

Michigan ROUNDUP

Legislative Week in Review

■ Governor Blanchard today unveiled an austere general fund/general purpose (GF/GP) budget for fiscal 1990 of \$6.988 billion, just 2.53 percent larger than current year appropriations of \$6.815 billion. As expected, the Department of Corrections gained substantially, by \$53.2 million, rising to \$667.9 million to pay the costs of operating an expanding prison system. The governor also recommended a major increase of \$57.8 million for the Department of Mental Health, bringing its figure to \$868.1 million. By contrast, the Department of Social Services is slated to drop by \$34 million, to \$2.185 billion, as is the Department of Public Health, whose budget would decrease to \$127 million from \$129.8 million. Total school aid spending would rise by \$142.1 million, to \$2.821 billion, including \$36.6 million in increased GF/GP support, which is calculated to reach \$540.4 million. Appropriations for higher education would rise to \$1.061 billion, up just \$9.4 million from current spending plans. Community colleges are slated to receive \$207.5 million, an increase of \$6.1 million. Higher education financial aid programs would get a modest increase of \$2.6 million, to \$87.5 million. By contrast, the Department of Education budget would be increased by 20 percent, rising to \$52.8 million.

■ A proposal to create a tax-exempt savings program for would-be homeowners received more attention than any other aspect of Governor Blanchard's State of the State message. The Home Ownership Savings Trust (HOST) would allow people to buy special state bonds as a means of saving money for a down payment on a home. Modeled on the Michigan Education Trust (MET) savings plan for college tuition, HOST would guarantee to participants that their account would meet requirements for a down payment on a home in the price range they would select upon enrollment. Homebuilders gave the program cautious support, while some in the thrift industry viewed the plan as unfair competition. A few newspaper editors opined that the plan could jeopardize other state programs because it would require the general fund to make up the difference if an account's interest earnings failed to produce enough to meet the specified down payment. Legislators, including Senate Minority Leader Art Miller (D-Warren), were upset because State Treasurer Robert Bowman, creator of the HOST plan, said it could be implemented without approval from the legislature.

Political News

■ When state Republicans gather in Grand Rapids Friday and Saturday for their annual state convention, they are expected to reelect party chair Spencer Abraham. Several potential candidates for the U.S. Senate seat held by Democrat Carl Levin will maneuver for attention. Dick DeVos, son of Amway Corporation cofounder Rich DeVos, scored a major coup by obtaining permission to address the convention, a privilege usually reserved for holders of elective office and party officials. DeVos also will host pre- and postconvention receptions. Tenth District U.S. Rep. William Schuette (R-Sanford) will be featured guest at a party thrown for him by Ronna Romney, GOP national committeewoman, and he also will speak during the convention. Another candidate, Clark Durant, wealthy former head of the U.S. Legal Services Commission, will play host at his own reception. Fifth District U.S. Rep. Paul Henry (R-Grand Rapids) will take full advantage of his position as the convention's official host by greeting delegates at two receptions and delivering an address during the official gathering.

■ F. Thomas Lewand, newly elected chair of the Michigan Democratic Party, has named Carol Norris, veteran legislative aide and bureaucrat, as the party's executive director. Lewand's candidacy drew some opposition because he said he would continue to practice law while running the party. Lewand succeeds Rick Wiener, who considered the position a full-time job. Norris, former director of the Michigan Modernization Service in the Department of Commerce, also served as deputy director of the Bureau of Urban and Public Transportation in the Department of Transportation. She was chief aide to the House Taxation Committee and was the House Democratic staff's transportation specialist.

■ Sen. Virgil Smith (D-Detroit) says that the potential opponent for Governor Blanchard in the 1990 campaign, Senate Majority Leader John Engler (R-Mt. Pleasant), has become increasingly responsive to the needs of blacks and urban areas, while Democrats appear to be taking black support for granted. Smith said he would be happy to have both parties compete for the attention of blacks, who traditionally have been the most loyal group in the Democratic Party. "If Jim Blanchard doesn't respond [to black concerns], maybe John Engler will," Smith told reporters.