



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

....Governor Blanchard met with Senate Majority Leader John Engler (R-Mt. Pleasant) Thursday in a last-ditch attempt to get a **school finance reform proposal**--which passed the House 79-25 Wednesday--on the August primary ballot, but the Senate decided not to act by the Friday deadline. The proposal, which received lukewarm support from House Republicans, would raise the sales tax to 6 percent from the current 4 percent, yielding \$1.56 billion in revenue, \$1.2 billion of it for property tax relief. Schools would receive \$500 million in new money (\$336 million from the sales tax, the remainder from savings the state would realize in reduced property tax rebates) to reduce funding disparities among districts. The proposal would decrease school operating taxes on residences and agricultural property by an average 12.8 mills while cutting business property taxes an average of 4.8 mills. Engler predicted that the Senate would study the House plan carefully and that negotiations would produce a proposal for the November ballot. Blanchard wanted the school tax vote to take place in August to avoid competing for voter attention with other ballot proposals, including an \$800 million environmental/recreational/economic development bond issue and a proposed ban on state-funded abortions.

....A special House Judiciary subcommittee has approved a controversial bill making **surrogate parenting** for pay a criminal offense. The bill would prohibit payments for pregnancy, but would allow a surrogate mother to receive compensation for medical bills, living expenses, and maternity clothing. Most surrogate contracts call for payment of a \$10,000 fee to the mother. The bill would make such arrangements misdemeanors punishable by fines of up to \$10,000 and a year in jail. Attorneys and others acting as go-betweens would face felony charges and fines of up to \$50,000.

Political News

....Ingham County Judge James Giddings Thursday ruled that lobbyist **Judy Augenstein** was not entrapped into offering a bribe to Rep. Ed Giese; she therefore must stand trial.

....**State senators** are not up for election this year, which allows them the luxury of seeking other offices without giving up their own. Sen. Richard Fessler (R-West Bloomfield) has caused controversy by filing to run for Oakland County prosecutor. Fessler, recently convicted of impaired driving and resisting arrest, enters a crowded field of candidates hoping to succeed L. Brooks Patterson, who will not seek reelection. Fessler's candidacy may face a legal challenge, since the state constitution says that incumbent legislators may not accept "civil appointments" to other offices during their terms. Fessler says that prosecutor is not such a position. Sen. Lana Pollack (D-Ann Arbor) is seeking her party's nomination to run against incumbent 2nd District U.S. Rep. Carl Pursell (R-Plymouth). Sen. Mitch Irwin (D-Sault Ste. Marie) wants to be the Democratic nominee to run against 11th District U.S. Rep. Robert Davis (R-Gaylord). State Sen. Doug Carl (R-Sterling Heights) will not have a primary in August and will run against 12th District U.S. Rep. David Bonior (D-Mt. Clemens) in November.

....Former State Representative and current Detroit City Councilwoman **Barbara-Rose Collins** has upset local Democrats by filing to run in the primary against incumbent 13th District U.S. Rep. George Crockett (D-Detroit) although he has all but announced that he will retire after his next term. Crockett, who would be 80 in 1990, is a strong ally of Detroit Mayor Coleman Young and retains the support of party and neighborhood organizations. Collins will not have to give up her council seat to run.

.....**U.S. Sen. Donald W. Riegel, Jr.**, has launched his 1988 reelection bid with strong support from Governor Blanchard and other prominent Democrats.