



# Michigan COMMENTARY

## PAUL HILLEGONDS: A PROFILE

by Bev Farrar

Minority Leader Paul Hillegonds, 38, of Holland is serving his fifth term in the Michigan House. His Republican colleagues have elected him leader of the 46-member Republican Caucus and given him the task of coping with many unresolved issues.

Hillegonds, who was graduated Phi Beta Kappa in political science from the University of Michigan, is a native of western Michigan. On weekends he commutes from Lansing to the Holland area, where he lives about a block from Lake Michigan. He plans to be married in August.

Hillegonds put his political science degree to use immediately after college; he went to work as an administrative aide to Republican Congressman Philip Ruppe, who represented the Upper Peninsula. In 1974 and 1976, he organized Ruppe's successful congressional campaigns.

An interest in politics runs in the family, Hillegonds says. His father, a Presbyterian minister and the strongest influence in Hillegonds's life, encouraged familiarity with current issues and is, according to his son, something of a "boat rocker."

"He always challenged assumptions," Hillegonds says. "I think his definition of teaching is to inspire people to ask questions of themselves and of the world around them." Additional political direction was absorbed during eight years with Congressman Ruppe. "His integrity was an important lesson to me," Hillegonds says.

The significance of integrity to Hillegonds is evident in his respect for another prominent Michigan figure whose life influenced his own--poles apart politically, but morally akin. "Phil Hart was a man I always admired," he says of the late liberal U.S. Senator from Michigan. "He studied the problem and did what he felt was the right thing without too much concern for the political consequences. I admired his integrity and political courage."

As Minority Leader, Hillegonds has a wealth of opportunity to follow the lead of those he admires. He loves the job, he says, but misses the active involvement in public policy at the committee level.<sup>1</sup> In his previous terms, Hillegonds was active on several committees and subcommittees, notably those concerned with workers' compensation and unemployment insurance legislation.

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<sup>1</sup>Because of the other demands on their time, legislators who hold leadership positions usually do not also serve on committees working on legislation.

"But that one liability is more than offset by the challenge of trying to unify the caucus around a positive agenda," he says. "The task forces that came out of our new House Republican Policy Committee are an effort on my part to give our caucus a more positive voice." He speaks with regret of the minority mentality ingrained in House Republicans. "For too long--18 years--we've been in the minority, and we Republicans have tended to get in the mindset of sitting back and criticizing the other side's agenda or thinking of a dozen reasons why we can't achieve something."

As leader, he says, it is "fun working with the members trying to develop some new and positive ideas . . . and I think it's catching. Most of our caucus is involved in one task force or another and it's a very broad-based agenda of issues . . . things like child care and urban revitalization--some issues that House Republicans haven't looked at in a while."

"It's one thing to be the loyal opposition on a kind of frivolous basis, but now I sense there's much more serious debate going on in committee and on the House floor."

With the exception of resolving the liability problem for corporate directors and passing workers' compensation reform, Hillegonds feels the accomplishments of this session to date leave much to be desired. Transportation financing heads his list of major unfinished business.

"The formula for distributing gasoline tax expires October 30," he says. "At the beginning of the session, it was thought on a bipartisan basis that we ought to look at raising the gas tax to finance an estimated \$5 billion of backlog in infrastructure needs, mainly roads and bridges."

"However," Hillegonds says, "the governor made a promise during the campaign that he wouldn't raise any taxes, so we have this strange situation right now where Republicans and Democrats in the legislature would like to, but the governor so far doesn't want to be a participant. I don't know how we'll resolve that. We may just put a band-aid on, but there are major unmet needs in transportation." A joint legislative committee studying the issue will meet during the summer to negotiate a revision of the transportation funding formula.

Resolution of the budget looms very large also, Hillegonds says, "because we are headed into tighter times. The targets that the governor established have been broken in almost every budget now, and it means that there will have to be some very hard negotiations between the House, Senate, and the governor's office to get the overall budget under control."

