



Baker Earns A 'C' 'In Report Card Analyzing Governors' Fiscal Policies

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(The Center Square) – Massachusetts Gov. Charlie Baker earned a middling score in a new annual analysis stacking up U.S. governors' fiscal policies.

The ranking was based on such factors as his opposition to the upcoming surtax ballot question and tax increases earlier in his administration.

The Cato Institute, a public policy organization focused on limited government, released the 2022 Fiscal Policy Report Card on America's Governors.

Baker, who is not seeking reelection this fall, is in the final stretch of his second four-year term in office. In the new report, co-authors Chris Edwards and Ilana Blumsack looked into Baker's past and more recent actions related to taxes.

“In originally running for office, Baker said he would not raise taxes, but he has broken that promise numerous times,” Edwards and Blumsack wrote. “His largest tax increase was in 2018, when he approved a 0.63% payroll tax on employers to fund a new paid leave benefit. The law increased taxes by \$750 million a year.”

Edwards and Blumsack noted Baker “scored fairly poorly on past Cato reports partly because of his mixed record on taxes.”

The new report does point out Baker’s opposition to the surtax proposal, which the Massachusetts Legislature passed in 2021. Baker has stated his concern for the effort, asserting businesses could leave the state.

The so-called “fair share amendment” is on the November ballot because it would require a change to the state Constitution, which bars multi-rate income taxes. Massachusetts has in place a 5% flat income tax.

“The governor’s opposition to the hike is not particularly vigorous, but he is right about the effects,” Edwards and Blumsack said. “Massachusetts has long suffered from a drain of households to other states. IRS data show that Massachusetts has one of the worst ratios of in-migration to out-migration in the nation.”

Baker also was praised for some of his administration’s more recent actions of tax adjustments in response to budget surpluses.

Last month, Baker and Lt. Gov. Karyn Polito announced a plan to return \$2.941 billion in excess tax revenue to taxpayers through a series of initiatives.

“With families facing continued pressure from high prices and inflation, these returns will provide some needed relief,” Baker said in a news release. “Even with nearly \$3 billion going back to taxpayers, significant state and federal resources remain, and we look forward to working with the Legislature to invest this funding into our economy, communities and families.”

While the Cato Institute’s newest report did not have a clear-cut partisan divide in the granular state-by-state rankings, there was a prevailing theme. The top-performing governors in this year’s report were Republican, while the lowest scoring leaders were Democrats.

“The results are data driven. They account for tax and spending actions that affect short-term budgets in the states,” Edwards and Blumsack said of their methodology. “But they do not account for longer-term or structural changes that governors may make, such as reforms to state pension plans.”

Five governors, all Republican, received an “A” in this year’s Cato Institute report: Doug Ducey of Arizona; Brad Little of Idaho; Kim Reynolds of Iowa; Pete Ricketts of Nebraska; and Chris Sununu of New Hampshire.

On the bottom end, eight Democratic governors received an “F” in the Cato Institute’s analysis of their fiscal policies: Kate Brown of Oregon; Jay Inslee of Washington; Phil Murphy of New Jersey; Gavin Newsom of California; J.B. Pritzker of Illinois; Tim Walz of Minnesota; Gretchen Whitmer of Michigan; and Tom Wolf of Pennsylvania.