



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

....The Senate Finance Committee has approved a **school finance reform** package that would reduce property taxes levied to operate schools and replace the lost revenue by increasing the sales tax from 4 to 5 percent. The bills, one of which would also subject lottery winners to the state income tax, may face strong opposition in the full Senate, where seven Republicans have joined Democrats in defeating a K-12 education reform package on grounds that the bills would allow the state to usurp local control of programs without providing new revenue to help districts meet stiffer requirements. The school finance reform package also would provide no additional revenue for schools.

....The federal Health Care Finance Administration has decided to end its 22-year relationship with **Blue Cross and Blue Shield of Michigan** (BCBSM) for processing Medicare claims for hospitals, nursing homes, and home health care. Richard Femmel, BCBSM vice president, said the state will lose 350 jobs because no other Michigan organization is large enough to handle the one million claims worth \$2 billion a year. The federal agency said that BCBSM, which makes \$13.4 million annually on the contract, will not be allowed to rebid because of poor performance and that an out-of-state insurer can easily process Michigan claims. Governor Blanchard, the Michigan congressional delegation, and the Michigan Hospital Association have asked for a review of the decision.

....If the governor's proposal for a **neighborhood youth corps** requires 18- to 20-year-olds to join or lose their general assistance benefits, two Democrats on the House Appropriations Committee will oppose it. Reps. David Hollister (Lansing) and Joe Young, Sr. (Detroit) said that since an estimated 40 percent of the 6,800 eligible youths would lose their benefits because they would refuse corps jobs, they would be more likely to turn to crime.

Political News

....The **Americans for Democratic Action (ADA)** and the **American Conservative Union (ACU)** agree that Michigan's delegation to the U.S. House of Representatives is among the most liberal. The ADA considers anyone scoring 70 or higher on a scale of zero to 100 a liberal; scores of Michigan's eleven House Democrats ranged from Bob Traxler's 80 to Dale Kildee's 96. Republicans Robert Davis (44), Paul Henry (36), Carl Pursell (24), and Fred Upton (16) were rated more liberal than most Republicans. Guy Vander Jagt (0) was rated the most conservative Republican. The ACU considered all eleven Democrats extremely liberal. Among the Republicans, only Vander Jagt and William Broomfield were judged by the ACU to be true conservatives. Henry and Davis were considered moderately liberal; Upton, Bill Schuette, and Pursell were ranked as moderately conservative. Both the ADA and ACU base their ratings on voting records but select different key votes.

....The *Detroit News* has endorsed Wayne County Commissioner Jackie Currie in the February 23rd Democratic primary election to select a candidate for the **2nd District State Senate seat** vacated by Basil Brown. The *Detroit Free Press* has endorsed State Rep. Virgil Smith. They are among eleven Democrats seeking the seat. Winning the Democratic primary is tantamount to election in this district. The winner will face Republican Cynthia Brewer in the March 15 special election.

....State Senate Majority Leader John Engler (R-Mt. Pleasant) says he will continue to push for a March **presidential primary** by 1992. Engler hopes to convince other midwestern states to hold their primaries the third Tuesday in March. "When you talk about winning the November election, it's states like Michigan that determine outcomes, not the New Hampshire or the Iowas," he told the *Lansing State Journal*. Opponents say that at about \$4.5 million the primary would be too costly to justify changing from the present caucus (Republicans) and convention (Democrats) systems.