



*Public Sector Reports*

## Michigan ROUNDUP

### *Legislative Week in Review*

- In a report to the Senate Appropriations Committee on Thursday, the Senate Fiscal Agency (SFA) raised its general fund/general purpose and school aid fund revenue estimates by \$80.4 million for the current fiscal year and \$45.5 million for FY 1989-90. The higher figures are due, in part, to revenues being larger than expected from the intangibles tax and the personal income tax. The SFA is projecting a year-end balance of \$115.1 million for FY 1988-89 and \$245.1 million for FY 1989-90. These estimates assume that the legislature will transfer to the Budget Stabilization Fund \$66.9 million in the current budget year and \$45.7 million in the next.
- On Thursday the House passed the FY 1989-90 Department of Social Services budget. The chamber reinstated the Job Start program, which requires able-bodied 18- to 25-year-old General Assistant recipients to participate in job training, job search, or workfare. The House Appropriations Committee had recommended rejecting the new program proposed by the governor.
- In a related development, the legislature continues to add money to the FY 1989-90 budget. The Senate Appropriations Committee adopted a FY 1989-90 school aid budget that adds \$267 million general fund dollars to the recommendations made by the governor and the House; the bill's gross appropriation of \$3.1 billion is \$293 million more than proposed by the governor and \$263 million more than the House approved. Under the Senate plan, a district would be guaranteed \$100 per mill for its first 30 mills levied and \$75.80 for each additional mill. The Senate, as did the House, eliminated the governor's recommended freeze in retirement and Social Security payments and the reduction in the transportation categorical.
- The school finance reform plan (HJR I, H-9) proposed by the Harden coalition was amended Tuesday and reported out of the House Taxation Committee on a vote of 10-8. The plan still calls for a one-cent sales tax increase but spells out how \$523 million in property tax relief is to be divided—\$55 million for seniors and renters, \$380 million for other residential property owners, and \$88 million for businesses.
- Casino gambling would be allowed in Gogebic County under legislation sponsored by Sen. Joseph Mack (D-Ironwood) and approved Tuesday by the Senate Appropriations Committee. A two-thirds vote of the county residents would be required; indications are that supporters of casino gambling outnumber opponents about two to one.

### *Political News*

- The Senate today did not reject any of Governor Blanchard's nominees to the five-member Certificate of Need Commission in the Department of Public Health. In effect, the five commissioners are confirmed. Senator William Sederburg (R-E. Lansing), chair of the Senate Public Health Committee, had urged rejection of three nominations citing possible conflicts of interest. The nominees who came under fire were: William Hoffman, a director for Michigan Blue Cross and Blue Shield; William Himmelsbach, Jr., CEO of St. Mary's Health Services in Grand Rapids; and Diana Jones, a case management coordinator for Michigan Blue Cross and Blue Shield. "The intent of the legislature," said Sederburg, "was to have a citizens' commission comprised of individuals having expertise in—but not a professional interest in—the decisions of the Commission."
- Republican National Committeewoman Ronna Romney, daughter-in-law of former Governor George Romney, told the *Detroit News* that she is "seriously considering" a 1990 challenge to long-time Secretary of State Richard Austin. She cited privatization of some of the services of the Secretary of State's office as one "idea to look at." Some party leaders have Romney on their short list of 1990 candidates for lieutenant governor.
- The "battle of the empty bottles" has moved into the legislature. In response to petition drive efforts by the Michigan United Conservation Clubs to divert unclaimed container deposit money from wholesalers and bottlers to an environmental clean-up fund, the Michigan Beer and Wine Wholesalers proposed their own legislation. The bill, which has been reported out of the House Liquor Committee, would allow the first \$12 million of unclaimed deposits to remain in the hands of wholesalers and bottlers. Because it amends a 1976 citizen initiative, the industry's bill will require a three-fourths vote of the legislature. Meanwhile, a survey of 800 households statewide commissioned by *Inside Michigan Politics* and performed by Marketing Resource Group revealed that voters believe the beverage industry should turn over money for unclaimed deposits. Four of every five surveyed felt that 80 percent of the unclaimed deposits money should be devoted to programs to clean up the environment and the remaining 20 percent should be retained by retailers to offset their handling costs.
- Luke Quinn, chief judge of the Genesee County probate court, has been appointed racing commissioner by Governor Blanchard and awaits Senate confirmation. Quinn could not assume the post until July at the earliest, since court rules require 30-day notices of resignation.

**PSC** Public Sector Consultants, Inc.

Knapp's Centre • 300 S. Washington Square  
Suite 401 • Lansing, MI 48933 • (517) 484-4954