



New Study Grades Nation's Governors on Fiscal Policy

By Paula Bolyard
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Quantifiably ranking all the fiscal policies of the nation's governors, the Cato Institute's recently released "[Fiscal Policy Report Card on America's Governors](#)" highlights the variety of economic policies of the various states, by grading the nation's 29 Republican and 21 Democratic governors on their individual tax and spending policies.

The annual study, conducted by Director of Tax Policy Studies Chris Edwards and Cato Institute budget analyst Nicole Kaeding, found that, while most state legislatures are having little trouble balancing their metaphorical checkbooks in the short run, long-term problems like unfunded public-sector pension liabilities and the current Medicaid expansion fad may soon place major stress on state budgets.

Leading this year's class of governors, Pat McCrory of North Carolina, Kansas's Sam Brownback, Paul LePage of Maine, and Mike Pence of Indiana all earned an "A" grade. On the other side of the scale, receiving "F" grades, were Mark Dayton of Minnesota, John Kitzhaber of Oregon, Jack Markell of Delaware, Jay Inslee of Washington, Pat Quinn of Illinois, Deval Patrick of Massachusetts, John Hickenlooper of Colorado, and Jerry Brown of California.

While governors do not bear full responsibility for the economic policies of their states, they do have the power to propose budgets, and often wield a great deal of influence over their legislatures. Most governors are also empowered with the line-item veto to help them control spending and influence tax policy.

Bucking Trends

"Good grades," however, are not always predictive of party affiliation. Three Democrats — Earl Ray Tomblin of West Virginia, Andrew Cuomo of New York, and Lincoln Chafee of Rhode Island — performed above-average work on fiscal reform, whereas Republican governors Rick Snyder of Michigan, John Kasich of Ohio, and Rick Scott of Florida received failing marks.

However, the author notes that “Republican governors are more fiscally conservative, on average, than Democratic governors,” explaining that their findings suggest that Democratic and Republican governors find it easier to disagree “on revenue variables than spending variables.”

Among Republicans whose names have been mentioned as potential 2016 presidential candidates, Mike Pence of Indiana received the best marks, earning an “A.” Texas governor Rick Perry, Wisconsin’s Scott Walker, Louisiana’s Bobby Jindal, and New Jersey’s Chris Christie all received a “B” on their respective report card.

Lonely at the Bottom

Ohio Governor Kasich occupies a lonely position at the bottom of the potential GOP presidential candidate pack with a “D.” Receiving marks more commonly found among the nation’s Democratic governors, the 2016 hopeful’s score was dragged down due to his championing of a 13.6 percent increase in the state’s spending, and a 3 percent increase in public-sector employment. Other fiscally irresponsible Kasich initiatives noted by the report include his efforts to hike several kinds of taxes on businesses and consumers.

Somewhat predictably, though, the study found that the nation’s worst governor on fiscal policy is California’s Jerry Brown. His proposed budget in 2012 called for a \$6 billion increase in tax revenues and increased the top individual income tax rate to 13.3 percent.

Brown proposed spending increases averaging 6.8 percent annually, more than double the national average of 3.1 percent. Under Brown, government spending increased from \$86 billion in 2012 to a projected \$107 billion in 2015.

By following the lead of the top-scoring governors, the report claims, states’ policymakers can help boost their respective economies by enacting policies proven to work elsewhere in the nation.