Hillegonds believes that the federal tax windfall<sup>2</sup> ought to be returned to Michigan taxpayers this year. "I say that knowing we're in really tight

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<sup>2</sup>The major immediate effect on Michigan of federal tax reform will be an increase in state revenues. The Senate Fiscal Agency estimates that the windfall to the state will be \$153 million in 1987, \$175 million in 1988, \$197 million in 1989, and \$219 million in 1990. This will occur because the adjusted gross income (AGI) of taxpayers will rise as federal income tax deductions are eliminated. Since Michigan residents pay the state income tax on their AGI, the higher AGI will produce extra state tax revenues.

times, but what I see happening right now is spending discipline going out the window with the sense that we've got \$170 million to play with. Given our cyclical economy, we're headed in a very unwise direction. If we spend that money--and I don't believe we'll put it away for a rainy day--we're going to aggravate our problems in the next recession."

Another major piece of unfinished business is school finance reform, Hillegonds says. "We should tackle it within this two-year session. When I go out and talk to the Pontiacs of the state . . . they are almost up to their constitutional limit [of millage levy] and they're facing appeals from their major industries to lower assessments. They've got nowhere to turn unless they can find a friendly district next door to consolidate with, and they aren't finding any takers."

"I think we'll be driven politically to some kind of step in the direction of school finance reform. I'm putting a lot of hope in the Runkel/Hardin Commission [a coalition of business, education, municipal, and public policy leaders] which will report this fall. I would hope they've got some practical suggestions that we could put into the form of a ballot proposal or take some steps internally within the legislature. We'll need the governor's help and so far he's been keeping his distance. He has said he's not interested in comprehensive school finance reform right now because he views it as a potential tax hike. It may be, but I think it's a necessary investment in our urban areas and in balanced growth around the state."

School finance reform is a problem of the cities and rural areas alike, Hillegonds says. "Because of the disparity in local property tax base, there's a wide difference in support of students. Even though you can't always equate dollars with quality of education, the disparity is very great today."

"I think increasing the sales tax is one obvious thing to do. We need to move in that direction by closing off some of the property tax breaks like the homestead exemption and some of the tax abatements for industry. Together those add up to about \$800 million." Hillegonds is careful to note that these steps would deal with property tax relief, not directly with the overall structure of school finance. "But those are some of the things we can do internally," he says. "But just as we're having a hard time getting a consensus among voters on ballot proposals, it's tough politically to do within the legislature."

Among the tougher issues would be putting the brakes on the tax abatements routinely used by Michigan communities to lure new business. "I'd like to narrow tax abatements much more to the economically distressed areas," Hillegonds says. "Right now, with across-the-board abatements, it's much more attractive to build in Auburn Hills than the City of Detroit."

Although he was shaped by the rural, conservative tradition of western Michigan, Hillegonds has a sensitive feel for urban problems and a strong interest in them. As an aide to Ruppe in Washington, Hillegonds chose to live inside the city rather than in the more popular suburbs; while there, he tutored inner-city young people. "These kids were 17 and 18 and couldn't read or write," he says. "They were so limited, so damaged along the way, that you wondered what future they ever could have. Somehow we have to intervene before that age, encourage keeping up in school, encourage success and belief in themselves."

A recent House Republican Task Force on Crime, organized under Hillegonds's leadership, came up with similar pleas for intervention as a necessity in helping young people. "We do have the ability to develop profiles of troubled families and young people so that we can work with them early on before they get into trouble," Hillegonds says.

Task force members talking to the young men at Maxey boys school<sup>3</sup> found that the boys' families are badly fragmented, he says. "One thing that struck them was that the boys all came from families where parents weren't living in the home or parents had criminal records themselves; they had a very poor idea of what was right and wrong. If the families can't provide those basic anchors, then I think the schools or ancillary counseling through the social services system has to try to do some preventative work rather than putting out all these dollars to deal with the symptoms. So I hope that idea will be thrown into the mix of all our other ideas such as lengthening sentences, assuring punishment for career criminals, and building more prisons."

Like crime, the cost of doing business is an issue that needs considerable attention if Michigan's older cities are to thrive, Hillegonds says. He believes it is unfortunate that the people representing the very areas that need help most oppose many efforts to reduce the "cost of doing business." Hillegonds cites the provisions of the recent compromise on workers' compensation as an example. "We should have gone much further," he says. "Most of the opposition, regardless of party, comes from geographical areas which need the help the most in terms of cutting business costs. We could have gone further in making it easier to stay in the Detroit and Flint and Lansing areas. We're still not in the same ballpark as Indiana, for example, and probably never will be in workers' comp, but we could have headed further in the direction of competing with them."

In the long run, Hillegonds believes health care costs and labor management relations will be the most important business cost issues in Michigan.

