

# FL WATCHDOG

## Cato Institute: Florida is nation's 'freest' state

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Florida is the freest state in the nation, according to a Cato Institute study that ranks each U.S. state by “how its public policies promote freedom in the fiscal, regulatory, and personal freedom spheres.”

The Sunshine State earned seven top-10 rankings, including four number ones – in the Overall, Fiscal, Economic and Cable categories – in the 2018 edition of "**Freedom in the 50 States**," produced by the Washington-based think tank.

Florida was also named the freest state in Cato's inaugural 2014 edition of the four-year study.

“Floridians should be proud of their No. 1 ranking,” study co-author William P. Ruger wrote. “Florida's leaders have largely avoided restrictive policies that have harmed economic growth in other states while making opportunity-enhancing reforms that have benefited current residents and the hundreds flocking to the state each day.”

Ruger and co-author Jason Sorens developed the ranking by examining “state and local government intervention” across a range of more than 230 policy variables in 25 categories – from taxation to marriage laws, regulatory policies to victimless crime enforcement to property insurance affordability.

“Over the past two decades, Florida has made tremendous strides protecting liberty, limiting government intrusion into the lives of Floridians, and promoting economic prosperity,” the study states. “It's why more than \$156 billion in annual income has migrated from high tax states like New York [which ranked worst] to Florida.”

Ruger's and Sorens' ranking system includes overall respect for individual freedom; fiscal and regulatory policies and personal freedom.

By their index, Florida remains the nation's overall freest state. By individual category, Florida scores first in fiscal policy, 22nd in regulatory policy, and 11th in personal freedom.

“Florida does especially well on economic freedom, especially on fiscal policy,” Ruger and Sorens write. “Regulatory policy is improved but mediocre in comparison to the fiscal side. Florida's personal freedom has lagged in the past; however, it has improved a lot over the past two years.”

Overall, Florida ranked in the top 25 in 17, top 20 in 14, top 10 in seven and first overall in four of the 24 categories.

The study's fiscal category measured taxes, government employment, spending, debt and fiscal decentralization. Its economic category is a combination of fiscal and regulatory policies.

Ruger and Sorens gave Florida their top ranking in both, writing, "Florida's state-level tax collections are more than a standard deviation and a half below the national average, while its local tax collections are about average."

Florida's "government consumption and debt are lower than average," the authors write. "Government employment is much below average, falling from 11.2 percent of private employment in 2010 to 9 percent in 2016."

The state also ranked second in "educational freedom." According to the study, "Florida is one of the top states for educational freedom, although homeschool regulations remain substantial."

"But there is still work to do to reduce unhelpful regulations on businesses and restrictions on personal freedom if Florida wants to retain its title as freest state in the country," Ruger wrote in his comments accompanying the study.

Among issues Florida must address:

- The state's "homeowner's insurance market is among the most regulated and dysfunctional in the country."
- "Regulations on managed care plans are among the worst in the country, with standing referrals, direct access to specialists, and a ban on financial incentives to providers."
- The state "is far below average on occupational freedom" with its lowest ranking – no. 46 – in any category.

Ruger and Sorens suggest local governments "trim spending on sanitation and sewerage, public parks, parking lots, public utilities, and air transportation, which are all higher as a share of income than the national average. Use the proceeds to cut general and utility sales taxes."

The study implores state legislators to "reform the occupational licensing system to free residents who are currently stymied by those barriers to entry and opportunity."

The authors note Florida's "migration rate" increased by 13.6 percent since 2014 and reaffirms a trend – the state is getting younger.

"Florida has long enjoyed substantial migration of well-off retirees," they write, "but as we've noted in the past, the state attracts more than seniors, as others vote with their feet for good weather and the increased opportunity afforded by Florida's freer society."

"While it is great to be publicly recognized, for those of us who spend every day in the policy trenches, it's not a surprise," said Sal Nuzzo, vice president of policy for the James Madison Institute (JMI), a Tallahassee-based free market research and policy firm, noting JMI's influence on state and local lawmakers and regulatory policy-makers.

“We’ve remained tried and true – a constant conscience of Florida’s leaders and a champion for hardworking Floridians who have made this state what it is today. While you pursue your dreams, we work to protect them.”

JMI is affiliated with the Cato Institute through the State Policy Network. Other Florida members include the Foundation for Government Accountability and Foundation for Excellence in Education.

“Although we work through complicated policy issues, our approach is simple,” Nuzzo said. “Focus on policy, not politics – and keep our principles of limited government, personal responsibility and economic freedom front and center.”