

FactCheck.org: Factchecking the GOP Response

Ryan and Bachmann made two new false claims, and repeated other talking points, in their responses to the president's State of the Union address.

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Summary

We fact-checked President Obama's State of the Union address, but what about the Republican response speeches? We found two new claims that we haven't covered before:

- In the official response, Rep. Paul Ryan said that "trust in government is at an all-time low now that the size of government is at an all-time high." He's wrong on both counts. Trust has been lower, and government has been larger, in the past.
- In her own rebuttal to Obama, Rep. Michele Bachmann said that the bailout cost "\$700 billion." The net cost actually is estimated to be much less — \$25 billion, according to the Congressional Budget Office.

In addition, the two Republicans repeated several false and misleading charges we've already written about. Our readers will be familiar with many of them, such as claims that the stimulus didn't create jobs (it did), that the health care law hurts job growth (experts say the impact will be small), and that "16,500 IRS agents" will enforce that law (that's based on a flawed, partisan analysis).

Analysis

Rep. Paul Ryan of Wisconsin gave the [official Republican response](#) to President Barack Obama's State of the Union address on Jan. 25. Rep. Michele Bachmann of Minnesota also gave a [response speech](#) that night to Tea Party Express activists. We found factual issues with both of their remarks.



Not So 'All-Time' After All

Ryan was off the mark with his claims about "all-time" highs and lows in the size and distrust of government:

Ryan, Jan. 25: When government takes on too many tasks, it usually doesn't do any of them very well. It's no coincidence that trust in government is at an all-time low now that the size of government is at an all-time high.

Ryan spokesman Kevin Seifert said that the congressman was measuring size of government by spending as a percentage of gross domestic product. In that case, Ryan's "all-time high" claim is off by more than 60 years.

According to [historical tables from](#) the Office of Management and Budget, federal spending as a percent of GDP was 24.7 percent in 2009, and estimated to reach 25.4 percent in 2010. Neither of those figures even comes close to the real "all-time high" figure of 43.6 percent in 1943 and 1944.

Ryan was closer with his claim about public skepticism of government, but still not quite right.

Only 22 percent of those surveyed said they trusted the federal government "almost always or most of the time," [according to an April 2010 poll](#) by the Pew Research Center for the People & the Press — the source for Ryan's claim. That's indeed "among the lowest measures in half a century," the report noted. But the Pew report [highlighted other polls](#) conducted over the years — by other organizations — with slightly lower percentages. Case in point, polls conducted by CBS News and the *New York Times* in October 2008, and by Gallup in June 1994, found that just 17 percent of respondents said they trusted the government most or all of the time.

Ryan's suggestion that the level of government trust and size of government are somehow connected was also undercut somewhat by Pew's research. "The current survey and previous research have found that there is no single factor that drives general public distrust in government," the report said.

Stimulating Falsehoods

The American Recovery and Reinvestment Act, better known as the stimulus program, was a target for both Ryan and Bachmann. Ryan repeated a claim that we already debunked about the increase in domestic spending under Obama.

Ryan: The facts are clear: Since taking office, President Obama has signed into law spending increases of nearly 25 percent for domestic government agencies — an 84 percent increase when you include the failed stimulus.

It's true that domestic spending has increased, but not nearly as much as Ryan claims. As we've [written before](#), the 84 percent figure is the result of a flawed analysis by the Republican staff of the House Budget Committee.

The partisan Republican [report](#) claimed that "domestic discretionary spending" increased 84 percent from 2008 to 2010 when including the stimulus. But the nonpartisan Congressional Budget Office issued a [report](#) this month that shows (on table E-7) that domestic discretionary spending rose from \$485.1 billion in 2008 to \$614.2 billion in 2010, an increase of \$129.1 billion or 27 percent. The CBO figures include all discretionary spending, including stimulus funds in 2009 and 2010.

Also, Ryan said the stimulus "failed to deliver on its promise to create jobs." As we [wrote](#) during the midterm elections, it's just wrong to say that the stimulus didn't create jobs. Ryan can say — as Bachmann did — that the program failed to keep unemployment at 8 percent, as projected in a [January 2009 report](#) by the administration when it was lobbying for the bill. But the nonpartisan CBO [says](#) the stimulus increased

employment by between 1.4 million and 3.6 million people in the third quarter of 2010, compared with what would have happened without it.



Exaggerations by the Billions

Bachmann also resorted to exaggeration to make partisan points about spending.

Bachmann, Jan. 25: After the \$700 billion bailout, the trillion-dollar stimulus, and the massive budget bill with over 9,000 earmarks, many of you implored Washington to please stop spending money that we don't have.

Let's take the most egregious exaggeration: "the \$700 billion bailout." That figure is grossly outdated. Bachmann is referring to the Troubled Asset Relief Program (TARP), which President Bush [signed](#) into law in October 2008. As the CBO explained in a November 2010 [report](#), the "authority for the Troubled Asset Relief Program was originally set at a maximum of \$700 billion; however, that total was reduced to \$475 billion in the [Dodd-Frank Wall Street Reform and Consumer Protection Act](#)." But the estimated net cost to taxpayers will be \$25 billion after the government sells its stocks and the companies repay the money, as CBO estimated in its report.

