

GANTNEWS

Wolf With An F: Fiscal Policy Report Card Gives Pennsylvania Low Grade

Anthony Hennen October 18, 2022

(The Center Square) – In a recent ranking of America’s governors, Pennsylvania’s Tom Wolf ranked at the bottom of the pack – 44th for his fiscal policies.

An annual fiscal policy report card from the Cato Institute, a libertarian think tank, graded the nation’s governors “from a limited-government perspective.” In their grading that emphasized lowering taxes and cutting spending, Wolf earned an “F.”

The five governors who earned an A grade are Republicans – Kim Reynolds of Iowa, Chris Sununu of New Hampshire, Pete Ricketts of Nebraska, Brad Little of Idaho, and Doug Ducey of Arizona.

The eight governors who earned an F are Democrats – Tim Walz of Minnesota, Tom Wolf, J. B. Pritzker of Illinois, Gretchen Whitmer of Michigan, Phil Murphy of New Jersey, Kate Brown of Oregon, Gavin Newsom of California, and Jay Inslee of Washington.

“The grading mechanism is based on seven variables – two spending variables, one revenue variable, and four tax-rate variables,” the report noted.

The rankings “account for tax and spending actions that affect short-term budgets in the states. But they do not account for longer-term or structural changes that governors may make, such as reforms to state pension plans. Thus, the results provide one measure of how fiscally conservative each governor is, but they do not reflect all the fiscal actions that governors take.”

On a regional level, Wolf only beat Phil Murphy of New Jersey. The highest-scoring governor of a Pennsylvania border state was Jim Justice of West Virginia, who was eighth with a B, followed by Mike DeWine of Ohio, who was 17th with a C.

The highest-scoring Democrat was North Carolina’s Roy Cooper, who was sixth with a B. The lowest-scoring Republican was Tennessee’s Bill Lee, who placed 42nd with a D.

Wolf’s highest ranking in Cato’s variables was seventh in his tax rate score, reflecting Pennsylvania’s corporate tax rate cut. “He performed middling or poorly on prior Cato governor reports, and he performs poorly on this one, although he did sign into law an important corporate tax reform in 2022,” the report noted.

While the report criticizes Wolf for efforts to create a natural gas severance tax, joining the cap-and-trade Regional Greenhouse Gas Initiative, and proposed individual income tax hikes (all defeated or in the process of litigation by the General Assembly), the report did note the health of the commonwealth's budget.

“Under Wolf, the Pennsylvania general fund budget rose 13.3% in 2022 and will increase another 8.7% in 2023,” Cato noted.