



Michigan ROUNDUP

Legislative Week in Review

- The \$467 million House-backed spending bill that won surprise Senate approval last Thursday underwent line-item vetoes of just under \$285 million by Governor John Engler before being returned to the Senate this week. Senate Democrats so far have been unable to muster an override of the almost \$209 million of vetoes in Department of Social Services (DSS) budget lines. Engler left \$14.3 million in additional funding in the DSS budget, reportedly enough to prevent the threatened shutdown of day-care licensing operations and to reduce by up to one-half the estimated 1,800 DSS staff layoffs that would have been required under the more stringent 9.2 percent reduction that this bill supplants.
- Petitions for injunctions barring implementation of **17 percent cutbacks** in some DSS benefits checks have been unsuccessful, and the smaller checks are being generated for March distribution, along with a letter confirming the cutback. According to DSS head Gerald Miller, a computer programming error resulted in the letters carrying the names of former Governor James Blanchard and former DSS director Patrick Babcock. Some Democrats are deeply irked over the mishap, which comes on the heels of another recent mass-produced letter from Engler—to laid-off state workers—that critics say unfairly blames Democrats for the layoffs.
- Buoyed by last week's court decision overturning a state law banning Medicaid funded abortions, pro-choice forces this week challenged Michigan's **parental consent law**. Planned Parenthood and the American Civil Liberties Union filed suit in Kalamazoo County Circuit Court in hopes of reversing the new state law, to become effective March 27, which requires minors to obtain parental or judicial consent for an abortion.
- Hearings likely will be scheduled next week on the House **property-tax relief** package—HB 4409-4412 and HJR H—which were introduced Thursday and referred to the Taxation Committee. Democratic strategy for financing a reform package was decimated last month by a surprise state court decision that wiped out a primary funding source by broadening a deduction in the Michigan Single Business Tax. A compromise between the House Democrats' proposal and the Senate Republican version, inspired by Engler campaign promises, is presumed likely.

Political News

- After two months of public hearings capping nearly two years of revelation, speculation, and innuendo, the U.S. Senate Ethics Committee issued a formal rebuke to Sen. **Donald Riegle, Jr.**, and closed its investigation of the so-called Keating Five. At the time the committee investigation into charges of influence peddling by financier Charles Keating began, Riegle had finished his first year as chairman of the prestigious Banking Committee and had helped to shape the S&L bailout bill. That achievement largely has been eclipsed by the subsequent inquiry into possible wrongdoing. A potential 1994 campaign opponent, Grand Rapids businessman Dick DeVos, told the *Detroit Free Press* that Riegle "has given the Republicans plenty to run on" and contends that the issue has damaged the senator's future as a candidate.
- The state **superintendent of public instruction**, Donald Bemis, may leave his post to start a special program at Wayne State University next fall, according to the *Detroit Free Press*. Democrat Bemis has been on leave from his post since shortly after his employer, the State Board of Education, changed to Republican control after the general election. According to the *Free Press*, the Republican-controlled Senate Appropriations Committee has negotiated a fund transfer moving an amount equivalent to salary and fringe benefits for the unexpired months of Bemis's state contract to Wayne State, where a position would be offered for the same period, assuming Bemis and the State Board agree to the arrangement.
- More than 8,000 federal retirees will receive State Treasury **refund checks** next week as the state complies with a 1989 U.S. Supreme Court ruling that found Michigan unfairly discriminatory in taxing federal but not state retirement account payments. Refunds will be paid over four years and will settle an old score between former Lieutenant Governor Martha Griffiths and former Treasurer Robert Bowman. Griffiths, a federal retiree from her years in Congress, was an outspoken critic of the state's tax and had publicly complained of it to Bowman.
- Analysis of 1990 census figures suggests that **racial segregation** in Detroit intensified throughout the 1980s. Statistics published this week showed that even as Detroit's black population grew, making the nation's seventh largest city 76 percent black, white flight hit a 30-year high in the decade, with 46.3 percent of that group moving out. These figures may change if Detroit, along with other large U.S. cities, decides on a court challenge to the Census Bureau's survey accuracy.

Compiled by David L. Kimball

 **Public Sector Consultants, Inc.**

Knapp's Centre • 300 S. Washington Square
Suite 401 • Lansing, MI 48933 • (517) 484-4954