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Club for Growth warns fiscal conservatives about Kasich's 'mixed record'

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A new white paper by the conservative group the Club for Growth concludes that Ohio Gov. John Kasich's economic record should make fiscal conservatives nervous.

"While there are pro-growth steps along the way in his political career, there are enough big government missteps to send a clear warning to fiscal conservatives," the paper concludes.

The white paper, obtained by POLITICO, is not uniformly critical of the 2016 Republican presidential candidate, who has positioned himself as a budget hawk. But it concludes that Kasich has a "mixed record on matters of economic liberty" — one that "might have been even worse had a Republican legislature not stopped some of his tax proposals."

On taxes, the paper notes that budgets under Kasich's tenure "have been proposed and passed with net decreases in overall taxation," but warns that "he has also proposed numerous new taxes and tax increases," such as increasing a severance tax on oil and gas extraction and a tax increase on his home state banks' net worth as a replacement for other taxes.

The club's diagnosis is a bit more straightforward on spending. Under Kasich, state spending in Ohio "has increased significantly since Governor Kasich's first budget." The white paper cites research from the Cato Institute saying that "state spending under Kasich increased by 12% from 2012 to 2015."

At the heart of the club's criticism is Kasich's decision to expand Medicaid through Obamacare, a topic on which the Ohio governor has repeatedly battled criticism from conservatives. Count the Club as one of those critics, even as the group acknowledges that the Ohio governor has called for repealing Obamacare.

"Governor Kasich says that spending in Ohio have only been modest," the paper said. "However, the Cato Institute argues the governor is using federal funds for Medicaid, education, and transportation to "hide how much Ohio's state spending has grown during his tenure."

On unions, the club notes that during his first year in office, Kasich signed an overhaul of collective bargaining for public-employee unions, but notes disapprovingly that Kasich declined to say whether he would sign right-to-work legislation into law.

Kasich's campaign shot back that the governor has a strong record on cutting Medicaid growth and cutting Ohio's payroll.

“The governor’s success holding average annual budget growth to around inflation, reducing the state payroll to the lowest level in 30 years, cutting taxes \$5 billion — more than any other sitting governor, reducing Medicaid growth from 10 percent to 2 percent, and turning an \$8 billion shortfall into a \$2 billion surplus are irrefutably pro-growth, conservative accomplishments,” Kasich spokesman Scott Milburn said in a statement. “They helped Ohioans create more than 300,000 new jobs. It certainly makes some uncomfortable that the governor also unabashedly prioritizes lifting up those who need a hand, but he believes that the benefits of conservatism's innately pro-growth, pro-opportunity approach should achieve as much good as possible.”

In April, before Kasich entered the race, the club's political arm unveiled the five candidates it favored in the large primary field: Sens. Ted Cruz, Marco Rubio, and Rand Paul, former Florida governor Jeb Bush, and Wisconsin Gov. Scott Walker. Those candidates, the club's PAC said, had strong, fiscally conservative records.

The group aims to produce white papers on all the "viable" candidates in the field -- dossiers on Carly Fiorina, Ben Carson, and Donald Trump are yet to come.