the S&P analysis as anything other than a blast at Republicans. In denouncing the threat of default as a 'bargaining chip,' the agency was saying that the GOP strategy had shaken its confidence. Though S&P didn't mention it, the agency must have been unnerved by the number of Republicans who insisted that it would be fine to blow through the debt ceiling and provoke a default." [*National Journal*, 8/6/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

FACEBO TWITTE

Want to know more about Ad Check? click to learn more

10-26-2012

60 Plus Association: "Strengthen"

The 60 Plus Association is running an ad that features Pat Boone distorting the Affordable Care Act's impact on Medicare and misrepresenting Republican presidential candidate Mitt Romney's proposal for the program. Boone warns that Medicare is "going bankrupt" and suggests that the health care law will only make it worse. In reality, however, the ACA reduces future Medicare spending, as opposed to 'taking' money out of the program, which actually extends the program's solvency for eight years. Meanwhile, Romney's proposed voucher plan would lead to higher costs for seniors, and by repealing the health care law, he would re-open the prescription drug "donut hole" and take away seniors' access to free preventive services.

FACEBO TWITTER

REVIEW TRANSCRIPT

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

PolitiFact: Affordable Care Act Does Not Cut Medicare's Budget, It Attempts To Reduce Future Costs. According to PolitiFact, "Neither Obama nor his health care law literally cut a dollar amount from the Medicare program's budget. Rather, the health care law instituted a number of changes to try to bring down future health care costs in the program." [PolitiFact, 8/15/12]

Medicare Spending Reductions "Aimed At Insurance Companies And Hospitals, Not Beneficiaries." According to PolitiFact: "What kind of spending reductions are we talking about? They were mainly aimed at insurance companies and hospitals, not beneficiaries. The law makes significant reductions to Medicare Advantage, a subset of Medicare plans run by private insurers. Medicare Advantage was started under President George W. Bush, and the idea was that competition among the private insurers would reduce costs. But in recent years the plans have actually cost more than traditional Medicare. So the health care law scales back the payments to private insurers. Hospitals, too, will be paid less if they have too many re-admissions, or if they fail to meet other new benchmarks for patient care. Obama and fellow Democrats say the intention is to protect beneficiaries' coverage while forcing health care providers to become more efficient." [PolitiFact, 8/15/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and

direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

"Going Bankrupt"? Affordable Care Act Improves Medicare's Finances

"The Medicare Trust Fund Will Last Eight Years Longer" Thanks To Health Care Law. The *Huffington Post* reported: "The Medicare trust fund will last eight years longer than it would have without the passage of last year's health care law, the program's trustees announced Friday in a report. The nonpartisan lead actuary for Medicare, Rick Foster, estimated that without the health care overhaul, the program's trust fund would have run dry by 2016. With the law in effect, Foster projected, the trust fund will last through 2024." [*Huffington Post*, 5/13/11]

Repealing ACA's Medicare Savings "Would Hasten The Insolvency Of Medicare By Eight Years." According to the *New York Times*: "Mitt Romney's promise to restore $716 billion that he says President Obama 'robbed' from Medicare has some health care experts puzzled, and not just because his running mate, Representative Paul D. Ryan, included the same savings in his House budgets. The 2010 health care law cut Medicare reimbursements to hospitals and insurers, not benefits for older Americans, by that amount over the coming decade. But repealing the savings, policy analysts say, would hasten the insolvency of Medicare by eight years — to 2016, the final year of the next presidential term, from 2024. While Republicans have raised legitimate questions about the long-term feasibility of the reimbursement cuts, analysts say, to restore them in the short term would immediately add hundreds of dollars a year to out-of-pocket Medicare expenses for beneficiaries. That would violate Mr. Romney's vow that neither current beneficiaries nor Americans within 10 years of eligibility would be affected by his proposal to shift Medicare to a voucherlike system in which recipients are given a lump sum to buy coverage from competing insurers." [*New York Times*, 8/21/12]

Romney Supports Medicare Vouchers That Would Increase Costs

Romney Favors "Premium Support" Model For Medicare. According to Mitt Romney's campaign website, Romney "proposes that tomorrow's Medicare should give beneficiaries a generous defined contribution, or 'premium support,' and allow them to choose between private plans and traditional Medicare. [...] Instead of paying providers directly for medical services, the government's role will be to help future seniors pay for an insurance option that provides coverage at least as good as today's Medicare, and to offer traditional Medicare as one of the insurance options that seniors can choose." [MittRomney.com, accessed 10/25/12]

Kaiser Family Foundation Study: 25 Million Seniors Would Face Higher Costs Under "Premium Support" Plan. According to Kaiser Health News: "The type of proposal championed by Republicans to overhaul Medicare by giving beneficiaries a fixed amount of money to purchase insurance could lead to significant increases in premium costs in some parts of the country, according to a new study. If the plan had been in place in 2010, six in 10 Medicare beneficiaries—about 25 million people both in traditional Medicare and in private Medicare Advantage plans — would have faced higher premiums if they didn't switch to a cheaper plan, according to researchers at the Kaiser Family Foundation." [*Kaiser Health News*, 10/15/12]

Romney's Plan Would Increase Prescription Drug Costs And Reduce Access To Preventive Services, Even For Current Seniors

Mitt Romney Pledges To Repeal The Affordable Care Act. According to Mitt Romney's campaign website: "On his first day in office, Mitt Romney will issue an executive order that paves the way for the federal government to issue Obamacare waivers to all fifty states. He will then work with Congress to repeal the full legislation as quickly as possible." [MittRomney.com, accessed 10/25/12]

The Affordable Care Act Closes The Prescription Drug "Donut Hole." According to CNN:

"What's the donut hole? In addition to a $310 deductible, Medicare beneficiaries pay 25% of their drug costs until the total reaches $2,830 for the year. Then, they fall into a coverage gap. At that point, enrollees **must pay all costs out of pocket** until their annual expenses exceed $6,440. After that, seniors pay 5% of drug costs for the rest of the year." The Kaiser Family Foundation explains how the Affordable Care Act closes the donut hole:

• In 2010, Part D enrollees with spending in the coverage gap will receive a $250 rebate.

• Beginning in 2011, Part D enrollees who reach the coverage gap will receive a 50 percent discount on the total cost of their brand-name drugs in the gap, as agreed to by pharmaceutical manufacturers.

• Over time, Medicare will gradually phase in additional subsidies in the coverage gap for brand-name drugs (beginning in 2013) and generic drugs (beginning in 2011), reducing the beneficiary coinsurance rate in the gap from 100 percent to 25 percent by 2020. [CNNMoney, 6/7/10; KFF.org, March 2010]

• **5.2 Million People Would Have To Pay More For Prescription Drugs If The Affordable Care Act Is Repealed.** From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

Medicare Beneficiaries Receive Free Preventive Services, Annual Wellness Visits Under Health Care Law. As Kaiser Health News reported: "[T]he new health-care law will make it easier and cheaper for seniors to get preventive care. Medicare beneficiaries will be able to receive for free all preventive services and screenings that receive an A or B recommendation for seniors from the U.S. Preventive Services Task Force. That includes mammograms and colorectal cancer screening, bone mass measurement and nutritional counseling for people at risk for diet-related chronic diseases such as diabetes. Medicare beneficiaries will also get a free annual wellness visit under the new law. The visit will cover a number of services, including a health risk assessment and a review of the person's functional and cognitive abilities. [...] Currently, seniors in traditional Medicare pay 20 percent of the cost for most covered preventive services. [KaiserHealthNews.org, 8/10/10]

• **Over 35 Million Seniors Would Lose Access To Free Preventive Services.** The Centers for Medicare and Medicaid Services [CMS] report that 35,106,598 people were enrolled in Medicare Part B in 2011. CMS also reports: "Beginning January 1, 2011, the Affordable Care Act eliminated Part B coinsurance and deductibles for recommended preventive services, including many cancer screenings and key immunizations. The law also added an important new service — an Annual Wellness Visit with a health professional — at no cost to beneficiaries. According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries, including 2,404,792 African-American beneficiaries, 537,110 Hispanic beneficiaries, 104,393 American Indian beneficiaries, and 508,398 Asian-American beneficiaries." [CMS.gov, 2/15/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-22-2012

American Future Fund: "A New Path"

The audio in a new ad from American Future Fund is exclusively Mitt Romney's voice, making accusations about President Obama's impact on spending and taxes and promising to create 12 million new jobs. That figure comes from a series of separate studies with different timelines, and two of those don't even evaluate Romney's policies. In addition, spending growth under Obama is low, and he has cut taxes for 95 percent of working families.

REVIEW TRANSCRIPT

Romney Misused Studies That Don't Evaluate His Policies To Back 12 Million Jobs Claim

Romney's 12 Million Jobs Estimate Cobbles Together Different Studies With Mismatched Timelines. From the *Washington Post*: "But the specifics — 7 million plus 3 million plus 2 million — mentioned by Romney in the ad are not in the white paper. So where did that come from? We asked the Romney campaign, and the answer turns out to be: totally different studies ... with completely different timelines. For instance, the claim that 7 million jobs would be created from Romney's tax plan is *a 10-year number*, derived from a study written by John W. Diamond, a professor at Rice University." [WashingtonPost.com, 10/16/12]

Five Million Of The 12 Million Come From Reports That Do Not Evaluate Romney's Policies. From the *Washington Post*: "For instance, the 3-million-jobs claim for Romney's energy policies appears largely based on a Citigroup Global Markets study that did not even evaluate Romney's policies. Instead, the report predicted 2.7 million to 3.6 million jobs would be created *over the next eight years*, largely because of trends and policies already adopted — including tougher fuel efficiency standards that Romney has criticized and suggested he would reverse. The 2-million-jobs claim from cracking down on China is also very suspicious. This figure comes from a 2011 International Trade Commission report, which estimated that there could be a gain of 2.1 million jobs if China stopped infringing on U.S. intellectual property rights. The estimate is highly conditional and pegged to the job market in 2011, when there was high unemployment. 'It is unclear when China might implement the improvement in IPR protection envisioned in the analysis, and equally unclear whether the United States will face as much excess labor supply then as it does today,' the report says. The Romney campaign has already used this study, in a misleading way, to claim that Obama's China 'policies cost us 2 million jobs.' Now the campaign has just taken the same figure and credited the claimed job gain to itself, even though the report does not examine any of Romney's proposed policies." [WashingtonPost.com, 10/16/12]

Economists Predict 12 Million Jobs Will Be Created Whether Romney Or Obama Is Elected. From the *Washington Post*: "Moody's Analytics, in an August forecast, predicts 12 million jobs will be created by 2016, no matter who is president. And Macroeconomic Advisors in April also predicted a gain of 12.3 million jobs." [WashingtonPost.com, 10/16/12]

Obama Has Cut Taxes

Recovery Act Included $288 Billion In Tax Cuts. From PolitiFact: ""Nearly a third of the cost of the stimulus, $288 billion, comes via tax breaks to individuals and businesses. The tax cuts include a refundable credit of up to $400 per individual and $800 for married couples; a temporary increase of the earned income tax credit for disadvantaged families; and an extension of a program that allows businesses to recover the costs of capital expenditures faster than usual. The tax cuts aren't so much spending as money the government won't get -- so it can stay in the economy. Of that $288 billion, the stimulus has resulted in $119 billion worth of tax breaks so far." [PolitiFact.com, 2/17/10]

Obama Has Cut Taxes For Up To "95 Percent Of Working Families." According to FactCheck.org: "Obama has *lowered* taxes for all workers through a 2 percentage point reduction in the Social Security payroll tax that started in 2011 and is scheduled to continue through the end of 2012. The cut is equal to $1,000 this year for a worker making $50,000 a year — or as much as $2,202 to any worker earning at least the maximum taxable level of wages or salary ($110,100 for 2012). Obama had previously signed a tax cut that benefited nearly all working families and was in effect from 2009 through 2010. The 'Making Work Pay' tax credit was part of the stimulus bill he signed shortly after taking office. That credit was worth a maximum of $400 per person, or $800 for couples during those years. It phased out at higher income levels, and so its benefit went entirely to individuals making less than $95,000 a year, or couples making less than $190,000. The White House figures it went to '95 percent of working families.' And even allowing for those who are retired or unemployed, it benefited more than 75 percent of all individuals and families, working or not, according to the nonpartisan Tax Policy Center." [FactCheck.org, 5/17/12]

Under Obama, The Federal Tax Burden Is Historically Low. From the *Washington Post*: "Americans paid the lowest tax rates in 30 years to the federal government in 2009, in part because of tax cuts President Obama sought to combat the Great Recession, congressional budget analysts said Tuesday. A sharp decline in income — especially among the wealthiest Americans, who pay the highest tax rates — also played a role, according to the report by the nonpartisan Congressional Budget Office. [...] Still, at the very moment anti-tax protesters were emerging as the most powerful force in American politics, handing Republicans landslide control of the U.S. House, the data show that people were sending the smallest portion of their income to the federal government since 1979." [*Washington Post*, 7/10/12]

GOP Rejected Plan To Extend Tax Cuts For All Americans Except The Super Rich

December 2010: Senate Republicans Blocked Democratic Attempt To Extend Middle-Class Tax Cuts. From CNN: "Two Senate procedural votes on Democratic measures to extend George W. Bush-era tax cuts for people who are not super wealthy failed on Saturday, preventing the measures from moving forward. The votes sought to extend the Bush tax cuts for families making under $250,000 and $1 million, respectively. Both votes garnered the support of 53 senators, but the Democrats needed 60 votes to end debate." [CNN, 12/5/10]

- **Obama Struck Compromise With GOP To Extend All Bush Tax Cuts In Exchange For Extending Jobless Benefits, Cutting Payroll Taxes.** From the *New York Times*: "President Obama announced a tentative deal with Congressional Republicans on Monday to extend the Bush-era tax cuts at all income levels for two years as part of a package that would also keep benefits flowing to the long-term unemployed, cut payroll taxes for all workers for a year and take other steps to bolster the economy. [...] In addition, the agreement provides for a 13-month extension of jobless aid for the long-term unemployed. Benefits have already started to run out for some people, and as many as seven million people would potentially lose assistance within the next year, officials said. Congressional Republicans in recent days have blocked efforts by Democrats to extend the jobless aid, saying they would insist on offsetting the $56 billion cost with spending cuts elsewhere. White House officials said they feared a long standoff that would see benefits end for millions of Americans over the holiday season and in the months ahead. But Mr. Obama made substantial concessions to Republicans. In addition to dropping his opposition to any extension of the current income tax rates on income above $250,000 for couples and $200,000 for individuals, he agreed to a deal on the federal estate tax that infuriated many Democrats. The deal would ultimately set an exemption of $5 million per person and a maximum rate of 35 percent — a higher exemption and far lower rate than many Democrats wanted." [*New York Times*, 12/6/10]

Spending Growth Under Obama Is Low

January 2009 (Pre-Obama): Federal Spending Projected To Spike To $3.5 Trillion Without

Any Policy Changes. In January 2009, the Congressional Budget Office projected: "Without changes in current laws and policies, CBO estimates, outlays will rise from $3.0 trillion in 2008 to $3.5 trillion in 2009." [Congressional Budget Office, "The Budget and Economic Outlook: Fiscal Years 2009 to 2019," January 2009]

Accounting For Inflation And President Obama's Impact On FY 2009, Spending Will Have Grown By Just 1.7 Percent From 2009 To 2012. According to Michael Linden, Director of Tax and Budget Policy at the Center for American Progress:

> [I]n January 2009, before President Obama had even taken office, the Congressional Budget Office projected that federal spending would exceed $3.5 trillion for fiscal year 2009, half a trillion more than the government spent in 2008. Again, that was BEFORE President Obama event took office. It's reasonable to use that number as our best guess at what spending would have been in FY2009 under ANY president. [...]
>
> Of course, the CBO's projections aren't perfect. They change as the economy changes and as laws change. Fortunately, CBO also tells us in subsequent reports how and why its previous estimates have changed. We can use that to understand how much of the total federal spending in fiscal year 2009 was attributable to legislative changes that occurred AFTER President Obama took office.
>
> The answer is that out of a total of $3.5 trillion actually spent in FY09, only $165 billion, less than 5 percent, was the result of policy changes signed into law by President Obama.
>
> In other words, probably the best baseline against which to judge spending under Obama is $3.5 trillion (the amount actually spent in 2009) minus $165 billion (the added amount Obama himself actually approved): $3.35 trillion. This year, the CBO expects that the federal government will spend $3.6 trillion. After accounting for inflation, that's a growth rate of just 1.7 percent. By comparison, and using the exact same methodology, spending in President Bush's first term was up nearly 15 percent. [ThinkProgress.org, 5/25/12]

PolitiFact: Spending Growth Under Obama Is "Second-Slowest" In Recent History. According to PolitiFact: "Obama has indeed presided over the slowest growth in spending of any president [in recent history] using raw dollars, and the growth on his watch was the second-slowest if you adjust for inflation." [PolitiFact.com, 5/23/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Want to know more about Ad Check? click to learn more

10-22-2012

U.S. Chamber of Commerce: "Jon Tester – Working for Washington"

The U.S. Chamber of Commerce attacks Sen. Jon Tester (D-MT) for supporting the Affordable Care Act, a cap-and-trade bill, and for the Senate's failure to pass a budget resolution over the last three years. Contrary to the Chamber's claims, however, the health care law doesn't 'cut' Medicare benefits, and the cap-and-trade measure Tester supported would have had little impact on the average household budget.

Health Care Reform Relies On The Private Sector

PolitiFact: Affordable Care Act "Greatly Relies On The Private Sector." According to PolitiFact: "[T]he law increases regulation. But it greatly relies on the private sector to provide health care. Hospitals will not be taken over by the government, doctors will not become federal employees. The act relies on private insurers to compete and provide health care coverage to an expanded customer base. Employer-based coverage through private companies continues. The 'government takeover of health care' is a potent political charge that does not hold up under examination." [PolitiFact.com, 6/16/12]

Federal Government's Share Of U.S. Health Spending Is Projected To Grow Very Slowly Under ACA. According to Kaiser Family Foundation president Drew Altman: "Measured by the government's share of health care spending, there is no sign of a government takeover of the health care system." The following chart, based on analysis by the Center on Medicare and Medicaid Services, shows the projected share of U.S. health spending by the states, the federal government, and the private sector in 2010 and 2020:

[KFF.org, 8/1/11]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

PolitiFact: Affordable Care Act Does Not Cut Medicare's Budget, It Attempts To Reduce Future Costs. According to PolitiFact, "Neither Obama nor his health care law literally cut a dollar amount from the Medicare program's budget. Rather, the health care law instituted a number of changes to try to bring down future health care costs in the program." [PolitiFact, 8/15/12]

Medicare Spending Reductions "Aimed At Insurance Companies And Hospitals, Not Beneficiaries." According to PolitiFact: "What kind of spending reductions are we talking about? They were mainly aimed at insurance companies and hospitals, not beneficiaries. The law makes significant reductions to Medicare Advantage, a subset of Medicare plans run by private insurers. Medicare Advantage was started under President George W. Bush, and the idea was that competition among the private insurers would reduce costs. But in recent years the plans have actually cost more than traditional Medicare. So the health care law scales back the payments to private insurers. Hospitals, too, will be paid less if they have too many re-admissions, or if they fail to meet other new benchmarks for patient care. Obama and fellow Democrats say the intention is to protect beneficiaries' coverage while forcing health care providers to become more efficient." [PolitiFact, 8/15/12]

• **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

Cap-And-Trade Policy Would Have Had Little Impact On Household Budgets

The ad cites Senate Roll Call Vote #145 on June 6, 2008, in which the Senate rejected cloture on a version of the Climate Security Act of 2008.

