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FORMER GOVERNOR JEB BUSH

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INTRODUCTION

Jeb Bush served as Florida’s Secretary of Commerce from 1987 to 1988, and ran for governor of Florida three times, narrowly losing to incumbent Democrat Lawton Chiles in 1994 before winning in 1998 and 2002. Since Bush has never served in Congress, he does not have a rating by the Club for Growth. However, the Cato Institute, a free market think tank, produces a biennial scorecard on the nation’s governors based on their tax and spending policies and actions. Over his two terms (1998-2006), Bush’s grades from Cato were:

- 2000 – B
- 2002 – A
- 2004 – B
- 2006 – C

TAXES

The Club for Growth is committed to lower taxes – especially lower tax rates – across the board. Lower taxes on work, savings, and investments lead to greater levels of these activities, thus encouraging greater economic growth.

Jeb Bush’s record as governor was that of a tax cutter. As a presidential hopeful he has called for simplifying the tax code, but has not said whether he would seek to cut marginal income tax rates.¹ Much has been made of Bush’s comment in 2012 that indicated his support for raising revenue in exchange for spending cuts.² Bush said, “If you could bring to me a majority of people to say that we’re going to have \$10 in spending cuts for \$1 of revenue enhance-

ment — put me in, coach.”³ From a pro-growth perspective, this might or might not be a good exchange, depending on the nature of the cuts and enhancements. As the presidential race develops, Bush should elaborate on his views on tax reform.

Florida is known for its pro-growth tax structure. Even before Bush took office, Florida had the 16th lowest state and local tax burden, and had a constitutional ban on the imposition of a state income tax.⁴ During his eight years as governor of Florida, Bush worked for tax cuts and consistently opposed tax increases. In 1994, Bush asserted that “changes should not be made in Florida’s tax structure.”⁵ He also promised that, if elected governor, he would “require voter approval for new state taxes.”⁶ In the eight years Bush served as governor, Republicans held both houses of the Florida legislature and saw growth in state Gross Domestic Product every year,⁷ affording Bush an extremely favorable political environment to further improve upon Florida’s already excellent tax climate.

In 1999, Governor Bush’s first budget included over \$1 billion in tax cuts. Of those cuts, \$281 million came in the form of a 6.2% cut in Florida’s property tax, which affected 3.7 million households.⁸ The package also included a 0.5% rate cut on the state’s unemployment tax and a reduction

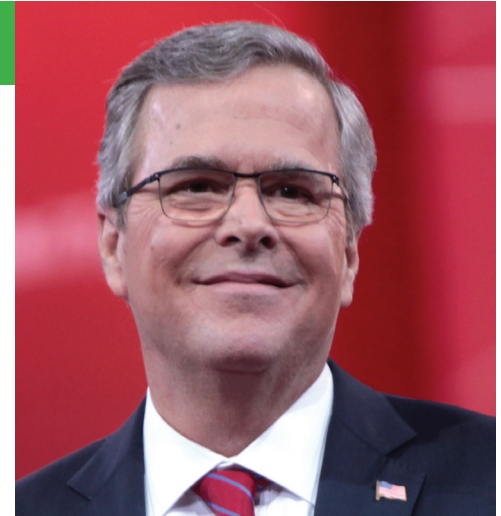


PHOTO CREDIT: GAGE SKIDMORE

in the tax on alcoholic beverages.⁹ A few years later, Bush signed a bill that fully repealed the tax on alcohol.¹⁰ The tax package also cut the state Intangible Personal Property Tax - a tax on stocks, bonds, mutual funds and other investments. Bush sought to reduce this tax every year of his term until it was completely abolished in 2006; its elimination accounted for 30% of all taxes cut by Bush during his administration.¹¹ Tax cuts on investments are extremely pro-growth, and it’s no wonder that businesses flocked to Florida while Bush went on this tax-cutting spree.¹²

In 2001, many in the Florida legislature got cold feet. In the wake of the post-9/11 recession, Republican lawmakers, such as Senate Finance Committee Chairman Ken Pruitt, proposed a \$345 million property tax hike, eliminating the 1999 reductions and then some. Bush immediately rejected this proposal, saying, “It’s not on the table.”¹³ He also rejected efforts to rescind the 1999 cuts to the Intangible tax, though

1 [New York Times](#), 2/4/15

2 [House Budget Committee](#), 6/1/12

3 [Bloomberg](#), 6/1/12

4 [Tax Foundation](#), 10/23/12; [Constitution of the State of Florida](#), Art. VII, § 5

5 [Orlando Sentinel](#), 11/6/94

6 [New York Times](#), 11/2/94

7 [Federal Reserve Economic Data](#), Total Gross Domestic Product by State for Florida

