

## Michigan ROUNDUP

September 26, 1991

### *Legislative Week in Review*

■ “Stalemate” is becoming a cliché description for **budget negotiations** that have included Senate conferees ushered out of hearing rooms packed with hostile demonstrators (Friday) and an unannounced gubernatorial visit to a House Republican caucus (Wednesday). With the new fiscal year five days away and the growing prospect of weekend sessions to hammer out an FY 1991–92 spending package, the following major elements emerged this week from the stubbornly partisan proceedings:

- With the **Department of Social Services** budget solidly at impasse, the House voted Wednesday to create the state work advancement program (SWAP) to replace general assistance welfare funding due to expire next week. Funding for SWAP—which passed 55–47 over the unified objections of the chamber’s Republicans—is to come from the budget stabilization (“rainy day”) fund. In the unlikely event of approval by the Republican-led Senate, gubernatorial veto is a virtual certainty.
- HBs 4581 and 4586, providing **continuation budgets** for some government functions one month into the new fiscal year, passed in the House Wednesday along strict party lines. Some Republicans criticize the measures as unnecessary, predicting that there will be a budget agreement in place by October 1.
- Conferees on the state regulatory budget agreed Wednesday to restore **arts funding** to museums, libraries, and orchestras that had been targeted for elimination in the governor’s budget recommendation; arts subsidies range from 50–70 percent of current year funding levels. The conference committee report may receive legislative approval Thursday.

■ With legislative critics still outspoken, the controversial **tax-base sharing** plan passed the Senate this week and heads for the governor’s desk, where his signature is expected. HB 4267, which redistributes some tax revenue *growth* from wealthy school districts to poorer counterparts, passed the House last spring and has been endorsed by Governor Engler as part of his education package. The plan, which is expected to shift about \$15 million in net new revenues from wealthier districts to needier ones, divides the state into two regions with which tax base growth will be shared. Detractors in the Senate have called it “tax-base stealing” and “legal robbery.” The amount of school tax paid by individuals will not change.

■ In Congress, the Senate this week passed a measure **extending jobless benefits** for an additional twenty weeks, following House approval of a similar measure. Both Michigan senators supported the measure, which will have a major effect in this state. Michigan has one of the nation’s highest and most persistent unemployment rates. The 69–30 Senate vote may be firm enough to override the presidential veto hanging over the measure.

### *Political News*

■ U.S. Sen. Carl Levin says that **federal lobbying loopholes** are so big taxpayers cannot be sure “how much is being paid to whom to lobby for what.” Quoted in the *Detroit Free Press* Thursday, Levin’s comments came after his Government Operations subcommittee discovered that six defense contractors privately admitted spending \$13.7 million to lobby for military contracts on which they had publicly reported spending only \$528,000.

■ In state and national capitols, it was a week of **wiretap revelations**. Michigan House Speaker Lewis Dodak (D-Taymouth Township) confirmed through a spokesman that technicians recently completed a sweep of all members’ phones, checking for listening devices and electronic bugs. None were found. Such was not the case in Washington, however, where U.S. House Whip David Bonior found “outrageous” last week’s congressional testimony that in the 1980s the CIA regularly intercepted conversations between the Mt. Clemens Democrat and officials of the Nicaraguan government. The revelation, reported by the Associated Press, came as part of CIA chief nominee Robert Gates’s confirmation hearings.

■ In Lansing, two new House Republicans received **committee assignments**: Rep. Georgina Goss (36th District, Northville) has been named to the Economic Development and Energy, Education (replacing Rep. Jessie Dalman), and Towns and Counties committees. Rep. John Jamian (65th District, Bloomfield Township) will sit on the Insurance, Marine Affairs and Port Development (replacing Rep. James McNutt), and Public Health committees. Dalman (55th District, Holland) has been added to the Judiciary and State Affairs committees, while McNutt (102nd District, Midland) has moved to the Judiciary Committee.

■ The **Michigan Chamber of Commerce** has dropped the word “State” from its name, explaining that the public regularly confused the nonprofit group with an agency of government.

■ Despite a quarry quandary, **capitol restoration** proceeds apace. The *Lansing State Journal* reports that the Ohio stone supplier for the main entry steps has gone into receivership, delaying completion of exterior work until at least the end of October.