Projections Suggested Climate Change Policy Would Have Little Impact On Household Budgets. From an Environmental Defense Fund analysis of five models used to predict the impacts of climate change legislation: "[W]hile climate policy is expected to raise electricity bills somewhat, the effect is fairly modest. Over the period 2010-2030, the median projected increase in the average household electricity budget relative to business as usual, across all of these models considered here, turns out to be the EIA's forecast—just $3.30 a month, or about 3.5%. (The average projected increase is $3.15.) Moreover, the electricity bills implied by all of the models fall well within the range of recent experience. For example, the most recent analysis of the Lieberman-Warner bill (by RTI) suggests that households would spend about the same amount on electricity under climate policy, in real terms, as they did in 2005." [EDF.org, 2008]

CAP: "Climate Security Act Would Create Tens Of Thousands Of New Clean-Energy Jobs" And Protect Current Energy Jobs Against Offshoring. From the Center for American Progress: "The Climate Security Act would create tens of thousands of new clean-energy jobs. In addition to making clean energy more economically attractive, the bill would invest billions of dollars in efficiency and renewables. The bill includes $150 billion for renewable energy investments alone. If this sum were equally divided into $50 billion each for investments in wind, concentrated solar, and geothermal, we estimate that by 2050 it would generate a total of 81 billion kilowatt-hours of wind-powered electricity, which could power approximately 7.7 million homes and create 42,000 jobs; 52 billion kWh of concentrated solar electricity, which could power about 5 million homes and create 5,600 jobs; and 131 billion kWh of geothermal electricity, which could power about 12.4 million homes and create 71,000 jobs. The bill would also protect workers in high carbon-emitting fields from losing their jobs overseas to nations that do not reduce their global warming pollution. The Climate Security Act includes a provision that would require imports from nations that do not have a comparable system of greenhouse gas reductions to pay an excess emissions penalty after 2015." [AmericanProgress.org, 5/30/08]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-22-2012

U.S. Chamber of Commerce: "It's Time To Send Him Home"

The U.S Chamber of Commerce argues Rep. Martin Heinrich's (D-NM) voting record on energy is disqualifying, but its claims about cap-and-trade come from an industry-funded study that paints a much darker picture than the Energy Information Administration's analysis. The ad's claims about the Keystone XL pipeline and Heinrich's party loyalty are also dishonest.

Heather Wilson Voted With Her Party "Nearly 90 Percent Of The Time" In Her House Tenure, Too

Wilson Voted With Party "Nearly 90 Percent Of The Time" Too, In Her Last Term. According to the *Washington Post* voting database, Wilson voted with the GOP 89 percent of the time from 2007-2009, her final term in the House. [WashingtonPost.com, accessed 10/22/12]

Wilson Voted With Party 86.3 Percent Of The Time On Average From 1998-2006. According to *Congressional Quarterly*, Wilson voted with her party between 79 and 94 percent of the time each year from 1998-2006. The *CQ* Party Unity numbers for Wilson average to 86.3 percent. [CQ.com, accessed 10/22/12]

***Albuquerque Journal*, 2006: Wilson Voted With President Bush At Least 88 Percent Of The Time From 2001-2004.** From the *Albuquerque Journal*: "Wilson's also a pretty reliable vote for President Bush, the magazine found. In 2001, Wilson voted with House Republican leadership 94 percent of the time, according to CQ. The following year, in 2002, that number dropped to 90 percent. In 2003, the number edged up to 91 percent, then dropped to 79 percent in 2004 and then 82 percent last year, in 2005. CQ also found that Wilson doesn't buck the president quite as much as she and her campaign handlers might like us to believe. Starting in 2001, CQ found that Wilson voted in support of Bush's stated positions on issues 88 percent of the time. In 2002, she supported the president 90 percent of the time, in 2003 her support level was 89 percent, in 2004 it was 88 percent. Only in the last year, 2005, did Wilson put some serious distance between herself and Bush, voting on his side of issues just 70 percent of the time." [*Albuquerque Journal*, 3/12/06]

American Clean Energy And Security Act Would Have Boosted The Economy At Minimal Cost To

Consumers

The Chamber of Commerce cites a National Association of Manufacturers study that predicted much worse outcomes from cap-and-trade than other estimates.

Reuters: Experts Say House-Passed Clean Energy Bill Would Have "Only A Modest Impact On Consumers." According to Reuters: "A new U.S. government study on Tuesday adds to a growing list of experts concluding that climate legislation moving through Congress would have only a modest impact on consumers, adding around $100 to household costs in 2020. Under the climate legislation passed by the House of Representatives in June, electricity, heating oil and other bills for average families will rise $134 in 2020 and $339 in 2030, according to the Energy Information Administration, the country's top energy forecaster. The EIA estimate was in line with earlier projections from the nonpartisan Congressional Budget Office which said average families would pay about $175 extra annually by 2020, and the Environmental Protection Agency, which said families would pay at most an extra $1 per day." [Reuters, 8/5/09]

- **CBO: Energy Costs Would Actually Decrease For Low-Income Households.** According to the Congressional Budget Office's analysis of the American Clean Energy and Security Act, if the bill were implemented, "households in the lowest income quintile would see an average net benefit of about $40 in 2020, while households in the highest income quintile would see a net cost of $245." [CBO.gov, 6/19/09]

Study: Clean Energy Legislation Would Create Jobs, Boost GDP. According to an analysis by the University of California, Berkley: "Comprehensive clean energy and climate protection legislation, like the American Clean Energy and Security Act (ACES) that was passed by the House of Representatives in June, would strengthen the U.S. economy by establishing pollution limits and incentives that together will drive large-scale investments in clean energy and energy efficiency. These investments will result in stronger job growth, higher real household income, and increased economic output than the U.S. would experience without the bill. New analysis by the University of California shows conclusively that climate policy will strengthen the U.S. economy as a whole. Full adoption of the ACES package of pollution reduction and energy efficiency measures would create between 918,000 and 1.9 million new jobs, increase annual household income by $487-$1,175 per year, and boost GDP by $39 billion-$111 billion. These economic gains are over and above the growth the U.S. would see in the absence of such a bill." [University of California, Berkeley, accessed 5/14/12]

Keystone XL Would Threaten Environment, But Wouldn't Create Many Jobs

State Dept. Estimates Keystone Would Create Just 20 Permanent Jobs. From *Businessweek*: "Clearly, the construction of the pipe, most of it below ground, will be a huge undertaking. The estimated number of people it will employ in the process, however, has fluctuated wildly, with TransCanada raising the number from 3,500, to 4,200, to 20,000 temporary positions and suggesting the line will employ several hundred on an on-going basis. The U.S. State Department, which made its own assessment because the pipeline crosses the U.S.-Canada border, estimates the line will create just 20 permanent jobs. One advantage of a pipeline, after all, is that it's automated." [*Businessweek*, 2/17/12]

Keystone Would Create Fewer Than 25,000 Total Jobs Per Year For Just Two Or Three Years. From a Cornell University Global Labor Institute study of KXL's economic impacts: "[W]e calculate that the actual spending relevant to the US economy, and the figure from which US new job creation projections should be calculated, is around $3 to $4 billion, not $7 billion. [...] Fortunately, the job projections submitted by developers of other major pipeline projects provide a useful guide for estimating potential impacts for KXL. On this basis, for the purposes of estimating total employment impacts, it is reasonable to assume a multiplier of approximately 11 person-years per $1 million pipeline project capital costs. [...] Given a multiplier of 11 person-years per $1 million, this translates into total employment impacts of 33,000 to 44,000 person-years. So a reasonable estimate of the total incremental US jobs from KXL construction is about one-third of the figure estimated in the Perryman study and used by industry to advocate for the construction of KXL. Moreover, any job impacts associated with KXL construction would be spread over 2 and more likely 3 years. So the annual impacts are at most about 22,000 person-years of employment per year, for two years. But the annual impacts could also be as low as 11,000 person-years per year, for three years." ["Pipe Dreams? Jobs Gained, Jobs Lost By The Construction Of Keystone XL," Cornell University Global Labor Institute, September 2011, internal citations removed]

Keystone Pipeline Puts A Sensitive Aquifer At Risk For A Spill Involving Toxic Chemicals

Keystone XL Would Pump Heavy Crude Mixed With Toxic Chemicals Over One Of Largest Aquifers In U.S. From NPR: "The difference between Canadian Tar Sands oil and Oklahoma light sweet crude is like the difference between Coca-Cola and cake batter. So to make it easier for

Canadian oil to flow thousands of miles south to Cushing, it has to be mixed with chemicals to thin out. 'They won't tell us what's in the oil to make it flow,' says Randy Thompson, a Nebraskan cattle rancher who's opposed Keystone XL. He's successfully spearheaded a campaign to halt the construction of Keystone XL through the ecologically sensitive Sandhills of Nebraska that lie atop one of America's largest underground aquifers. 'We know they're toxic chemicals. So this is a severe concern for a lot of us people out here,' Thompson says. 'A lot of us people out here, we gotta drink this water. Be nice to know what the hell they're pumping through it.' TransCanada claims that its proposed Keystone XL line will be the safest of its kind ever built. 'I believe we can absolutely build pipelines with new technology that are getting closer and closer to being leak free,' Jones says." [NPR.org, 2/26/12]

• **Despite Decline In Incidents, Still Over 100 "Significant Spills" Per Year From U.S. Pipelines.** From the *New York Times*: "Federal records show that although the pipeline industry reported 25 percent fewer significant incidents from 2001 through 2010 than in the prior decade, the amount of hazardous liquids being spilled, though down, remains substantial. There are still more than 100 significant spills each year — a trend that dates back more than 20 years. And the percentage of dangerous liquids recovered by pipeline operators after a spill has dropped considerably in recent years." [*New York Times*, 9/9/11]

• **Over 5,600 Incidents Releasing 110 Million Gallons From Pipelines Since 1990.** From the *New York Times*: "Since 1990, more than 5,600 incidents were reported involving land-based hazardous liquid pipelines, releasing a total of more than 110 million gallons of mostly crude and petroleum products, according to analysis of federal data. The pipeline safety agency considered more than half — at least 100 spills each year — to be 'significant,' meaning they caused a fire, serious injury or fatality or released at least 2,100 gallons, among other factors." [*New York Times*, 9/9/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-26-2012

American Commitment: "Work Hard"

An ad from American Commitment blames Arizona Senate candidate Richard Carmona for the debts an Arizona health care system and community hospital incurred under Carmona's leadership. But the ad neglects to mention that the health care system was already $36 million in debt when Carmona was appointed, due largely to a health care market plagued by high numbers of uninsured and underinsured people seeking uncompensated services at the hospital's emergency room.

Health System Was Plagued By Budgetary Problems Before Carmona Came On Board

Carmona Became CEO Of Kino Community Hospital In 1995. From the *Arizona Daily Star*: "In 1994, he was appointed by the Pima County Board of Supervisors to chair a commission reviewing the county's financially troubled Kino Community Hospital. The following year, the board decided Carmona himself was the best solution to the hospital's problems and named him CEO and medical director." [*Arizona Daily Star* via Nexis, 6/16/02]

- **Hospital's Operating Deficit Was Already $4 Million When Carmona Was Hired.** From the *Arizona Daily Star*: "The hospital's operating deficit, which actually stood closer to $4 million when Carmona was hired, was indeed eliminated during his two years as CEO. But those numbers masked serious financial problems, including a mounting balance of uncollectible accounts that made it seem Kino had more money than it actually did, financial reports show." [*Arizona Daily Star* via Nexis, 6/16/02]

Carmona Was Appointed Interim Head Of Entire Pima County Health System In 1997 And Confirmed As Permanent Chief After A Year. From the Associated Press: "The interim head of Pima County's health care system is the top choice of 100 applicants in a national search and is expected to get the post permanently. The Board of Supervisors will decide Tuesday whether to follow a Pima Health Care Commission recommendation to name Richard Carmona chief of the system. Board members on Friday indicated that Carmona is likely to get the votes he needs for the job. Since July 1997, the 48-year-old doctor has been the interim head of the $ 230 million health care system, which includes Kino Community Hospital, home health care and long-term indigent care." [Associated Press via Nexis, 9/13/98]

- **Department Was Already $36 Million In Debt At Time Of Carmona's Appointment In 1997.** From the *Arizona Republic*: "At the time of Carmona's appointment in 1997, the department was about $36 million in debt, based on reports from the Associated Press." [AZCentral.com, 10/16/12]

Pima County Health Care System Had Been Running Deficits Since 1982, With Vast Majority

Due To Community Hospital. From the *Tucson Citizen*: "The budgets: The $180 million health-care system accounts for one-third of the county budget. Kino Community Hospital's budget is $55 million. Red ink: The system, which is supposed to pay its own way through contracts and fees, has been running annual deficits that total $46.2 million since 1982. Of that deficit, $40 million is at Kino." [*Tucson Citizen*, 1/5/00]

Most Kino Hospital Debt Incurred Providing Services To Uninsured Or Underinsured Patients. From the *Tucson Citizen*: "The past nine years, Kino has cost almost $70 million to run, with debt anticipated to be about $13 million to $15 million this fiscal year. Most of the debt over the years has been accrued from providing uncompensated services, mainly to uninsured and underinsured patients, and undocumented immigrants." [*Tucson Citizen* via Nexis, 10/21/02]

Tucson's Health Care Market Is Particularly Strapped. From an *Arizona Daily Star* article about underfunded trauma centers:

> Most of the blame for that is placed on what many see as Tucson's severely squeezed health care market - now considered one of the worst in the country - with these factors most often cited:
>
> • The domination of managed care HMOs, which have significantly lowered reimbursements to doctors and hospitals, and have forced people to crowd emergency rooms when they can't get in to see their doctors.
> • Our proximity to the Mexican border, with illegal immigrants who oftenup [*sic*] as unpaid-for trauma cases.
> • Federal laws mandating that no patient be refused emergency care, regardless of nationality or ability to pay.
> • One of the highest uninsured populations in the nation, at more than 25 percent.
> [*Arizona Daily Star* via Nexis, 5/27/01]

Carmona Resigned Position In 1999. From the *Arizona Daily Star*: "A year later, though, the board accepted Carmona's resignation after Kino's debts continued to mount. 'I think in some ways I've been treated unfairly,' Carmona said in 1999 about being pressured to leave. 'I've exposed problems, and now I'm being held responsible for those problems.'" [*Arizona Daily Star* via Nexis, 6/16/02]

• **Hospital Board Chairman: Carmona "Did A Good Job...Problems Existed Before He Entered The System."** From the *Los Angeles Times*: "Carmona quit at a time when Tucson's Kino Community Hospital was facing mounting financial difficulties. At the time, Carmona was criticized for not keeping officials apprised of the hospital's problems, while Carmona's defenders say not all the difficulties can be laid at his feet. 'I think those who look at it critically would say he did a good job,' said Mike Rollins, former chairman of the hospital board. 'The problems existed before he entered the system.'" [*Los Angeles Times*, 3/29/02]

• **Hospital Chief Of Staff: Budgetary Problems Were Inevitable Because It Served Poor And Uninsured Patients.** From the *Arizona Daily Star*: "A year later, though, the board accepted Carmona's resignation after Kino's debts continued to mount. 'I think in some ways I've been treated unfairly,' Carmona said in 1999 about being pressured to leave. 'I've exposed problems, and now I'm being held responsible for those problems.'" Dr. Lenn Ditmanson, Kino's former chief of staff, said the hospital's problems were inevitable given its mission of treating poor and uninsured patients." [*Arizona Daily Star* via Nexis, 6/16/02]

• **Pima Supervisor: Carmona Held System Together In "Tough, Unstable Times."** From the *Arizona Daily Star*: "The year after Carmona assumed interim control of Pima County's entire health care system, Kino's operating deficit rose to $4.5 million. But that didn't dissuade supervisors from making Carmona's promotion permanent in September 1998. 'I think he's held a system together (in) pretty tough, unstable times,' then-Supervisor Raul Grijalva said at the time. 'Now it's time to take that system and (Kino Community Hospital) to a whole new level.'" [*Arizona Daily Star* via Nexis, 6/16/02]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-24-2012

Hardworking Americans Committee

A Michigan super PAC called the Hardworking Americans Committee dishonestly alleges that Sen. Debbie Stabenow (D) is "failing to pay her own taxes," referring to small property tax penalties the senator paid more than five years ago. The ad also accuses Stabenow of "raising your taxes 21 times," citing her support for the Affordable Care Act, which does not raise taxes on most Americans and reduces the burden on the middle class.

FACEBO TWITTER

REVIEW TRANSCRIPT

Stabenow Has Fully Paid Her Property Taxes

Super PAC President: Stabenow Had To Pay $1,200 In Penalties From 2005-2007. According to the *Detroit News*: "The 30-second spot says Stabenow failed to pay taxes on her Washington, D.C., town home, while raising taxes 21 times for Americans. [Hardworking Americans Committee president Stu] Sandler provided tax records that show Stabenow bought her Capitol Hill home in 2001 for $390,000. But from 2005-07 she had to pay about $1,200 to the District of Columbia for property tax penalties and interest on the home." [*Detroit News*, 10/23/12]

***Detroit News*: "Stabenow Has Paid Property Taxes Without Penalties For The Past Five Years."** According to the *Detroit News*: "A Detroit News public record search found Stabenow's Washington property did accrue property tax penalities [*sic*] during those three years, but Stabenow has paid property taxes without penalties for the past five years. A Stabenow spokesman said the tax payments were late but paid in their entirety. 'Debbie has always paid her taxes in full,' he said. 'When she was made aware of errors six years ago, she corrected them.'" [*Detroit News*, 10/23/12]

"21 Tax Increases" Refers To The Affordable Care Act – Which Doesn't Raise Taxes On Most Americans

To support the claim that Sen. Stabenow is responsible for "raising your taxes 21 times," the ad cites an article from the Washington Times *on June 28, 2012.*

House Ways And Means Committee Says There Are 21 Tax Increases In The Health Care Law. According to the *Washington Times* article cited in the ad: "The high court's ruling leaves in place 21 tax increases in the health care law costing more than $675 billion over the next 10 years, according to the House Ways and Means Committee." [*Washington Times*, 6/28/12]

Health Care Law Reduces Overall Burden On The Middle Class And Provides Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

- **Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts.** According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Oct 22

ALAN PYKE

False Facts: Why Conservative Groups Hope You Won't Check Their Sources

Mitt Romney's citation of "six studies" confirming his claims about his tax plan has unraveled rather completely at this point. When a candidate makes that kind of claim, it receives deserved scrutiny, and fact checkers rightly shredded the Republican's line. But the evidence offered by conservative outside groups in political ads receive much less attention, despite being a near-constant presence in voters' lives on television, radio, and the web.

The network of outside-money conservative groups we monitor often don't bother trying to ground their claims in objective truth. Some of their most effective TV ads rely on debatable interpretations of legislation or public statements, and many simply deprive the viewer of context in order to mislead. Others cite only a piece of legislation or a floor vote, while making un-cited claims about what that vote or law meant for voters. But these well-heeled organizations tend to get themselves in trouble when they cite more specific studies or news reports to support their claims.

Sometimes, the mistaken citations are so egregious that they must be intentional. When Crossroads GPS accused Heidi Heitkamp of spending public funds on private planes, it cited a North Dakota newspaper article that completely contradicted the claim. (The group modified the ad without actually dropping the false claim about airplanes, after getting a warning from one TV station.) Crossroads GPS was back at it this week, this time in Maine. As the narrator accuses former Gov. Angus King of turning a surplus "into a nearly $1 billion shortfall," a citation pops up on screen from a Maine newspaper. The piece in question appears to be an op-ed dedicated to debunking the very claim Crossroads is making about King's record, by a former state budget official who

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

calls their version of events "a lie."