8 [The Ledger](#), 4/16/99

9 [Sarasota Herald-Tribune](#), 4/16/99

10 [Heartland Institute](#), 9/1/06

11 Jeb Bush: Aggressive Conservatism in Florida, 102-103

12 [Business Florida](#), 9/1/06

13 [Palm Beach Post](#), 10/4/01

he agreed to delay implementation of the cuts.¹⁴

One of the most discussed topics among fiscal conservatives today is pro-growth tax reform that eliminates tax preferences, an issue that arose during Jeb Bush's career as well. As Secretary of Commerce under then-Governor Bob Martinez, Bush praised an effort to reduce the state sales tax by removing exemptions from the tax code, saying, "If this is a way to broaden taxation and at the same time lower the rate, I think a lot of people would really go for it."¹⁵ However, as governor, Jeb Bush rejected efforts by Florida Senate President John McKay to do just that.¹⁶ At the time, Florida's sales tax actually yielded less revenue than it exempted.¹⁷ McKay's proposal would have eliminated exemptions for goods and services as diverse as skybox rentals, lobbying fees, ostrich feed, tanning salons, and fishing boats, while lowering Florida's sales tax rate from 6.0% to 4.5%.¹⁸ Bush eventually supported a compromise bill that put a constitutional amendment on the ballot which would have given a legislative committee power to eliminate some tax exemptions. This amendment was struck down by the Florida Supreme Court before it reached voters.¹⁹ Governor Bush also supported several new tax exemptions on equipment used for research,²⁰ manufacturing,²¹ and film production,²² further muddying Florida's tax code.

Governor Bush also vetoed a new tax on car rentals²³ and opposed an increase in

car license fees.²⁴ He opposed a cruise ship tax which was proposed to finance a new ballpark for the Florida Marlins.²⁵ Instead, the governor signed a bill that paid for the new ballpark with a 40-year extension on a parking surcharge.²⁶ The surcharge was contingent on a referendum, in keeping with the Bush campaign promise to subject all tax increases to voter approval.²⁷ Bush also signed a bill that lowered fees on marriage licenses, while increasing fees for divorces, traffic tickets, recording documents and criminal convictions. The sponsors of the bill said it would increase revenue by \$229.4 million.²⁸

Tax holidays were common during Bush's time as governor. He signed sales tax holidays into law at least six times between 1999 and 2006, suspending the sales tax or the gas tax for short periods of time.²⁹ Many economists agree that such tax policies tend to have limited effects on economic growth.

When asked about his record on taxes, Jeb Bush was proud, even boastful, when he said, "I will be the first governor to have cut taxes every year, and I'm proud of it. I love it. I just think it's fantastic, and I like it when people get mad that I do it."³⁰ Looking at Bush's tax record as a whole, this pride is justified. For that reason, the Cato Institute concluded that Governor Bush was "one of the most aggressive tax-cutting governors in the nation."³¹

SPENDING

The Club for Growth is committed to reducing government spending. Less

spending enhances economic growth by enabling lower taxes and diminishing the government's economically inefficient allocation of resources.

Governor Bush's record on spending is a mix of allowing gradual increases in the size of government, while using his political capital to reform some of the structures that are most responsible for fueling government growth.

Bush has not weighed in on many of the recent debates about federal spending, such as stimulus bills, eliminating earmarks, and passing balanced budgets. In 2008, after he left the governor's mansion, Jeb Bush supported the federal Troubled Asset Relief Program (TARP), the infamous \$700 billion Wall Street bailout, which transferred taxpayer dollars to big banks that had made bad investment decisions. Bush said this was "probably the right thing to do."³² However, he did oppose bailing out America's automakers,³³ and he said the 2009 Obama stimulus plan was "a massive spending bill that is not related to stimulus, it is related to trying to carry out a liberal agenda."³⁴

During Governor Bush's two terms, general fund spending increased by 57% and total spending by 45.1%, according to data from the National Association of State Budget Officers,³⁵ despite only a 39.7% combined rate of population growth³⁶ and inflation³⁷ during Bush's tenure. Much of the increase in spending occurred during his final two years, a mostly prosperous period, with Republicans controlling the state legislature. Such increased spending prompted the Cato Institute to lower its overall rating of him to a "C" in the second half of his second term and to question whether Bush had become a "big-gov-

14 [St. Petersburg Times](#), 12/6/2001

15 [St. Petersburg Times](#), 1/20/87

16 [The Bradenton Herald](#), 12/1/02

17 [St. Petersburg Times](#), 1/20/02

18 [Sarasota Herald-Tribune](#), 3/7/02

19 [The Bradenton Herald](#), 12/1/02

20 [St. Petersburg Times](#), 12/2/04

21 *Ibid.*

22 [Florida Film Commissioner](#), Press Release, 5/12/00

23 [Heartland Institute](#), 11/1/06

24 [Palm Beach Post](#), 10/25/03

25 [Sun Sentinel](#), 4/4/00

26 [ESPN](#), 5/8/01

27 [The Miami Herald](#), 9/3/94

28 [Orlando Sentinel](#), 4/29/04

29 [The Tampa Tribune](#), 1/13/06

30 [Florida Trend](#), 3/1/06

31 [Cato Institute](#), *Fiscal Policy Report Card on America's Governors: 2006*, 10/24/06

