



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

GRETCHEN WHITMER
GOVERNOR

GARLIN GILCHRIST II
LT. GOVERNOR

March 3, 2022

Dear Speaker Wentworth, Leader Lasinski, Senate Majority Leader Shirkey, and Leader Ananich,

The past two years have been hard on every American, and while families across our state have faced real challenges, Michiganders are tough – and there is nothing that can stop us when we work together. In just the past few months, we worked across the aisle to pass a bipartisan budget that invested more in schools, roads, and police. We passed an economic development package that led to the largest private investment in our state’s history with General Motors. And just last week I signed bipartisan legislation that will help us lower the cost of prescription drugs.

In these tough times, it is imperative that we keep up this positive momentum and stay focused on getting things done that will make life better for working families right now. That is why the executive budget recommendation I presented last month provided sensible and sustainable investments in public education, road repairs, and public safety. I believe that seniors who worked hard, played by the rules, and budgeted their whole lives should be able to retire and keep more of their hard-earned money. When fully implemented, my plan to roll back the Retirement Tax will save 500,000 households an average of \$1,000 per year, and my plan to triple the Earned Income Tax Credit would put nearly \$3,000 in the pockets of 730,000 Michiganders. Cutting taxes for our seniors and working families will make a real difference for people who are struggling the most right now to afford essentials like gas, groceries, and prescription drugs.

Since the pandemic began, we have worked together to turn a projected \$3 billion deficit into a \$7 billion surplus, and I am committed to working across the aisle to pass another balanced budget this year that puts Michigan families first. Now is the time for us to come together and begin formal negotiations over state budget and tax policy decisions that are focused on putting money back in people’s pockets and making responsible investments that will fuel a strong and growing economy.

I have serious concerns that the legislation passed by the House and Senate this week does not meet that standard. In its current form, this bill is fiscally irresponsible, unsustainable, and could increase costs for Michigan families at a time when they can least afford it. According to the [nonpartisan House Fiscal Agency \(HFA\) analysis](#), this legislation will create a massive, ongoing, multi-billion-dollar budget deficit. This would force the legislature to either raise taxes on Michigan families, or make deep and painful cuts to public schools, road repairs, and police and fire protection. It would mean drastically reducing resources to invest in important priorities like increased access to behavioral health, retaining police and firefighters, veterans, dams, removing lead service lines, and so much more. Moreover, this bill could force the state to send American Rescue Plan dollars back to the federal government instead of investing in Michigan in our shared priorities like education, economic development, and infrastructure. These actions would hurt our economy, our small businesses, and make our state less competitive.

While I will not support legislation that forces cuts to schools, road repairs, and public safety, I am encouraged that the House and Senate agree in principle that putting money back in the pockets of Michigan’s retirees and working families is a priority. It is my sincere hope that we can now come

together to negotiate a compromise that fully considers a budget alongside any tax policy decisions while putting the people of Michigan first. We must also seize this opportunity to quickly appropriate the billions of dollars in federal resources the state has to keep our economy moving forward. State Budget Director Chris Harkins is prepared to meet with Chairman Albert and Chairman Stamas at once to continue this important work.

I appreciate your efforts, and I am confident we can come together to get this done for the people of Michigan. I look forward to meeting with you at our regularly scheduled quadrant meeting next week to discuss next steps.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gretchen Whitmer". The signature is fluid and cursive, with a large initial "G" and a long horizontal stroke at the end.

Gretchen Whitmer
Governor