This kind of brazen misrepresentation of a source is not as uncommon as you might think. Just since August 1, we've identified 16 separate ads that cite a source that actually says the opposite of what the ad suggests, including one that accuses a Texas Democrat of casting votes he simply did not.

The most common opposite-day citation? A study by the research firm Ernst & Young, commissioned by Republican-boosting business groups, that actually says in a footnote that it is not an analysis of the president's actual proposal on taxes. Still, in eight separate ads, the U.S. Chamber of Commerce, Americans for Tax Reform, and the Crossroads groups have claimed that the president's tax ideas would kill jobs, citing reports on the Ernst & Young study. Two of the ads splash the topline number from that study – 700,000 lost jobs – up on the screen. But a footnote in the report acknowledges that "Using the additional revenue to reduce the deficit is not modeled," even though that's what the White House has proposed.

These up-is-down citations are a different breed from what Mitt Romney did with his "six studies" claim that broke down primarily due to partisan bias, but that kind of trickery is common in TV ads too. Often, the Chamber and the Rove groups cite the NFIB and ATR, each of which has received Crossroads GPS funding and actively coordinated their efforts with other outside-money groups. We've fact-checked many ads that rely on partisan sources, but two stand out – one in Nevada and one back in North Dakota.

In Nevada's Fourth Congressional District, Crossroads GPS cited erroneous reporting from the right-wing *Nevada Journal* to accuse Democrat Steven Horsford of robbing a scholarship fund of $4.2 million. (Jon Ralston, one of the most prominent journalists in the state, said the episode indicates the think tank behind the *Nevada Journal* is now "a partisan hit squad," but voters seeing this ad would never know it unless they took the time to look.) In North Dakota, another Crossroads GPS ad accusing Heitkamp of corruption was based primarily on citations to another legit-sounding publication, the *Plains Daily*. That turns out to be the pet project of right-wing radio host Scott Hennen. When Crossroads GPS claims Heitkamp "refus[ed] to answer questions" about the matter, they were lying – she answered questions from the *Grand Forks Herald*, she just didn't call the right-wing website back.

It may not be as exciting to scrutinize TV ads as it is to examine a candidate's rhetoric. But given the constant presence of the conservative groups and their allies in voter's lives, and the flagrant willingness of these groups to misrepresent what journalists and academics have actually written, fact checkers ought to spend as much energy chasing down outside ads' sources as they do Mitt Romney's.

Tweet Like

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Want to know more about Ad Check? click to learn more

10-25-2012

American Action Network: "Rail"

The American Action Network dishonestly attacks congressional candidate Jose Hernandez (D-CA-10) for living in Texas, branding him as a cowboy and a carpetbagger even though the California native only lived outside the state while working at NASA's Johnson Space Center as an astronaut. The group also criticizes Hernandez for supporting high-speed rail as a way to create jobs, as well as the Recovery Act, which helped save the economy from an even deeper recession.

A California Valley Native, Hernandez Moved To Texas To Become An Astronaut

Jose Hernandez Has Deep Roots In The California Valley, Moved To Houston To Be An Astronaut Until Shuttle Program Ended. According to the *Modesto Bee*: "Hernandez is a newcomer to politics. He grew up primarily in Stockton, worked as a Bay Area engineer, moved to Houston to become an astronaut and flew on a space shuttle in 2009. The United States ended its shuttle program in 2011, and Hernandez moved back to California last winter to launch his campaign. He lives with relatives in Lodi now while his home is being built in Manteca." [*Modesto Bee*, 9/15/12]

Jose Hernandez Went From 'Toiling In California's Farm Fields Alongside His Migrant Workers Parents To Moving To Houston In 2001 To Become An Astronaut. According to the *Associated Press*: "He toiled in California's farm fields alongside his Mexican migrant worker parents and didn't learn English until he was 12. Now Jose Hernandez, NASA astronaut, is about to rocket into orbit. His parents will be in Florida next week for space shuttle Discovery's launch, as will his two older brothers and sister, who also worked the fields in the 1960s and 1970s... Hernandez, 47, vividly recalls being dusty, sweaty and tired in the back seat of the family's car after a hard day of labor. His father would look back at his children and tell them, 'Remember this feeling because if you guys don't do well in school, this is your future.' 'That was pretty powerful,' Hernandez recalled. All four took it to heart. Each graduated from high school and went to college. Discovery is scheduled to blast off in the wee hours of Tuesday. Seven astronauts will be on board for the space station supply run, including two Mexican-Americans, as it turns out, and a Swede. Hernandez moved to Houston in 2001 to work at Johnson Space Center as an engineer. He was selected as an astronaut in 2004, after 12 years of trying." [*Associated Press*, 8/21/09]

Hernandez Supports High-Speed Rail As A Way To Improve Air Quality And Create Jobs

High-Speed Rail Will Facilitate Travel Between Northern And Southern California. According to CNN: "The line is envisioned to carry travelers between Los Angeles and San Diego in 80 minutes and, in the northern part of the state, will eventually connect to Sacramento, the authority said. In all, the 800 miles of track will include up to 24 stations, the authority said. Andy Kunz, president and CEO of the U.S. High Speed Rail Association, said the California high-speed train will travel at 220 mph." [CNN.com, 7/19/12]

Hernandez: High Speed Rail "Will Create Job Opportunities For Years To Come." From Jose Hernandez' campaign website: "In a few years, the Central Valley will see the first High Speed Rail (HSR) trains bring another alternative for Southern Californians and Northern Californians to move around the state. It is important that we follow through on our commitment to HSR here in the Central Valley as a way to improve our air quality and lower gas prices. Years ago, many Bay Area residents doubted the BART Project, but today most couldn't imagine living without it. Even the Interstate Highway System met with fierce opposition in the 1940s and 50s before being signed into law by President Eisenhower as part of the Federal Highway Act of 1956. Committing to big infrastructure projects like those that President Eisenhower committed to will create jobs and opportunities for years to come." [Jose Hernandez for Congress, "Issues: Jobs," accessed 10/25/12]

"Wasted" Recovery Act Created Jobs, Boosted GDP, And Cut Taxes

Recovery Act "Succeeded In...Protecting The Economy During The Worst Of The Recession." From the Center on Budget and Policy Priorities: "A new Congressional Budget Office (CBO) report estimates that the American Recovery and Reinvestment Act (ARRA) increased the number of people employed by between 200,000 and 1.5 million jobs in March. In other words, between 200,000 and 1.5 million people employed in March owed their jobs to the Recovery Act. [...] ARRA succeeded in its primary goal of protecting the economy during the worst of the recession. The CBO report finds that ARRA's impact on jobs peaked in the third quarter of 2010, when up to 3.6 million people owed their jobs to the Recovery Act. Since then, the Act's job impact has gradually declined as the economy recovers and certain provisions expire." [CBPP.org, 5/29/12]

At Its Peak, Recovery Act Was Responsible For Up To 3.6 Million Jobs. According to the nonpartisan Congressional Budget Office:

> CBO estimates that ARRAs [*sic*] policies had the following effects in the third quarter of calendar year 2010:
>
> • They raised real (inflation-adjusted) gross domestic product by between 1.4 percent and 4.1 percent,
> • Lowered the unemployment rate by between 0.8 percentage points and 2.0 percentage points,
> • Increased the number of people employed by between 1.4 million and 3.6 million, and
> • Increased the number of full-time-equivalent (FTE) jobs by 2.0 million to 5.2 million compared with what would have occurred otherwise. (Increases in FTE jobs include shifts from part-time to full-time work or overtime and are thus generally larger than increases in the number of employed workers). [CBO.gov, 11/24/10]

Recovery Act Included $288 Billion In Tax Cuts. From PolitiFact: "Nearly a third of the cost of the stimulus, $288 billion, comes via tax breaks to individuals and businesses. The tax cuts include a refundable credit of up to $400 per individual and $800 for married couples; a temporary increase of the earned income tax credit for disadvantaged families; and an extension of a program that allows businesses to recover the costs of capital expenditures faster than usual. The tax cuts aren't so much spending as money the government won't get -- so it can stay in the economy." [PolitiFact.com, 2/17/10]

The Program That Backed The Solyndra Loan Was Designed To Take Some Losses

The Loan Guarantee Program Was Structured To Withstand – Even Expect – Some Defaults. From a blog post by Michael Mendelsohn, a Senior Financial Analyst at the Department of Energy's National Renewable Energy Laboratory: "Importantly, the DOE Loan Guarantee program was never expected to be risk-free, but rather was designed to support a portfolio of promising energy technologies that, when combined, represent a manageable level of risk. Chadbourne's Hansen argues that, 'if the Loan Guarantee program has no defaults, it's simply not taking on the risk it was designed to. The overall risk of the portfolio is the critical metric, and for that, given the

DOE's conservative assessment of the projects, the credit subsidy costs provided under ARRA should provide the taxpayer plenty of insurance.'" [Financere.NREL.gov, 12/28/11]

Solyndra Was "Barely 1%" Of DOE's Clean Energy Portfolio. From *Time*'s *Swampland* blog: "Nobody's going to care that all successful loan programs have failures, that the Solyndra venture was barely 1% of the Energy Department's $40 billion clean-energy portfolio, that there will still be over $2 billion in reserves for busted loans no matter how Solyndra shakes out." [Time's Swampland, 9/14/11]

Congress Set Aside $10 Billion For Losses. From *Businessweek*: "Congress set aside $10 billion in the clean-energy and auto loan programs for possible losses, and the Energy Department had initially anticipated as much as $5 billion in losses, [White House Spokesman Eric] Schultz said in an e-mail." [*Businessweek*, 2/13/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Aug 17

ALAN PYKE

The Week In Conservative Attack Ads

On Monday we learned that just two conservative nonprofits have spent more on television ads in the presidential race than every super PAC combined. ProPublica's tally of advertising data shows that Americans for Prosperity and Karl Rove's Crossroads GPS have aired a combined $59.9 million in "ads mentioning a candidate for president."

There is plenty of action further down the ticket as well. Of the 14 ads Bridge Project fact checked in the last week, just two targeted President Obama. Eight came from Crossroads GPS, three from the 60 Plus Association (on which more below), two from AFP, and one from the Romney super PAC Restore Our Future. AFP's ads (one in the Wisconsin Senate race, the other an explicit recommendation against voting for Obama) focused on debt and the health care law. The debt – and dishonest claims about its sources – were the focus of three of Crossroads GPS' ads, while multiple ads disingenuously accused senators of voting to tax small businesses. A pair of Crossroads GPS ads in the Virginia Senate contest misrepresented Tim Kaine's record as governor and his stance on defense spending.

Recalculating: Crossroads GPS Takes A Detour In North Dakota

In an effort to paint well-liked North Dakota Senate candidate Heidi Heitkamp as a corrupt politician, Crossroads GPS cycled through a series of attempted hits on her service as the state's attorney general. But the group succeeded only in demonstrating its willingness to blatantly distort the facts. The first ad, "Hiding Taxes," alleged that Heitkamp "spent taxpayer dollars on private planes." But the same *Bismarck Tribune* article the ad cited said the planes were provided by the federal government at no charge, and that the Attorney General was using them to catch drug traffickers. The lie exposed, Crossroads GPS took the rare step of pulling the ad down, only to put it back up with the planes claim rewritten. The new language – Heitkamp "allowed staff to fly a taxpayer-funded plane" – stretches so hard to sound scandalous that it's almost funny.

By the end of the week, a third Heitkamp attack was on North Dakota airwaves, this one accusing her of a "pay to play" scheme with a lawyer who worked on the multi-state Master Settlement Agreement with

WELCOME TO UNABRIDGED

ARCHIVES

2013
MAY (1)

2012
NOVEMBER (1)
OCTOBER (7)
SEPTEMBER (8)
AUGUST (5)

tobacco companies. Rather than misrepresent real reporting, this time Crossroads GPS just cited the conservative *Wall Street Journal* editorial page and a right-wing talk radio host's blog. Actual news reports and documentary evidence disprove the ad's claims.

Ain't That A Shame: 60 Plus And Pat Boone To Lie To Seniors

The 60 Plus Association calls itself the conservative AARP, and since late last year it's been using aging crooner Pat Boone as its emissary to the seniors it claims to represent. This week voters in Montana, Florida and Ohio are seeing Boone label the Affordable Care Act "disastrous" and fearmonger about bureaucrats who will "deny you the care you deserve." This is 60 Plus' wheelhouse, and with Medicare taking up more and more of the national conversation, expect them to keep hinting at the "death panels" characterization of health care reform.

Tweet Like

ABOUT US CONTACT US PRIVACY POLICY

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-17-2012

Crossroads GPS: "Fit For A King"

Crossroads GPS claims that Maine Senate candidate Angus King "managed to turn a $60 million budget surplus into a nearly $1 billion shortfall," citing an op-ed by a former state budget official who calls that exact claim "a lie." The headline of the piece the group cites as evidence is "Former State Budget Officer Explains, Defends King's Fiscal Record." As a bonus, the ad's wording papers over the fact that King came into office facing a $150-300M budget shortfall and depleted rainy-day fund, and reversed both situations prior to the economic trauma of the September 11th terrorist attacks.

REVIEW TRANSCRIPT

To Support Spending Attack On King, Crossroads GPS Cites State Budget Officer's Explanation Of Why The Attack Is "A Lie"

Crossroads GPS Cites *Portland Press Herald* To Support Claim King Left "Nearly $1 Billion Shortfall." From the Crossroads GPS ad:

[Crossroads GPS via YouTube, 10/16/12]

August's editions of the Press Herald *are not yet archived in Lexis Nexis, but the Nicholas op-ed is the only search result for the words "budget" and "King" for August 9, 2012, on the* Press Herald*'s website.*

***Portland Press Herald* Mention Of King And Deficits From 8/9/12 Says Of Claim, "Such Assertions Should Not Become The Accepted Belief" But "A Lie Told Often Enough Become The Truth."** From the op-ed by former Maine budget officer Jack Nicholas: "It's been said that 'a lie told often enough becomes the truth.' That explains why some opponents of former Gov. Angus King claim he inherited a budget surplus and left a $1.2 billion deficit and an empty rainy day fund. Such assertions should not become the accepted belief."

August 9

Maine Voices: Former state budget officer explains, defends King's fiscal record

Before the Sept. 11, 2001, attacks, Maine flourished and our quality of life improved under King.

By Jack Nicholas

AUGUSTA - It's been said that "a lie told often enough becomes the truth."

That explains why some opponents of former Gov. **Angus King** claim he inherited a budget surplus and left a $1.2 billion deficit and an empty rainy day fund. Such assertions should not become the accepted belief.

Consistent with the Maine Constitution, state government cannot have a deficit. The Bureau of the Budget issues four-year budget forecasts for the current biennium and the next biennium comparing General Fund revenue projections from the Revenue Forecasting Committee to estimates of General Fund spending based on current law. Since the early '90s, these budget projections have yielded a "General Fund structural budget gap" in the next biennium.

[Nicholas Op-Ed, *Portland Press Herald*, 8/9/12]

Op-Ed Cited By GPS: King Took Office Facing Shortfall Between $150 And $300 Million And Nearly-Depleted Rainy-Day Fund. From the Nicholas op-ed cited by Crossroads GPS: "When King took office in January 1995, he faced a projected 'General Fund structural budget gap' of between $150 million and $300 million for the fiscal year 1996-97 biennium. Maine was still reeling from a real estate market collapse. Our traditional manufacturing industries were in steep decline, and there was only $6.4 million in the rainy day fund." [Nicholas Op-Ed, *Portland Press Herald*, 8/9/12]

Op-Ed Cited By GPS: King Proceeded To Balance Budget "Without Gimmicks" And Raise Rainy-Day Fund "To An All-Time High." From the Nicholas op-ed cited by Crossroads GPS: "King immediately began rehabilitating Maine's economy. Fiber optic cables connected Maine on a global scale. The state's transportation infrastructure was upgraded, facilitating the flow of commerce and people as never before. Critical investments were made in neglected public infrastructure, from schools and R&D to low-income housing and wastewater treatment facilities, improving quality of life and job opportunities statewide. Tax cuts were implemented, and the budget was balanced without gimmicks. The rainy day fund was increased to an all-time high of $143.7 million. All of these positive events were recognized by the three credit rating agencies. While Standard & Poor's maintained its already solid AA+ rating, both Fitch and Moody's increased Maine's ratings to AA+, marking the state's first credit rating upgrade in many years." [Nicholas Op-Ed, *Portland Press Herald*, 8/9/12]

Op-Ed Cited By GPS: "Quality Of Life Improved Significantly During The King Years," And September 11th Attacks Collapsed "Economy Of Every State, Including Maine." From the Nicholas op-ed cited by Crossroads GPS: "Quality of life improved significantly during the King years. Maine was rated the best state in which to raise a child, the K-12 education system was ranked first nationally, environmental stewardship reached a high-water mark, prescription drug prices were slashed and the state led the nation in providing laptop computers to all seventh- and eighth-grade students, heralding a new era of using technology to achieve student success. King

was entering the homestretch of his second term. Maine's economy was firing on all cylinders. Then the unthinkable happened. On Sept. 11, 2001, terrorists brought the World Trade Center crashing down, dashing America's hopes and dreams. New York's twin towers became a metaphorical financial bar graph. When they collapsed, so did the economy of every state, including Maine. The reverberations rocked the financial world and caused the stock market to tank, taking a major source of Maine's income, capital gains." [Nicholas Op-Ed, *Portland Press Herald*, 8/9/12]

Op-Ed Cited By GPS: Despite Downturn, King Left Rainy-Day Fund Nearly Five Times Stronger Than He Found It. From the Nicholas op-ed cited by Crossroads GPS: "Thanks to King's foresight in growing the rainy day fund, Maine was able to weather the resulting economic downturn by using those reserves to keep the state functioning. Despite using nearly $115 million from the fund, he still left $29.4 million, nearly five times the amount he inherited." [Nicholas Op-Ed, *Portland Press Herald*, 8/9/12]

Tax Burden Declined By Hundreds Of Millions Under King's Administration

***Portland Press Herald* "Truth Test": King Lowered Taxes.** From the *Portland Press Herald*'s fact check of an Angus King ad claiming he lowered taxes: "There's no politician who hasn't boasted of lowering one tax or another, so we're going to hold King to a large burden of proof -- not just a few decreases, but Maine's tax burden over his tenure as governor, by two separate measures. First, a Maine Revenue Services document detailing the net estimated effect of "significant" King-era tax increases and decreases and their impact in fiscal year 2003. The sheet says nearly $429 million was saved in taxes because of changes enacted between 1995 and 2003. [...] Second, we'll look at another Maine Revenue Services measure of taxation -- a 2011 incidence study that measured Maine's effective state and local tax rate back to 1996. It said that in 1996, King's second full year in office, Mainers paid just over 11.8 percent of income, including capital gains, in state and local taxes. In 2002, King's last full year in office, that rate had dropped to under 11.5 percent. [...] **Verdict**: All evidence collected points to a large impact on Mainers' wallets from changes enacted during the King administration. With a net and percentage-wide decrease, we've got no problem with the claim. **We rate this statement true.**" [*Portland Press Herald*, 9/10/12, emphasis original]

Schools Cuts Amounted To 1.37 Percent Of What State Planned To Spend On Schools, And Were Issued In Face Of $180 Million Budget Shortfall

King's $10M Cut From State Aid To Schools Was Less Than 2 Percent Of What State Was Supposed To Send To Schools In Fiscal Year 2003. From the AP article cited by Crossroads GPS: "King said last month that he was prepared to unilaterally reduce school aid by $10 million for fiscal 2003, which began July 1. State aid to local school units was $622 million in fiscal 2000 and $664.1 million in fiscal 2001. It grew by 6.7 percent to $708.7 million for fiscal 2002, according to legislative analysts, and was scheduled to increase by 3.1 percent to $730.8 million for fiscal 2003." $10 million out of $730.8 million is approximately 1.37 percent." [Associated Press via Nexis, 7/3/02]

At The Time, Maine Faced Projected Budget Shortfall Of $180 Million. From the Associated Press: "Early effects of Maine's revenue shortfall will be visible when most state government offices remain closed on Friday, the day after Fourth of July. Gov. Angus King is furloughing thousands of workers without pay for the day. The shutdown is part of King's package of unilateral steps aimed at reducing a shortfall originally pegged at $180 million through June 2003." [Associated Press via Nexis, 7/3/02]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

09-24-2012

Congressional Leadership Fund: "Look"

The Congressional Leadership Fund goes after Texas congressional candidate Pete Gallego for supporting the "job-killing" health care law "that cuts Medicare $716 billion," but the claim that the Affordable Care Act will kill jobs has long been debunked, and the law doesn't cut seniors' benefits. Instead, it finds savings by reducing future Medicare spending – savings that Gallego's opponent, Rep. Francisco Canseco (R), also voted for in the Ryan budget. The ad also attacks Gallego for voting to raise taxes as a state legislator, but Gallego voted actually voted against one of the tax bills CLF cites to prove their point.