32 [CNN](#), 12/18/14

33 [Politico](#), 12/13/13

34 [Newsmax](#), 2/23/10

35 [National Association of State Budget Offices](#), [State Expenditure Reports](#), 1999-2007

36 [U.S. Census](#), Population Estimates by State

37 [Bureau of Labor Statistics](#)

ernment Republican.”³⁸ These numbers, however, are somewhat inflated because in Bush’s final two years, the state legislature appropriated university tuition funds that had never been included in budgets before 2005.³⁹ If this appropriation was excluded, as it had been in previous budgets, Bush would have increased general fund spending by 51.7% and total spending by 43.1%, a somewhat smaller spending increase over eight years, relative to population and inflation.

Governor Bush’s first budget was something of a mixed bag. It included major spending increases in education. He used the sheer size of his education package as a way to blunt criticism of his education policy. In a letter to the editor of the *Palm Beach Post*, for instance, Governor Bush wrote,

From Pensacola to Miami, ‘struggling schools’ are receiving their share of over \$14 billion – an increase of \$1.4 billion – the highest amount of money our State has ever dedicated to our public schools. And, local schools will benefit from a \$527 million pool of flexible, no-strings-attached money.⁴⁰

Later, Bush also spent \$400 million to create a new statewide pre-kindergarten program.⁴¹

The large increases in education spending are odd, considering that Bush lamented, four years earlier, that “our per-pupil expenditures have gone through the roof,”⁴² and said that he wanted to “abolish the [state] Department of Education as it now exists.”⁴³ Bush continued to increase education spending in later budgets, in part to meet the requirements of a voter-approved constitutional amendment which required

smaller class sizes.⁴⁴ Bush “vehemently opposed” the class size amendment⁴⁵ and even claimed to have “devious plans” to mitigate the amendment’s effects after it passed.⁴⁶ However, Bush’s attempts to undo the law legislatively were unsuccessful.⁴⁷

Bush’s first budget also included an eight percent pay raise for law enforcement employees and over \$400 million in new spending for Everglades restoration and environmental land purchases.⁴⁸ On occasion, Bush requested funds higher than the legislature wanted to give him; at one point he sought \$61 million for anti-smoking programs, but the legislature only provided \$40 million. A Bush spokesman said at the time that the program would have received even less money if Bush had not stepped in and persuaded the Legislature to put in more.⁴⁹

In spite of these spending increases, Bush’s first term also featured positive developments. He blocked spending on high-speed rail in Florida, a boondoggle which would have cost the state \$6 billion to develop.⁵⁰ Bush also made aggressive use of his veto pen. In 1999 alone, Bush used the line-item veto to eliminate 550 different items which together would have cost taxpayers \$313 million.⁵¹ Over the course of his two terms, Bush vetoed more than \$2 billion in spending, which often consisted of lawmakers’ special projects, called “turkeys,” which are similar to earmarks at the federal level.⁵² Many of these vetoes were of wasteful projects sponsored by Republican lawmakers.

Governor Bush aggressively sought to bring new businesses to the state. Like many governors, he sought to do so

through an extensive use of subsidies and tax breaks. The most notable of these subsidies was a \$310 million dollar incentive to lure the Scripps Research Institute to Florida. In exchange, Scripps was required to create 545 new jobs.⁵³ In 2006, Bush set up an “Innovation Incentive Fund” to further subsidize the biotech industry at a total cost of \$456 million.⁵⁴ The substantial investment Bush made into the Scripps project was supposed to spur further job creation (over 50,000 new jobs, Bush claimed)⁵⁵ and turn Florida into a hub for the biotechnology industry. While Scripps did hire the requisite 545 people, the expansion of the biotech industry never materialized, and employment in Florida’s biotech industry flat-lined between 2007 and 2012.⁵⁶

One of Bush’s priorities as governor was the elimination of state trust funds, special state accounts earmarked with a specific funding source and used for a specific purpose. The State Transportation Trust Fund, for example, is financed by fuel taxes and must be spent on infrastructure maintenance.⁵⁷ Governor Bush realized that many of these trust funds were being spent on unnecessary projects or projects that were unrelated to their funding source, and he eliminated the Corporations Trust Fund, which was being used to pay for arts grants.⁵⁸ He also cut \$126 million from Florida’s Affordable Housing Trust Fund, which subsidized low-income housing, and \$300 million from the state’s Transportation Trust Fund.⁵⁹ However, Bush did not eliminate the fees that paid for these funds. Instead, he redirected the revenue from the fees to Florida’s General Fund to pay for recurring costs. Between 2001 and 2005, Bush redirected \$4 billion from trust funds

