



## Michigan ROUNDUP

### *Legislative Week in Review*

- Asserting that Governor John Engler has “declared war” on the legislature, House Speaker Lew Dodak (D-Birch Run) and fellow Democrats filed suit last week in Ingham County Circuit Court to block eleven separate fund transfers approved at Engler’s request by the State Administrative Board. The board’s action would eliminate general assistance welfare payments for up to 95,000 recipients and divert that funding to Medicaid payments. In addition, the transfers—which Democrats aver cannot be made legally without legislative approval—purportedly would preclude additional cuts in AFDC grants and restore cuts in foster and adoption care payments. Judge Thomas Brown is expected to begin hearings next week on the Democrats’ request for a permanent injunction against the administrative actions. Because both parties to the suit are state government entities, the attorney general’s office will represent both defendants and plaintiffs.
- An estimated 6,000 people converged Tuesday at the Capitol to rally, march, and lobby during the 17th annual **Senior Power Day**. Marking the occasion, the House passed two tie-barred bills (HBs 4742 and 4746) establishing intergenerational day care programs by locating care centers for children and elderly in the same or adjacent facilities. Also passed was HB 4575, clarifying coordination of payment of Medicare supplemental benefits in automobile accident claims.
- The Senate unanimously approved and sent to the governor HB 4046, a bill authorizing renovation of a women’s correctional facility in Ypsilanti for use as a **psychiatric prison hospital**. The state has been under a U.S. District Court order for two years to provide this service to its inmate population, and about \$700,000 in fines have been accumulated for failure to comply. If signed by the governor, the legislation would have immediate effect, and the process of converting the prison to a 400-bed hospital would begin, although physical renovation would not commence until 1992. Action on the bill included an unsuccessful amendment to curtail Capitol restoration.
- Uneasy at **budget overruns for Capitol renovation**, the Senate considered and rejected a proposal to halt remodeling on the 111-year-old building; costs reportedly could run 33 percent over budget at a time when state social service programs are undergoing deep cuts. A tie (12–12) vote defeated the renovation deferral measure following arguments that the project is nearly 75 percent complete and largely financed by other than general funds. Many legislators’ unease about public perception of restoration costs—originally projected at \$45 million—was reflected in the ambivalent Senate vote.

### *Political News*

- The fourth grade students in the gallery are not apt to forget the **Senate floor fight** they witnessed Wednesday. A heated debate over property tax relief climaxed with a scuffle between four-term Detroit Democrats Gilbert DiNello and John Kelly that had the pair knocking into desks and chairs before sergeants-at-arms separated them. After order was restored, the chamber passed, 31–5, SB 61 to **cut property taxes 20 percent** over the next two years. The measure’s provisions parallel those of the tax cut initiative petition that last week failed certification by the board of State Canvassers.
- Michigan’s tight cash flow, worsened by reduced business tax payments under a recent court decision, is precipitating a **budget squeeze for local governments and state school districts**. State Treasurer Douglas Roberts reported this week that state probably will not be able to make its upcoming local revenue sharing and school aid payments on time. On May 31, cities and other local governments are due \$185 million in revenue sharing funds; public schools expect a total of roughly \$350 million by June 3; and by June 17, public colleges and universities are counting on \$130 million in allotments. Roberts told the *Detroit News* that no one knows when the state may have the funds to meet these obligations. The state court of appeals earlier this year significantly expanded the application of the Capital Acquisition Deduction for businesses, and the state is left with a tax shortfall of more than \$100 million in the current quarter. Administration representatives have met with educators about a plan to delay half the June and August school aid payments, meaning some school districts will have to borrow cash to meet expenses.
- Although her baseball outing with President and Mrs. George Bush grabbed more headlines, Great Britain’s **Queen Elizabeth II** did make Michigan connections during her official visit: Governor and Mrs. John Engler and University of Michigan President and Mrs. James Duderstadt attended to the White House state dinner in her honor.
- August 27 is the date set for the **special election** to fill the 36th House District seat formerly held by Republican Gerald Law. Candidates must meet a May 28 filing deadline for the contest, which will have an August 6 primary if needed.