FACEBO TWITTER

REVIEW TRANSCRIPT

GOP Argument That Obamacare Will "Kill Jobs" Has Been Debunked

FactCheck.org: "Job-Killing" Claim Is "Health-Care Hooey." From FactCheck.org: "The exaggerated Republican claim that the new health care law 'kills jobs' was high on our list of the 'Whoppers of 2011.' But the facts haven't stopped Republicans and their allies from making the 'job-killing' claim a major theme of their campaign 2012 TV ads. [...]All of this is health-care hooey, aimed at exploiting public concern over continuing high unemployment, with little basis in fact. As we've said before (a few times), experts project that the law will cause a small loss of low-wage jobs — and also some gains in better-paid jobs in the health care and insurance industries. It's also expected that more workers will decide to retire earlier, or work fewer hours, when they no longer need employer-sponsored insurance and can obtain it on their own with help from federal subsidies. But that just means fewer people willing to work — and it will free up jobs for those who want them. If anything, that could reduce the jobless rate." [FactCheck.org, 2/21/12]

- **AP: Republicans Misuse CBO Statistics To Support "Job-Killing" Claim About Health Care Overhaul.** From the Associated Press: "A recent report by House GOP leaders says 'independent analyses have determined that the health care law will cause significant job losses for the U.S. economy.' It cites 650,000 lost jobs as Exhibit A, and the nonpartisan Congressional Budget Office as the source of the analysis behind that estimate. But the budget office, which referees the costs and consequences of legislation, never produced that number. What CBO actually said is that the impact of the health care law on supply and demand for labor would be small. Most of the lost jobs would come from people who no longer have to work, or can downshift to less demanding employment, because insurance will be available outside the job. 'The legislation, on net, will reduce the amount of labor used in the economy by a small amount —

roughly half a percent— primarily by reducing the amount of labor that workers choose to supply,' budget office number crunchers said in a report last year." [Associated Press via *USA Today*, 1/24/10]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

• **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

• **Gallego's Opponent, Rep.Canseco, Voted To Keep The ACA's Medicare Savings.** Along with 234 other House Republicans, Rep. Francisco Canseco voted "yea" on the House Republican budget. [H.Con. Res. 34, Vote #277, 4/15/11]

Gallego Voted Against A Bill That Cut School Funding While Exempting Businesses From Taxes

To support its claim that Gallego "voted to increase taxes on small businesses," the ad cites Texas' SB 1 from June 10, 2011. Rep. Gallego voted against passage.

SB 1 Extended Tax Exemption For Businesses Making Under $1 Million. From the *Houston Chronicle*: "Texas companies with less than $1 million in annual revenues will continue to be exempted from the state business tax for another two years. Online retail giant Amazon.com must add Texas state and local sales taxes to purchases by Texas customers starting Sept. 1 if the giant online retailer still operates a distribution center in the state on that date. Both provisions were part of Senate Bill 1 that was approved Tuesday by the Texas Legislature before ending its special session Wednesday. The $1 million exemption on the business tax was due to expire next year with the exemption falling to annual revenues of $600,000 or more. The $1 million exemption now will expire in 2014. About 28,000 Texas companies have annual revenues of between $600,000 and $1 million, according to the National Federation of Independent Business/Texas, which lobbied for the two-year extension." [*Houston Chronicle*, 6/30/11]

SB 1 Also Cut Public School Funding By $4 Billion. From the *San Angelo Standard-Times*: "The school finance plan included in Senate Bill 1 - a sweeping bill that also contains billions in 'nontax revenue' to help balance the 2012-13 budget - reduces state aid to public schools by $4 billion. [*San Angelo Standard-Times* via Nexis, 6/10/11]

Gallego Supported Bill To Keep Online Retailers From Skirting Texas' Sales Tax

To support its claim that Gallego "supported new sales taxes and voted for higher taxes and fees," the ad cites Texas' HB 2403 from April 27, 2011. Gallego voted for passage.

Gallego Supported GOP-Authored Bill To Make Amazon Collect Sales Taxes – Not To Levy A New Tax. From the *Austin American-Statesman*: "Taking a stand against Internet retailers like

Amazon.com, the Texas House moved Tuesday to tighten the state's rules on when online businesses must collect sales tax. By voting 122-23 to pass House Bill 2403 by Rep. John Otto, R-Dayton, lawmakers made their clearest statement to date that they are siding with state Comptroller Susan Combs in her push to force Amazon and other online retailers to collect taxes on sales made to Texans. Otto said his bill 'is not a new tax, is not subjecting anybody to a new tax and is not increasing the rate of any tax. What this bill does is put into statute a clearer understanding of what constitutes physical presence,' the determining factor in when a retailer must collect sales taxes." [*Austin American-Statesman*, 4/27/11]

Allowing Online Retailers To Avoid Tax Collection Gives Them An Advantage Over Local Businesses. From the Associated Press: "Under a U.S. Supreme Court ruling, a company does not have to collect state sales tax if it does not have an office, or some other physical presence, in that state. The tax is still due on those transactions, but the customers are supposed to pay it. They usually don't. Local retailers complain this gives Internet retailers an unfair price advantage. While Internet sales have gone up, local stores have seen a drop in revenues and blame the sales tax issue. State lawmakers also face a $27 billion budget shortfall over the next two years, and many want to see more efficient collection of taxes already on the books." [Associated Press via *Businessweek*, 4/27/11]

Gallego Voted Against Motor Vehicle Sales Tax Cited By Ad

To support its claim that Gallego "supported new sales taxes and voted for higher taxes and fees," the ad cites Texas' HB 4 from May 8, 2006.

HB 4 Requires Used Car Buyers To Pay Tax On 80 Percent Of Vehicle's Value. From the *Dallas Morning News*: "The House and Senate finished work Monday on a bill that would make it harder for buyers of used cars to cheat on sales taxes. The tax bill approved by both chambers would raise additional revenue from the motor vehicles sales tax by requiring purchasers of used cars to pay taxes on at least 80 percent of the average market value of the car or truck. If they paid more for the vehicle, they would owe more in taxes. Using the average value of a used vehicle in Texas -- $7,300 -- the minimum sales tax would be $365 under the 80 percent standard. In all, about 3.3 million used cars are sold annually in the state -- with about a third of those sold for less than 80 percent of value. There is now no verification system on used-car sales prices beyond a buyer's word." [Dallas Morning News via Nexis, 5/9/06]

Gallego Voted Against Motor Vehicle Sales Tax. According to the Texas State House Journal, Rep. Gallego voted "nay" on the motion to adopt the conference committee report on HB 4. [Journals.House.State.TX.us, 5/8/06]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Oct 19

The Week In Conservative Attack Ads

It's no surprise that conservative outside groups are ramping up their ad spending as November approaches. Counting spots released last Friday afternoon, we fact-checked 36 conservative attack ads this week, our highest one-week tally yet. The large total was driven by an increased focus on House races, which accounted for two-thirds of the ads we answered.

Once again, Karl Rove's groups dominated the airwaves. As it does most weeks, American Crossroads issued a new attack on President Obama, this one attempting to undermine clear signs that the economy is picking up. Meanwhile, Crossroads GPS targeted eight House candidates go to along with six Senate candidates, which notably included Maine independent Angus King.

Senate Tag Team

Two hotly contested Senate contests featured multiple groups piling on the Democratic candidates, each emphasizing different lines of attack.

In Virginia, former Gov. Tim Kaine was the subject of ads from Crossroads GPS, American Commitment, and Independence Virginia PAC. The ad from American Commitment, which distorted Kaine's record on coal, was the group's first since the summer. The group does not disclose its donors, but its president is Phil Kerpen, who was previously a vice president at the Koch-backed Americans for Prosperity. Independence Virginia PAC has received $1 million this year from Texas homebuilder Bob Perry, a major funder of both American Crossroads and Restore Our Future.

Rep. Joe Donnelly, who is running to replace outgoing Indiana Sen. Dick Lugar (R), was targeted by Crossroads GPS and Club for Growth, whose effort to paint the moderate congressman as fiscally reckless was especially futile. The Club for Growth spot hits Donnelly for 11 different votes, listing obscure provisions in appropriations bills he supported. In each case, however, Donnelly voted along with large bipartisan majorities of more than 300 representatives.

ATR Embraces Medicare Falsehoods

After the Crossroads groups, the most prolific conservative group in the last seven days was Grover Norquist's Americans for Tax Reform, which issued ads in seven House races. Four of the ads were basically identical, targeting two challengers and two incumbents over the Affordable Care Act. Predictably, ATR misrepresented the health care law as a "middle-class tax," but the anti-tax group put just as much weight on alleged Medicare cuts and "unelected bureaucrats with the power to cut further." Of course, those are common conservative distortions of the Affordable Care Act's impact on Medicare. It's also worth noting that one of ATR's targets, Rep. John Barrow (D-GA), actually voted against the law, but he opposes full repeal because he wants to protect its most popular provisions.

Tweet Like

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-16-2012

American Crossroads: "Sack It"

In its latest attack on President Obama, American Crossroads pretends that the economic recovery is not happening, asking, "Where are the jobs you promised?" The economy was hemorrhaging jobs when Obama took office, but the private sector has created 4.7 million new jobs over the last 31 consecutive months of growth. Indeed, even counting the hundreds of thousands of job losses each month in early 2009, the latest data shows positive net job growth in Obama's first term. Moreover, Crossroads dishonestly blames Obama for rising debt fueled by the recession and Bush-era policies, such as tax breaks for the wealthy and unfunded wars.

"Where Are The Jobs?" Private Sector Has Added 4.7 Million Jobs Over 31 Consecutive Months Of Growth

The Private Sector Has Added 4.7 Million Jobs Over 31 Consecutive Months Of Private-Sector Growth. The following chart shows the monthly change in private-sector jobs dating back to January 2008:

[BLS.gov, accessed 9/7/12; MSNBC.com, 10/5/12]

Massive Monthly Job Losses Obama Inherited Have Turned Into Steady Private-Sector Growth

Recession Officially Ran From December 2007 To June 2009, Making It The Longest Since World War II. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday by conference call. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in June 2009. The trough marks the end of the recession that began in December 2007 and the beginning of an expansion. The recession lasted 18 months, which makes it the longest of any recession since World War II. Previously the longest postwar recessions were those of 1973-75 and 1981-82, both of which lasted 16 months. In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 9/20/10]

• **Recession Resulted In 8.3 Million Job Losses.** According to the Associated Press, "the Great Recession killed 8.3 million jobs, compared with 1.6 million lost in the 2001 recession." [Associated Press via Yahoo! News, 5/4/12]

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

Since The Recession Ended In June 2009, The Private Sector Has Added 3.5 Million Jobs While Public-Sector Employment Has Fallen By 569,000. According to the Bureau of Labor Statistics, there were 107,933,000 private-sector jobs in June 2009, and 111,499,000 private-sector jobs in September 2012, an increase of 3,566,000 jobs. The BLS also reports that there were 22,570,000 Americans working in the public sector in June 2009, and 22,001,000 working in the public sector in September 2012, a decrease of 569,000 jobs. The private-sector gains and public-sector losses add up to a total increase of 2,797,000 jobs.

The following chart shows the cumulative private-sector job gains and public-sector job losses since the recession officially ended in June 2009:

[BLS.gov, accessed 9/7/12; BLS.gov, accessed 9/7/12; NBER.org, 9/20/10]

• **Conservative AEI: The Public Sector Is Shrinking, But Private-Sector Growth Is Above Average.** From American Enterprise Institute scholar Mark J. Perry: "In the second quarter of 2012, 'public sector GDP' decreased -1.44%, and that was the eighth straight quarter of negative

growth for total government spending, averaging -2.88% per quarter over the last two years. In contrast, there have been 12 consecutive quarters of positive growth for private sector GDP averaging 3.07% per quarter in the three years since the recession ended, which is slightly higher than the 2.8% average growth rate in private real GDP over the last 25 years." [AEI-Ideas.org, 7/31/12]

• **GOP-Favored "Government Downsizing" Has Been "A Drag" On Job Growth.** From the Associated Press: "Conservative Republicans have long clamored for government downsizing. They're starting to get it — by default. Crippled by plunging tax revenues, state and local governments have shed over a half million jobs since the recession began in December 2007. And, after adding jobs early in the downturn, the federal government is now cutting them as well. States cut 49,000 jobs over the past year and localities 210,000, according to an analysis of Labor Department statistics. There are 30,000 fewer federal workers now than a year ago — including 5,300 Postal Service jobs canceled last month. By contrast, private-sector jobs have increased by 1.6 million over the past 12 months. But the state, local and federal job losses have become a drag on efforts to nudge the nation's unemployment rate down from its painfully high 9.1 percent." [Associated Press, 10/25/11]

New Data Shows Positive Net Job Growth Under Obama – Even Including Job Losses In Early 2009

Latest BLS Benchmark Shows "Net Job Growth...During Obama's First Term." According to the *Huffington Post*: "The Labor Department on Thursday morning quietly released a new benchmark for payroll employment in the U.S. It turns out that with the revision, there has been net job growth -- not much, but more than nothing -- during Obama's first term. According to the revision, total non-farm payrolls stood at 133.686 million jobs in August, up from 133.561 million in January 2009, when Obama's first term began. Before the revision, payrolls were at 133.300 million in August. In other words, 125,000 jobs have been created, in total, during Obama's first term, compared with a prior estimate of a loss of 261,000." [*Huffington Post*, 9/27/12]

American Crossroads Dishonestly Blames Obama's Spending For Increasing Debt

Bush Policies And Recession Caused Deficits To Skyrocket

Prior To President Obama's Inauguration, President Bush Had Already Created A Projected $1.2 Trillion Deficit For Fiscal Year 2009. From the *Washington Times*: "The Congressional Budget Office announced a projected fiscal 2009 deficit of $1.2 trillion even if Congress doesn't enact any new programs. [...] About the only person who was silent on the deficit projection was Mr. Bush, who took office facing a surplus but who saw spending balloon and the country notch the highest deficits on record." [*Washington Times*, **1/8/09**]

***NYT*: President Bush's Policy Changes Created Much More Debt Than President Obama's.** The *New York Times* published the following chart comparing the fiscal impact of policies enacted under the Bush and Obama administrations:

[*New York Times*, 7/24/11]

Recession Added Hundreds Of Billions In Deficits By Increasing Spending On Safety Net While Shrinking Tax Revenue. The Center on Budget and Policy Priorities (CBPP) explains: "When unemployment rises and incomes stagnate in a recession, the federal budget responds automatically: tax collections shrink, and spending goes up for programs like unemployment insurance, Social Security, and Food Stamps." According to CBPP: "The recession battered the budget, driving down tax revenues and swelling outlays for unemployment insurance, food stamps, and other safety-net programs. Using CBO's August 2008 projections as a benchmark, we calculate that the changed economic outlook alone accounts for over $400 billion of the deficit each year in 2009 through 2011 and slightly smaller amounts in subsequent years. Those effects persist; even in 2018, the deterioration in the economy since the summer of 2008 will account for over $300 billion in added deficits, much of it in the form of additional debt-service costs." [CBPP.org, 11/18/10; CBPP.org, 5/10/11, citations removed]

Over The Coming Decade, The Bush Tax Cuts Are The Primary Cause Of Federal Budget Deficits. The Center on Budget and Policy Priorities prepared a chart showing the deficit impact of the Bush tax cuts (orange), the Iraq and Afghanistan wars, the recession itself, and spending to rescue the economy:

[CBPP.org, 5/10/11]

CBPP: Bush Tax Cuts And Wars Are Driving The Debt. According to the Center on Budget and Policy Priorities:

> The complementary chart, below, shows that the Bush-era tax cuts and the Iraq and Afghanistan wars — including their associated interest costs — account for almost half of the projected public debt in 2019 (measured as a share of the economy) if we continue current policies.

[Center on Budget and Policy Priorities, 5/20/11]

Spending Growth Under Obama Is Low

January 2009 (Pre-Obama): Federal Spending Projected To Spike To $3.5 Trillion Without Any Policy Changes. In January 2009, the Congressional Budget Office projected: "Without

changes in current laws and policies, CBO estimates, outlays will rise from $3.0 trillion in 2008 to $3.5 trillion in 2009." [Congressional Budget Office, "The Budget and Economic Outlook: Fiscal Years 2009 to 2019," January 2009]

Accounting For Inflation And President Obama's Impact On FY 2009, Spending Will Have Grown By Just 1.7 Percent From 2009 To 2012. According to Michael Linden, Director of Tax and Budget Policy at the Center for American Progress:

> [I]n January 2009, before President Obama had even taken office, the Congressional Budget Office projected that federal spending would exceed $3.5 trillion for fiscal year 2009, half a trillion more than the government spent in 2008. Again, that was BEFORE President Obama event took office. It's reasonable to use that number as our best guess at what spending would have been in FY2009 under ANY president. [...]
>
> Of course, the CBO's projections aren't perfect. They change as the economy changes and as laws change. Fortunately, CBO also tells us in subsequent reports how and why its previous estimates have changed. We can use that to understand how much of the total federal spending in fiscal year 2009 was attributable to legislative changes that occurred AFTER President Obama took office.
>
> The answer is that out of a total of $3.5 trillion actually spent in FY09, only $165 billion, less than 5 percent, was the result of policy changes signed into law by President Obama.
>
> In other words, probably the best baseline against which to judge spending under Obama is $3.5 trillion (the amount actually spent in 2009) minus $165 billion (the added amount Obama himself actually approved): $3.35 trillion. This year, the CBO expects that the federal government will spend $3.6 trillion. After accounting for inflation, that's a growth rate of just 1.7 percent. By comparison, and using the exact same methodology, spending in President Bush's first term was up nearly 15 percent. [ThinkProgress.org, 5/25/12]

PolitiFact: Spending Growth Under Obama Is "Second-Slowest" In Recent History. According to PolitiFact: "Obama has indeed presided over the slowest growth in spending of any president [in recent history] using raw dollars, and the growth on his watch was the second-slowest if you adjust for inflation." [PolitiFact.com, 5/23/12]

Republicans Have Opposed President Obama's Deficit-Reduction Efforts

September 2011: Obama Proposed $3 Trillion In Deficit Reduction; "Republicans Swiftly Responded ... With Opposition." According to the *Los Angeles Times*: "President Obama on Monday made an aggressive pitch for his $3-trillion deficit-reduction strategy, promising to veto any proposal that fails to raise revenues by asking wealthy Americans to 'pay their fair share.' [...] His plan for lopping $3 trillion from the deficit is on top of the approximately $1 trillion in spending cuts that he signed into law in August, after reaching a deal with Republican congressional leaders to lift the nation's debt ceiling. On Monday, Republicans swiftly responded to the president's proposal with opposition. [*Los Angeles Times*, 9/19/11]

April 2011: GOP Rejected Obama Proposal To Reduce Deficits By $4 Trillion. According to the *Boston Globe*: "President Obama pledged yesterday to pare the projected deficit by $4 trillion in the next 12 years, vowing to protect the nation's most vulnerable while pushing again for higher taxes for its richest citizens. [...] His call for the end of the Bush tax cuts for incomes above $250,000 for couples reignites a ferocious debate from the fall midterm elections. That element of the speech triggered the most vociferous and immediate opposition from Republicans." [*Boston Globe*, 4/14/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-16-2012

Crossroads GPS: "Lovers"

Crossroads GPS says Virginia Senate candidate Tim Kaine "loves taxes," accusing him of trying to raise taxes on lower-income Americans and attacking him for supporting the Affordable Care Act even though the health care law provides more middle-class tax relief than burden. But the "tax hikes" GPS accuses Kaine of pushing as governor were a 1 percent surcharge that was part of a package of tough cuts seeking to balance Virginia's recession-ravaged budget. Meanwhile, Kaine isn't "considering a new tax on those who can least afford it" – he misspoke while indicating his openness to all discussions on taxation, but does not support taxing lower-income citizens.

