



Michigan ROUNDUP

....The legislature adjourned Tuesday until September 22 after approving all but one of the 1987-88 state budget bills. The Department of Corrections budget was delayed by debate over alternatives to imprisonment and conflict of interest allegations made by Senator Jack Welborn regarding a contract awarded by the Corrections department; it will be completed in the fall. If the tentative corrections budget remains at \$561 million, the total state budget for next year will be about \$6.58 billion. This would be a 3.6 percent spending increase over the current fiscal year, and would exceed the governor's recommendations by about \$120 million. Highlights include a welfare grant increase of \$4 per recipient per month, a 6.8 percent increase for K-12 education, a 7.2 percent increase for higher education, and salary raises averaging 25 percent for state department heads. Also approved Tuesday was a \$181 million supplemental budget bill for the current fiscal year, which includes an additional \$15 million for the Michigan Youth Corps program.

....As mentioned, the budget passed by the legislature is about \$120 million higher than the governor's recommendations, even though the revenue outlook is bleak. The state could be facing a budget imbalance of \$320 to \$370 million in FY 1987-88, or more if recent gloomy economic projections by the University of Michigan are accurate. Some of this shortfall could be covered by fiscal adjustments, but there is a strong possibility that executive order budget cuts will be required to balance the budget next year.

....As promised, Governor Blanchard vetoed a bill to raise the speed limit to 65 mph. A legislative override of the veto is unlikely.

....Ingham County Circuit Court Judge Robert Holmes Bell ruled Tuesday that a ban on Medicaid funding for abortions passed by the legislature should take effect immediately. Judge Bell rejected a motion by pro-choice lawyers to permit Medicaid to continue to pay for abortions while the case is appealed. Late last week, Governor Blanchard asked the Michigan Supreme Court to decide when the ban would take effect, but the state's highest court has not yet responded to the request.

....As expected, Michigan has been selected by the Midwest Interstate Low-Level Radioactive Waste Commission as the site for a disposal facility to serve Ohio, Indiana, Minnesota, Wisconsin, Iowa, and Missouri as well as Michigan. Delegates from the seven states based their decision on the fact that Michigan has the largest volume and highest radioactivity levels of the states in the compact. Michigan's delegate, David Hales, and the governor have said that Michigan may refuse to build the waste disposal facility until there are guarantees that the other six states will share liability, remain in the compact indefinitely, and pay the fees necessary to assure environmental safety and public health.

....A subcommittee of the Michigan School Finance Commission, a 43-member committee appointed by the State Board of Education, has made several recommendations to reduce the funding inequities caused by schools' reliance on property taxes. The suggestions, which can be rejected or amended by the full commission, include raising the state income tax from 4.6 to 5 percent, adding a sales tax on services, increasing the single business tax, and taxing businesses' sales receipts. Under these plans school districts could only keep up to 16 mills of their school property tax levy.