



## **Conservative Cato Ranks Noem 23rd for Fiscal Performance**

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Even the conservative Cato Institute agrees that Kristi Noem isn't that great of a governor. In its 16th biennial Fiscal Policy Report Card grading governors' performance on budgets and taxes from a limited-government perspective, the Cato Institute gives Noem a C.

Noem's score of 49 out of 100 places her in a tie for 23rd place with Democrat Janet Mills of Maine and Republican Spencer Cox of Utah. Cato says only seven of 26 Republican governors do worse on fiscal policy than Noem. Five Democratic Governors—Roy Cooper of North Carolina, Michelle Lujan Grisham of New Mexico, John Bel Edwards of Louisiana, Tony Evers of Wisconsin, and Steve Sisolak of Nevada—score better on Cato's conservative scoring than Noem.

Cato notes that while Noem has proposed cutting state spending per capita by 2.8%, she has actually enacted budgets since 2020 that increase per capita spending 8.3%. In other words, Noem has made government bigger. Cato notes that its mixed grade for Noem stems in part from her resistance to cutting the sales tax:

Noem's middling grade on this report stems from a lack of tax cuts during a period when many other states passed large tax cuts. It is true that South Dakota already has low taxes, so fewer tax-code targets are available for a conservative governor to reform. That said, the state enjoyed a large budget surplus in 2022, but Noem leaned against a House-passed plan to cut the sales tax rate from 4.5 percent to 4.0 percent.<sup>198</sup> The Senate did not back the plan, so it did not reach the governor's desk.

Noem has looked for modest ways to reduce the tax burden, such as cutting fees for starting new businesses, cutting fees for getting concealed carry permits, and eliminating taxes on bingo. She also has restrained spending and not sought any tax increases, so the Cato grade may not fully capture her fiscally conservative stance [Chris Edwards and Ilana Blumsack, "Fiscal Policy Report Card on America's Governors 2022," Cato Institute, 2022.10.12].

Noem can argue she deserves a better grade because of her great late conversion to Democratic orthodoxy on cutting the food tax, but in fiscal policy as well as school grades, promises aren't the same as doing the homework.

Conservatives agree: Kristi Noem just isn't that great of a conservative governor.