



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

- With pressure building for summer adjournment by July 3, House-Senate conference committees agreed on several key pieces of the FY 1990-91 budget this week. The \$1.3 billion recommended for the Department of **Mental Health** represents a 4.2 percent increase over the current budget. Conferees were warned by Director Thomas Watkins that their revenue estimates may be as much as \$15 million too high and that perhaps 300 employee layoffs could be required to balance the budget. The Department of **Social Services** budget of \$4.913 billion approved by conferees met the governor's general fund/general purpose funding target. Departing Director Patrick Babcock told the committee that the budget is approximately \$190 million underfunded. **Higher education** appropriations conferees agreed to an increase of 5.5 percent, or \$66 million, over current levels for the state's 15 public four-year institutions. The agreed-upon general fund appropriation, including grants and financial aid, is \$1.26 billion. Totals exceed the governor's recommendation by \$6 million and are \$1 million beyond the target. On Thursday, both chambers approved conference reports for the **Transportation, State Police, Natural Resources, and Agriculture** budgets. The higher education, mental health, public health, and school aid conference reports were adopted by the Senate and now go to the House.
- Following Governor Blanchard's veto of the **inheritance tax** bill, the House Taxation Committee came up one vote short of reporting out a bill decried by business interests as a water-downed version of the vetoed measure. Thursday, the Senate voted 27-8 to override the gubernatorial veto. The House may support the override, or it may report out an amended version of its new bill and vote to send that measure to the Senate.
- A proposed constitutional amendment mandating that **state lottery** proceeds be dedicated to education sailed through the House 92-0. The unanimous vote on HJR Q belies the measure's many House detractors, who point out that lottery revenues already are directed by statute to education. Removing language on controversial issues from HJR Q permitted it to gain the two-thirds majority required to pass a proposed constitutional amendment. If approved by the Senate, the measure would go before voters on the November ballot.

Political News

- As Detroit welcomes African National Congress leader **Nelson Mandela**, the chairman of the U.S. House Subcommittee on Africa, Rep. Howard Wolpe of Michigan, proposes that the United States consider inviting South African President Frederik W. de Klerk to Washington. In a Gannett News Service interview, Wolpe suggested that such a visit take place after roadblocks to negotiation between the African National Congress and the South African government are removed. At that time, Congress could make clear to de Klerk the nature of postapartheid benefits that could accrue to South Africa, Wolpe said.
- House Minority Leader Paul Hillemonds (R-Holland) predicts that President Bush's flip-flop on his campaign promise not to raise taxes will do no harm to GOP legislative candidates here. Hillemonds told the *Lansing State Journal* that a candidate's "record on taxes and spending in Michigan will be the key questions in the legislative races, and not the position the president has taken." Other experts, however, opine that Bush's ability to stump effectively in the state for gubernatorial and U.S. Senate candidates will be hurt by his change in tax stance, because sharply partisan arguments about tax-raising Democrats will not be credible.
- Rep. Lynn Owen (D-Maybee) pleaded guilty this week to a drunk driving charge resulting from his January 26, 1990 arrest in Lansing. Sentencing has been set for August 3. Owen was convicted of impaired driving in 1983.
- The Michigan Supreme Court has been asked to rule on the eligibility of Democrat Bob Messerli's candidacy in the **10th Congressional District** primary race. The Board of State Canvassers earlier had disqualified Messerli for flawed nominating petitions. The Michigan Court of Appeals ruled last week, however, that the documents are in "substantial compliance" with statutes and directed the board to reconsider its action. Bureau of Elections Director Chris Thomas says he hopes the appeal to the state's high court will be decided before the canvassers convene next week to reexamine the matter. Meanwhile, Republican Joe Cox of Fowlerville is following the proceedings with interest. Canvassers disqualified his candidacy in the 6th Congressional District, leaving incumbent Democrat Bob Carr unopposed. Press accounts quote Cox as saying that if Messerli's candidacy is restored, then it is only fair to return Cox's name to the ballot as well.