Kaine Proposed 1 Percent Tax Surcharge To Balance Virginia's Budget

Virginia "Experienced Serious Budget Shortfalls" Because Of The Recession. From FactCheck.org: "Virginia adopts a new budget every two years, and amendments are added to it in the odd year to square the numbers. There's no question that Virginia experienced serious budget shortfalls during the recession due to much lower-than-anticipated revenues. But the shortfall was closed by the end of the biennium. The same *Virginian-Pilot* story in which Kaine talks about a $3.7 billion shortfall, notes that the stimulus provided $1 billion in budget relief, and that lawmakers were forced to cut $2.7 billion to balance the budget, as required by the state constitution. Responding to the ad on Nov. 10, Kaine told WVEC ABC 13: 'I left office with two balanced budgets that I submitted because you have to, by law, submit balanced budgets.'" [FactCheck.org, 11/15/11]

Kaine Proposed Replacing Car Tax With 1 Percent Personal Income Tax Surcharge To Help Balance "Recession-Wracked" Budget. From PolitiFact: "The Allen campaign, in a website post, backed Allen's statement by citing news articles about a proposal Kaine unveiled in December 2009 as part of his farewell biennial budget proposal for 2010-2012. Kaine called for adding a 1 percent income tax surcharge and giving all proceeds to localities in return for them scrapping the car tax they levy on personal vehicles. Legislators in 1998 adopted a five-year plan to phase out the personal property tax on most cars and reimburse localities for their lost revenues. But the program was more expensive than anticipated and legislators eventually capped the state reimbursement at $950 million a year. The remaining share is paid by vehicle owners. Ending the car tax would mean the state wouldn't have to provide the annual $950 million payment to localities, Kaine said in a speech to the General Assembly's money committees. Kaine wanted to use the savings to help balance the state's recession-wracked budget. News articles from the time

said Kaine's policy would raise the maximum state income tax rate from 5.75 percent to 6.75 percent. That maximum rate applies to all taxable income above $17,000 after deductions and exemptions are taken into account." [PolitiFact.com, 8/3/12]

Income Tax Proposal Was Coupled With Tough Cuts. From the *Richmond Times-Dispatch*: "Outgoing Gov. Timothy M. Kaine is proposing a 1 percent increase in the state income tax to offset a proposed elimination of Virginia's despised local car tax. The tax increase, which would raise $1.9 billion annually for localities, was the most striking aspect of the 2010-2012 budget plan that Kaine laid out for state lawmakers yesterday. In seeking to close a revenue shortfall that he projects to hit $4.2 billion by 2012, Kaine also is proposing cuts to services such as Medicaid, public education and public safety, along with 664 layoffs of state employees and a reduction in the commonwealth's contribution to the state pension system." [*Richmond Times-Dispatch* via Nexis, 12/19/09]

Rejecting 1 Percent Tax Increase Meant Cutting $1.9 Billion More From State Spending. From the *Richmond Times-Dispatch*: "Rejecting Kaine's tax-increase proposal would mean that [incoming Republican Gov. Bob] McDonnell and Republican lawmakers would have to come up with a way to slice an additional $1.9 billion from state spending over two years, on top of the additional cuts announced yesterday." [*Richmond Times-Dispatch* via Nexis, 12/19/09]

Refusal To Raise Taxes Meant The Budget Gov. McConnell Signed Into Law Had Deep Cuts To Education, Health Care, And Public Safety. From the *Washington Post*: "The Virginia General Assembly adjourned its annual legislative session Sunday evening after adopting a two-year, $82 billion budget that cuts millions from education, health care and public safety -- curtailing state spending more aggressively than any in generations while fulfilling the new Republican governor's promise not to raise taxes. The trade-off for holding firm against a tax increase to plug a $4 billion hole was a spending plan that cuts deeply into virtually every area of state responsibility." [*Washington Post*, 3/15/10]

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

Individual Mandate Lowers Premiums For Everyone, But Few Americans Will Face Penalties

Individual Mandate Takes Effect In 2014. According to the Congressional Budget Office: "Beginning in 2014, the Patient Protection and Affordable Care Act (Public Law 111-148), in combination with the Health Care and the Education Reconciliation Act of 2010 (Public Law 111-

152), requires most residents of the United States to obtain health insurance and imposes a financial penalty for being uninsured. That penalty will be the greater of a flat dollar amount per person that rises to $695 in 2016 and is indexed by inflation thereafter (the penalty for children will be half that amount and an overall cap will apply to family payments) or a percentage of the household's income that rises to 2.5 percent for 2016 and subsequent years (also subject to a cap)." [CBO.gov, 4/30/10]

CBO: Majority Of Uninsured Americans Will Not Face The Individual Mandate Penalty. From the Congressional Budget Office: "The Congressional Budget Office (CBO) and the staff of the Joint Committee on Taxation (JCT) have estimated that about 30 million nonelderly residents will be uninsured in 2016, but the majority of them will not be subject to the penalty tax. Unauthorized immigrants, for example, who are prohibited from receiving almost all Medicaid benefits and all subsidies through the insurance exchanges, are exempted from the mandate to obtain health insurance. Others will be subject to the mandate but exempted from the penalty tax—for example, because they will have income low enough that they are not required to file an income tax return, because they are members of Indian tribes, or because the premium they would have to pay would exceed a specified share of their income (initially 8 percent in 2014 and indexed over time). CBO and JCT estimate that between 18 million and 19 million uninsured people in 2016 will qualify for one or more of those exemptions. Of the remaining 11 million to 12 million uninsured people, some individuals will be granted exemptions from the penalty because of hardship, and others will be exempted from the requirement on the basis of their religious beliefs." [CBO.gov, 9/19/12]

Only About Six Million People – Just 2 Percent Of Population -- Will End Up Paying The Penalty. From the Congressional Budget Office: "After accounting for those who will not be subject to the penalty tax, CBO and JCT now estimate that about 6 million people will pay a penalty because they are uninsured in 2016 (a figure that includes uninsured dependents who have the penalty paid on their behalf) and that total collections will be about $7 billion in 2016 and average about $8 billion per year over the 2017–2022 period." [CBO.gov, 9/19/12]

Individual Mandate "Leads To Lower Premiums And More Stable Insurance Markets." According to the Urban Institute: "'In addition, the consumer protections introduced by the ACA, which will guarantee issue of insurance products and prohibit premium variations due to health status and claims experience, could lead some of those currently healthy and insured in these markets to leave them in the absence of the coverage requirement. By encouraging the currently insured healthier individuals to stay in these markets and attracting newly insured healthy individuals into them as well, the individual responsibility requirement leads to lower premiums and more stable insurance markets than would be the case without it. We find that premiums in the nongroup market would be 10 to 20 percent higher on average without the individual coverage requirement." [Urban.org, March 2012]

Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts. According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Many Small Businesses Are Eligible For Tax Credits Under The Affordable Care Act

Affordable Care Act Offers Tax Credits To Many Small Businesses. According to a report from Small Business Majority and Families USA: "Congress included in the Affordable Care Act a significant new tax credit for small business owners who provide their workers with health insurance. Under this new tax credit, businesses that have fewer than 25 full-time workers and average wages of less than $50,000 are now eligible to receive a tax credit of up to 35 percent of the cost of the health insurance that they provide for their workers. To qualify for the tax credit, small businesses must cover at least 50 percent of each employee's health insurance premiums. In 2014, the size of the credit will increase to cover up to 50 percent of the cost of health insurance provided to workers." [SmallBusinessMajority.org, May 2012]

- **More Than 3.2 Million Small Businesses Eligible For ACA Tax Credit.** According to a report from Small Business Majority and Families USA: "Our analysis found that more than 3.2 million small businesses, employing 19.3 million workers across the nation, will be eligible for this tax credit when they file their 2011 taxes. In total, these small businesses are eligible for more than $15.4 billion in credits for the 2011 tax year alone, an average of $800 per employee." [SmallBusinessMajority.org, May 2012]

ACA Requires Businesses With More Than 50 Employees To Provide Affordable Coverage Or Pay A Fee. According to a report from Small Business Majority and FamiliesUSA: "While the Affordable Care Act created this new tax credit to help small business owners and workers, it does not force these small business owners to provide coverage for their workers. There are no employer mandates in the law, and there are no employer responsibility requirements at all for

businesses with fewer than 50 workers, which account for 96 percent of all firms in the United States. Starting in 2014, businesses with 50 or more workers that do not offer coverage or that offer only unaffordable coverage to their workers will be assessed a fee if one or more of their workers receives a federal individual premium tax credit to purchase coverage in an exchange." [SmallBusinessMajority.org, May 2012]

GOP Argument That Obamacare Will "Kill Jobs" Has Been Debunked

Ad cites National Federation of Independent Business study claiming a tax in the Affordable Care Act will cost between 125,000 and 249,000 private-sector jobs.

FactCheck.org: NFIB "Isn't A Neutral Source" On Health Care Reform. From FactCheck.org: "NFIB isn't a neutral source on this issue — it is opposed to the law, and filed a lawsuit challenging its constitutionality." [FactCheck.org, 2/21/12]

FactCheck.org: "Job-Killing" Claim Is "Health-Care Hooey." From FactCheck.org: "The exaggerated Republican claim that the new health care law 'kills jobs' was high on our list of the 'Whoppers of 2011.' But the facts haven't stopped Republicans and their allies from making the 'job-killing' claim a major theme of their campaign 2012 TV ads. [...] All of this is health-care hooey, aimed at exploiting public concern over continuing high unemployment, with little basis in fact. As we've said before (a few times), experts project that the law will cause a small loss of low-wage jobs — and also some gains in better-paid jobs in the health care and insurance industries. It's also expected that more workers will decide to retire earlier, or work fewer hours, when they no longer need employer-sponsored insurance and can obtain it on their own with help from federal subsidies. But that just means fewer people willing to work — and it will free up jobs for those who want them. If anything, that could reduce the jobless rate." [FactCheck.org, 2/21/12]

NFIB Study Counts Companies With Up To 500 Employees As "Small Businesses" And Doesn't Account For Job Gains. From FactCheck.org: "The group says that a premium tax on insurers would increase premiums. And if the increase was 2 percent to 3 percent, NFIB's model projects a loss of jobs between '125,000 to 249,000 jobs in 2021, with 59 percent of those losses falling on small business.' Keep in mind, NFIB defines 'small businesses' as firms with fewer than 500 employees. Not everyone would agree that a firm with hundreds of workers is 'small.' Furthermore, that estimate doesn't account for any job gains in other employment sectors." [FactCheck.org, 2/21/12]

Kaine Said He's Open To Tax Discussion – Not That He's Pushing For Higher Taxes On The Poor

When the ad's narrator says that "Kaine's considering a new tax on those who can least afford it," on-screen text displays a quote from an Atlantic Wire *article that says, "Now Kaine's in favor of raising taxes on poor people."*

Crossroads GPS Cites An Article About Kaine's Debate Statement That He'd Be "Open To A Proposal" Regarding Minimum Tax Levels. From the *Atlantic Wire*:

> In a debate between Kaine and Allen Thursday, NBC News' David Gregory asked Kaine, "Do you believe that everyone in Virginia should pay something in federal income tax?" [...]
>
> > **Kaine:** Well, everyone pays taxes! I mean, the statistics that have come out..
> >
> > **Gregory:** I'm asking about federal income taxes.
> >
> > **Kaine:** I would be open to a proposal that would have some minimum tax level for everyone. But I do insist, many of the 47 percent that Gov. Romney was going after pay a higher percentage of their income in taxes than he does.
>
> Oops. Now Kaine's in favor of raising taxes on poor people.
>
> [*Atlantic Wire*, 9/20/12]

Kaine Clarified That He Does Not Favor Increasing Taxes On Low-Income Americans. From *The Hill*: "After the debate, Kaine sought to clarify his remarks by arguing that he was saying he

didn't want to take any proposals off the table, not that he supported tax increases on low-income earners — a view expressed more often by conservative Republicans like Rep. Michele Bachmann (R-Minn.) than any Democrats. 'David asked me a question which is, would I be open to a discussion about something broader like that, and I said sure, I'd be open to it. It shouldn't be news that somebody wants to go into the Senate that is willing to start with a position of openness and a dialogue,' he told The Hill before pointing to his own record as evidence that he didn't support raising taxes on low-income earners." [*The Hill*, 9/20/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-17-2012

American Commitment: "Vote Coal: Vote Against Tim Kaine"

An ad from American Commitment seeks to portray Virginia Senate candidate Tim Kaine (D) as an enemy of coal, accusing him of unfairly taking credit for a new coal plant in the state and of supporting EPA regulations that would harm the coal industry. But as governor Kaine did actively support clean coal development, including the plant the ad highlights. And while he supports a rule to reduce mercury emissions, which likely won't impact the plant in question, he's hedged on support for a more controversial greenhouse gas limitation, citing concerns the rule's impact on coal.

FACEBO TWITTER

REVIEW TRANSCRIPT

As Governor, Kaine Explicitly Supported Wise County Plant And Clean Coal Development

To support the idea that Kaine played no role in supporting the Wise County plant, on-screen text reads: "No one was familiar with any role that Mr. Kaine had in getting the plant going."

The Ad Quotes An Article Highlighting Locals' Lack Of Knowledge Of Kaine's Role In Plant, Not Proving He Had No Role. From the *New York Times* article cited by American Commitment: "Mr. Kaine's approach is to mix his pitch for bipartisanship with localized boasts about his record as governor, a record that he hopes will differentiate him from the president. A key to that record is the looming Virginia City Hybrid Energy Center, a state-of-the-art 585-megawatt coal-fired power plant on the outskirts of St. Paul that started commercial operations on Thursday. Mr. Kaine mentions the plant virtually everywhere he goes as an antidote to efforts to link him to Obama administration policies that have been tough on coal. [...] **In more than a dozen interviews in St. Paul, no one was familiar with any role that Mr. Kaine had in getting the plant going.** As recently as March, the former governor toured the plant in a campaign swing. It did not seem to make an impression. [...] Among Democrats in Bristol, word that not even the residents of St. Paul knew of Mr. Kaine's role in the giant plant elicited concern." [*New York Times*, 7/19/12, emphasis added]

Kaine Included Plant In His Virginia Energy Plan. From *Energy Daily*: "Dominion has welcomed the granting of a certificate of public convenience and necessity by the Virginia State Corporation Commission (SCC) for the company's proposed 585-megawatt Virginia City Hybrid Energy Center. [...] The station has received broad support from elected officials, business leaders and the local community. The Virginia General Assembly passed legislation in 2004 calling for the power

station to be built, and incorporated this statutory authorization in its 2007 amendments to the Electric Utility Restructuring Act. The power station is included in Gov. Timothy Kaine's Virginia Energy Plan." [Energy-Daily.com, 8/1/08]

Kaine Wrote Letter In Support Of Plant's Stimulus Grant Application. From a Dominion Virginia Power press release: "Dominion Virginia Power applied Wednesday to the U.S. Department of Energy for a $200 million stimulus grant to accelerate the installation of 2.4 million 'smart meters' for its customers. [...] Letters of support to Energy Secretary Steven Chu from Gov. Tim Kaine and Virginia's congressional delegation accompanied the application. 'Dominion's voltage conservation technology is an important attribute of this grant proposal,' Gov. Kaine wrote. 'Voltage conservation allows the utility to more precisely match the voltage going into each customer to the needs of the customer. This creates energy savings throughout the day and concomitant savings in carbon and other emissions.'" [Dominion Virginia Power Press Release via PRNewswire.com, 8/6/09]

Kaine Signed Bill Encouraging Clean Coal Development. In May 2006, Gov. Kaine signed SB 262 into law. From the text of SB 262: "To achieve the objectives enumerated in § 67-101, it shall be the policy of the Commonwealth to ... [p]romote research and development of clean coal technologies, including but not limited to integrated gasification combined cycle systems. [...] To the extent authorized by federal law, the State Air Pollution Control Board shall implement permit processes that facilitate the construction of clean coal projects in the Commonwealth by, among such other actions as it deems appropriate, giving priority to processing permit applications for clean coal projects." [Va.us, accessed 10/17/12]

Most Power Plants Already Comply With Utility MACT Regulations Kaine Supports

Kaine Supports Utility MACT Regulations But Is "Concerned" About Greenhouse Gas Limits' Impact On Coal. From the *Bluefield Daily Telegraph*: "Kaine said he has mixed feelings regarding new federal Environmental Protection Agency rules that are impacting the coal industry. 'The Utility MACT regulations — I accept those,' Kaine said. 'The plant in Wise meets those. I don't think we ought to scale them back. A second regulation that the EPA has that I'm more concerned about is the proposed green house gas limits. They set I think that which is very favorable for natural gas bas and not favorable for coal. There is an industry comment going on now about this. I would very much work for a threshold that wouldn't make energy impossible. Let's encourage innovation in coal. But you've got to have standards that are reasonable and not so far out of reach that everyone gives up.'" [*Bluefield Daily Telegraph*, 10/17/12]

Most Power Plants Already Comply With MACT Standards, And Non-Compliant Plants Can Install New Technology Rather Than Close. From the Congressional Research Service: "In 2005, EPA promulgated regulations establishing a cap-and-trade system to limit emissions of mercury from coal-fired power plants. The rules were challenged, and the D.C. Circuit Court of Appeals vacated them in 2008. Rather than appeal the ruling to the Supreme Court, EPA agreed to propose and promulgate Maximum Achievable Control Technology (MACT) standards by the end of 2011. EPA states that the standards for existing units, promulgated February 16, 2012, can be met by 56% of coal- and oil-fired electric generating units using pollution control equipment already installed; the other 44% would be required to install technology that will reduce uncontrolled mercury and acid gas emissions by about 90%, at an annual cost of $9.6 billion." [Congressional Research Service via FAS.org, **10/5/12**, internal citations removed]

Wise County Plant Is Already Subject To Mercury Emissions Limits. From the *Richmond Times-Dispatch*: "Both sides in a dispute over a coal-fired power plant in far Southwest Virginia said they were happy after the state issued a new permit for the plant yesterday. David K. Paylor, director of the state Department of Environmental Quality, issued the permit shortly after a Richmond Circuit Court judge released an order setting aside the original permit. The judge, Margaret P. Spencer, had ruled Aug. 10 that the old permit did not sufficiently limit mercury pollution. But she didn't issue her order until yesterday, sending the issue back to the state. The new permit includes a 4.45-pound-per-year mercury limit that was in the previous permit. But the new permit removes a provision that allowed that limit to be loosened if the plant had trouble meeting it." [*Richmond Times-Dispatch*, 9/3/09]

In A Petition On Its Site, American Commitment Cites United Mine Workers President's Statement On An EPA Regulation To Prop Up The Idea That Kaine Is Hostile To Coal. From a petition on American Commitment's website: "Tim Kaine claims to support coal, but he supports policies and regulations that are destroying the coal industry. Tim Kaine has long-supported policies that are directly responsible for the loss of coal jobs and increase in electricity prices. [...] Mines are being closed. The latest announcement came from Alpha Natural Resources, which is laying off 1,200 coal miners, citing 'a regulatory environment that's aggressively aimed at constraining the use of coal.' The strongest words of anger against this regulatory destruction of the coal industry came from **Cecil Roberts, the president of the United Mine Workers: 'The**

Navy SEALs shot Osama Bin Laden in Pakistan and [Obama EPA Administrator] Lisa Jackson shot us in Washington. This rule is an all-out, in my opinion, decision by the EPA that we're never going to have another coal-fired facility in the United States that's constructed.' [...] **Tim Kaine is on board with Obama's plan to bankrupt coal. Virginia deserves better.**" [AmericanCommitment.org, accessed 10/17/12, emphasis and underlining original]

- **But UMW Endorsed Kaine Over Allen.** According the United Mine Workers of America website, the union has endorsed Tim Kaine for U.S. Senate. [UMWA.org, accessed 10/17/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-17-2012

Independence Virginia PAC: "No Surprise"

An ad from Independence Virginia PAC, a Bob Perry-backed super PAC formed to oppose Virginia Senate candidate Tim Kaine (D), suggests taxes proposed by the former governor are to blame for the rise in unemployment rate during his tenure, and claims Kaine "left Virginia with a $4.2 billion deficit." In reality, Kaine balanced the budget before leaving office, even though the state's revenues suffered due to the recession, which was also responsible for driving up the unemployment rate both in Virginia and nationally. The taxes Kaine proposed while in office, meanwhile, were primarily ideas on how to pay for much-needed transportation upgrades that the state's GOP wanted to finance with long-term borrowing, and despite the ad's use of a poorly worded debate statement, Kaine does not currently support raising taxes on low-income earners.

