



Michigan ROUNDUP

....The much-disputed 1986-87 Medicaid budget bill passed the full House on a 92-8 vote, clearing the way for continued funding through September 30 for hospitals, doctors, pharmacists and health maintenance organizations. The bill contains a one dollar limit on funding abortions, a provision the governor has vowed to veto. No override of the veto is expected.

....In a meeting with legislative leaders and state officials, Governor Blanchard said he will oppose the gasoline tax increase sought by the Department of Transportation. Increasing the 15-cent-per-gallon tax ceiling to 16.5 cents would have raised about \$60 million this fiscal year for highway maintenance.

....A bill to help protect corporate officers and directors from shareholder lawsuits resulting from business decisions was approved by the House, 86-13. SB 18, expected to be approved by the governor, does not provide protection from lawsuits resulting from deliberate misconduct, criminal action, or improper personal gain.

....The Senate Government Operations Committee interviewed new Department of Social Services Director-designate Patrick Babcock this week and decided not to take any action regarding his appointment. As a result, Babcock will automatically become DSS director on March 1. There have been few applicants for Babcock's previous position, director of the Department of Mental Health. Acting Director Tom Watkins has indicated he is not interested in the post.

....State Superintendent of Public Instruction Phillip Runkel has resigned to become president of Northwestern Michigan College in Traverse City. Runkel served as superintendent for nearly seven years. The State Board of Education will begin a nationwide search for his successor; Utica schools Superintendent Donald Bemis emerged as an early candidate.

....A study released by the National Planning Association predicts that over the next two decades, major cities will be the locations of new jobs, especially in the South and West. Washington, D.C., and Los Angeles are expected to gain over one million new jobs each by the year 2010, while Anaheim, California, and Houston are predicted to gain almost one million each. Detroit ranked 22nd out of 40 major cities, with 434,000 new jobs expected by 2010.

....Carol Norris, Michigan Department of Transportation deputy director of urban and public transportation, is resigning her post to take a position with the Department of Commerce. Norris was the number two person in the MDOT. Governor Blanchard is expected to appoint a successor in two to three weeks.

....The U.S. Treasury Department has released a compilation of public finance papers, one of which uses seven indicators to measure "public spending needs" of the fifty states. Michigan is very near the U.S. average for "need," but spends 12.9% above need, more than all but 14 states. The paper indicates that, for welfare, Michigan spends 96.3% above need, highest of the fifty states. (PSC will issue a Public Policy Advisor on this subject in the near future.)