



Public Sector Reports

## Michigan ROUNDUP

### Legislative Week in Review

- Twelve of the 16 Democratic state representatives who serve on the House Appropriations Committee sent a letter to Governor Blanchard on April 11 calling attention to the large number of unfunded and underfunded mandated and existing programs and executive initiatives in the governor's proposed **FY 1989-90 budget**. Revenue projections, the lawmakers state, do not provide adequate funding for the juvenile crime package, the protective services legislation sponsored by Rep. Debbie Stabenow (D-Lansing), the state match for local public health departments, training of new corrections officers, the 3.5 percent raise for all state classified employees, and others. Moreover, new federal mandates for mental health and social services have increased the burden on the general fund. The letter concludes by calling for the governor to cut services: "Because state government cannot provide the mandated services at the level of funding recommended, we would like you to expeditiously review the various program mandates and recommend to each subcommittee chair which of these services you no longer wish us to provide."
- The Senate yesterday passed the **Michigan Department of Social Services FY 1989-90 budget** without amending the Appropriations Committee recommendation. The Senate met the general fund/general purpose target of \$2.185 billion set by the governor, although it restored many of the cuts he had proposed for the Medicaid program. The bill now goes to the House.
- Attempts to forge a **school finance reform** package continue. Edgar Harden, the mediator of the negotiations between the governor and business, labor, and education groups, stated in the *Detroit Free Press* that the various parties cannot agree on a plan that lowers property taxes and raises more money for schools. The two issues will have to be separated, he added. Harden said discussions now are focused on improving education quality by raising \$400 million through a half-cent hike in the sales tax, which Governor Blanchard said he will consider if it is tied to quality initiatives. He will not support a two-cent sales tax increase to help finance school reform. Meanwhile, Reps. Michael Nye (R-Litchfield) and Glenn Oxender (R-Sturgis) have introduced their proposal to raise the sales tax by two cents and cut property taxes. The proposal, which passed the House but failed in the Senate in March, would raise an estimated \$368 million in new money for schools. Reps. Nye and Oxender also intend to begin circulating petitions on the proposal September 1 in the event that the plan fails to pass the legislature.

### Political News

- The petition drive by the **Michigan United Conservation Clubs (MUCC)** to finance environmental cleanup from unclaimed bottle deposits received a boost from a study by Public Sector Consultants for the Michigan Department of Natural Resources. The study estimates that revenues from unclaimed deposits alone amount to \$33-38 million annually. The *Lansing State Journal* quotes Patrick Laughlin, lobbyist for the Michigan Beer and Wine Wholesalers Association, as calling the claims "patently absurd."
- When Gov. Blanchard last month appointed five members to the **Certificate of Need Commission** (a new health care policy-making board), the nominees were expected to encounter little resistance. Now comes word that the Senate Health Policy Committee, rather than the Government Operations Committee, will take jurisdiction over the advice and consent hearings; its chair, Sen. William Sederburg (R-E. Lansing), has concerns about how closely tied the nominees are to the health industry, particularly Blue Cross and Blue Shield. Appointee William Hoffman serves on the Blues' board, and Diana Jones is an employee.
- **Jane M. Snowden** has been named by the governor as his advisor on human services and will direct the Human Services Cabinet. Snowden has worked the past eight years in the state's Washington, D.C., office.
- The national and Detroit chapters of the NAACP oppose the nomination of **William Lucas** for the top civil rights post in the U.S. Department of Justice. The Detroit Urban League has come out in support of Lucas.
- The **1992 campaign** is just around the corner. Richard Gephardt, Patricia Schroeder, and Michael Dukakis all have scheduled speeches in New Hampshire this month and next.
- Rep. **Juanita Watkins** (D-Detroit) announced that she will run for Detroit City Council. Watkins is a principal legislative spokesperson for organized labor and is serving her sixth term in the House.
- Rep. **Dennis Dutko** (D-Warren) and the Ingham County Prosecutor's Office have agreed to a guilty plea for two misdemeanors for drunken driving, punishment for which is no more than one year in jail.

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