38 Cato Institute, *Fiscal Policy Report Card on America’s Governors: 2006*, 10/24/06

39 National Association of State Budget Offices, *State Expenditure Reports*, p. 27

40 Letter to the editor of the *Palm Beach Post*, 10/8/99

41 *The Ledger*, 1/3/05

42 *Profiles in Character*, 168

43 *Orlando Sentinel*, 11/6/94

44 *Palm Beach Post*, 12/11/02

45 *CBS News*, 11/4/02

46 *Sun Sentinel*, 10/5/02

47 *Palm Beach Post*, 4/29/06

48 The Associated Press State and Local Wire, 5/2/00

49 *Orlando Sentinel*, 6/3/99

50 *Orlando Sentinel*, 1/14/99

51 Jeb Bush: Aggressive Conservatism in Florida, 48

52 *Ibid.*

53 *San Diego Union-Tribune*, 10/14/04

54 *Reuters*, 5/2/15

55 *Ibid.*

56 *Palm Beach Post*, 7/17/14

57 Florida Center for Fiscal and Economic Policy – *Tax and Budget Primer*, 14

58 *Jacksonville Business Journal*, 4/21/03

59 Florida Times-Union, 3/2/04, Sarasota Herald-Tribune, 1/25/05

to the General Fund.⁶⁰

Toward the end of Jeb Bush's last term as governor, Florida's government-backed company for providing homeowners insurance to low-income residents, Citizens Property Insurance Corporation, was facing a daunting \$992 million deficit after two years of unusually intense hurricane activity. Bush said, "I'm opposed to using general revenue to bail them out. To me, it doesn't make sense."⁶¹ Yet just a few months later, Bush changed his position, supporting a "one-time appropriation" to pay down the corporation's deficit.⁶²

At the end of Bush's two terms as governor, state debt had grown by 36.9%,⁶³ and Florida's ratio of debt-to-Gross Domestic Product decreased from 3.65% to 3.08%.⁶⁴ At the same time, Florida's bond rating was upgraded to its highest levels in history,⁶⁵ and the state's government workforce had shrunk from 172,069 in 1999⁶⁶ to 167,268 in 2006,⁶⁷ primarily because Governor Bush completely eliminated the state's Department of Labor and Employment Security.⁶⁸ Bush deserves strong praise for that.

ENTITLEMENT REFORM

America's major entitlement programs are already insolvent. The Club for Growth supports entitlement reforms that enable personal ownership of retirement and health care programs, benefit from

60 Jeb Bush: Aggressive Conservatism in Florida, 50-51

61 Palm Beach Post, 12/21/05

62 [Sun Sentinel](#), 4/5/06

63 [State of Florida 2006 Debt Affordability Report](#)

64 [Bureau of Economic Analysis](#), 1999-2006

65 Ibid.

66 [Department of Management Services](#), 2002, p. 15

67 [Department of Management Services](#), 2008, p. 19

68 Bradenton Herald, 1/20/01

market returns, and diminish dependency on government.

Governor Bush's record shows he is a champion of reforming entitlement programs, especially government-funded health care. He has been supportive of proposals to reform Medicare and Medicaid, and to increase the retirement age for Social Security,⁶⁹ and he said that means testing for benefits ought to be considered.⁷⁰

Since leaving office, Governor Bush has discussed the issue of Medicaid expansion under Obamacare. In an interview with Chuck Todd of NBC News, Bush appeared to say that he could support an expansion if it were "a dramatically different system," bundled with the kind of reforms he outlined as governor.⁷¹ Bush has more definitively rejected Medicaid expansion in other interviews,⁷² and *National Review* has reported that he privately told Florida legislators that "rejecting Obamacare expansion was good policy, and told them to come up with some conservative alternatives."⁷³

In October 2013, Jeb Bush was critical of Senator Ted Cruz's efforts to repeal Obamacare during the debate over funding the federal government. Bush told ABC News, "I think there was some ground lost from a political point of view. Tactically, it was a mistake to focus on something that couldn't be achieved."⁷⁴

While he was governor, Jeb Bush rarely addressed reform for federal entitlement programs, such as the 2003 Medicare Prescription Drug benefit and the State Children's Health Insurance Program. In spite of this, his generally positive efforts to reform entitlement programs at the state level suggest that Bush would be motivated to seek critical reforms to federal

69 [CNN](#), 4/18/15

70 The Hill, 5/31/15

71 [NBC](#), 3/5/13

72 [CNN](#), 3/6/13

73 [National Review](#), 2/21/13

74 [ABC News](#), 10/20/13

programs.

