



What you don't know about Jeb Bush's economic record

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Friday, May 1, 2015

He cut taxes aggressively, he privatized state services, he shrank the state workforce and he presided over Florida's credit rating rising to AAA, in large part by building up reserves.

In one memorable speech line, Bush dreamed of the day when Tallahassee's government buildings would be emptied, "silent monuments to the time when government played a larger role than it deserved or could adequately fill."

But not everybody defines fiscal conservatism the same way, and today's Republican Party is a far cry from yesterday's.

In Tallahassee this year, advocates with the conservative Americans for Prosperity thundered against Florida lawmakers wanting to restore state tax credits for film production. Imagine the outcry Gov. Bush would have heard if AFP and the tea party were active in 2003 when Bush pushed through a deal to spend \$500 million to bring Scripps Research Institute to Florida.

Bush left the governor's office more than eight years ago and lately has been consumed with raising millions of dollars for a presidential campaign. Yet this year's legislative session was lousy for him.

The overwhelmingly Republican Legislature eagerly moved to curb school testing, a clear repudiation of the best-known piece of Bush's legacy. His education advocacy group, the Foundation for Excellence in Education, supported the move, but unquestionably Bush's education agenda is on defense.

Gaining less attention, though, were other things that cast doubts on Bush's record of fiscal conservatism.

Exhibit A: Gov. Rick Scott has a local pension reform bill on his desk, SB 172, meant to deal with the first bill Bush ever signed — a \$500 million gift to police and firefighter unions that local governments have long decried as a reckless, unfunded mandate.

Exhibit B: "It is a tax increase if you're a property taxpayer who gets a tax bill that will go up next year compared to this year." That's Republican state Sen. Don Gaetz, acknowledging — as Bush never would — that requiring higher property tax bills to fund public schools amounts to a tax increase.

Faced with countless primary voters skeptical about his views on Common Core and immigration reform, Bush is touting his economic record in Florida.

"I cut taxes to the tune of \$19 billion. We reduced the state government workforce by 13,000, but we took on the entrenched interests in our state, whether it was the trial bar or the folks that were making a lot of money off our workers' comp system. We reduced those costs and the net effect of this was we had 1.3 million net new jobs during my eight years," Bush told a crowd recently in New Hampshire.

Never mind that four governors who preceded Bush — Lawton Chiles, Bob Martinez, Bob Graham and Reubin Askew — could boast of better or comparable job creation numbers.

We can only speculate whether President George W. Bush would have been able to so easily oversee an 80 percent increase in federal spending were the tea party a political force during his eight years. Or whether criticism of some of Jeb Bush's budget priorities would have been a lot louder at the time.

But there's no question Jeb Bush is vulnerable to attacks on his record as a fiscal conservative. Here are four reasons:

Local pensions

The first bill Bush signed as governor was widely seen as payback for having received the endorsements of the Florida Police Benevolent Association and Florida Professional Firefighters Association. Florida TaxWatch had warned that the bill sweetening first responder benefits could amount to a "broad-based tax increase" and Gov. Lawton Chiles vetoed it in 1998, but Bush promised to support it and the GOP Legislature passed it quickly and overwhelmingly.

For decades, cities had received money from the state for insurance policies sold within their city limits and used it to offset municipal pension costs for police and firefighters. But that landmark 1999 bill required any growth in revenue from that insurance tax go toward improving benefits. A city facing a significant unfunded pension liability, for instance, had to use that additional revenue to improve the benefits of first responders rather than pay for existing pension obligations.

It is part of the reason why it is not uncommon to find firefighters across Florida retiring by age 50, receiving all or most of their salaries in annual pension payments while going to work for another nearby agency.

"This has cost cities over \$500 million between 1999 and 2012," said Mike Sittig, executive director of the Florida League of Cities.

With growing concern over the financial health of local pensions, some legislators have come to have second thoughts about the 1999 law. In 2012, Gov. Scott essentially issued an executive order limiting potential pension costs, and this year the Legislature passed a bill codifying the governor's interpretation.

Property taxes

Bush never appreciated it when reporters pointed out how the education budgets he and fellow Republicans put together often relied on increasing Floridians' property tax bills.