"On health care right now, we're caught in this raging debate between those who think we need to make health care more truly competitive and deregulate, and those who feel the answer is more regulation," he says. "Legislatively, I think we're a long way away from really putting together policy ideas that would assist in that area. And I don't know how much government can ever be involved with labor/management relations, at least on a statutory basis."

But Hillegonds points out that the benefits of progressive labor/management relations and worker participation are evident in several western Michigan companies. He cites the superb rehabilitation program at the Herman Miller Company.

"Their commitment for the last few years is this: 'if a worker is injured here, we'll retrain that worker, pay the up-front costs, and get that

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<sup>3</sup>W.J. Maxey Training School is a facility in Whitmore Lake for boys age 14 through 20; residents have been committed to the facility by the probate court for a variety of wrongdoing ranging from chronic truancy to murder. The training school is operated by the Michigan Department of Social Services.

person back to work.' It reduces the workers' comp claims and the duration of those who are eligible. Long term, it's the way to cut costs. In the more traditional manufacturing areas, like auto, they don't like rehabilitation. They think the short-term costs make it unprofitable to even set it up. I think it's short-sighted and one example of why we're in trouble."

"[At Herman Miller,] they are operating under the same workers' comp, the same unemployment insurance, and the same liability laws that apply to all Michigan businesses, yet they are making profits and building the products in a quality way. Their progressivity offsets some of the laws that make it tougher here in Michigan."

Other issues that should be addressed in this session are product liability and unemployment insurance. "That's going to be a growing problem in the next few years," Hillegonds says. "We still have a debt.<sup>4</sup> We're not paying interest on it, but that trust fund is in the kind of [fiscal] position where if we head into another recession, we'll once again probably have to impose higher taxes on employers."

The property tax on business also needs attention, he says, "for the benefit of those businesses that are just trying to keep going here. They have no abatements." The difficult issues facing the legislature today require a greater rapport among branches of government than Governor Blanchard has achieved to date, Hillegonds believes. Coming to office as former Governor Milliken began his third term, Hillegonds witnessed Milliken's frequent use of the "legislative quadrant" [the majority and minority House and Senate leaders] to hammer out agreements on any matter at issue.

"Milliken probably used the quadrant too much," he says, "in negotiating every issue and sort of imposing the settlement on the legislature. But Blanchard uses it too little. We don't even get together at the beginning of the session to talk about major goals and how we should proceed. That lack of communication too often leads to power games being played between very strong personalities."

"Milliken was willing not only to put forward ideas about where he thought the state should be heading, but to fight for those ideas in the legislature and do the kind of coalition building necessary. He believed in what he was doing. Blanchard's public relations campaign is probably more effective and yet behind the rhetoric, I think, is less commitment to achieving the ideas in the legislative process. I think he doesn't like to get that involved. He hasn't really been a very effective coalition builder. Maybe that will come in time."

At 38, Hillegonds does not see an indefinite stay in the House in his future. He completed law school and passed the bar last year and considers the practice of law a future possibility--or teaching--or writing for a newspaper. "My brother says I still don't know what I want to do when I grow up," he says.

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<sup>4</sup>The State of Michigan owes the federal government \$1.2 billion in repayment for unemployment benefit advances during the recessions of a few years ago.

"I used to have the fire to return to Washington, but not anymore." In Washington, he says, power is fragmented, and too much time is required to obtain enough influence to have any real effect on policy. His only interest in Washington at the moment is supporting George Bush for president.

Here in Michigan, "Bush is sort of a rallying point for the centrist part of our party," he says. "If we splinter over the Doles and DuPonts, we do nothing but make it easier for Robertson to win in this state. And I have no interest in seeing the party head in that direction."

Statewide office is unlikely to be in Hillegonds's future either, he says. "That's not saying I wouldn't be open to the possibility down the road, but it's very tough for an outstate person to run statewide." In addition, he laments the excessive role that money has come to play at all levels of state politics. "The fundraising aspect of the [Minority Leader's] job has become so important. Ultimately, it begins to affect the decisions we make."

His immediate goal, he says, is to be Speaker of the House, a position that requires a Republican majority. "So I'm committed to working for the ten seats we need [to be in the majority] by 1990. Realistically, I think we have to be in a majority situation by 1990 or reapportionment will doom us to another ten years of minority status."

"That's my immediate challenge, and it's a tough one."

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