Position Letter – Governor Snyder Budget Proposal for MI – 2011 - TPP of WOC

March 26, 2011

Tea Party Patriots of West Oakland County against Governor Snyder's Budget

The Tea Party Patriots of West Oakland County Michigan are strongly against the recent budget proposal put forth by Michigan's new Governor, Rick Snyder, for fiscal years 2012 and 2013.

In summary, Michigan voters gave the Republicans full control in November 2010 with a clear message to CUT State government to help the economy and allow Michigan to compete for new businesses. Michigan ranks 5th in unemployment, 37th in income per capita, and 49th in economic growth. However, Michigan is ranked 9th in government spending per capita. It is also the only state in the USA to lose population for the last 5 years yet state government keeps growing with bloated public pensions, benefits, and salaries. The Governor fails to make any significant cuts in total state government in 12FY budget (only 1.9%) and instead shifts taxation from businesses to senior citizens on fixed incomes. Seniors will consume less with Michigan businesses and many will exit the state and follow our college graduates who are abandoning Michigan in droves to land jobs to survive. And to make matters worse, in 13FY the new governor actually increases government spending 1.5%. How is that sacrificing? If this budget is approved by Lansing then we will assure Michigan's economy and citizens will continue to suffer and lag behind other states. They need to kill the pension tax idea by simply having the courage to cut bloated public pensions, benefits, and salaries that are much higher than private sector and other states. That alone would cut government 10% and still allow reduction in business taxes! Michigan government needs to be downsized if we really want to compete for businesses and residents. The role of our government should NOT be to line the pockets of public employees. Michigan residents and Tea Party Patriot groups need to contact the Governor and representatives in Lansing and tell them loudly to NOT raise any taxes and that the state government finally needs to SACRIFICE like the private sector has for years.

The following key points justify and explain our positions in more detail:

1. Michigan has the 49th worst economic growth in the USA and is the only state to be losing population for the last 5 years with now only 9.88 million citizens.
2. Michigan still has one of the highest unemployment rates in the nation and ranked 5th.
3. Michigan is ranked 37th in income per capita and our residents can't afford to pay more in taxes.
4. Federal and State government spending and debt are out of control. The Federal government is now over $14 trillion in debt and $1.6 trillion deficit this year alone.
5. Federal and State governments are going bankrupt because they have FAILED to have the courage and will to CUT spending, waste, and unconstitutional programs.
6. Michigan has a deficit of $1.4 billion and long term debt of $14.94 billion. The long term debt has grown 50% over the last 5 years and is driven by bloated public employee pensions. It is unsustainable.
7. In the recent deep recession companies have made large CUTS (10% to 20%) in expenses, salaries, wages, jobs, and benefits to survive. Many have closed or gone bankrupt. Most companies also have eliminated defined benefit PENSION programs many years ago and replaced with defined contribution plans. Yet governments resist any significant cuts or structural changes like right to work.
8. In November 2010 voters across the nation and Michigan voted for fiscal conservatives to help cut bloated governments. Michigan shifted from a BLUE state to a RED one. They sent a message to Lansing that we need state government to be reformed and CUT.

9. Snyder's recent budget proposal FAILS MISERABLY in cutting total state government SPENDING. He is pushing for a mere 1.9% in 12FY and then increases spending by 1.5% in 13FY!
10. If Snyder was running a real $50 billion business do you think it would be an impossible challenge to cut 5% or 10%?
11. Total Michigan state government spending for the past 5 years has increased 23.4% from 2006 to 2010 despite a major recession and drop in population by 207,000 citizens.
12. Previous BIG GOVERNMENT Governor Granholm left the state with an 11FY budget with a huge deficit exceeding $1 billion.
13. Governor Snyder's new budget proposal for 12FY is $46.6 billion (down only 1.9% or $0.9B from 11FY of $47.5B) and 13FY is up to 1.5% to $47.3B.
14. Instead of making 10% level cuts in government spending, the Governor proposes to essentially keep BLOATED government near the same size but just shift the tax revenue from businesses to senior citizens.
15. Increasing taxes on pensions on our Senior population is wrong. The last thing we need is to RAISE taxes in Michigan. This will cause seniors to spend less at Michigan businesses and many to exit the state.
16. The problem is the public pensions are BLOATED and must be cut, not taxed. Bloated pensions are wrong and taxing them is wrong. Two wrongs do NOT make a right. The Governor needs to CUT rather than raise taxes.
17. Governor Snyder's business tax reductions are good. Governor Snyder & Lansing need to balance the tax reduction for businesses by corresponding spending CUTS in state government.
18. As the near worst economy in the USA, the last thing Michigan government needs to do is RAISE TAXES.
19. The Governor apparently does not have the courage of Wisconsin Governor Walker to go after the root cause and main cost drivers and CUT Public Pensions directly.
20. The new Governor apparently believes fixed income senior citizens need to sacrifice instead of Michigan state government sacrificing.
21. A 2% cut and then an increase is humorous and embarrassing. He is acting much like our Federal Government that is debating if they should cut 0.16% or 1.6% of the budget where they are overspending by 69% this year alone!
22. It is very clear that Michigan voters have awakened but Lansing is still asleep and still don't get it. We don't need shared sacrifice…we need leadership to CUT government, lower taxes, and increase freedom to allow our state to compete and prosper.
23. If Governor Snyder continues down this path, then Tea Party Groups across the state need to start thinking about replacing him with a real fiscal conservative in the next election.
24. The Governor needs to stop proposing detail cuts and battling in the weeds. Instead he needs to lead like an Executive and demand a 10% cut and permanent structural changes. Then let Lansing get it done.
25. So we now need WE THE PEOPLE (especially Tea Party Groups across Michigan) to pressure the Governor and our Lansing representatives to implement REAL and SIGNIFICANT (10%+) state government cuts. Please contact them NOW!!! We can't afford to wait go down the wrong path again.

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