



Inside The GOP's Long Game To Ignite A New Battle Over Social Security

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Republicans are seizing a once-every-20-years opportunity to force a crisis in the Social Security disability program and use it as leverage to push through reforms, a long game that they have been quietly laying groundwork for since taking control of the House in 2010.

In less than two years, the Social Social disability insurance program will start being unable to pay its full benefits and House Republicans [said](#) this week that they aren't going to simply give it more revenue from the retirement side, as has been done historically. It's the latest episode in a protracted campaign over the disability program -- and it raises the question of what exactly Republicans plan to do now.

The last time this happened was 1994, and liberal analysts say that another simple reallocation between the disability and retirement funds, as has been done 11 times in the past, would keep both funds solvent until 2033. That meant that conservatives had to act now if they wanted to squeeze the crisis for all it's worth. For the last few years, they've been highlighting instances of fraud and other problems with the program, setting the stage for the big move this week.

Democrats are sounding the alarm, warning that Republicans have taken a "hostage" and will leverage it to pursue broad changes to Social Security as a whole. With memories still fresh of their failed effort to privatize Social Security in 2005, conservatives wonks are less sure that the new GOP Congress would have the political will to do that, though they wouldn't necessarily mind if it did.

"I wasn't sure that they were going to be willing to take it up. I'm heartened that the rule was put in place. It forces us to start having a debate on this issue today," said Jason Fichtner, senior research fellow at George Mason University's Mercatus Center who has been called by House Republicans to testify on Social Security. "What I suspect is this allows for a conversation not just on (disability), but the whole system combined. But the hurdle of disability insurance is high enough. You start adding in trying to retirement reform at the same time, that just makes it a higher hurdle. I'm not sure there's the political will or the public will to tackle both systems at the same time right now."

The hostage in this metaphor is the disability insurance program and a late 2016 deadline, at which point it won't be able to pay its full benefits to its 11 million beneficiaries. The new Republican House has approved a rule that says Congress can't just transfer tax revenue from the Social Security retirement fund, as it has been done routinely in the past, to cover the looming shortfall. If nothing is done, beneficiaries would face an estimated 20 percent cut.

Most members on both sides presumably wouldn't want to see that happen, especially during a critical election cycle, giving Republicans powerful leverage to bring Democrats to the negotiating table. One of the co-sponsors of the rule change, Rep. Tom Reed (R-NY), [said](#) that his intention was to "force us to look for a long-term solution" to the disability program.

But the rule itself says it will allow a revenue transfer if the "overall health" of Social Security, encompassing both the retirement and disability programs, is improved. That's what Democrats are warning about, but some conservative analysts who have consulted with House staffers are also hoping that the GOP uses the threat of benefits cuts to go big.

"It's encouraging that the rule actually says we could do reallocation if it's accompanied by improvements in overall Social Security solvency. Our preference has always been that the depletion of the DI trust fund become the impetus for comprehensive Social Security reform," Ed Lorenzen, senior advisor to the Committee for a Responsible Federal Budget, told TPM. "For the most part, the problems facing DI are really just a symptom of the larger problems for Social Security as a whole."

Staff for the House's big players on Social Security -- Ways and Means Chair Paul Ryan (R-WI) and Social Security Subcommittee Chair Sam Johnson (R-TX), who co-sponsored the new rule with Reed -- weren't ready to reveal their plans for what comes next. But asked if their proposals would address just the disability insurance fund or Social Security in its entirety, an aide to Reed told TPM: "Just DI for the moment."

Those on the right weren't surprised that the new GOP Congress took an aggressive stance on Social Security's disability program on its very first day. "Over the last year, it started becoming clear that there'd be a lot of resistance to (a clean reallocation) and a desire to have reallocation tied to some reforms," Lorenzen said. "We were sort of anticipating that this would happen."

Johnson, as chair of the subcommittee overseeing Social Security, has held more than a dozen hearings on the disability program over the last few years, laying the groundwork for this week's action. Every news story, such as an extensive [NPR investigation](#) into Social Security disability fraud in the spring of 2013, was cited as evidence of the need for reform. Conservative news outlets like the Daily Signal, an offshoot of the Heritage Foundation, have run their own stories [with headlines like](#): "Able-Bodied People Defrauding Social Security Disability Program."

"While providing a vital safety net, the disability program is plagued by major fraud," Johnson said when introducing an anti-fraud bill last summer. "This fraud reveals significant weaknesses in the program that put at risk not only billions of taxpayer dollars, but also the benefits on which millions of disabled Americans rely."

In his opening statement of a January 2014 hearing, citing stories of fraud in Puerto Rico and New York where more than 180 people were arrested, Johnson [described](#) the disability program as "plagued by fraud conspiracies."

"This program cannot afford more fraud. It is only a matter of time when Congress may be asked to bailout this program with the retirement side having to come to the rescue," he said, referring to the need for reallocation in 2015. "If that is the case then all taxpayers and beneficiaries will shoulder the burden of this crime wave."

Actions focused on the disability program would still be a big win for those who want the program altered. "Major props if they actually do that," Michael Tanner, senior fellow at the libertarian Cato Institute, told TPM.

"My suspicion that they don't have the courage to address the broader issue. Disability is going to be tough enough for them to undertake," he said. "Prior to a presidential election, I can't see them doing it. I wish they would."