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A Federal Budget Crisis Months in the Planning

By **SHERYL GAY STOLBERG** and **MIKE McINTIRE**

WASHINGTON — Shortly after President Obama started his second term, a loose-knit coalition of conservative activists led by former Attorney General Edwin Meese III gathered in the capital to plot strategy. Their push to repeal Mr. Obama's [health care law](#) was going nowhere, and they desperately needed a new plan.

Out of that session, held one morning in a location the members insist on keeping secret, came a little-noticed "[blueprint to defunding Obamacare](#)," signed by Mr. Meese and leaders of more than three dozen conservative groups.

It articulated a take-no-prisoners legislative strategy that had long percolated in conservative circles: that Republicans could derail the health care overhaul if conservative lawmakers were willing to push fellow Republicans — including their cautious leaders — into cutting off financing for the entire federal government.

"We felt very strongly at the start of this year that the House needed to use the power of the purse," said one coalition member, Michael A. Needham, who runs Heritage Action for America, the political arm of the Heritage Foundation. "At least at Heritage Action, we felt very strongly from the start that this was a fight that we were going to pick."

Last week the country witnessed the fallout from that strategy: a standoff that has shuttered much of the federal bureaucracy and unsettled the nation.

To many Americans, the shutdown came out of nowhere. But interviews with a wide array of conservatives show that the confrontation that precipitated the crisis was the outgrowth of a long-running effort to undo the law, the Affordable Care Act, since its passage in 2010 — waged by a galaxy of conservative groups with more money, organized tactics and interconnections than is commonly known.

With polls showing Americans deeply divided over the law, conservatives believe that the public is behind them. Although the law's opponents say that shutting down the government was not their objective, the activists anticipated that a shutdown could occur — and worked with members of the [Tea Party](#) caucus in Congress who were excited about drawing a red line against a law they despise.

A defunding "[tool kit](#)" created in early September included talking points for the question, "What

happens when you shut down the government and you are blamed for it?" The suggested answer was the one House Republicans give today: "We are simply calling to fund the entire government except for the Affordable Care Act/Obamacare."

The current budget brinkmanship is just the latest development in a well-financed, broad-based assault on the health law, Mr. Obama's signature legislative initiative. Groups like Tea Party Patriots, Americans for Prosperity and FreedomWorks are all immersed in the fight, as is Club for Growth, a business-backed nonprofit organization. Some, like Generation Opportunity and Young Americans for Liberty, both aimed at young adults, are upstarts. Heritage Action is new, too, founded in 2010 to advance the policy prescriptions of its sister group, the Heritage Foundation.

The billionaire Koch brothers, Charles and David, have been deeply involved with financing the overall effort. A group linked to the Kochs, Freedom Partners Chamber of Commerce, disbursed more than \$200 million last year to nonprofit organizations involved in the fight. Included was \$5 million to Generation Opportunity, which created a buzz last month with an Internet advertisement showing a menacing Uncle Sam figure popping up between a woman's legs during a gynecological exam.

The groups have also sought to pressure vulnerable Republican members of Congress with scorecards keeping track of their health care votes; have [burned faux](#) "Obamacare cards" on college campuses; and have distributed scripts for phone calls to Congressional offices, sample letters to editors and Twitter and Facebook offerings for followers to present as their own.

One sample Twitter offering — "Obamacare is a train wreck" — is a common refrain for Speaker John A. Boehner.

As the defunding movement picked up steam among outside advocates, Republicans who sounded tepid became targets. The [Senate Conservatives Fund](#), a political action committee dedicated to "electing true conservatives," ran radio advertisements against three Republican incumbents.

Heritage Action ran critical Internet advertisements in the districts of 100 Republican lawmakers who had failed to sign a letter by a North Carolina freshman, Representative Mark Meadows, urging Mr. Boehner to take up the defunding cause.

"They've been hugely influential," said David Wasserman, who tracks House races for the nonpartisan Cook Political Report. "When else in our history has a freshman member of Congress from North Carolina been able to round up a gang of 80 that's essentially ground the government to a halt?"

On Capitol Hill, the advocates found willing partners in Tea Party conservatives, who have repeatedly threatened to shut down the government if they do not get their way on spending issues. This time they said they were so alarmed by the health law that they were willing to risk a

shutdown over it. ("This is exactly what the public wants," Representative Michele Bachmann of Minnesota, founder of the House Tea Party Caucus, said on the eve of the shutdown.)

Despite Mrs. Bachmann's comments, not all of the groups have been on board with the defunding campaign. Some, like the Koch-financed [Americans for Prosperity](#), which spent \$5.5 million on health care [television advertisements](#) over the past three months, are more focused on sowing public doubts about the law. But all have a common goal, which is to cripple a measure that Senator Ted Cruz, a Texas Republican and leader of the defunding effort, has likened to a horror movie.

