

## Michigan ROUNDUP

July 2, 1992

### *Legislative Week in Review*

■ Belying earlier forecasts of an uneventful **budget wrapup session**, lawmakers failed to agree Tuesday on the general government portion of the 1992-93 general fund budget, thus leaving a key component unresolved until mid-month. The House, which completed its work on budget bills, is scheduled to return on July 8, while the Senate—with one budget yet to adopt—has booked a July 15 return date.

Both chambers initially rejected the *Natural Resources Department* budget (HB 5523) before eking out slim margins for passage of the \$100.1-million package that is \$800,000 over the general fund target.

The House mustered a 56-49 vote for passage of the *K-12 school aid* budget (SB 226) after defeating it earlier in the day. Executive branch lobbying is credited with securing the necessary additional Republican votes to pass the \$2.9-billion package.

In a wee-hours 56-47 vote, the House approved and sent to the Senate a *general government* budget. The upper chamber, however, failed to muster bipartisan support for the \$447.4 million package and adjourned shortly after 2 a.m. The most hotly contested item in this category is the proposed use of \$9.6 million from the Harbor Development Fund to balance the current budget, with critics contending that this violates the public trust.

■ Like a zombie—neither dead nor alive—the prospect of **auto insurance reform** haunted Tuesday's late-night legislative session. Final action by both chambers approving SB 938 and HB 5855 was intended to provide a rate freeze from April 1 until the vote in November on the ballot proposal to rollback rates. Neither bill was given immediate effect, however, making the freeze provisions moot.

■ Efforts by House Republicans to force attention on **medical malpractice reform** were repudiated by a close 51-52 vote against discharging proposed legislation (SB 249) from the House Judiciary Committee, where it has been since last November. Democrats countered that the reform process cannot be rushed.

■ Legislation authorizing a **veteran's memorial park** west of the capitol was signed by Governor John Engler this week. A Vietnam memorial will occupy one acre of the 2.5-acre site; Engler also signed into law P.A. 121 authorizing a Vietnam Veterans Memorial Commission to raise private funds for the project.

■ HB 4412, which lowers the state's **alternative business tax**, an option under the single business tax, was signed into law by the governor last week. The measure is expected to save up to \$15 million for 32,000 Michigan small businesses.

### *Political News*

■ Although most media attention focussed on the **U.S. Supreme Court** abortion ruling this week, the Court's opinion on a natural resources case released the same day is expected to have significant effects in Michigan. In its ruling on *Lucas v. South Carolina Coastal Council*, the Court defined the circumstances under which state and local governments are required to compensate landowners. PSC will publish an analysis of the case later this month; meanwhile, copies of the Supreme Court opinion are available at no cost to PSC subscribers by calling 517/484-4954.

■ Special Counsel to the Governor Colleen Pero will head Michigan's **presidential reelection** efforts. Governor Engler named Pero executive director of the Bush-Quayle campaign last week.

■ As Detroit ended its fiscal year this week with a **\$110-million deficit**, Mayor Coleman Young announced an immediate 10-percent pay cut for all nonunion city employees, including himself. The mayor's executive order affects about 2,000 employees; Young has asked unionized workers to agree to a comparable pay cut to balance the city's \$2.1 billion budget.

■ Calling it a vital tool in protecting the Great Lakes, Governor Engler announced last week a \$1.3-million bonding program for **combined sewer overflow** projects. Over the next twenty years, the program will nearly triple current funding for improving wastewater treatment operations.

■ With higher education budgets approved at less than one percent above current levels, **hefty tuition increases** are likely at state institutions. Glenn Stevens, executive director of the Michigan Presidents Council of State Colleges and Universities predicts tuition and fee hikes in the "eight-to-nine-plus" percent range.