



*Public Sector Reports*

## Michigan ROUNDUP

### Legislative Week in Review

- In a brief session noteworthy for the absence of debate on the question of **salary increases**, the House voted Thursday to uphold the Senate resolution killing the pay raises earlier recommended by the State Officers' Compensation Commission. The House action was fully anticipated in the face of sustained public and media disapproval of the proposed salary and reimbursement hikes for the governor, lieutenant governor, supreme court justices, and legislators. Rep. Dominic Jacobetti (D-Negaunee) said on the House floor that although he would neither speak nor vote in favor of the higher pay at that time, he planned to offer next week his own views on why the increase was warranted.
- Dubbed "the road show" by detractors, the House **Appropriations Committee hearings** held at six locations throughout the state drew capacity crowds from Marquette to Lansing to protest potential cuts in state services. The largest of the six sessions was held in the capital on Wednesday, where an estimated 2,000 citizens warned against the effects of cutbacks.
- The House Democrats' counterproposals to Governor Engler's suggested **budget reductions** were unveiled Thursday. They include borrowing \$333 million from the state's "rainy day" fund and cutting spending by an equal amount in the current year. The remainder of the estimated \$1 billion shortfall in the current year would be made up through bookkeeping adjustments and other short-term strategies, such as changing payment dates, early retirement incentives, sale of assets, and furloughs. In addition, the Democrats' plan calls for \$800 million in cuts to the FY 1991-92 budget and for a \$1 billion baseline budget reduction in FY 1992-93.
- The House and Senate will meet in joint session on February 11 at 7:00 p.m. to hear Governor Engler's first **State of the State Message**. March 7 is the tentative date for the governor's 1992 budget message. Public Sector Consultants' 1992 budget seminar for clients and subscribers will be held on March 22.
- In the U.S. Congress, a bill to increase national **auto fuel efficiency** to an average of 40 miles per gallon by 2001 was reintroduced this week. Supporters of the legislation in both the House and Senate predict that uncertainty over the Persian Gulf will help them gain passage of the controversial measure, strongly opposed by auto makers. U.S. Rep. John Dingell, Dearborn Democrat and Michigan's senior congressman, has led successful House opposition to similar bills in the past; U.S. Senator Donald Riegle is expected to lead opposition again in the Senate.

### Political News

- President George Bush has not forgotten who successfully ran his Michigan presidential campaign: Governor and Mrs. John Engler shared a private **White House coffee break** with Bush the morning after his State of the Union address. According to Engler spokesman Rusty Hills, "The President wanted to know about Michigan, how things are going."
- "Don't unpack—we'll be back," said newly elected state **Democratic Party chair** Gary Corbin to Republicans following his unanimous and uncontested designation at the party's convention in Detroit last weekend. An ordained minister, Corbin served three state Senate terms and ran briefly for governor in 1982.
- Oakland County Deputy Executive Patrick Nowak was named **transportation director** by Governor Engler this week. Nowak has chaired southeastern Michigan's transportation agency and has served since 1977 as deputy to County Executive Dan Murphy, who is recovering from a recent stroke. According to the *Detroit Free Press*, Nowak's appointment heats up speculation that, should Murphy resign for health reasons, former Oakland County prosecutor L. Brooks Patterson might be named to the county's top post. Only one state agency top slot remains vacant, the Department of Commerce directorship, and Engler said he plans to fill it in the very near future.
- The snail-paced site selection process may prompt Michigan's expulsion from the Midwest consortium that originally picked the state to host the first **regional radioactive waste dump**. Associated Press reports quote the executive director of the Midwest Interstate Low-Level Radioactive Waste Commission as stating: "There is growing pessimism that Michigan is going to develop this facility." Seven neighboring states asked Michigan in 1987 to build a regional dump; site selection has stalled, and the commission has subsequently cut project funding.
- The **Office of Children and Youth Services**, autonomous from the Department of Social Services (DSS) since 1978, has been reattached to that department under an order issued this week by Governor Engler. Deputy DSS Director John Kost, a longtime Engler aide, has been named the office's acting executive director.
- The U.S. Census Bureau stands by its official count of **Detroit's population** at 1.028 million, after months of conversation between bureau and city officials. While happy to be safely above the million mark, the city contends that the final tally may be short by about 20,000 citizens.

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