Unbeknownst to most Florida homeowners, a sizeable chunk of their property tax bills — at least a quarter of it in many cases — is dictated by the state Legislature. It is known as the "Required Local Effort," and under Gov. Bush that local tax burden grew considerably.

Even as the actual tax rate decreased some years, people paid more for required local effort because their property values increased. When your governor embraces sending you a higher tax bill, is that a tax increase?

"It's an increase in value. It's not a tax increase. An increase in the tax rate would be an increase in taxes," Bush snapped when reporters raised the issue in March 2002. "If you all want to debate that, rather than ask questions, I'm more than happy to do it."

When Bush took office, 41 percent of the state's K-12 education funding came from local property taxes. By the time he left, more than 52 percent did.

Much of Bush's tax-cutting zeal centered on the intangibles tax on investment accounts that Bush and the Legislature worked to phase out. While Republicans insisted that cutting the intangibles tax was about "seniors and savers," the phase-out largely helped affluent Floridians, rather than widows sitting on IRAs or CDs that were never taxed in the first place.

Democrats complained to no avail that Bush's policies gave tax relief for the investor class and specific business interests, but he paid for them by adding extra tax burdens on middle-class property owners. Temporary breaks such as sales tax holidays saved average Floridians a few dollars here and there, but were a pittance compared to the cuts targeted to those with lobbyists.

Debt

Running for re-election last year, Gov. Scott never let a day pass without reminding voters that he had paid down Florida's outstanding debt, in contrast to rival Charlie Crist.

"Crist maxed out the state credit card. Scott reduced state debt by \$3 billion," one TV ad intoned, noting that debt rose by \$5.2 billion while Crist was governor during the global recession.

Paying down Florida's debt is not something Bush can boast about. While he was in office, Florida's outstanding debt rose from \$15 billion to more than \$23 billion. The state's annual debt service payments rose from \$928 million to \$1.7 billion.

"There's no question he was a borrow-and-spend conservative. That's who he was," said former state Sen. Dan Gelber of Miami Beach, a Democrat who contends Bush was much more a genuine social conservative than a fiscal conservative.

At the time, Bush blamed the voter-approved mandate on smaller class sizes for requiring Florida's outstanding debt to exceed the target limit set by state law, 6 percent of state revenue. His allies note that debt rose at a faster rate under Chiles, and that prudent budgeting prompted an increase in Florida's credit rating.

Scripps

Bush is among the Republican presidential candidates courting billionaire business leaders and conservative activists Charles and David Koch. Their considerable political activities include funding Americans for Prosperity, which frequently rails against government meddling in the free market.

So Bush may have some explaining to do when it comes to his 2003 efforts to lure Scripps Research Institute, predicting it would spawn a Florida biotech hub and generate some 50,000 jobs over 15 years.

Using more than \$300 million in post-9/11 federal stimulus money, Bush pushed through a deal to attract California-based Scripps with a host of enticements: Public money would pay for the land, for construction of all the buildings, all salaries for seven years, and Bush made sure to exempt the publicly-funded enterprise from many of Florida's open government laws.

"He was almost building an island for them and sending them on vacation for seven years," Gelber said.

An analysis by Reuters last month found that between state, city and county funding, Florida spent \$1.3 billion on Scripps and anticipated spin-off companies. The effort has generated fewer than 1,400 jobs to date, a fraction of what had been projected in a study touted by Bush. Put another way, Florida taxpayers spent \$1 million for every job created.

"Florida didn't pick winners and losers," said Bush campaign spokeswoman Kristy Campbell. "It invested in attracting innovation and did so in a fiscally responsible way, while cutting taxes and building the state's reserves."

The big spending on Scripps helped sour the libertarian Cato Institute on Bush. The group, which Charles Koch helped found, graded Bush's record four times while he was in office, giving him a

B in 2000, an A in 2002, another B in 2004 and finally a C as he prepared to leave office in 2006.

"Real per capita general fund spending has grown an annual average of 5 percent over the past two years, making Bush one of the biggest spending Republican governors in this report card," Cato noted in its 2006 report. "Bush is seen by many as an attractive candidate for higher office. He certainly has a solid record on taxes. But the one glaring question that his second-term budget record has produced is whether he's turned into a big-government Republican."