As for her figures on earmarks and the stimulus, Bachmann is essentially correct — although she likes to round up. A trillion dollars is a nice round number, but that's not how much the stimulus will cost. The [CBO](#) initially estimated it would cost \$787 billion and now says it will cost \$814 billion over 10 years. As for the "9,000 earmarks," Bachmann is referring to the 2009 omnibus spending bill [signed](#) by Obama in March 2009. That bill had 8,570 earmarks worth \$7.7 billion, according to [Taxpayers for Common Sense](#). Close enough.

Bachmann not only exaggerates but is flat-out wrong when she repeats the oft-stated false claim about the need to hire "16,500 IRS agents in charge of policing President Obama's health care bill." As we [reported previously](#), the figure of 16,500 originated from a House Republican [report](#) that relies on false assumptions and outright misrepresentation. The CBO [estimated](#) in March 2010 that the health care law would increase IRS administrative costs by \$5 billion to \$10 billion over 10 years. But that money will not be going for "16,500 IRS agents in charge of policing" health care mandates. The IRS is mostly responsible under the new law for administering tax credit programs, not collecting penalties.

Health Care Misrepresentations

Ryan made several criticisms of the health care law, saying:

Ryan: What we already know about the president's health care law is this: Costs are going up, premiums are rising, and millions of people will lose the coverage they currently have. Job creation is being stifled by all of its taxes, penalties, mandates and fees.

The long list includes false, misleading and not entirely true statements.

[As we've written before](#), rising medical costs are the primary driver of increasing premiums, and that's according to insurance companies and state insurance commissions. In fact, the CBO has [said](#) the law won't have much of an impact on premium costs for most Americans, compared with what premiums would have been without the law. (Premiums have been rising well before the law, and were expected to rise without it.) Those on the individual market — persons who buy their own insurance — will see an average increase of 10 percent to 13 percent, but more than half of those individuals will get subsidies that reduce their out-of-pocket costs substantially. And the increase in premiums will be due to an increase in benefits in those plans.

Ryan spokesman Seifert pointed us to a [Wall Street Journal article](#) about some insurers claiming they were raising premium rates substantially — primarily in the individual market — because of the new benefit requirements in the health care law. But experts told us they would estimate a 1 percent to 3 percent increase attributable to the law, possibly more if the insurer offered stripped-down, minimal plans. Ryan's office also cites a [report from CBO](#) on the impact of the law on Medicare Advantage — that's the version of Medicare offered by private insurers. Medicare Advantage plans are paid more per beneficiary than traditional Medicare, and the law will slowly change that over time. As a result, Advantage plans won't offer the extra benefits they now do, such as vision plans or gym memberships. CBO estimates that 4.8 million fewer seniors will choose to be on an Advantage plan by 2019, than CBO projected without the health care law. And the loss of extra benefits is valued at an average \$67 per month per person. One could consider this an increase in cost for those seniors who use the extra benefits and then decide to pay for them on their own. At the same time, the change in Advantage plans saves the government \$117 billion over 10 years.

Health care spending overall is expected to rise a bit — by less than 1 percent over a decade. That's because about 34 million more Americans will gain coverage, [according to the chief actuary of the Centers for Medicare & Medicaid Services](#).

As for "millions" losing their current coverage, there's truth to that, but context is required. The CBO [estimated](#) that 8 million to 9 million people who would normally have employer-sponsored coverage won't get such an offer from their employers. The reason is that these are mostly low-income workers who will get subsidies to go buy their own insurance in state-based exchanges. (We'd note that it's not clear that all of these workers have coverage now, but would be expected to have it by 2019.) Also, whether the law had been enacted or not, employers would be free to drop coverage.

Ryan reiterated the GOP claim that the law kills jobs. This time, he said it stifles job creation, but he again pointed to a CBO report that [Republicans have badly misrepresented](#). CBO said the law would have a small impact on the labor supply, and that would be mostly due to workers retiring early or working less because they would have more secure health care options. Other experts have said the law would have a minimal impact on jobs.

Ryan also claimed: "Health care spending is driving the explosive growth of our debt. And the president's law is accelerating our country toward bankruptcy." That claim was echoed by Bachmann, who said the law "could have a devastating impact on our national debt for even generations to come." But both politicians are wrong to make such claims.

The law is actually expected to reduce the deficit, according to the CBO, over the next two decades and beyond. It remains to be seen whether all of the cost-cutting measures will be fully implemented. But we went through various Republican claims about the supposed flaws in CBO's analysis and [found the GOP assertions to be mostly bogus](#).

Bachmann also wrongly said this about the law:

Bachmann: "[U]nless we fully repeal Obamacare, a nation that currently enjoys the world's finest health care might be forced to rely on government-run coverage.

First, as [we've said many times](#), the law doesn't create a government-run system. Instead, it builds on our current system and adds a lot of new business for private insurers. Second, some studies on the quality of care worldwide have not put the U.S. at the top. A [2010 Commonwealth Fund study](#) ranked the U.S. last among seven countries in health system performance. In other health outcome measures, the U.S. ranks 49th in [life expectancy](#), according to the CIA World Factbook, and plenty of other countries have lower rates of [infant mortality](#).

— by D'Angelo Gore, Eugene Kiely and Lori Robertson, with Michael Morse and Lauren Hitt

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