



Michigan ROUNDUP

....Governor Blanchard's State of the State message on Wednesday highlighted the need to improve the environment, further diversify the economy, retrain laid-off workers, improve education, and assist businesses. His strategies include plans to create a task force to recommend reforms in insurance regulation and a new Cabinet Council on Human Investment; develop a plan to reduce the high school dropout rate; reduce welfare caseloads through four initiatives; establish a task force to ensure adequate health care for the uninsured; establish a single state agency responsible for developing programs to serve children; and review the civil service system. He also recommended a preschool program for four-year-olds "at risk;" increasing the Research Excellence Fund to \$26.2 million; 3,800 more prison beds; work-and-learn camps for juveniles; a state hazardous waste research center; returning to public use a portion of unclaimed bottle deposits; creating a Harbor Development Fund; reducing the income tax rate to 4.4%; providing property tax relief; reducing the single business tax rate; and refining the certificate of need process.

....Senator Jack Welborn introduced a bill to dissolve the joint legislative committee charged with developing a proposal for a statewide referendum on the question of funding Medicaid abortions. Welborn, who chairs the committee, said he does not want the committee to interfere with the Right to Life of Michigan's petition drive to ban Medicaid-funded abortions. Welborn strongly supports the drive. The bill also makes appropriations for the DSS from March 16 to September 30, 1987, with a line item that the governor could veto without affecting the entire Medicaid budget, prohibiting Medicaid funding for abortions.

....Senate Majority Leader John Engler and House Minority Leader Paul Hillegonds laid out the state GOP legislative agenda this week. Improving public schools and reducing financial dependence of schools on property taxes emerged as the main goals. The current school funding system has created inequities whereby more affluent school districts can afford to spend significantly more for each student than districts with a smaller tax base. Also on the agenda is reducing business costs through property tax reductions and workers' compensation and unemployment reforms. Senator Engler said that to improve the business climate in Detroit, the legislature should pass tougher laws to get criminals off the streets.

....State Police director Col. Gerald Hough has announced his retirement from the post he has held since 1977. Macomb County Sheriff William Hackel has been mentioned as a possible successor. Former Department of Social Services director Agnes Mansour has accepted a position as executive advisor with Mercy Health Services, a subsidiary of the Sisters of Mercy order.

....House Speaker Gary Owen has formed an 18-member bipartisan committee to study the issue of evening out the distribution of tax revenues to school districts, while reducing property taxes simultaneously. Representative Lynn Jondahl, who was appointed chairperson, is hesitant to reduce the income tax rate to give back the anticipated \$150-175 million windfall from federal tax reform and wants to study alternatives such as property tax reform. Governor Blanchard supports reducing the income tax rate to 4.4%.