Governor Jeb Bush did take impressive steps to reform Florida's entitlement programs. In 2007, he wrote this in the foreword to a handbook on market-based health care reform:

Individuals, with the advice of their doctors, make better health care decisions for themselves and their families than institutional bureaucracies. A freer and more transparent market for health care will produce the financial incentives for providers to improve health care to compete for patients. Consequently, empowering individuals with greater freedom to spend their health care dollars in a competitive marketplace will control costs better than regulatory limits mandated across the spectrum of services.⁷⁵

Medicaid is among the largest and most complicated programs with which state governments must contend. By 2005, Medicaid comprised one-quarter of Florida's state budget.⁷⁶ In response to this high cost, Bush unveiled a bold plan to privatize the program. His proposal sought to provide low-income Floridians with a voucher to use for purchasing a health insurance plan of their choice. These plans were required to be actuarially equivalent to the value of the pre-existing Medicaid benefits. The total value of these benefits for adults would be capped at a predetermined amount, after which the individual would pay all further costs.⁷⁷ Bush called his plan "empowered care," and believed that it would result in lower costs and more choices for patients.⁷⁸ Unfortunately, the state legislature refused to enact the sweeping reforms Bush requested, except in the form of pilot programs in two

75 [National Center for Policy Analysis](#), 6/8/07

76 Conservative Hurricane: How Jeb Bush Won Florida, 168

77 Jeb Bush: Aggressive Conservatism in Florida, 38

78 [New York Times](#), 1/23/05

Florida counties.⁷⁹ Still, Bush's proposal was impressive and led to future reform efforts.⁸⁰

Governor Bush also made efforts to reform the state's welfare programs. In his 1994 campaign, Bush said "we should reform our welfare system by withdrawing from AFDC (Aid to Families with Dependent Children) and instituting a state public assistance program with tighter eligibility, real work opportunities, and a strict two-year time limit on benefits."⁸¹ As governor, Bush privatized the delivery of welfare services, using a competitive process to put delivery of services in the hands of non-profit agencies. These reforms, coupled with more stringent enforcement of the rules regarding benefit distribution, helped cut costs and deliver services more efficiently.⁸² According to the libertarian Reason Foundation, Bush's privatization initiatives saved taxpayers more than \$550 million.⁸³ By 2003, Florida was ranked 43rd in the nation in per capita public welfare payments.⁸⁴

Jeb Bush does have one blemish in his record on entitlements, a controversial 1999 bill that mandated a \$50 million increase in police and firefighter pension benefits. Fiscally conservative Florida think tanks argued that the plan was too expensive, but their concerns were ignored in the effort to scratch the backs of police and firefighters' unions that had supported Republicans.⁸⁵ The law mandated that municipalities must use increased revenue from taxes on insurance premiums for additional pension benefits.⁸⁶ Over time, the cost of

this program ballooned to \$400 million, eventually forcing the Florida legislature to change the law. "Did we go too far? Yeah, maybe we did," said Sen. John Thrasher (R-St. Augustine) in 2011, who, as House Speaker in 1999, led the legislation sought by Bush. "But we were pretty flush back then. We can't afford this now."⁸⁷ It's not surprising then, that as Bush began to explore a run for President, the head of the International Association of Fire Fighters union remarked that the union had "a pretty good relationship with the governor during his years in Florida."⁸⁸

REGULATION

Excessive government regulation stymies individual and business innovation necessary for strong economic expansion. The Club for Growth supports less and more sensible government regulation as a critical step toward increasing freedom and growth in the marketplace.

Governor Bush's record on regulation is mixed. To his credit, Bush opposed increases to Florida's minimum wage. In 2003, he signed a law that prevented counties and municipalities from increasing their minimum wage above the federal minimum wage.⁸⁹ Shortly after this bill passed, however, the liberal activist group ACORN began collecting signatures to put a minimum wage amendment up for referendum, an effort Governor Bush publicly opposed.⁹⁰ In spite of the governor's opposition, the amendment passed, raising Florida's minimum wage by \$1.00 per hour and indexing it to inflation to allow for automatic annual increases in the future.⁹¹

Bush made some other admirable stands in favor of a free market. He signed into law a bill that removed penalties for ticket resales.⁹² He also supported a bill that pro-

hibited local governments from regulating cell phone use.⁹³ Perhaps most significantly, Bush signed into law a bill that restricted use of eminent domain by preventing municipalities from using it to "increase the tax base." It also required municipalities to offer to sell back seized land to its original owners should the land no longer be needed.⁹⁴ All of these measures helped protect private property rights for Florida's citizens.

Governor Bush's record on expensive health mandates is mixed. In 1999, Bush signed a bill which mandated that all health insurance plans in Florida cover costs to bone marrow donors.⁹⁵ On the other hand, he also signed a 2004 bill that allowed health insurers to sell cheaper insurance to low-income Floridians that need not include the 50+ procedures the state mandated.⁹⁶

Bush's biggest deviation from a pro-growth stance on regulatory policy had to do with the environment. In his book *Jeb Bush: Aggressive Conservatism in Florida*, Florida State University political science professor Robert Crew wrote,

In the conservation arena, the Governor strayed from strict adherence to conservative doctrine and supported policies that were based on a variety of economic and governmental theories. In fact, some were 'big government' efforts of the kind generally derided by conservatives.⁹⁷

These "big government efforts" included restrictions on oil and gas extraction. In 2001, Bush successfully lobbied his brother, President George W. Bush, to place a moratorium on drilling in a federally owned, oil-rich piece of the Florida

