



Michigan ROUNDUP

....Governor Blanchard has announced his 1987-88 budget recommendations. Expecting modest growth in the economy and no increase in taxes during the next fiscal year, he proposed a 2.8% increase in state expenditures, bringing the total budget to nearly \$6.5 billion. The budget assumes the income tax rate will be rolled back to 4.4% this year. Highlights include a 3% increase in welfare grants, the first since 1979; a 5.7% increase for four-year public colleges and universities as well as \$15 million to be distributed using a funding formula (opposed by House Speaker Gary Owen); a 4 to 6% increase for community colleges; a 3.3% increase for K-12 schools, with \$7.5 million for a preschool program for educationally disadvantaged children; a 5.4% increase in revenue sharing payments to local governments; new funding of \$11.6 million to combat infant mortality; and an additional \$52.7 million for corrections.

....The State Board of Canvassers approved the format of the Right to Life of Michigan petition that would call for a ban on Medicaid funding of abortions, except those to save the life of the mother. Supporters are expected to begin gathering the required 191,726 valid signatures in February.

....Salary increases for top state officials--governor, lieutenant governor, state senators and representatives, and supreme court justices--will go into effect February 1. The legislature could have rejected the increases, but did not. Senators' and representatives' salaries will rise from the current \$36,520 to \$38,163 in 1987 and to \$39,881 in 1988.

....A recent U.S. General Accounting Office report estimated that 7% of Medicare patients nationwide had to be hospitalized longer than necessary in 1985 due to a shortage of beds in nursing homes and the lack of Medicare coverage for home services. Of the 866 hospital discharge planners surveyed, 97% stated it was difficult to release patients who required either nursing home or home service care.

....Consumers Power Co. and Dow Chemical Co. signed an agreement this week to form a partnership, the Michigan Cogeneration Venture, to convert the unfinished Midland nuclear power facility into a natural gas-powered plant. Under the agreement, Consumers will own 49% of the partnership and Dow Chemical--through a new subsidiary called Rofan Energy, Inc.--will own 10%. Investors are being sought for the remaining 41%. The total cost of the conversion is estimated at \$600 million. It is expected to be fully operational by 1990 and to generate electricity for 700,000 people.

....A recent New York Times-CBS News poll shows that former Senator Gary Hart leads prospective Democratic presidential candidates and that Vice-President George Bush is the favorite among Republican hopefuls. The poll of 1,590 adults who were likely to vote in presidential primaries showed Hart leading New York Governor Mario Cuomo, 33% to 17%; with the Reverend Jesse Jackson third with 9%. Bush led Senator Robert Dole 36% to 15%, with former Senator Howard Baker receiving 9%, Representative Jack Kemp netting 6%, and the Reverend Pat Robertson collecting 5%. Thirty-nine percent of those questioned said they would support the Democratic nominee in 1988, while 27% said they would back the Republican nominee.