REVIEW TRANSCRIPT

Kaine Proposed Tax Increases To Pay For Transportation Upgrades That Virginia's GOP House Wanted To Finance With More Borrowing

Kaine's Proposal Raise Taxes To Pay For Transportation Upgrades Contrasted GOP-Controlled Virginia House's Idea To Borrow Money. From the *Washington Times*: "While most Virginia governors have enjoyed several weeks to offer amendments, Mr. Kaine was given the tentative budget about 10 days before the end of the fiscal year. The more than 150-day budget deadlock centered on how to generate new money for the state's overcrowded roads and mass transit system. The House wanted to use part of the state's projected $1.4 billion surplus and free up additional money in the General Fund through long-term borrowing. The Senate and Mr. Kaine wanted to raise as much as $1 billion a year in new taxes. In the end, the two-year proposal provides $568 million in new money for roads — $339 million of that is contingent upon a long-term revenue source being established before Nov. 1. The General Assembly agreed to take up transportation in a special session this fall." [*Washington Times*, 6/27/06]

- **Largest Of Tax Increases Kaine Proposed Over His Tenure Were Aimed At Funding Transportation**. From PolitiFact: "Kaine led the state from 2006 to 2010. Katie Wright, Allen's director of communications, sent us a breakdown of supposed tax-increases advanced by Kaine. The largest proposed hikes, from 2006 through 2008, were aimed at raising money for Virginia's overcrowded roads. [...] By our count, Kaine proposed raising about $4 billion in new taxes -- $1

billion in 2006, $1.1 billion in 2008 and $1.9 billion in 2009. Of those increases, the 2008 plan represented a second attempt to raise new road funding, and the 2009 proposal would have been partially offset by a $650 million reduction in local car taxes." [PolitiFact.com, 4/16/11]

• **Virginia GOP Wanted Kaine To Borrow Money For *More* Transportation Spending.** From the *Virginian-Pilot*: "Gov. Timothy M. Kaine's proposals for spending a $1 billion budget surplus received a lukewarm reaction Friday from top Republicans, who are girding for an election-year battle. Transportation remained the focus of disagreement. The Democratic governor wants to spend half the surplus on road and rail projects. Some Republicans said that is too little and chided Kaine for refusing to borrow money to ease congestion. [...] Republicans, under pressure to find consensus on the state's transportation gridlock, said they are disappointed that Kaine doesn't want to borrow money for roads. They noted that the governor is backing new debt for sewage plant upgrades and a new prison in Southwest Virginia. [...] Kaine said environmental programs and prisons are financed with income and sales taxes, which can be used to pay off debt on capital projects. He said he cannot support borrowing for roads until lawmakers agree on new long-term revenues to pay off the bonds. Virginia relies on gas taxes - a declining source of revenue - to pay for new roads." [Virginian-Pilot via Nexis, 12/16/06]

Blaming Kaine For The Global Recession? Virginia's Unemployment Rate Mirrored National Trends

Virginia's Unemployment Rate Followed Same Trajectory As National Unemployment Rate During Kaine's Term. The following graphs, from the Bureau of Labor Statistics, chart the unemployment rates in Virginia and nationally from the beginning of 2006 through the end of 2009:

National Unemployment Rate:

Virginia Unemployment Rate:

[BLS.gov, accessed 10/17/12; BLS.gov, accessed 10/17/12]

Recession Officially Ran From December 2007 To June 2009, Making It The Longest Since World War II. From the National Bureau of Economic Research: "The Business Cycle Dating Committee of the National Bureau of Economic Research met yesterday by conference call. At its meeting, the committee determined that a trough in business activity occurred in the U.S. economy in June 2009. The trough marks the end of the recession that began in December 2007 and the beginning of an expansion. The recession lasted 18 months, which makes it the longest of any recession since World War II. Previously the longest postwar recessions were those of 1973-75

and 1981-82, both of which lasted 16 months. In determining that a trough occurred in June 2009, the committee did not conclude that economic conditions since that month have been favorable or that the economy has returned to operating at normal capacity. Rather, the committee determined only that the recession ended and a recovery began in that month." [NBER.org, 9/20/10]

• **Recession Resulted In 8.3 Million Job Losses.** According to the Associated Press, "the Great Recession killed 8.3 million jobs, compared with 1.6 million lost in the 2001 recession." [Associated Press via Yahoo! News, 5/4/12]

Bush Recession Was So Severe That Economy Was Still Shedding Over Three-Quarters Of A Million Jobs Per Month Through First Few Months Of President Obama's Term. According to the Bureau of Labor Statistics, the economy shed 839,000 jobs in January 2009, 725,000 in February 2009, 787,000 in March 2009, and 802,000 in April 2009, for a four-month average of 788,250 lost jobs per month. [BLS.gov, accessed 5/3/12]

When The Recession Devastated Revenues, Kaine Cut Billions To Balance The Budget

Virginia "Experienced Serious Budget Shortfalls" Because Of The Recession, But They Were Closed By The Time Kaine Left Office. From FactCheck.org: "Virginia adopts a new budget every two years, and amendments are added to it in the odd year to square the numbers. There's no question that Virginia experienced serious budget shortfalls during the recession due to much lower-than-anticipated revenues. But the shortfall was closed by the end of the biennium. The same *Virginian-Pilot* story in which Kaine talks about a $3.7 billion shortfall, notes that the stimulus provided $1 billion in budget relief, and that lawmakers were forced to cut $2.7 billion to balance the budget, as required by the state constitution. Responding to the ad on Nov. 10, Kaine told WVEC ABC 13: 'I left office with two balanced budgets that I submitted because you have to, by law, submit balanced budgets.'" [FactCheck.org, 11/15/11]

• **Kaine Had Proposed Even More Difficult Cuts Before Federal Stimulus Money Came Through.** From the Center on Budget and Policy Priorities: "States were seriously considering even more severe cuts than were enacted in such services as health care, education, and public safety prior to passage of federal stimulus legislation. Those cuts very likely would have taken place in the absence of the federal aid. [...] In both New York and Virginia, major cuts that had been proposed before the federal assistance was made available were never enacted. Virginia is using the fiscal assistance to keep open three facilities serving persons with mental health needs, reverse a planned cut in Medicaid payments to hospitals, lessen a reduction in aid to universities that almost certainly would have led to large tuition increases, avoid a major education budget cut, and avoid a funding cut that would have resulted in the loss of an estimated 310 deputy sheriffs' positions. The governor had proposed these cuts before the federal funds became available. [...] The legislature likely would have approved the governor's proposed cuts had recovery act funding not been available. In fact, there is good reason to think it would have gone even further. Between December 2008 (when the governor outlined his proposals) and March 2009, the Virginia revenue forecast was revised downward even further by over $800 million. The legislature also rejected the governor's proposal to raise the cigarette tax. Thus, the federal recovery funding helped to avert not only the governor's proposed cuts, but also the additional cuts that would have resulted from the further decline in the revenue forecast and the legislature's decision not to raise the cigarette tax." [CBPP.org, 6/29/09]

Kaine Proposed A Tax Increase As Part Of A Plan To Close Budget Holes. From the *Roanoke Times*: "Not a single member of the House of Delegates voted for former Gov. Tim Kaine's plan to increase Virginia's income tax and eliminate the personal property tax on vehicles. But that didn't stop delegates from waging a protracted partisan floor fight on the issue this afternoon. The House voted 97-0, with one member abstaining, to kill former Democratic governor's tax plan. Kaine floated the plan last month to help close a two-year, $4.2 billion budget shortfall. The tax increase would have generated $2 billion in revenue. Republicans declared Kaine's proposal dead on arrival last month but they refused to allow the bill's sponsor, Del. Bob Brink, D-Arlington, to withdraw the measure when it reached the floor this afternoon. Instead, they forced Democrats to choose between supporting a tax increase or rejecting a key component of a budget plan offered by the former governor and chairman of the Democratic National Committee. Brink asked to withdraw the bill, saying Republican Gov. Bob McDonnell has made it clear he would veto any proposed tax increases." [*Roanoke Times* via Nexis, 1/21/10]

Kaine Said He's Open To Tax Discussion – Not That He's Pushing For Higher Taxes On The Poor

During A Debate, Kaine Said He'd Be "Open To A Proposal That Would Have Some Minimum Tax Level For Everyone." From a debate between Virginia Senate candidates Tim Kaine and George Allen:

DAVID GREGORY (MODERATOR): Do you believe that everyone in Virginia should pay something in federal income tax?

TIM KAINE: Well, everyone pays taxes, I mean, the statistics that have come out--

GREGORY: I'm asking about federal income taxes.

KAINE: I would be open to a proposal that would have some minimum tax level for everyone, but I do insist, many of the 47 percent that Governor Romney was going after pay a higher percentage of their income in taxes than he does.

[Kaine-Allen Debate via MSNBC.MSN.com, 9/21/12]

Kaine Clarified That He Does Not Favor Increasing Taxes On Low-Income Americans. From *The Hill*: "After the debate, Kaine sought to clarify his remarks by arguing that he was saying he didn't want to take any proposals off the table, not that he supported tax increases on low-income earners — a view expressed more often by conservative Republicans like Rep. Michele Bachmann (R-Minn.) than any Democrats. 'David asked me a question which is, would I be open to a discussion about something broader like that, and I said sure, I'd be open to it. It shouldn't be news that somebody wants to go into the Senate that is willing to start with a position of openness and a dialogue,' he told The Hill before pointing to his own record as evidence that he didn't support raising taxes on low-income earners." [*The Hill*, 9/20/12]

Independence Virginia Almost Entirely Bankrolled By Swift Boat Backer Bob Perry

Swift Boat Backer Bob Perry Is Single Biggest Funder Of Independence Virginia. According to data from the Sunlight Foundation, Bob Perry has donated a total of $1 million to Independence Virginia during the 2012 cycle. According to the *Richmond Times-Dispatch*, "Perry "contributed heavily to George W. Bush's previous election efforts and was one of the chief donors for Swift Boat Veterans for Truth." Contributions to Independence Virginia PAC from other donors total $87,500, including $10,000 from Foster Friess. [SunlightFoundation.com, accessed 10/17/12; *Richmond Times-Dispatch*, 10/15/12]

Independence Virginia Put $1.25 Million Into Anti-Kaine TV Ads Running In October. According to data form the Sunlight Foundation, Independence Virginia PAC's largest independent expenditure has been a $1.25 million purchase of broadcast and cable advertisements running between October 16 and October 23. [SunlightFoundation.com, accessed 10/17/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-16-2012

Crossroads GPS: "Promotion"

Crossroads GPS attacks Rep. Joe Donnelly (D-IN), who is running for Senate, over his votes in favor of a 2009 budget plan and the Affordable Care Act, which the ad suggests are harmful to small businesses. The non-binding budget resolution Donnelly supported cut taxes for middle- and lower-class Americans while letting the Bush tax cuts expire on top earners, few of whom are small businesses. The Affordable Care Act, meanwhile, contains tax credits for small businesses.

Donnelly Voted For A Plan To Let Tax Breaks For Top Earners Expire

The ad cites CQ Vote #216 on April 29, 2009, in which the House passed a budget plan for fiscal year 2010.

House And Senate Passed Non-Binding Budget Outline Similar To Obama's Proposal. From the Associated Press: "Acting with unusual speed, the House on Wednesday adopted a $3.4 trillion budget outline that endorses much of President Barack Obama's ambitious agenda while permitting the national debt to continue to spiral higher. [...] The budget measure is a nonbinding outline for follow-up tax and spending legislation. It is Congress' response to Obama's $3.6 trillion budget plan released in late February." [Associated Press via RealClearPolitics.com, 4/29/09]

- **Budget Outline Proposed To Let Tax Cuts Expire For Top Earners.** From PBS: "The $3.5 trillion plan is a nonbinding guideline for how to spend federal money and where that money will come from. [...] The budget includes money for energy, education and includes money for the wars in Iraq and Afghanistan. The plan also raises the tax rate on Americans making more than $200,000 a year, after 2010. It maintains tax cuts for middle class taxpayers put in place by President George W. Bush, according to the Associated Press." [PBS.org, 10/30/09]

Obama's 2009 Budget Proposed Using Additional Revenue From Corporations And The Wealthy To Fund New Investment. From the *Washington Post*: "President Obama delivered to Congress yesterday a $3.6 trillion spending plan that would finance vast new investments in health care, energy independence and education by raising taxes on the oil and gas industry, hedge fund managers, multinational corporations and nearly 3 million of the nation's top earners. The blueprint, meanwhile, would overhaul programs across the federal bureaucracy to strengthen assistance for millions of people who have borne the consequences of what Obama called 'an era of profound irresponsibility,' helping them pay for college, train for better jobs and save for retirement while taking less of their earnings in taxes." [*Washington Post*, 2/27/09]

Around Half Of "Tax Hikes" In Obama's Budget Proposal Came From Letting Bush Tax Cuts Expire On Top Brackets. From the *Washington Post*: "Of the $1.3 trillion in new taxes Obama proposes to levy over the next decade, about half would be generated by simply letting the Bush tax cuts expire for high earners." [*Washington Post*, 3/7/09]

Obama's Budget Proposal Cut Taxes For Middle And Lower Classes. From *USA Today*: "President Obama's sweeping budget outline, released Thursday, would raise taxes on the wealthy as it offers a range of cash-saving initiatives for the middle and lower classes. It touches broadly on the typical household budget — from retirement savings and health care costs to college tuition. The plan 'means a lot of good news for both middle-class families who have been struggling to keep their heads above water and now are in danger of sinking, as well as working-class and lower-class Americans whose heads haven't been above water for some time,' says William Galston senior fellow at the Brookings Institution, a research and public policy institute." [*USA Today*, 2/27/09]

Few Top Income Taxpayers Are Actual "Small Businesses"

CBPP: "Only 2.5 Percent Of Small Business Owners Face The Top Two Rates." According to the Center on Budget and Policy Priorities: "Allowing the top two marginal tax rates to return to pre-2001 levels as scheduled next year would affect very few small businesses, a recent Treasury Department study found. The study shows that only 2.5 percent of small business owners face the top two rates." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservatives Rely On Definition Of "Small Business" That Counts President Obama And Mitt Romney.** According to the Center on Budget and Policy Priorities: "The claims that allowing the Bush tax cuts for high-income people to expire would seriously harm small businesses rest on an exceedingly broad, and misleading, definition of 'small business.' The definition is so broad, in fact, that under it, both President Obama and Governor Romney would count as small business owners — as would 237 of the nation's 400 wealthiest people." [Center on Budget and Policy Priorities, 7/19/12, internal citations removed]

• **Conservative Definition Of "Small Businesses" Includes Multi-Billion-Dollar Corporations Like Bechtel And PricewaterhouseCoopers.** According to the Center for American Progress: "'That's 750,000 small businesses in America, the most productive, the ones that are the most successful, getting hit by a tax increase on top of everything else that's happened to them in the last 18 months of this administration,' said Senate Minority Leader Mitch McConnell (R-KY). But McConnell's number is only accurate if you take an incredibly expansive view of what constitutes a small business. **Included in that 750,000 is the Bechtel Corporation, the largest engineering firm in the country. It is the fifth-largest privately owned company in the United States, posting gross revenue in 2008 of $31.4 billion. [...] The auditing firm PricewaterhouseCoopers, which has operations in more than 150 countries, fits the bill as well.**" [Center for American Progress, 10/21/10, emphasis added]

• **Former Bush Economist Alan Viard: GOP's Definition Of Small Businesses Is A "Fallacy."** As reported by the *Washington Post*: "Which is why Republicans continually define pass-through entities of all sizes as small businesses, a position [former Bush White House economist Alan] Viard called a 'fallacy.' 'How can it be that 3 percent of owners are accounting for 50 percent of small business income? Those firms they're owning can't be all that small,' Viard said. 'And that's true. They're very large.'" [*Washington Post*, 9/17/10]

Joint Committee On Taxation: "3.5 Percent Of All Taxpayers With Net Positive Business Income" Fall Into Top Tax Bracket. According to the Joint Committee on Taxation: The staff of the Joint Committee on Taxation estimates that in 2013 approximately 940,000 taxpayers with net positive business income (3.5 percent of all taxpayers with net positive business income) will have marginal rates of 36 or 39.6 percent under the president's proposal, and that 53 percent of the approximately $1.3 trillion of aggregate net positive business income will be reported on returns that have a marginal rate of 36 or 39.6 percent. [Joint Committee On Taxation, 6/18/12]

Those In The Top Bracket Still Benefit From Middle-Income Tax Cuts. According to the Center on Budget and Policy Priorities:

> Furthermore, as Figure 2 shows, under the proposal to allow tax cuts on income above $250,000 ($200,000 for single filers) to expire, taxpayers in the top two brackets would still keep sizeable tax cuts on the first $250,000 of their income ($200,000 for single filers).

