



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

- A bipartisan House proposal to raise the sales tax by two cents, cut property taxes by 33 percent, and increase spending on K-12 education by about \$500 million a year clings tenuously to life after the Senate on Wednesday failed to muster enough votes to put the issue before voters on May 17. Representatives Glenn Oxender (R-Sturgis) and Michael Nye (R-Litchfield), drafters of the proposal, will have until next Tuesday to lobby for an additional four votes in the wake of partisan bickering that twice prevented the proposition from receiving the two-thirds majority (26 of 38 senators) necessary to put a constitutional amendment on the ballot. However, the Senate on Thursday did pass four bills aimed at improving educational quality in public schools. One measure would require the Department of Education to draft a model core curriculum. School districts would have the options of creating their own core course plan, using the state's, or paying a \$300 fine. Other bills would encourage school boards to make annual reports to their communities and to the State Board of Education. Another requests that local boards draft school improvement plans. The fourth measure would allow schools to test students for competency and employability skills and place results in student records.
- Sen. Jack Faxon (D-Southfield) has reintroduced legislation that would require physicians as a condition of licensure to become members of a state-operated liability association organized to provide them with **medical malpractice insurance** for claims in excess of \$200,000. Each of the state's 21,000 physicians would have to pay a large premium.
- Rep. Nelson Saunders, chair of the Legislative Black Caucus, says the House will hold hearings within a few weeks to gather evidence of racial discrimination in preparation for drafting bills that would salvage Michigan's law setting aside portions of state contracts for **businesses run by minorities and females**. The U.S. Supreme Court struck down the 1980 statute because it was not based on a finding that actual discrimination had occurred. In FY 1987-88 the state awarded \$147.9 million in contracts to such businesses, about 18.5 percent of the \$800 million total. The law required that 7 percent of contracts be awarded to minority businesses and 5 percent to companies owned by women. The Supreme Court ruling resulted from a suit brought by the Michigan Road Builders Association.

Political News

- The long battle in the U.S. Senate over the nomination of John Tower as Secretary of Defense has delayed action on a number of other appointments, including several for which Michigan Republicans are candidates. GOP National Committeeman Peter Secchia has yet to hear whether he will be U.S. ambassador to Italy. **Ronna Romney**, another member of the party's national committee, is among finalists hoping to become U.S. Treasurer. **William Lucas**, GOP gubernatorial nominee in 1986, awaits word on his nomination to be Attorney General Richard Thornburgh's chief civil rights enforcer. His running mate, former state representative **Colleen Engler**, is a candidate for a position in the U.S. Department of Commerce.
- James Dingeman, a Detroit area businessman, has become the first Republican formally to announce candidacy for election to the U.S. Senate seat held by Democrat Carl Levin. Another potential GOP challenger, attorney Clark Durant, says he may announce his decision in mid-April.
- The withdrawal of Sen. **William Sederburg** (R-East Lansing) from consideration for the presidency of Ferris State University will enable Republicans to hold their slim 20-18 majority in the Senate until 1991. Sederburg was among five finalists for the position until Attorney General Frank Kelley ruled that the state constitution forbids an elected state official to accept an appointive position while in office.
- Does the **Michigan Education Trust (MET)** program, which allows purchase of prepaid college tuition contracts, benefit mostly the rich or the middle class? A press release issued by State Treasurer Robert Bowman says in effect that a four-person family is middle class if its income is \$60,000 a year. According to Bowman, the average income of such households in Michigan is \$46,200. However, Booth Newspapers correspondent David Waymire, armed with U.S. Bureau of Census data, says that only 14 percent of families in the Great Lakes region make \$60,000 or more annually. Since those with an income of at least \$60,000 bought 39 percent of the 40,409 MET contracts, Waymire maintains that the program benefits upper income households more than it helps the middle class. According to Bureau of the Census figures, the average income of Great Lakes families is \$36,615, and most make less than \$40,000. Bowman says that most Michigan families make more than \$40,000, if childless families and those on public assistance are not counted.



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