



*Public Sector Reports*

## Michigan ROUNDUP

### *Legislative Week in Review*

- The House adjourned Wednesday for a two-week spring break after approving all but two of the House-originated budgets. After more than three hours of debate, the House passed the FY 1990-91 Department of Social Services (DSS) budget, appropriating \$2.4 billion in general fund/general purpose monies, or \$844,000 more than the governor recommended. An attempt to restore Healthy Start, the governor's proposed initiative to provide health care to uninsured low-income children, failed when the House rejected an amendment to fund the program through a tax increase on bank savings deposits. The two budgets not passed were for regulatory departments (Commerce, Labor, and Licensing and Regulation) and the Department of Agriculture. Debate on the regulatory budget was heated, with out-state lawmakers complaining that more than 90 percent of the recommended \$42 million state equity program goes to Detroit. The equity program provides grants to cities for promotion of the arts, maintenance of public cultural facilities, and police protection at special events.
- Due to a ruling by the Michigan Court of Appeals, the **Detroit utility tax** can continue to be collected by the city after April 12. The court extended the deadline set by a lower court, and the delay will continue until the Court of Appeals rules again.
- The Senate Commerce and Technology Committee issued a report on **no-fault auto insurance** reform which states that "any effective statutory rollback in auto insurance premiums must be accompanied by a reduction in the underlying costs of those premiums." It suggests ways to reduce the costs of tort litigation, medical care, and collision and comprehensive coverage.
- Under legislation signed into law this week, by 1995 Michigan will have **21 additional judges**, six in the circuit courts and 15 in the district courts. The cost to the state will be about \$2.1 million and to local governments about \$3.7 million.
- By Executive Order, Governor James Blanchard has created the new position of **state environmental inspector general**, in the Department of Management and Budget. Blanchard named toxicologist James Bedford to the job, which entails ensuring compliance with all state and federal environmental regulations as well as investigating complaints involving hazardous substances. Bedford formerly was with the Toxic Substance Control Commission.

### *Political News*

- In separate announcements this week, three veteran state lawmakers confirmed **reelection plans**. Rep. Tom Mathieu (D-Grand Rapids) will seek a ninth term, Sen. Jack Welborn (R-Kalamazoo) plans to run for a fourth term, and Sen. Lana Pollack (D-Ann Arbor) announced her bid for a third term.
- A report this week from the state auditor general says that most of the nearly \$3 million in state grants to local communities under an environmental program to promote **garbage reduction** were spent on unrelated projects. A *Detroit Free Press* summary of the audit report states that \$2.6 million either went to ineligible communities or projects or was not authorized by the legislature.
- According to the Associated Press, U.S. Rep. **Bill Schuette** has been charged with voting on bills important to chemical interests while owning a large amount of stock in Dow Chemical Company. F. Thomas Lewand, chairman of the Michigan Democratic Party, has claimed that at least eight of the Republican congressman's votes between 1985 and 1987 represented an apparent conflict of interest. The report says that Schuette plans to create a blind trust for his stock holdings, from which he received about \$47,000 in dividends last year. Schuette's spokesman called the charges of impropriety "scurrilous, vicious, and bogus."
- The new director of the **Michigan Employment Security Commission** is Jack C. Barthwell III, former communications and government relations vice-president for Stroh Brewery Company. He also is a former staff director for two U.S. representatives, George W. Crockett, Jr., and Charles C. Diggs, Jr.
- Nearly one American in eight is **uninsured**, according to Census Bureau figures released this week, as the U.S. Senate considers a proposal that all Americans have either private or public health coverage. Associated Press reports of the study note that 26.5 percent of Hispanic Americans were not covered in 1988; the figure was 20.2 percent for blacks and 11.7 percent for whites.
- Democratic National Committee (DNC) officials were caught off guard when Detroit abruptly pulled out of consideration as a host city for the **1992 Democratic National Convention**. According to the *Detroit News*, Mayor Coleman Young issued a statement saying that other urgent priorities—including an \$81 million budget deficit—prevented the city from coordinating properly the DNC's scheduled three-day site visit next week. Young's aides subsequently reported that other contending host cities had made financial guarantees to the DNC that Detroit was unwilling to match.
- **THE MICHIGAN ROUNDUP WILL NOT BE PUBLISHED THE WEEKS OF APRIL 16 AND 23 BECAUSE THE LEGISLATURE IS IN RECESS.**

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