



*Public Sector Reports*

## Michigan ROUNDUP

### Legislative Week in Review

...The House Tuesday approved compromise legislation to reform the **certificate of need** law. The four bills streamline the CON review process, create a 15-member standards commission, establish a short-term nursing care program, and raise the CON threshold to \$750,000. The Senate Health Policy Committee Thursday approved the short-term nursing care program bill but postponed action on the others until June 14 when discussion of several amendments is expected.

...New **revenue estimates** for FY 1987-88 issued by the Senate Fiscal Agency (SFA) are putting pressure on the governor and legislators to increase FY 1988-89 budget targets. The SFA upped its January general fund-general purpose (GF/GP) and school aid fund (SAF) estimates by \$291 million for FY 1987-88 and by \$107 million for FY 1988-89. The major increases are in income (due to higher-than-expected revenue from federal tax reform), single business, and sales taxes and lottery revenues; these are partially offset by lower insurance premiums tax revenue. The revised estimates exceed the executive budget estimates for GF/GP and SAF revenues by \$135 million in FY 1987-88 and \$170 million in FY 1988-89. Public Sector Consultants views these upward revisions as a little conservative. We expect revenues to be \$50-75 million higher for both FY 1987-88 and FY 1988-89, if the shortfall in insurance premiums revenue does not exceed the SFA estimate.

...The House Thursday passed SB 228, a bill to prohibit **surrogate parenting contracts** for compensation other than for medical and pregnancy-related expenses. The bill is on its way to the governor, who is expected to sign it.

### Political News

...The **Casino Gaming Study Commission** appointed by Detroit Mayor Coleman Young voted 46-15 to support the development of up to twelve casinos "relatively close" to downtown Detroit. The commission projects that ten operating casinos could create up to 40,000 jobs and provide \$500 million a year in new tax revenues; 60 percent of the revenues would go to the city. A recommendation to place a pro-casino proposal on the August 2 ballot drew fire from casino opponents who already have gathered signatures to place an anticasino proposal on the ballot and argue that two proposals will confuse and mislead voters. Approval by the legislature and governor are needed to legalize casinos. At this time the chances for winning that approval are slim; the legislature is expected to wait for the outcome of the August vote.

...The 15-member **Democratic Platform Committee**, chaired by Governor Blanchard, begins drafting the party's national platform today on Mackinac Island. The governor is pushing for a short, broadly worded document, and, according to *The Wall Street Journal*, "refers to platform fights as the Democrats' '51st primary.'" Assisting the governor will be a drafting chairman—Rep. William Gray of Pennsylvania, chairman of the House Budget Committee and a Jesse Jackson supporter—and a well-known wordsmith, former John F. Kennedy speechwriter Theodore Sorensen.

...The **University of Michigan** Board of Regents Friday named James Duderstadt as its new president. Duderstadt, 45, has been the U of M provost and vice president of academic affairs since 1986. He has engineering degrees from Yale University (Bachelor's) and the California Institute of Technology (Master's and Ph.D.).

...Rep. Michael Bennane (D-Detroit) has withdrawn from the race to become the next **Speaker of the House**, narrowing the competition to representatives Lewis Dodak of Montrose and Lynn Jondahl of Okemos.

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