

Michigan ROUNDUP

March 11, 1993

Legislative Week in Review

- With the Senate poised eagerly to take up **no fault auto insurance** reform legislation passed this week in the House, and Governor Engler anxious to sign the provisions into law, nearly three years of rancorous legislative debate on the topic could be silenced. An eight-hour marathon House session in which roughly three dozen amendments to HB 4156 were rejected finally saw passage, 65-43, of a bill that trades off reduced benefits for auto accident victims in exchange for reduced premium rates. Its backers claim the 109-page proposed statute provides rate cuts and better legal and medical cost controls. Opponents contend that premium reductions are certain to be temporary and that benefits caps will only increase litigation.
- The Senate completed passage last week of most of Gov. John Engler's controversial **anticrime package**. The Senate wrapped up its consideration as the House was beginning deliberations on one of the most often-criticized measures: the so-called no knock bill permitting police to break into a building unannounced to execute a search warrant. The House has been considering its own version of the measure, HB 4215, which mandates a three-year sunset for the legislation and requires both a district and circuit court approval for a no-knock warrant.
- Tougher new proposed **unemployment insurance** provisions likely will not founder much longer in the House Labor Committee. Co-Speaker Paul Hillemonds has pledged to exercise one of his twelve options to propel a bill deadlocked in committee directly to the chamber floor. Under the shared power agreement in the lower chamber, each co-speaker receives a dozen "gridlock-buster" options. SB 2, previously passed by the Senate, would reduce the state's unemployment insurance costs, in part by reducing benefits. Negotiations in the full House between advocates for business and industry are reportedly at an impasse.
- With the ongoing House Fiscal Agency (HFA) probe on everyone's minds, an **ethics reforms package** breezed through the lower chamber without opposition this week. HR 70 would open the chamber's financial records to the public, while other measures would enlarge the HFA oversight panel (HB 4373), mandate biennial legislative audits (HB 4185), and set up new ethics commissions for both the House and Senate (HB 4194).
- A Senate bill passed this week penalizes parents of **truant children** and rewards retirees in the same breath. An amendment to SB 141—which requires children to maintain a good school attendance record in order for their parents to claim them as deductions or exemptions on state and federal returns—would exempt all pensions from state taxes. Currently, only government employees' pensions are exempt.

Political News

- Those budget-balancing **forced furloughs** imposed on thousands of state employees in 1991 could boomerang and cost the state plenty under a U.S. District Court ruling this week. Requiring salaried employees to take days off without pay violates federal labor regulations, according to Judge Richard Enslin. Although the ruling affects only 400 employees in a union that filed suit, the decision could set the stage for salaried workers represented by other unions. Hourly workers are not affected by the ruling; the number of salaried workers among the 36,000 state employees furloughed in 1991 was not immediately known. The state is considering an appeal of the ruling.
- First Lady Hillary Rodham Clinton plans to hold a **town meeting in Michigan** later this month as part of her national fact-finding on health care costs and their implications for employers and employees. The Michigan meeting, set for March 22 in Dearborn, is said to have been encouraged by U.S. Sen. Donald Riegle, who chairs the Senate Finance Committee's health subcommittee. According to the *Detroit Free Press*, executives of the big three automakers are pulling hard for national health care legislation to curb costs that currently add about \$1,000 to the cost of each American-made car—about \$600 more than Japanese carmakers pay.
- Ten-term state Rep. David Hollister (D-Lansing) announced this week his candidacy for **Lansing's mayoral race**. Other candidates include the incumbent, former legislative aide James Crawford.
- Michigan's model program for in-home care of **abused and neglected children** is credited with saving the state upwards of \$80 million in foster care costs. An independent study commissioned by the Department of Social Services found that "Families First," the state program that places a social worker in troubled homes, costs an average of \$1,900 per child, compared to the \$13,000 annual cost for each child in foster care.