



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

....An impasse on **school finance reform** has developed because Senate Republicans have failed to support a proposal worked out by Sen. Dan DeGrow and Rep. Lynn Jondahl, co-chairs of the Joint Committee on School Finance Reform. It would have increased the sales tax by one cent, provided a minimum of \$3,000 per student, established a 24-mill limit on school property taxes with an additional 2-mill local option, and created an educational trust fund. Senate Republicans want a larger share of property tax relief to go to businesses; Democrats want a 50-50 split between businesses and individuals. DeGrow stated he no longer wanted to lead the Republican effort for reform, and Sen. John Engler said further consideration of the issues should go through the usual legislative process. While the joint committee's role is doubtful, discussions are continuing with Senate and House leaders and Governor Blanchard. Next week the Senate will take up SJR K, which would increase the sales tax by one cent, decrease property taxes 10.5 percent, and guarantee \$2,750 per student. The governor said Thursday he would back an August primary ballot proposal if it called for a sales tax increase tied to improvements in education quality.

....State Insurance Commissioner Herman Coleman said Thursday that **Blue Cross and Blue Shield** could fail unless it got rid of its health maintenance organizations and other subsidiaries. Coleman based his remarks on an audit issued by an independent accounting firm.

Political News

....Public Sector Consultants' pundits Craig Ruff and Diane Drago predict in a **preelection commentary** that Vice President George Bush will retain the White House for Republicans in November, defeating any Democratic opponent. A brokered Democratic convention most likely will nominate: governors Michael Dukakis (Massachusetts) or Mario Cuomo (New York) or U.S. Senator Bill Bradley (New Jersey). Ruff and Drago say that Michigan's U.S. Senator Donald Riegle is "secure" because the divided Republican party will be unable to unite behind its nominee; U.S. Representatives Bob Davis (R-11th District) and Carl Pursell (R-2nd District) will retain their seats despite strong Democratic challenges, while the rest of the Michigan delegation appears safe from defeat.

....Trustees Thursday appointed Edward Jakubauskas president of Central Michigan University effective August 1. Jakubauskas, president of the State University of New York at Geneseo, will receive \$99,800 a year to succeed Arthur Ellis, who is retiring.

....The State Senate will take up a bill to create a **presidential primary** in Michigan on the third Tuesday in March beginning in 1992. The bill would require voters to declare a party preference at least thirty days before the primary; independents would be excluded. The state would pay the estimated \$2 million cost of the election, but local governments would have to pay the \$3.3 million cost of registering party preference.

....State Sen. Mitch Irwin (D-Sault Ste. Marie) Friday announced his **candidacy** for the U.S. congressional seat held by Bob Davis (R-Gaylord).

....The **state unemployment rate** fell from 10.2 percent in January to 8.4 percent in February, as employment rose 3.3 percent (seasonally adjusted). Unemployment in Michigan has averaged 9.1 percent for the last three months; the U.S. rate fell from 5.8 percent in January to 5.7 in February, lowest in more than eight years.

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