



Michigan ROUNDUP

Legislative Week in Review

....A dispute between Senate Majority Leader John Engler (R-Mt. Pleasant) and House Speaker Gary Owen (D-Ypsilanti Township) over funding of universities in their districts caused the **legislature to recess Thursday until July 28**, delaying passage of the entire \$14 billion state budget for FY 1988-89. After conferees had agreed on all the other major spending bills, Owen accused Engler of taking more than a fair share of the \$1.1 billion higher education budget for Central Michigan University (Mt. Pleasant) and shortchanging Eastern Michigan University (Ypsilanti) and The University of Michigan (Ann Arbor). House Appropriations Committee Chairman Dominic Jacobetti (D-Negaunee) also was unhappy with the allocation for Northern Michigan University (Marquette). Engler and Owen are reported to have settled their differences.

....Conferees have agreed on a \$4.4 billion **Department of Social Services budget** incorporating \$2.14 billion in state general funds. They granted a one-half percent increase to welfare grant recipients and to providers, except nursing homes, which received a one-quarter percent increase. They also approved a \$26 million Medicaid cost-containment package, less than half of the reduction proposed by the governor.

....Strong criticism of an earlier **school aid appropriation** agreement has led to a new conference report adding about \$20 million to the K-12 budget. Conferees put \$19.4 million into the general school aid formula and gave \$440,000 more to special education. The per-mill guarantee in the formula went from \$77.27 to \$77.71.

....Conservationists are insisting that the environmental cleanup portion of a proposed \$800 million **state bonding proposal** be increased by \$100 million. Legislators hope to reach agreement in time to place the proposal on the November election ballot.

Political News

....State Senate Republicans have offered another **school finance reform** proposal, which would increase the sales tax by two cents on the dollar, increase aid to schools by \$500 million, cap school operating taxes at 27 mills, and provide a \$6,500 exemption from the property tax for each homestead. Democrats oppose the millage cap, so the issue remains deadlocked. Senator Dan DeGrow (R-Port Huron) has scheduled another meeting of the negotiating group for next Tuesday. Some legislators, fearing voter vengeance in the November general election, have grown leery of proposals that would result in a net tax increase instead of a dollar-for-dollar shift from the property tax to the sales tax. They are pushing for a ballot proposal in 1989.

....Governor Blanchard has strongly endorsed the probable **national Democratic ticket** of Governor Michael Dukakis and U.S. Senator Lloyd Bentsen (Texas). Blanchard had earlier suggested that U.S. Senator John Glenn of Ohio would be the best possible vice presidential candidate if the Democrats wished to pursue a midwestern strategy. Now the governor is touting Bentsen's strength in the West and South and his ties to business. Blanchard had refrained from endorsing Dukakis until he had chosen a running mate.

....In the **Republican primary race for U.S. Senate**, candidate Robert Huber has accused state Senator Richard Posthumus (R-Lowell) of attempting to coerce Senate staff into campaigning for Huber's opponent, East Lansing builder James Dunn. Huber said Posthumus sent a memorandum on Senate stationery urging employees to help Dunn's campaign staff with a mass mailing. Posthumus said that he was merely encouraging people to take part in the political process and that the memo was sent on his office stationery at his expense.