[Center on Budget and Policy Priorities, 7/19/12]

Many Small Businesses Are Eligible For Tax Credits Under The Affordable Care Act

Affordable Care Act Offers Tax Credits To Many Small Businesses. According to a report from Small Business Majority and Families USA: "Congress included in the Affordable Care Act a significant new tax credit for small business owners who provide their workers with health insurance. Under this new tax credit, businesses that have fewer than 25 full-time workers and average wages of less than $50,000 are now eligible to receive a tax credit of up to 35 percent of the cost of the health insurance that they provide for their workers. To qualify for the tax credit, small businesses must cover at least 50 percent of each employee's health insurance premiums. In 2014, the size of the credit will increase to cover up to 50 percent of the cost of health insurance provided to workers." [SmallBusinessMajority.org, May 2012]

- **More Than 3.2 Million Small Businesses Eligible For ACA Tax Credit.** According to a report from Small Business Majority and Families USA: "Our analysis found that more than 3.2 million small businesses, employing 19.3 million workers across the nation, will be eligible for this tax credit when they file their 2011 taxes. In total, these small businesses are eligible for more than $15.4 billion in credits for the 2011 tax year alone, an average of $800 per employee." [SmallBusinessMajority.org, May 2012]

ACA Requires Businesses With More Than 50 Employees To Provide Affordable Coverage Or Pay A Fee. According to a report from Small Business Majority and FamiliesUSA: "While the Affordable Care Act created this new tax credit to help small business owners and workers, it does not force these small business owners to provide coverage for their workers. There are no employer mandates in the law, and there are no employer responsibility requirements at all for businesses with fewer than 50 workers, which account for 96 percent of all firms in the United States. Starting in 2014, businesses with 50 or more workers that do not offer coverage or that offer only unaffordable coverage to their workers will be assessed a fee if one or more of their workers receives a federal individual premium tax credit to purchase coverage in an exchange." [SmallBusinessMajority.org, May 2012]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-18-2012

Club for Growth Action: "Lobster"

The Club for Growth accuses Indiana Senate candidate Joe Donnelly (D) of supporting wasteful spending, citing a series of amendments to appropriations bills that would have banned spending on individual projects. But Donnelly's vote against banning money for the projects was backed up by vast bipartisan majorities in the House. Furthermore, Donnelly has voted in favor of a balanced budget amendment, and it was Bush-era policies and the recession that drove up deficits, not earmarks.

FACEBO TWITTER

REVIEW TRANSCRIPT

On Each Bill Cited, Donnelly Voted With Large Bipartisan Majority

Each of the bills cited by the Club for Growth were appropriations bill amendments seeking to prohibit funding for specific projects, and each failed with large bipartisan majorities voting against them.

Prohibiting Heritage Route Funding Failed 343-86. According to the Congressional Record, Roll Call No. 569 was the "Flake amendment that sought to prohibit funds from being used for the Southwestern Pennsylvania Heritage Preservation Commission in Hollidaysburg, Pennsylvania; the Westsylvania Heritage Corporation in Hollidaysburg, Pennsylvania; and the Progress Fund in Greensburg, Pennsylvania." The vote failed 343-86, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 6/27/07; Flake of Arizona Amendment No. 5 to H.R. 2643, Vote #569, 6/27/07]

Prohibiting San Francisco Planning and Urban Research Funding Failed 317-102. According to the Congressional Record, Roll Call No. 592 was the "Flake amendment (No. 21 printed in the Congressional Record of June 26, 2007) that sought to prohibit funds from being used for the San Francisco Planning and Urban Research Association, SPUR Urban Center." The vote failed 317-102. [Congressional Record Daily Digest via GPO.gov, 6/28/07; Flake of Arizona Amendment No. 21 to H.R. 2829, Vote #592, 6/28/07]

Prohibiting Prisons Museum Funding Failed 317-112. According to the Congressional Record, Roll Call No. 670 was the "Flake amendment (No. 12 printed in the Congressional Record of July 17, 2007) that sought to prohibit funds from being used for the Kansas Regional Prisons Museum, Lansing, Kansas, for educational and outreach programs." The vote failed 317-112. [Congressional Record Daily Digest via GPO.gov, 7/18/07; Flake of Arizona Amendment No. 12 to H.R. 3043, Vote #670, 7/18/07]

Prohibiting Exploratorium Funding Failed 341-89. According to the Congressional Record, Roll Call No. 664 was the "Flake amendment (No. 19 printed in the Congressional Record of July 17, 2007) that sought to prohibit funds from being used for the Exploratorium, San Francisco, California, for its Bay Area Science Teacher Recruitment, Retention, and Improvement Initiative." The vote failed 341-89, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/18/07; Flake of Arizona Amendment No. 19 to H.R. 3043, Vote #664, 7/18/07]

Reducing School Improvement Funding Failed 352-74. According to the Congressional Record, Roll Call No. 654 was then "Garrett (NJ) amendment that sought to reduce funding for School Improvement Programs by $33,907,000." The vote failed 352-74, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/18/07; Garrett of New Jersey Amendment to H.R. 3043, Vote #654, 7/18/07]

- **Garrett Amendment Would Have Struck Funding For Education For Alaskan And Hawaiian Natives.** From *Politico*: "[Rep. Don] Young took extreme exception to an amendment by Rep. Scott Garrett (R-N.J.) to strike money in a spending bill for native Alaskan and Hawaiian educational programs." [*Politico*, 7/18/07]

Prohibiting Aquarium Funding Failed 360-70. According to the Congressional Record, Roll Call No. 669 was the "Flake amendment (No. 10 printed in the Congressional Record of July 17, 2007) that sought to prohibit funds from being used for the South Carolina Aquarium, Charleston, South Carolina, for exhibits and curriculum." The vote failed 360-70, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/18/07; Flake of Arizona Amendment No. 10 to H.R. 3043, Vote #669, 7/18/07]

Prohibiting Funding For Public Service Center At New York College Failed 316-108. According to the Congressional Record, Roll Call No. 678 was the "Campbell (CA) amendment (No. 62 printed in the Congressional Record of July 17, 2007) that sought to prohibit funds from being used for the Charles B. Rangel Center for Public Service, City College of New York, NY." The vote failed 316-108, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/19/07; Campbell of California Amendment No. 62 to H.R. 3043, Vote #678, 7/19/07]

Prohibiting Ballet Theater Funding Failed 327-96. According to the Congressional Record, Roll Call No. 679 was the "Flake amendment (No. 16 printed in the Congressional Record of July 17, 2007) that sought to prohibit funds from being used for the American Jazz Museum in Kansas City, Missouri, for exhibits, education programs, and an archival project." The vote failed 327-96, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/19/07; Flake of Arizona Amendment No. 16 to H.R. 3043, Vote #679, 7/19/07]

Prohibiting Parking Facility Funding Failed 338-86. According to the Congressional Record, Roll Call No. 706 was the "Hensarling amendment (No. 21 printed in the Congressional Record of July 23, 2007) that sought to prohibit funds from being used for parking facilities." The vote failed 338-86, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 7/24/07; Hensarling of Texas Amendment No. 21 to H.R. 3074, Vote #706, 7/24/07]

Prohibiting "Lobster Institute" Funding Failed 328-87. According to the Congressional Record, Roll Call No. 735 was a "Flake amendment that sought to prohibit funds from being used for the Lobster Institute at the University of Maine in Orono, Maine." The vote failed 328-87, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, accessed 7/26/07; Flake of Arizona Amendment to H.R. 3093, Vote #735, 7/26/07]

Prohibiting Grape Genetics Research Funding Failed 353-76. According to the Congressional Record, Roll Call No. 810 was the "Flake amendment (No. 9 printed in Part B of House Report 110–290) that sought to prohibit funds from being used for grape genetics research in Geneva, New York." The vote failed 353-76, with a majority of both Republicans and Democrats voting against the measure. [Congressional Record Daily Digest via GPO.gov, 8/2/07; Flake of Arizona Amendment No. 9 to H.R. 3161, Vote #810, 8/2/07]

Bush Policies And Recession – Not Earmarks – Are Responsible For Higher Debt

Earmarks Account For Little Of Congress' Spending. From the *Washington Post*: "The moves will have little effect on reducing spending -- earmarks account for less than $16 billion of the more than $1 trillion a year Congress spends." [*Washington Post*, 3/10/10]

Prior To President Obama's Inauguration, President Bush Had Already Created A Projected

$1.2 Trillion Deficit For Fiscal Year 2009. From the *Washington Times*: "The Congressional Budget Office announced a projected fiscal 2009 deficit of $1.2 trillion even if Congress doesn't enact any new programs. [...] About the only person who was silent on the deficit projection was Mr. Bush, who took office facing a surplus but who saw spending balloon and the country notch the highest deficits on record." [*Washington Times*, **1/8/09**]

***NYT*: President Bush's Policy Changes Created Much More Debt Than President Obama's.** The *New York Times* published the following chart comparing the fiscal impact of policies enacted under the Bush and Obama administrations:

[*New York Times*, 7/24/11]

Recession Added Hundreds Of Billions In Deficits By Increasing Spending On Safety Net While Shrinking Tax Revenue. The Center on Budget and Policy Priorities (CBPP) explains: "When unemployment rises and incomes stagnate in a recession, the federal budget responds automatically: tax collections shrink, and spending goes up for programs like unemployment insurance, Social Security, and Food Stamps." According to CBPP: "The recession battered the budget, driving down tax revenues and swelling outlays for unemployment insurance, food stamps, and other safety-net programs. Using CBO's August 2008 projections as a benchmark, we calculate that the changed economic outlook alone accounts for over $400 billion of the deficit each year in 2009 through 2011 and slightly smaller amounts in subsequent years. Those effects persist; even in 2018, the deterioration in the economy since the summer of 2008 will account for over $300 billion in added deficits, much of it in the form of additional debt-service costs." [CBPP.org, 11/18/10; CBPP.org, 5/10/11, citations removed]

Over The Coming Decade, The Bush Tax Cuts Are The Primary Cause Of Federal Budget Deficits. The Center on Budget and Policy Priorities prepared a chart showing the deficit impact of the Bush tax cuts (orange), the Iraq and Afghanistan wars, the recession itself, and spending to rescue the economy:

[CBPP.org, 5/10/11]

CBPP: Bush Tax Cuts And Wars Are Driving The Debt. According to the Center on Budget and Policy Priorities:

> The complementary chart, below, shows that the Bush-era tax cuts and the Iraq and Afghanistan wars — including their associated interest costs — account for almost half of the projected public debt in 2019 (measured as a share of the economy) if we continue current policies.

[Center on Budget and Policy Priorities, 5/20/11]

Donnelly Voted For A Balanced Budget Amendment

Donnelly Voted In Favor Of A Balanced Budget Amendment To The Constitution. [H.J. Res. 2, Vote #858, 11/18/11]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

10-15-2012

Americans for Tax Reform: "Wrong Prescription for California"

Americans for Tax Reform attacks congressional candidate Scott Peters (D-CA) for supporting the Affordable Care Act, relying on a series of distortions about the law's impact. In reality, the ACA does not raise taxes on most Americans, and it actually reduces the burden on many middle-class families. Moreover, the law reduces future Medicare spending without cutting seniors' benefits – in fact, Peters' opponent, Rep. Brian Bilbray (R), voted to preserve the "cuts" as part of the House GOP budget – and the Senate-confirmed board responsible for finding additional savings is forbidden from cutting benefits or rationing care.

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

"Kick In The Teeth" Was One Local Supervisor's Reaction To Denying Money To Fairfax County. From the *Washington Post*: "Northern Virginia officials, facing unprecedented cuts in their prized school systems, are crying foul. Fairfax County Board of Supervisors Chairman Sharon Bulova (D) called Kaine's proposal a 'kick in the teeth.' 'We have played by the rules,' she said. 'And it's not fair to change the rules the very year that Fairfax would get some benefit from them.'" [*Washington Post*, 1/11/10]

Incoming GOP Gov. McDonnell's Education Cuts Were Even Larger Than Cuts Kaine Proposed

Virginia's Constitution Requires The Budget To Be Balanced Every Two Years, So Kaine Was Forced To Propose Cuts To Close Recession-Fueled Shortfalls. From FactCheck.org: "Virginia adopts a new budget every two years, and amendments are added to it in the odd year to square the numbers. There's no question that Virginia experienced serious budget shortfalls during the recession due to much lower-than-anticipated revenues. But the shortfall was closed by the end of the biennium. The same *Virginian-Pilot* story in which Kaine talks about a $3.7 billion shortfall, notes that the stimulus provided $1 billion in budget relief, and that lawmakers were forced to cut $2.7 billion to balance the budget, as required by the state constitution. Responding to the ad on Nov. 10, Kaine told WVEC ABC 13: 'I left office with two balanced budgets that I submitted because you have to, by law, submit balanced budgets.'" [FactCheck.org, 11/15/11]

$357 Million In K-12 Education Cuts Were Just A Proposal That GOP Gov. McDonnell And GOP House Would Have Had To Approve. From the Associated Press: "Gov. Tim Kaine proposes decreasing state support for public schools by $357 million by 2012. [...] The proposals are in a two-year state budget Kaine presented Friday. The plan struggles to reconcile a revenue shortfall of $3.6 billion from 2010 through 2012. [...] The exiting Democrat's proposal must win approval by an anti-tax Republican House and a Republican governor who succeeds him next month." [Associated Press via WHSV.com, 12/18/09]

- **Proposal's Overall Education Cuts Were $400 Million.** From the *Washington Post* article cited in the ad: "Gov. Timothy M. Kaine launched a budget-balancing proposal Wednesday that would transform the commonwealth's old-guard fiscal policies into ones that reflect the political conversion from red state to blue. [...] In offering his budget amendments to the House and Senate money committees Wednesday, Kaine set about guiding the state through an economic crisis that is likely to define his four-year term as governor. [...] Some of Kaine's proposals were painful but expected. State agencies, including colleges, would face 15 percent cuts. He proposed a $400 million cut to education funding and a $400 million cut to Medicaid, which helps cover medical needs for the indigent, elderly, blind and disabled." [*Washington Post*, 12/18/08]

Final Budget Signed By Incoming Gov. McDonnell Cut Even More From School Funding In Order To Avoid Raising Taxes. From the *Washington Post*: "The Virginia General Assembly adjourned its annual legislative session Sunday evening after adopting a two-year, $82 billion budget that cuts millions from education, health care and public safety -- curtailing state spending more aggressively than any in generations while fulfilling the new Republican governor's promise not to raise taxes. [...] Funding for schools will drop $646 million over the next two years; the state will also cut more than $1 billion from health programs. Class sizes will rise. [*Washington Post*, 3/15/10]

GOP House Also Approved Community College Cuts Necessitated By Recession

College Spending Cuts Were Approved By Virginia's GOP-Controlled House. From PolitiFact.com: "[GOP Virginia Del. Scott] Lingamfelter cited data from a 2010 report by the State Council of Higher Education for Virginia. It shows the amount of general funds spent for each in-state, full-time student at a four-year college fell from $8,709 in budget years 2006 and 2007 to $6,500 in 2010 and 2011. That's a 25.4 percent drop. At community colleges, average state funding per student fell from $4,602 in fiscal 2006 and 2007 to $2,946 in 2010 and 2011, a 36 percent decrease. [...] Is it fair to blame Kaine for the cuts to the colleges? All of the spending levels Kaine recommended for colleges and universities -- within a few dollars -- were in state budgets that were approved with overwhelming bipartisan support in the Republican-controlled House of Delegates. [...] Brandi Hoffine, a spokeswoman for the Kaine, said the former governor had to cut nearly every part of the state budget to cope with the deep recession." [PolitiFact.com, 4/4/12]

 © AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

FACEBO TWITTE

Want to know more about Ad Check? click to learn more

11-05-2012

Independence Virginia PAC: "A Kick In The Teeth"

Independence Virginia PAC hits former Virginia Gov. Tim Kaine (D) over a set of cuts to public education he proposed during his tenure, paraphrasing a local supervisor to call the cuts "a kick in the teeth." But the ad glosses over the devastating recession that cut short state revenues, forcing Kaine to propose tough cuts in virtually every sector, and the fact that Kaine's successor approved a budget with even larger education cuts in order to avoid tax increases.

FACEBO TWITTER

"Kick In The Teeth" Was Local Supervisor's Reaction To Kaine's Effort To Save Money And Protect Vulnerable School Districts

Virginia Uses A Complicated Formula To Determine How Much State Money Various School Districts Get For Education. From the *Washington Post*: "Virginia's funding formula is meant to distribute money equitably, so poor districts get more school funding from Richmond and wealthy districts get less. The result is that the state currently pays for less than 25 percent of Fairfax school's budget and closer to 80 percent for some other districts. Many in Northern Virginia have long found it unfair to shoulder such a large share of education costs locally and statewide. Every two years, the formula is recalculated, using updated data on enrollment, income, retail sales and real estate values." [*Washington Post*, 1/11/10]

In 2010, Kaine Proposed Delaying Recalculation Of Formula To Save Money And Protect Vulnerable Virginia School Districts. From the *Washington Post*: "Gov. Timothy M. Kaine proposed a one-year delay in the regularly scheduled readjustment of the formula, a move that would prevent the influx of more than $120 million in additional state funds over the next year to cash-strapped schools in Fairfax, Prince William and Loudoun counties. This fiscal year, Richmond is sending nearly $1 billion to those counties to fund operating costs in public schools. The fate of the so-called composite index is tied to the state budget process, which will be negotiated in the coming legislative session. Kaine proposed the one-year delay in part because it would save $30 million statewide. [...] This year, for once, several Northern Virginia districts stood to gain significantly more in state funding, largely because of dramatic declines in the housing market. The news was welcomed by local school officials. But for more than 90 of the state's 136 school districts, the readjustment meant a greater local burden, and Kaine's proposal aimed to protect these vulnerable districts." [*Washington Post*, 1/11/10]

result in rationing." [Kaiser Family Foundation, April 2011]

PolitiFact: "The Law Specifically States That The Board Cannot Ration Care." According to PolitiFact, "Actually, the law specifically states that the board cannot ration care. The board doesn't look at individual patients or deny individual treatments. Instead, it makes system-wide recommendations to rein in the future growth of Medicare spending, and it makes those recommendations within limited parameters. It also was created to stop runaway spending growth within the Medicare program itself, not to divert money to other budget items." [PolitiFact.com, 3/12/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

Medicare Board Tasked With Finding Additional Savings Is Forbidden From Cutting Benefits

ACA Establishes An Independent, Senate-Confirmed Board (IPAB) To Find Additional Savings. As explained by the Kaiser Family Foundation: "The 2010 health reform law (the Patient Protection and Affordable Care Act, also referred to as the ACA) establishes a new Independent Payment Advisory Board (IPAB) with authority to issue recommendations to reduce the growth in Medicare spending, and provides for the Board's recommendations to be considered by Congress and implemented by the Administration on a fast-track basis. [...]As authorized by the health reform law, IPAB is an independent board housed in the executive branch and composed of 15 full-time members appointed by the President and confirmed by the Senate. [Kaiser Family Foundation, April 2011]

IPAB Proposals Will Be Implemented Unless Congress Finds Alternative Savings Or Supermajority Overturns Them. According to the *Washington Post*: "Beginning with fiscal 2015, if Medicare is projected to grow too quickly, the IPAB will make binding recommendations to reduce spending. Those recommendations will be sent to Capitol Hill at the beginning of each year, and if Congress doesn't like them, it must pass alternative cuts — of the same size — by August. A supermajority of the Senate can also vote to amend the IPAB [spending] recommendations. If Congress fails to act, the secretary of Health and Human Services is required to implement the cuts by default." [*Washington Post*, 5/8/11]

IPAB Cannot Recommend "Changes In Premiums, Benefits, Eligibility And Taxes." According to the Kaiser Family Foundation: "The Board is prohibited from recommending changes that would reduce payments to certain providers before 2020, and is also prohibited from recommending changes in premiums, benefits, eligibility and taxes, or other changes that would

Millions

Up To 6.6 Million Young Adults Would Lose Health Care Coverage Through Their Parents' Plans. From the *Los Angeles Times*: "President Obama's healthcare law helped as many as 6.6 million young adults stay on or get on their parents' health plans in the first year and a half after the law was signed, a new survey indicates. [...] Earlier surveys by the federal government found that the number of people ages 19 to 25 without insurance declined after the law was signed, reversing years of erosion in health coverage for young adults." [*Los Angeles Times*, 6/8/12]

70,000 Americans With Pre-Existing Conditions Would Lose Insurance Coverage. According to the Department of Health and Human Services, as of May 31, 2012, 73,333 people were enrolled in the Pre-Existing Condition Insurance Plan (PCIP) created by the Affordable Care Act. [HealthCare.gov, 7/13/12]

5.2 Million People Would Have To Pay More For Prescription Drugs. From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

Over 35 Million Seniors Would Lose Access To Free Preventive Services. The Centers for Medicare and Medicaid Services [CMS] report that 35,106,598 people were enrolled in Medicare Part B in 2011. CMS also reports:

> Beginning January 1, 2011, the Affordable Care Act eliminated Part B coinsurance and deductibles for recommended preventive services, including many cancer screenings and key immunizations. The law also added an important new service — an Annual Wellness Visit with a health professional — at no cost to beneficiaries.
>
> According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries, including 2,404,792 African-American beneficiaries, 537,110 Hispanic beneficiaries, 104,393 American Indian beneficiaries, and 508,398 Asian-American beneficiaries. [CMS.gov, 2/15/12]

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

- **Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts.** According to FactCheck.org, the increased revenue from penalty payments by individuals who do

10-15-2012

Americans for Tax Reform: "Wrong Prescription for Georgia"

Americans for Tax Reform attacks Rep. John Barrow (D-GA) over the Affordable Care Act, distorting the law's impact and Barrow's positions. The truth is that Barrow voted against the ACA when it passed in 2010, but he has also opposed GOP repeal efforts, citing the need to preserve several of the law's most important and popular provisions. Indeed, repeal would have negative consequences for millions of Americans, including those with pre-existing conditions and young adults who are covered by their parents' plans. Furthermore, the ACA does not raise taxes on most Americans, and it reduces future Medicare spending without cutting seniors' benefits.

