



Michigan ROUNDUP

Legislative Week in Review

- The House Taxation Committee heard testimony Wednesday on the school finance reform plan that calls for a one-cent increase in the sales tax, half of the revenue (about \$400 million annually) to go to schools and half to provide property tax relief. The plan was recommended by a coalition of education, business, and labor leaders led by Edgar Harden. Governor Blanchard strongly supported the plan in a speech Wednesday, saying he "will campaign in every corner of the state because it's a plan worth fighting for." House Minority Leader Paul Hillemonds (R-Holland) doubts the plan can pass the legislature and thinks there is more legislative support for an increase of one and a half or two cents.
- Gubernatorial campaign spending limits would rise from \$1 million per primary and \$1 million per general election to \$1.5 million per election under a bill passed by a Senate committee Thursday. The bill contains other revisions to the state campaign finance law, including one that would allow candidates to spend \$100,000 more on fundraising expenses than currently allowed.
- A bipartisan package of bills designed to reduce by 70 percent the amount of solid waste sent to the state's landfills by the year 2005 was announced Thursday and will be introduced soon. The governor and the Department of Natural Resources, along with key legislators from both houses, support the package.
- A bill to encourage use of recycled materials in manufacturing was reported out of a Senate committee Wednesday. Manufacturers who purchase certain recycled materials to make new products and growers or distributors who purchase compost from composting facilities would be eligible for a tax credit equal to 15 percent of the cost of the materials purchased.
- On Thursday the House Committee on Liquor Control reported out HB 4704, which would allow the beverage industry to keep the first \$12 million in unclaimed beverage container deposits; 50 percent of any excess amount would be placed in the environmental response fund, and the other 50 percent would go to retailers to cover handling costs. The bill, supported by the Michigan Beer and Wine Wholesalers Association, contrasts with the petition drive initiated by the Michigan United Conservation Clubs; that proposal would place all unclaimed deposits in an environmental trust fund, and 20 percent of the revenue would go to retailers.

Political News

- Taking everyone by surprise, the Detroit school board (on a 6-4 vote) extended a one-year interim superintendent's contract to Dr. John Porter and the job of interim executive deputy superintendent to Wayne County Commission chair Arthur M. Carter. By everyone, we include Dr. Porter and Commissioner Carter, who learned of the appointment via radio news as he was leaving his dentist's office. The badly split board hardly could have handled the issue of a successor to Arthur Jefferson more clumsily. The antics of the board throughout the years have entertained and angered Detroiters, who are being asked on June 20 (unless the board postpones the election) to pass an eight-mill tax increase and a \$160 million bond issue.
- On Monday, Housing and Urban Development Secretary Jack Kemp visited Detroit long enough to tour the Harbortown luxury apartment and condominium development. Kemp presented awards for outstanding examples of private-public partnership to the financiers and backers of the project: ANR Development, MichCon Development, Governor Blanchard, and Mayor Young.
- Named by the Michigan Federation of Private Child and Family Agencies as legislators of the year are Senator Jack Welborn (R-Kalamazoo) and Representative Teola Hunter (D-Detroit). Their efforts to improve the state's human services system, particularly children and family services, won the praise of the federation.
- In Senate confirmation hearings, appointees to the new certificate of need commission (which will set health policy) were grilled over conflicts of interest. Singled out particularly were UAW social security department director Bill Hoffman, who is a negotiator for Blue Cross and Blue Shield in its hospital contracts, and St. Mary's Hospital (Grand Rapids) CEO William Himmelsbach. The latter was questioned about how he could render impartial judgments when he heads a hospital and works for the Sisters of Mercy Corporation, which owns St. Mary's and several other hospitals in the state. Appointee Paul Kehoe got off relatively easy. A heavy contributor to Republican candidates, Kehoe pledged to Senator Mitch Irwin (D-Sault Ste. Marie) that he would be happy to refrain from political contributions during his term in office. No doubt.
- Flint and the state lost a philanthropic giant this week with the passing of C.S. Harding Mott, who spearheaded the foundation created by his father. The Mott Foundation, with assets of more than \$850 million, is the nation's twelfth largest.