"We view this as a long-term effort," said Tim Phillips, the president of Americans for Prosperity. He said his group expected to spend "tens of millions" of dollars on a "multifront effort" that includes working to prevent states from expanding [Medicaid](#) under the law. The group's goal is not to defund the law.

"We want to see this law repealed," Mr. Phillips said.

A Familiar Tactic

The crowd was raucous at the Hilton Anatole, just north of downtown Dallas, when Mr. Needham's group, Heritage Action, arrived on a Tuesday in August for the second stop on a nine-city "Defund Obamacare Town Hall Tour." Nearly 1,000 people turned out to hear two stars of the Tea Party movement: Mr. Cruz, and Jim DeMint, a former South Carolina senator who runs the Heritage Foundation.

"You're here because now is the single best time we have to defund Obamacare," declared Mr. Cruz, who would go on to rail against the law on the Senate floor in September with a monologue that ran for 21 hours. "This is a fight we can win."

Although Mr. Cruz is new to the Senate, the tactic of defunding in Washington is not. For years, Congress has banned the use of certain federal money to pay for abortions, except in the case of incest and rape, by attaching the so-called Hyde Amendment to spending bills.

After the health law passed in 2010, Todd Tiahrt, then a Republican congressman from Kansas, proposed defunding bits and pieces of it. He said he spoke to Mr. Boehner's staff about the idea while the Supreme Court, which upheld the central provision, was weighing the law's constitutionality.

"There just wasn't the appetite for it at the time," Mr. Tiahrt said in an interview. "They thought, we don't need to worry about it because the Supreme Court will strike it down."

But the idea of using the appropriations process to defund an entire federal program, particularly one as far-reaching as the health care overhaul, raised the stakes considerably. In an interview, Mr.

DeMint, who left the Senate to join the Heritage Foundation in January, said he had been thinking about it since the law's passage, in part because Republican leaders were not more aggressive.

"They've been through a series of C.R.s and debt limits," Mr. DeMint said, referring to continuing resolutions on spending, "and all the time there was discussion of 'O.K., we're not going to fight the Obamacare fight, we'll do it next time.' The conservatives who ran in 2010 promising to repeal it kept hearing, 'This is not the right time to fight this battle.' "

Mr. DeMint is hardly alone in his distaste for the health law, or his willingness to do something about it. In the three years since Mr. Obama signed the health measure, Tea Party-inspired groups have mobilized, aided by a financing network that continues to grow, both in its complexity and the sheer amount of money that flows through it.

A review of tax records, campaign finance reports and corporate filings shows that hundreds of millions of dollars have been raised and spent since 2012 by organizations, many of them loosely connected, leading opposition to the measure.

One of the biggest sources of conservative money is Freedom Partners, a tax-exempt "business league" that claims more than 200 members, each of whom pays at least \$100,000 in dues. The group's board is headed by a longtime executive of Koch Industries, the conglomerate run by the Koch brothers, who were among the original financiers of the Tea Party movement. The Kochs declined to comment.

While Freedom Partners has financed organizations that are pushing to defund the law, like Heritage Action and Tea Party Patriots, Freedom Partners has not advocated that. A spokesman for the group, James Davis, said it was more focused on "educating Americans around the country on the negative impacts of Obamacare."

The largest recipient of Freedom Partners cash — about \$115 million — was the Center to Protect Patient Rights, according to the groups' latest tax filings. Run by a political consultant with ties to the Kochs and listing an Arizona post office box for its address, the center appears to be little more than a clearinghouse for donations to still more groups, including American Commitment and the 60 Plus Association, both ardent foes of the health care law.

American Commitment and 60 Plus were among a handful of groups calling themselves the "Repeal Coalition" that sent a letter in August urging Republican leaders in the House and the Senate to insist "at a minimum" in a one-year delay of carrying out the health care law as part of any budget deal. Another group, the Conservative 50 Plus Alliance, delivered a defunding petition with 68,700 signatures to the Senate.

In the fight to shape public opinion, conservatives face well-organized liberal foes. Enroll America, a nonprofit group allied with the Obama White House, is waging a campaign to persuade millions

of the uninsured to buy coverage. The law's supporters are also getting huge assistance from the insurance industry, which is expected to spend \$1 billion on advertising to help sell its plans on the exchanges.

"It is David versus Goliath," said Mr. Phillips of Americans for Prosperity.