FACEBO TWITTER

REVIEW TRANSCRIPT

Rep. Barrow Did Not Support The Affordable Care Act, But Opposes "All Or Nothing" Repeal Bills

Rep. John Barrow Voted "No" On The Patient Protection And Affordable Care Act. [H.R. 3950, Vote #165, 3/21/10]

Barrow Opposed Full Repeal: "We Need To Amend It, Not End It." According to the *Augusta Chronicle*: "'We need to keep the parts that prohibit folks from getting denied coverage based on preexisting conditions, and extend health coverage to kids just out of college,' [Barrow] said. 'There are a lot of good things in the bill,' he said Saturday at a meeting with constituents. 'I don't believe in voting against the parts that are good. ... We need to amend it, not end it.'" [*Augusta Chronicle*, 1/20/11]

Barrow Lamented GOP Repeal Bill As "All Or Nothing Proposition." According to the *Atlanta Journal-Constitution*: "'That's what's wrong with this place. Both sides have the same attitude and both sides are equally wrong, that this has to be an all or nothing proposition.' Barrow ticked off the appealing parts and noted even GOP presidential hopeful Mitt Romney says some of the popular pieces should remain. Barrow said he likes forcing insurers to cover those with pre-existing conditions, preventing lifetime limits on coverage and allowing young adults to remain on their parents' insurance plans until age 26. [...] Barrow said Republicans have presented a bad binary choice and that he would continue supporting any bill 'that gets rid of the bad and preserves what's good. That's what I'm for.'" [*Atlanta Journal-Constitution*, 7/11/12]

Repeal Would Have Negative Consequences For

Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

Medicare Board Tasked With Finding Additional Savings Is Forbidden From Cutting Benefits

ACA Establishes An Independent, Senate-Confirmed Board (IPAB) To Find Additional Savings. As explained by the Kaiser Family Foundation: "The 2010 health reform law (the Patient Protection and Affordable Care Act, also referred to as the ACA) establishes a new Independent Payment Advisory Board (IPAB) with authority to issue recommendations to reduce the growth in Medicare spending, and provides for the Board's recommendations to be considered by Congress and implemented by the Administration on a fast-track basis. [...]As authorized by the health reform law, IPAB is an independent board housed in the executive branch and composed of 15 full-time members appointed by the President and confirmed by the Senate. [Kaiser Family Foundation, April 2011]

IPAB Proposals Will Be Implemented Unless Congress Finds Alternative Savings Or Supermajority Overturns Them. According to the *Washington Post*: "Beginning with fiscal 2015, if Medicare is projected to grow too quickly, the IPAB will make binding recommendations to reduce spending. Those recommendations will be sent to Capitol Hill at the beginning of each year, and if Congress doesn't like them, it must pass alternative cuts — of the same size — by August. A supermajority of the Senate can also vote to amend the IPAB [spending] recommendations. If Congress fails to act, the secretary of Health and Human Services is required to implement the cuts by default." [*Washington Post*, 5/8/11]

IPAB Cannot Recommend "Changes In Premiums, Benefits, Eligibility And Taxes." According to the Kaiser Family Foundation: "The Board is prohibited from recommending changes that would reduce payments to certain providers before 2020, and is also prohibited from recommending changes in premiums, benefits, eligibility and taxes, or other changes that would result in rationing." [Kaiser Family Foundation, April 2011]

PolitiFact: "The Law Specifically States That The Board Cannot Ration Care." According to PolitiFact, "Actually, the law specifically states that the board cannot ration care. The board doesn't look at individual patients or deny individual treatments. Instead, it makes system-wide recommendations to rein in the future growth of Medicare spending, and it makes those recommendations within limited parameters. It also was created to stop runaway spending growth within the Medicare program itself, not to divert money to other budget items." [PolitiFact.com, 3/12/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Over 35 Million Seniors Would Lose Access To Free Preventive Services. The Centers for Medicare and Medicaid Services [CMS] report that 35,106,598 people were enrolled in Medicare Part B in 2011. CMS also reports:

> Beginning January 1, 2011, the Affordable Care Act eliminated Part B coinsurance and deductibles for recommended preventive services, including many cancer screenings and key immunizations. The law also added an important new service — an Annual Wellness Visit with a health professional — at no cost to beneficiaries.
>
> According to preliminary numbers, at least 25,720,996 million Americans took advantage of at least one free preventive benefit in Medicare in 2011, including the new Annual Wellness Visit. This represents 73.3% of Medicare fee-for-service beneficiaries, including 2,404,792 African-American beneficiaries, 537,110 Hispanic beneficiaries, 104,393 American Indian beneficiaries, and 508,398 Asian-American beneficiaries. [CMS.gov, 2/15/12]

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

- **Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts.** According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the

10-15-2012

Americans for Tax Reform: "Wrong Prescription for Pennsylvania"

Americans for Tax Reform attacks Rep. Mark Critz (D-PA) for opposing repeal of the Affordable Care Act, relying on a series of distortions about the law's impact. In reality, the ACA does not raise taxes on most Americans, and it actually lessens the burden on many middle-class families. Moreover, the law reduces future Medicare spending without cutting seniors' benefits, and the Senate-confirmed board responsible for finding additional savings is forbidden from cutting benefits or rationing care. Repealing the health care law would have negative consequences for millions of Americans, including those with pre-existing conditions or young adults who are covered by their parents' insurance plans.

Repeal Would Have Negative Consequences For Millions

Up To 6.6 Million Young Adults Would Lose Health Care Coverage Through Their Parents' Plans. From the *Los Angeles Times*: "President Obama's healthcare law helped as many as 6.6 million young adults stay on or get on their parents' health plans in the first year and a half after the law was signed, a new survey indicates. [...] Earlier surveys by the federal government found that the number of people ages 19 to 25 without insurance declined after the law was signed, reversing years of erosion in health coverage for young adults." [*Los Angeles Times*, 6/8/12]

70,000 Americans With Pre-Existing Conditions Would Lose Insurance Coverage. According to the Department of Health and Human Services, as of May 31, 2012, 73,333 people were enrolled in the Pre-Existing Condition Insurance Plan (PCIP) created by the Affordable Care Act. [HealthCare.gov, 7/13/12]

5.2 Million People Would Have To Pay More For Prescription Drugs. From the Centers for Medicare and Medicaid: "As a result of the Affordable Care Act, over 5.2 million seniors and people with disabilities have saved over $3.9 billion on prescription drugs since the law was enacted. The Centers for Medicare & Medicaid Services (CMS) also released data today showing that in the first half of 2012, over 1 million people with Medicare saved a total of $687 million on prescription drugs in 'donut hole' coverage gap for an average of $629 in savings this year. [...] Coverage for both brand name and generic drugs in the gap will continue to increase over time until 2020, when the coverage gap will be closed." [CMS.gov, 7/25/12]

IPAB Cannot Recommend "Changes In Premiums, Benefits, Eligibility And Taxes." According to the Kaiser Family Foundation: "The Board is prohibited from recommending changes that would reduce payments to certain providers before 2020, and is also prohibited from recommending changes in premiums, benefits, eligibility and taxes, or other changes that would result in rationing." [Kaiser Family Foundation, April 2011]

PolitiFact: "The Law Specifically States That The Board Cannot Ration Care." According to PolitiFact, "Actually, the law specifically states that the board cannot ration care. The board doesn't look at individual patients or deny individual treatments. Instead, it makes system-wide recommendations to rein in the future growth of Medicare spending, and it makes those recommendations within limited parameters. It also was created to stop runaway spending growth within the Medicare program itself, not to divert money to other budget items." [PolitiFact.com, 3/12/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts. According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

- **Pace's GOP Opponent, Rep. Scott Tipton, Voted To Keep The ACA's Medicare Savings.** Along with 234 other House Republicans, Rep. Tipton voted "yea" on the House Republican budget. [H.Con. Res. 34, Vote #277, 4/15/11]

Medicare Board Tasked With Finding Additional Savings Is Forbidden From Cutting Benefits

ACA Establishes An Independent, Senate-Confirmed Board (IPAB) To Find Additional Savings. As explained by the Kaiser Family Foundation: "The 2010 health reform law (the Patient Protection and Affordable Care Act, also referred to as the ACA) establishes a new Independent Payment Advisory Board (IPAB) with authority to issue recommendations to reduce the growth in Medicare spending, and provides for the Board's recommendations to be considered by Congress and implemented by the Administration on a fast-track basis. [...]As authorized by the health reform law, IPAB is an independent board housed in the executive branch and composed of 15 full-time members appointed by the President and confirmed by the Senate. [Kaiser Family Foundation, April 2011]

IPAB Proposals Will Be Implemented Unless Congress Finds Alternative Savings Or Supermajority Overturns Them. According to the *Washington Post*: "Beginning with fiscal 2015, if Medicare is projected to grow too quickly, the IPAB will make binding recommendations to reduce spending. Those recommendations will be sent to Capitol Hill at the beginning of each year, and if Congress doesn't like them, it must pass alternative cuts — of the same size — by August. A supermajority of the Senate can also vote to amend the IPAB [spending] recommendations. If Congress fails to act, the secretary of Health and Human Services is required to implement the cuts by default." [*Washington Post*, 5/8/11]

10-15-2012

Americans for Tax Reform: "Wrong Prescription for Colorado"

Americans for Tax Reform attacks congressional candidate Sal Pace (D-CO) for supporting the Affordable Care Act, relying on a series of distortions about the law's impact. In reality, the ACA does not raise taxes on most Americans, and it actually reduces the burden on many middle-class families. Moreover, the law reduces future Medicare spending without cutting seniors' benefits – in fact, Pace's opponent, Rep. Scott Tipton (R), voted to preserve the "cuts" as part of the House GOP budget – and the Senate-confirmed board responsible for finding additional savings is forbidden from cutting benefits or rationing care.

Affordable Care Act Does Not Raise Taxes On Most Americans – And Includes Tax Credits For Millions

Affordable Care Act "Will Provide More Tax Relief Than Tax Burden" For Middle Class. According to the *Washington Post* fact checker Glenn Kessler: "The health law, if it works as the nonpartisan government analysts expect, will provide more tax relief than tax burden for middle-income Americans." [WashingtonPost.com, 7/6/12]

FactCheck.org: "A Large Majority Of Americans Would Not See Any Direct Tax Increase From The Health Care Law." According to FactCheck.org: "It's certainly true that the health care law would raise taxes on *some* Americans, particularly those with higher incomes. The law includes a Medicare payroll tax of 0.9 percent on income over $200,000 for individuals or $250,000 for couples, and a 3.8 percent tax on investment income for those earning that much. The Joint Committee on Taxation estimated that the biggest chunk of revenue — $210.2 billion — comes from those taxes. There are other taxes in the health care law — including an excise tax on the manufacturers of certain medical devices and on indoor tanning services. The health care law included $437.8 billion in tax revenue over 10 years, according to the Joint Committee on Taxation's calculations. Republicans tend to add in fees on individuals who don't obtain health insurance (which the Supreme Court now agrees can be considered taxes) and businesses that don't provide it to bump that up to about $500 billion. Some taxes, such as those on medical devices, may or may not be passed on to consumers in the form of higher prices, but a large majority of Americans would not see any direct tax increase from the health care law." [FactCheck.org, 6/28/12]

IPAB Cannot Recommend "Changes In Premiums, Benefits, Eligibility And Taxes." According to the Kaiser Family Foundation: "The Board is prohibited from recommending changes that would reduce payments to certain providers before 2020, and is also prohibited from recommending changes in premiums, benefits, eligibility and taxes, or other changes that would result in rationing." [Kaiser Family Foundation, April 2011]

PolitiFact: "The Law Specifically States That The Board Cannot Ration Care." According to PolitiFact, "Actually, the law specifically states that the board cannot ration care. The board doesn't look at individual patients or deny individual treatments. Instead, it makes system-wide recommendations to rein in the future growth of Medicare spending, and it makes those recommendations within limited parameters. It also was created to stop runaway spending growth within the Medicare program itself, not to divert money to other budget items." [PolitiFact.com, 3/12/12]

© AMERICAN BRIDGE 21ST CENTURY FOUNDATION. ALL RIGHTS RESERVED.

Individual Penalty Payments "Tiny" Compared To President Obama's Previous Tax Cuts. According to FactCheck.org, the increased revenue from penalty payments by individuals who do not obtain health insurance represents "a tiny future increase compared with the tax cuts Obama has already delivered, including an estimated $120 billion in 2012 alone from the 2 percentage point cut in payroll taxes." [FactCheck.org, 5/17/12]

Affordable Care Act Includes Tax Credits For Millions Of Americans. According to Families USA: "We found that an estimated 28.6 million Americans will be eligible for the tax credits in 2014, and that the total value of the tax credits that year will be $110.1 billion. The new tax credits will provide much-needed assistance to insured individuals and families who struggle harder each year to pay rising premiums, as well as to uninsured individuals and families who need help purchasing coverage that otherwise would be completely out of reach financially. Most of the families who will be eligible for the tax credits will be employed, many for small businesses, and will have incomes between two and four times poverty (between $44,100 and $88,200 for a family of four based on 2010 poverty guidelines)." [FamiliesUSA.org, September 2010]

Affordable Care Act Savings Do Not 'Cut' Medicare Benefits

Affordable Care Act Reduces Future Medicare Spending, But "Does Not Cut That Money From The Program." According to PolitiFact: "The legislation aims to slow projected spending on Medicare by more than $500 billion over a 10-year period, but it does not cut that money from the program. Medicare spending will increase over that time frame." [PolitiFact.com, 6/28/12]

- **CBO's July Estimate Updates Medicare Cost Savings To $716 Billion.** According to the Congressional Budget Office's analysis of a bill to repeal the Affordable Care Act, repeal would have the following effects on Medicare spending: "Spending for Medicare would increase by an estimated $716 billion over that 2013–2022 period. Federal spending for Medicaid and CHIP would increase by about $25 billion from repealing the noncoverage provisions of the ACA, and direct spending for other programs would decrease by about $30 billion, CBO estimates. Within Medicare, net increases in spending for the services covered by Part A (Hospital Insurance) and Part B (Medical Insurance) would total $517 billion and $247 billion, respectively. Those increases would be partially offset by a $48 billion reduction in net spending for Part D." [CBO.gov, 8/13/12]

GOP Plan Kept Most Of The Savings In The Affordable Care Act. According to the *Washington Post*'s Glenn Kessler: "First of all, under the health care bill, Medicare spending continues to go up year after year. The health care bill tries to identify ways to save money, and so the $500 billion figure comes from the difference over 10 years between anticipated Medicare spending (what is known as 'the baseline') and the changes the law makes to reduce spending. [...] The savings actually are wrung from health-care providers, not Medicare beneficiaries. These spending reductions presumably would be a good thing, since virtually everyone agrees that Medicare spending is out of control. **In the House Republican budget, lawmakers repealed the Obama health care law but retained all but $10 billion of the nearly $500 billion in Medicare savings, suggesting the actual policies enacted to achieve these spending reductions were not that objectionable to GOP lawmakers.**" [WashingtonPost.com, 6/15/11, emphasis added]

- **Peters' GOP Opponent, Rep. Brian Bilbray, Voted To Keep The ACA's Medicare Savings.** Along with 234 other House Republicans, Rep. Bilbray voted "yea" on the House Republican budget. [H.Con. Res. 34, Vote #277, 4/15/11]

Medicare Board Tasked With Finding Additional Savings Is Forbidden From Cutting Benefits

ACA Establishes An Independent, Senate-Confirmed Board (IPAB) To Find Additional Savings. As explained by the Kaiser Family Foundation: "The 2010 health reform law (the Patient Protection and Affordable Care Act, also referred to as the ACA) establishes a new Independent Payment Advisory Board (IPAB) with authority to issue recommendations to reduce the growth in Medicare spending, and provides for the Board's recommendations to be considered by Congress and implemented by the Administration on a fast-track basis. [...]As authorized by the health reform law, IPAB is an independent board housed in the executive branch and composed of 15 full-time members appointed by the President and confirmed by the Senate. [Kaiser Family Foundation, April 2011]

IPAB Proposals Will Be Implemented Unless Congress Finds Alternative Savings Or Supermajority Overturns Them. According to the *Washington Post*: "Beginning with fiscal 2015, if Medicare is projected to grow too quickly, the IPAB will make binding recommendations to reduce spending. Those recommendations will be sent to Capitol Hill at the beginning of each year, and if Congress doesn't like them, it must pass alternative cuts — of the same size — by August. A supermajority of the Senate can also vote to amend the IPAB [spending] recommendations. If Congress fails to act, the secretary of Health and Human Services is required to implement the cuts by default." [*Washington Post*, 5/8/11]

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: FEB 28 2014

AMERICAN BRIDGE 21ST CENTURY
FOUNDATION
455 MASSACHUSETTS AVE NW STE 650
WASHINGTON, DC 20001

Employer Identification Number:
27-5278038
DLN:
17053151368003
Contact Person:
RONALD D BELL
ID# 31185
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Form 990 Required:
Yes
Effective Date of Exemption:
March 2 2011
Contribution Deductibility:
No
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(4) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

Contributions to you are not deductible by donors under section 170(c)(2) of the Code.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

Tamera Ripperda

Director, Exempt Organizations

Enclosure: Publication 4221-NC

Letter 948