



## Michigan **ROUNDUP**

May 20, 1993

### *Legislative Week in Review*

- After weeks of failed effort in the Senate to provide immediate effect for **auto insurance rate cuts**, events took a more aggressive turn this week. Senators voted to recall from the governor's desk a previously passed bonding bill for renovations to Detroit's Cobo Hall. The maneuver holds hostage funds dear to solidly Democratic Detroit's heart until sufficient Democratic votes are mustered to give immediate effect to HB 4156, which reforms no-fault automobile insurance. The bill was approved in April; however, Senate Democrats have repeatedly balked at giving the bill immediate effect. Without immediate effect the bill can't go into effect until next April, with mandated 16-percent rate rollbacks deferred until August 1994. While Detroit Senator Virgil Smith (D) fumed to the Associated Press, "I will not be held hostage; I will not be intimidated," Senate Majority Leader Dick Posthumus (R-Alto) conceded, "This is an extraordinary time [and] this is an extraordinary circumstance."
- In approving a one-year **Department of Corrections budget**, the House added an amendment restricting the governor or attorney general from entering into consent decrees without legislative approval. Passed by a 78-18 margin, HB 4545 includes \$84 million in federal mandates that critics said were the result of past agreements on prison improvements, negotiated with the state executive branch, in which lawmakers were not involved.
- The **higher education budget** passed overwhelmingly by the House this week includes language mandating a review of funding formula criteria to improve the distribution of state appropriations among public universities. The funding review provision had been defeated in committee votes but succeeded, 72-32, on the floor. The budget itself was passed on a 102-1 vote. In related action, the lower chamber passed a one-year community college budget (HB 4538) late last week.
- A five-bill package that cleared the Senate last week and that now awaits House action would pave the way for implementation of **Proposal A** if the proposal is enacted by the electorate next month. SBs 598 and 599 would increase the sales and use taxes by 2 percent. SB 1 amends the general property tax act, and SBs 596 and 597 would implement the provisions of Proposal A through the tax code and the school system.
- Tentative **summer schedules** released by both chambers have targeted Friday, July 2, as the date by which they hope to have legislative business—most notably the budget—concluded. The upper chamber has set July 1 as the final day for adoption of conference committee reports.

### *Political News*

- A television advertising campaign touting the **school finance reform/property tax cut** features of ballot Proposal A kicked off on the same day that a Public Sector Consultants poll revealed that most voters are hazy about the measure's effects. The statewide survey of 600 voters, underwritten by the Michigan State Medical Society and the Michigan Retailers Association, reveals that although 63 percent of respondents believe methods of school finance must be changed, only 9 percent feel very knowledgeable about Proposal A. More than two-thirds of those polled said the government cannot be trusted to solve the school finance problem and 36 percent noted that the very presence of the question on a ballot proposal was proof that the political system has failed to resolve the issue.
- The state is looking to go east—far east—in its quest to market **Michigan-made exports**. This week the Department of Commerce announced a series of trade missions to Japan and Southeast Asia in November. Vietnam also may be on the itinerary, if the current U.S. economic embargo is lifted. Gov. John Engler is scheduled to join the tour, which currently includes stops in Korea, Hong Kong, Malaysia, Thailand, Taiwan, Indonesia, and Singapore.
- Frustrated **first-term Republicans** in the U.S. House called in H. Ross Perot for advice this week. According to *The Detroit News*, Perot's visit was the brainchild of Rep. Pete Hoekstra of Holland, a Perot supporter who has previously consulted with the Texas billionaire. "We're somewhat disappointed with Congress for not dealing with our reform agenda," Hoekstra said. "We feel we need grass roots support to deal with some of the issues that we'd like to see dealt with," he added.
- One publication's annual ranking of **well-run state finances** gives Michigan a healthy ratings boost. In its eighth annual abulation of how well states run their fiscal operations, *City & State* magazine rated Michigan 28th this year, up from 43rd in the magazine's last evaluation.