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Why did Governor Ige get an F for fiscal policy?

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Governor David Ige scored an "F" in a national Fiscal Policy Report Card, issued by the Cato Institute, which graded the governor of every state based on state budget records. Governors who cut taxes and decreased state spending received the highest grades, while those who increased taxes and spending received the lowest.

Ige scored poorly primarily because of his proposed tax and spending increases. General fund spending rose 7% in 2016, and the Governor proposed a 12% increase in spending for 2017. In total, Governor Ige increased spending by $1.8 billion since he took office. The biggest increases went to Human Services, Budget and Finance, Education, and Transportation.

Governor Ige also received a poor grade for proposing large tax increases to pay for the spending spree, adding to Hawaii's rising cost of living. Proposed tax increases would make owning a car more expensive, and increase the price of gas at the pump.

Hawaii families may see more of their hard earned tax money spent on growing government bureaucracy under Governor Ige's proposed budget for 2017. As you can see from the chart below, the tax dollars would grow government spending, which isn't necessarily a good thing.

When spending goes up, Hawaii families have to pay for it. As the saying goes, there ain't no such thing as a free lunch. Is it worth raising taxes on Hawaii's working families just to pay for even more government bureaucracy?

Throwing money at a problem doesn't necessarily fix it. Take the Department of Transportation's exorbitant spending, which is set to increase by almost $127 million under Governor Ige's plan. The increase seems unnecessary, as the department already spends$203,937 per mile of roadway–among the highest in the country–for the fewest amount of roads, and our highway performance still ranks at the very bottom.

When an individual spends their own money on a good or service, the tendency is to acquire the highest quality product for the lowest price. Conversely, when government officials spend other people's money on a good or service, there is little incentive to search for high quality or low price. Because of this, allocating more money to a department that is performing poorly isn't likely to yield the results that taxpayers want to see, though it does allow politicians to claim that they helped.

However, it should be noted that the Governor Ige's proposals to pay down Hawaii's debt for pension and healthcare unfunded liabilities may be a step in the right direction towards making Hawaii's economy prosper, just so long as the catch-up payments don't involve even higher taxes.

Government does play an important role in society; however, it is the responsibility of citizens to keep government in check. When there is a problem, systemic changes need to occur within Hawaii's government agencies, and smart policies need to be adopted. As Hawaii's government continues to grow, and tax hikes become ever more prevalent, we must ask ourselves: are these tax increases necessary? Or could lower taxes be the key to helping hard working families prosper?