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The Free Market Voice for Wisconsin

Cato Gives Walker "B" Grade in Annual Fiscal Report Card

By Sean Lansing | Posted November 26, 2012

[Madison, Wisc...] The Cato Institute, a libertarian think tank in Washington, has given Wisconsin Governor Scott Walker a "B" grade in its 2012 "Fiscal Policy Report Card."

The institute praised Walker's handling of long-term fiscal policies in the state. The most prominent example was Act 10, which imposed restrictions on collective bargaining and required employee contributions for health insurance and pensions. Walker also signed a law that required a two-thirds legislative majority to increase sales, income or franchise tax rates.

"Governor Walker has shown himself to be an outstanding reformer with his pension and labor union changes," the report reads.

However, Walker fell short of an "A" grade from Cato because of his creation of the Wisconsin Economic Development Corporation (WEDC), a public-private partnership that replaced the Department of Commerce. The Cato Institute's report was highly critical of the targeted tax incentives WEDC is in charge of distributing.

"These narrow, special-interest tax breaks have spread like a contagious disease over the last decade or so," the report reads. "[This practice is] unfair and distorts the economy."

The report card scored governors on a 100-point scale that appears to be curved. Only four governors received "A" grades--Sam Brownback (R-Kansas), Rick

Scott (R-Florida), Paul LePage (R-Maine) and Tom Corbett (R-Pennsylvania). Walker received 57 points for his "B" grade.

As part of their study, the Cato Institute was interested in answering whether or not Republican and Democrat leaders in state government are any different.

On average, Republicans scored higher on the "fiscally conservative" scale than their Democrat counterparts--57 to 43. The highest scoring Democrat was John Lynch from New Hampshire, with 62 points (a "B" grade). The lowest scoring Republican was Bill Haslam of Tennessee.

Illinois' Democrat governor Pat Quinn checked in at number 50 with 16 points, good for an "F."

To view the full report from the Cato Institute, click the link below.