79 Conservative Hurricane: How Jeb Bush Won Florida, 168

80 [Modern Healthcare](#), 6/14/13

81 [Orlando Sentinel](#), 11/6/94

82 Ibid.

83 Reason Foundation, [Annual Privatization Report](#), 2006

84 Jeb Bush: Aggressive Conservatism in Florida, 148

85 Press Journal, 3/8/99

86 [Palm Beach Post](#), 4/9/11

87 Ibid.

88 Politico, 1/20/15

89 Sun Sentinel, 6/5/03

90 Miami Herald, 7/22/04

91 St. Petersburg Times, 1/13/05

92 [Miami Herald](#), 6/8/06

93 Sun Sentinel, 3/8/02

94 [Orlando Business Journal](#), 5/12/06

95 Palm Beach Post, 5/2/99

96 St. Petersburg Times, 4/24/04

97 Jeb Bush: Aggressive Conservatism in Florida, 39-40

Gulf known as Lease Sale 181.⁹⁸ In 2002, Governor Bush negotiated a deal to sell large parcels of land in the Gulf of Mexico and Florida cypress swamps to the federal government for \$235 million. Bush said “It just didn’t seem right that 25 miles off that coast there would be the possibility of drilling, and today that possibility no longer exists.”⁹⁹ In late 2005, Governor Bush changed positions and expressed support for drilling in the Eastern Gulf of Mexico.¹⁰⁰ He would later say, “Had I known that gas was going to be \$4.30 per gallon... I would have supported a lifting of the moratorium with proper safeguards.”¹⁰¹ Bush also supports drilling in the Alaska National Wildlife Refuge (ANWR).¹⁰²

When Jeb Bush took office, a survey of corporate executives indicated that Florida was the fifth best state for business.¹⁰³ When Bush left office, *Chief Executive* magazine rated Florida the third best state for business.¹⁰⁴

FREE TRADE

Free trade is a vital policy necessary for maximizing economic growth. In recent decades, America’s commitment to expanding trade has resulted in lower costs for consumers, job growth, and higher levels of productivity and innovation.

Jeb Bush’s record on free trade is generally quite good. In 1994, he was criticized in the Republican primary for governor for being a “free trader” who had supported NAFTA, a charge Bush did not deny.¹⁰⁵ Bush also supported DR-CAFTA and trade agreements with Peru and Colombia and other

Andean nations,¹⁰⁶ in spite of opposition from Florida’s powerful sugar industry.¹⁰⁷ To further advance the cause of free trade, Bush participated in 15 foreign trade missions.¹⁰⁸ He also supported granting trade promotion authority (TPA) to President George W. Bush in 2001.¹⁰⁹ Bush continues to support TPA today as a means to negotiate the Trans-Pacific Partnership (TPP). He has also argued in favor of greater trade with Latin America, saying, “I think the focus needs to get back to a free trade agreement of the Americas.”¹¹⁰ While he was governor, Bush fought to make Miami the headquarters of the Free Trade Area of the Americas, garnering support from several foreign governments before the project stalled in 2005.¹¹¹

In 2006, Bush lobbied the federal government to lift the tariff on ethanol, saying, “We don’t put a tariff on crude imported from a country like Venezuela, but yet we put a tariff on ethanol, which is a renewable source of energy that provides a clean alternative.”¹¹² Bush also assisted in the process of ending China’s ban on imports of Florida citrus.¹¹³ In 2015, Bush said the U.S. Government’s Export-Import Bank “should be phased out.”¹¹⁴ Unfortunately, Bush’s pro-trade record features one key blemish: he backed a protective tariff on Brazilian orange juice.¹¹⁵ Beyond this, Jeb Bush’s support of free trade is impressive.

SCHOOL CHOICE

The Club for Growth supports broad school choice, including charter schools and voucher programs that create a com-

petitive education market including public, private, religious, and non-religious schools. More competition in education will lead to higher quality and lower costs.

Even by his critics, Bush is known as a “champion of school choice.”¹¹⁶ In his first campaign for governor, Bush pledged to give students vouchers that would allow them to attend the private or public school of their choosing.¹¹⁷ As governor, Bush created three different types of vouchers. Opportunity Scholarships were established in 1999 and allowed students in failing schools to choose a more successful public or private school.¹¹⁸ McKay scholarships were established in 2001 and offered the same opportunity to students with disabilities.¹¹⁹ Corporate Income Tax Credit Scholarships were established in 2002 to give Florida businesses a tax credit in exchange for offering scholarships to children in low-income families.¹²⁰ Each of these programs was put in place statewide and improved the lives of thousands of Florida students, while actually saving the state money. The James Madison Institute noted that over three years, Florida saved nearly \$140 million in revenues because of the difference in the monetary amount of these vouchers and the cost of educating a student at a traditional public school.¹²¹

Governor Bush’s Opportunity Scholarship Program was later struck down by the state Supreme Court. The Court argued that the scholarships were not “uniform” with Florida’s existing public school system, which, Bush noted, “is the whole point of school choice.”¹²² In response to the court’s ruling, Bush sought approval for a constitutional amendment that would explicitly allow

