



Photo by Shutterstock

Bring back the public benefit

If Whitmer is cutting our costs, why are we all paying more?

By James Hohman | January 2024

Gov. Gretchen Whitmer has pledged to do something about the costs that Michigan residents face. What she's done doesn't fit her comments, though. The governor hands out favors to some people and does nothing but raise taxes on everyone else.

Lawmakers approved \$4.1 billion in selective business subsidies last year alone. That's taking money from everyone to hand out to big corporations. The handouts are a response to the siren song all politicians hear that they need to do something about jobs. Instead of improving the business climate, they write checks to big business. It never works. The fastest-growing states aren't the ones writing the biggest checks.

Then there are all the favors that Whitmer has handed out to legislators. The budget is filled with grants tailored to legislators' requests. There is a splash pad here, some developments there, and many more. These payouts are not grant competitions that devote money to the best splash pad or development. They are designed to show that some legislator can bring

money back to his or her district. This is favoritism in its simplest form. Whitmer has a line item veto that empowers her to strike any or all of these projects, but she chooses not to.

The governor's claims about lowering costs also do not apply to government construction projects. She restarted the policy of requiring union-scale wages on government jobs, which increase costs without improving infrastructure. Construction unions are happy to have the scales tipped in their favor regardless of quality.

“**Our lawmakers are supposed to take a more enlightened view and debate what is needed to make the state work for everyone.**”

The state government does not have a lot of control over most of the costs residents pay. The costs they do directly control are the taxes they levy on residents. And Whitmer is going to raise the biggest one, the income tax. Automatic triggers lowered the tax rate to 4.05% last year, but Whitmer is arguing in court that this was only temporary and that the rate must go back to 4.25%. When it comes to the costs she controls and that everyone pays, Whitmer is working overtime to raise them.

Whitmer and the state's democratic majority legislators are increasing costs to regular taxpayers and distributing it to the people they favor. This does not lower costs, despite their boasts to the contrary. Michigan residents deserve better.

The better approach is for our legislators to focus on the public benefit. This is what our government is supposed to do, after all. Our lawmakers are supposed to take a more enlightened view and debate what is needed to make the state work for everyone. Not just their party. Not just the people who voted for them. Not just the people who donated to their campaigns. They are meant to operate a government that works for the public.

Policymakers looking to secure the public benefit can debate how to operate an efficient and effective justice system. They can work together to ensure that the

public education system is accountable for good results. They can design poverty alleviation programs that help people who need help.

A policy built around the public's benefit wouldn't have occupational licenses that create a barrier to entry without protecting the public. Or police union contracts that keep police from basic accountability. Or budgets that grow faster than taxpayers' ability to pay. Or the pork, corporate handouts and union favors already mentioned.

Available online at: www.mackinac.org/v2024-03



James M. Hohman is director of fiscal policy for the Mackinac Center for Public Policy