But conservatives are finding that with relatively small advertising buys, they can make a splash. Generation Opportunity, the youth-oriented outfit behind the "Creepy Uncle Sam" ads, is spending \$750,000 on that effort, aimed at dissuading young people — a cohort critical to the success of the health care overhaul — from signing up for insurance under the new law.

The group receives substantial backing from Freedom Partners and appears ready to expand. Recently, Generation Opportunity moved into spacious new offices in Arlington, Va., where exposed ductwork, Ikea chairs and a Ping-Pong table give off the feel of a Silicon Valley start-up.

Its executive director, Evan Feinberg, a 29-year-old former Capitol Hill aide and onetime instructor for a leadership institute founded by Charles Koch, said there would be more Uncle Sam ads, coupled with college campus visits, this fall. Two other groups, FreedomWorks, with its "Burn Your Obamacare Card" protests, and Young Americans for Liberty, are also running campus events.

"A lot of folks have asked us, 'Are we trying to sabotage the law?' " Mr. Feinberg said in an interview last week. His answer echoes the Freedom Partners philosophy: "Our goal is to educate and empower young people."

Critical Timing

But many on the Republican right wanted to do more.

Mr. Meese's low-profile coalition, the Conservative Action Project, which seeks to find common ground among leaders of an array of fiscally and socially conservative groups, was looking ahead to last Tuesday, when the new online health insurance marketplaces, called exchanges, were set to open. If the law took full effect as planned, many conservatives feared, it would be nearly impossible to repeal — even if a Republican president were elected in 2016.

"I think people realized that with the imminent beginning of Obamacare, that this was a critical time to make every effort to stop something," Mr. Meese said in an interview. (He has since stepped down as the coalition's chairman and has been succeeded by David McIntosh, a former congressman from Indiana.)

The defunding idea, Mr. Meese said, was "a logical strategy." The idea drew broad support. Fiscal conservatives like Chris Chocola, the president of the Club for Growth, signed on to the blueprint. So did social and religious conservatives, like the Rev. Lou Sheldon of the Traditional Values

Coalition.

The document set a target date: March 27, when a [continuing resolution](#) allowing the government to function was to expire. Its message was direct: "Conservatives should not approve a C.R. unless it defunds Obamacare."

But the March date came and went without a defunding struggle. In the Senate, Mr. Cruz and Senator Mike Lee, a Utah Republican, talked up the defunding idea, but it went nowhere in the Democratic-controlled chamber. In the House, Mr. Boehner wanted to concentrate instead on locking in the across-the-board budget cuts known as sequestration, and Tea Party lawmakers followed his lead. Outside advocates were unhappy but held their fire.

"We didn't cause any trouble," Mr. Chocola said.

Yet by summer, with an August recess looming and another temporary spending bill expiring at the end of September, the groups were done waiting.

"I remember talking to reporters at the end of July, and they said, 'This didn't go anywhere,' " Mr. Needham recalled. "What all of us felt at the time was, this was never going to be a strategy that was going to win inside the Beltway. It was going to be a strategy where, during August, people would go home and hear from their constituents, saying: 'You pledged to do everything you could to stop Obamacare. Will you defund it?' "

Heritage Action, which has trained 6,000 people it calls sentinels around the country, sent them to open meetings and other events to confront their elected representatives. Its "Defund Obamacare Town Hall Tour," which began in Fayetteville, Ark., on Aug. 19 and ended 10 days later in Wilmington, Del., drew hundreds at every stop.

The Senate Conservatives Fund, led by Mr. DeMint when he was in the Senate, put up a Web site in July called [donthundobamacare.com](#) and ran television ads featuring Mr. Cruz and Mr. Lee urging people to tell their representatives not to fund the law.

When Senator Richard M. Burr, a North Carolina Republican, [told a reporter](#) that defunding the law was "the dumbest idea I've ever heard," the fund bought a radio ad to attack him. Two other Republican senators up for re-election in 2014, Lamar Alexander of Tennessee and Lindsey Graham of South Carolina, were also targeted. Both face Tea Party challengers.

In Washington, Tea Party Patriots, which created the defunding tool kit, set up a Web site, [exemptamerica.com](#), to promote a rally last month showcasing many of the Republicans in Congress whom Democrats — and a number of fellow Republicans — say are most responsible for the shutdown.

While conservatives believe that the public will back them on defunding, a recent poll by the Kaiser

Family Foundation found that a majority — 57 percent — disapproves of cutting off funding as a way to stop the law.

Last week, with the health care exchanges open for business and a number of prominent Republicans complaining that the “Defund Obamacare” strategy was politically damaging and pointless, Mr. Needham of Heritage Action said he felt good about what the groups had accomplished.

“It really was a groundswell,” he said, “that changed Washington from the outside in.”