98 Conservative Hurricane: How Jeb Bush Won Florida, 155-156

99 [Spokesman Review](#), 5/30/02

100 [Sun Sentinel](#), 10/5/05

101 [Keynoter](#), 7/16/08

102 [Politico](#), 3/10/15

103 Business Wire, 5/6/99

104 Chief Executive, 1/07

105 St. Petersburg Times, 8/31/94

106 [Sun Sentinel](#), 2/22/06

107 [Herald-Tribune](#), 1/20/06

108 [Politico](#), 2/18/15

109 Orlando Sentinel, 12/7/01

110 [Politico](#), 2/18/15

111 Sun Sentinel, 10/7/03

112 [Heartland Institute](#), 8/1/06

113 Press Journal, 3/23/00

114 The Hill, 2/28/15

115 Press Journal, 9/11/03

116 [Daily Signal](#), 4/17/14

117 [Sun Sentinel](#), 10/5/93

118 [Journal of the James Madison Institute](#), 24, Spring 07

119 [Journal of the James Madison Institute](#), 24, Spring 07

120 Pensacola News Journal, 1/17/02

121 [Journal of the James Madison Institute](#), 33, Spring 07

122 [Education Next](#), 3/19/07

school vouchers. This amendment died in the Senate, one vote short of passage.¹²³ Still, Bush deserves credit for starting the program and defending it. He deserves further credit for signing legislation in 2006 which allowed students who had been receiving Opportunity scholarships to receive Corporate Tax Credit scholarships instead. In doing so, Bush prevented 700 students from being forced to return to failing schools.¹²⁴

Conservatives will find Jeb Bush lacking in two major education areas. He supported the federal No Child Left Behind Act,¹²⁵ although he later acknowledged that the bill had numerous drawbacks and said it “should have been more flexible... there should be more options for rating schools” and that “few parents are taking advantage of NCLB’s tutoring options.”¹²⁶ Likewise, Bush publicly supports Common Core, a set of controversial education mandates which states are compelled to adopt or risk losing federal funding.¹²⁷ Each of these policies insert the federal government into a realm that ought to be reserved to the states. Aside from those two blemishes, Bush’s overall record on education and school choice is excellent.

TORT REFORM

The American economy suffers from excessive litigation which increases the cost of doing business and slows economic growth. The Club for Growth supports major reforms to our tort system to restore a more just and less costly balance in tort litigation.

Governor Bush signed into law several tort reform bills which helped to limit frivolous lawsuits in Florida. In 1998, Bush’s predecessor, Democratic Governor Lawton Chiles, vetoed a bill that would

have capped punitive damages caused by defective products at \$250,000. Bush said he would have signed that bill.¹²⁸ After he took office, House and Senate Republicans spent a year wrangling over details of their tort reform package, eventually agreeing on a weaker measure which imposed a sliding cap on damages in cases dealing with accidents or faulty products. The cap would vary based on what percentage of fault, if any, was attributed to the plaintiff.¹²⁹ The bill also included limits on the ability to sue based on faulty products that are more than 12 years old, and caps on liabilities of car rental companies when customers get into car accidents.¹³⁰ This bill, which was signed into law by Governor Bush, may have been a compromise, but it was an important first step toward achieving more just and less costly litigation.

Governor Bush expanded on these efforts during his second term. In 2003, he signed a bill lowering doctors’ liability for non-economic “pain and suffering” damages in medical malpractice cases to \$500,000. The bill capped a medical facility’s liability at \$750,000 in most cases.¹³¹ These limits were in place for a decade before the Florida Supreme Court struck them down.¹³² He also signed a bill that reformed litigation in worker’s compensation cases, limiting attorney fees to 20% of benefits secured.¹³³ In 2006, Bush signed one final tort reform bill that eliminated the doctrine of joint and several liability, which instituted liability for proportional damages based on percentage of fault. Before the bill was passed, a defendant could be held liable for all of a plaintiff’s costs, even if the defendant was only marginally responsible for the damage.¹³⁴

Each of these measures helped to mitigate the effects of frivolous lawsuits in Florida,

and each indicates that Jeb Bush is committed to tort reform. As a result of his efforts, the American Tort Reform Foundation in 2006 cited Florida as a “point of light” in tort reform, and said that in 2006, Florida took “significant steps toward restoring a fair and predictable civil justice system in the state.”¹³⁵ Florida’s average medical malpractice claim payout in 2007 was \$241,800, substantially below the national average.¹³⁶

POLITICAL FREE SPEECH

Maximizing prosperity requires sound government policies. When government strays from these policies, citizens must be free to exercise their constitutional rights to petition and criticize those policies and the politicians responsible for them.

Prior to 2013, Florida capped contributions to candidates¹³⁷ and political committees¹³⁸ at \$500, one of the lowest limits in the country. Florida also provided (and still provides) for public financing of elections. Matching funds are granted to candidates in exchange for limiting their total campaign expenditures.¹³⁹ When Jeb Bush ran for governor in 1994, he refused to use public financing, relying instead on substantial private contributions.¹⁴⁰

In the middle of his 1998 campaign, Bush told the *Palm Beach Post* that he thought contribution limits should be raised and that disclosure requirements should be tightened.¹⁴¹ As governor, Bush pushed for stricter disclosure requirements, but he made no effort to lift Florida’s contribution limits.¹⁴² He signed one bill to increase the amount of money political

123 News-Journal, 5/2/06

124 [Alliance for School Choice](#), 6/7/06

125 [Washington Times](#), 11/30/04

126 [Education Next](#), 3/19/07

127 [Home School Legal Defense Association](#), 10/3/14

128 St. Petersburg Times, 1/29/99

129 Sarasota Herald-Tribune, 5/1/99

130 Miami Herald, 9/30/99

131 [Los Angeles Times](#), 8/15/03

132 [Miami Herald](#), 3/13/14

133 [Business Insurance](#), 10/12/03

134 [Insurance Journal](#), 4/27/06

135 American Tort Reform Foundation, [Judicial Hellholes Report](#), 2006

136 Naples Daily News, 5/11/07

137 [National Conference of State Legislatures](#)

138 [National Conference of State Legislatures](#)

139 [Florida Department of State](#), 6/09

140 St. Petersburg Times, 11/14/94

141 Palm Beach Post, 4/26/98

142 Palm Beach Post, 2/4/04

parties could give to candidates for statewide races,¹⁴³ and another that eliminated matching funds for out-of-state contributions.¹⁴⁴ Bush also rejected efforts to enact tighter regulation on “electioneering communications.”¹⁴⁵ Still, he never attempted to use his political capital to tackle the problem of low individual contribution limits or to eliminate the state’s public financing system.

POLITICAL ACTIVITY & ENDORSEMENTS

Robust political activity is essential to producing a federal government that is more respectful of free markets and produces more pro-economic growth policies. The Club for Growth’s PAC has been active in some of the more central battles within the Republican Party nominating process in recent years, supporting pro-growth candidates over pro-government ones.

Jeb Bush has made dozens of political endorsements since leaving the governor’s office. In some cases, Bush endorsed free market conservatives, like fellow Floridian Marco Rubio against RINO-turned-Independent (and later turned Democrat) Charlie Crist in the 2010 Florida Senate race, though it’s important to note that he only formally did so after Crist left the Republican Party.¹⁴⁶ The only instance we can find in which Bush endorsed a more conservative candidate in a primary was in 2012, when he endorsed conservative Matt Salmon in Arizona’s 5th Congressional District.¹⁴⁷

Beyond these stalwarts, Bush’s endorsements are predictable and uninteresting. In 2014, Bush generally endorsed Republican candidates running in general elections, regardless of their ideological stripes. Bush endorsed Senator John McCain in the 2008 presidential race, but

only when he was the presumptive nominee, and he endorsed Governor Mitt Romney in 2012, after primaries had already been held in 34 states.¹⁴⁸ Bush’s endorsements and political activity show little indication that he is especially interested in fighting for candidates who would push the Republican Party in a more pro-growth direction.

SUMMATION

Jeb Bush once called himself a “head-banging conservative.”¹⁴⁹ There are key elements of his record as governor that merit the title. His support for sizable tax cuts is certainly a sign of someone with pro-growth principles, as is his aggressive promotion of free trade, school choice, entitlement reform, and tort reform. However, some of Governor Bush’s more recent positions on federal issues leave open the question of whether he would be a pro-growth president or would govern from the middle. His more nuanced stances on comprehensive tax reform, combined with higher rates of spending increases, and his support for some corporate welfare programs, including his love of Florida’s citrus industry, give some reasons for pause.

While others have pushed hard for national policies that will lead to more economic freedom and prosperity, Bush focused his energies solely on Florida, and, until recently, he was practically absent from the biggest debates on economic policy at the federal level. To date, his economic agenda for the future has been light on details. Thus, he leaves open the question of whether, as president, he would be more like the Governor Bush of old, or the more recent, cautious establishment candidate Bush.

After reviewing his record, we predict Governor Bush will generally govern as a pro-growth conservative, but we would also not be surprised to have some disappointments along the way. Many have compared him to his brother, the former

president, who amassed a similar record of great successes (tax cuts, deregulation) and disappointments (spending increases, TARP). That comparison is probably apt. However, based on Jeb’s record of governance in Florida, we suspect that the successes could be larger, including more structural reforms, and the disappointments smaller and fewer.

143 Tampa Tribune, 4/16/06

144 The Associated Press State & Local Wire, 1/18/00

145 Palm Beach Post, 4/7/06

146 [Marco Rubio for Senate](#), 5/18/10

147 [Roll Call](#), 5/1/12

148 [Washington Post](#), 3/21/12

149 [Chicago Sun-Times](#), 1/12/15