



Public Sector Reports

Michigan ROUNDUP

Legislative Week in Review

- The ban on Medicaid funded abortions approved by Michigan voters one year ago would be modified under legislation introduced Wednesday by Reps. Donald Gilmer (R-Augusta) and David Gubow (D-Huntington Woods). The legislation would allow poor women who became pregnant through rape or incest or those with AIDS to receive Medicaid funding for an abortion. Proponents believe poor women in these circumstances should be entitled to the same right to a medically safe abortion as other women. The Right to Life of Michigan contends the measures "would circumvent the wishes of state voters." Similar legislation was approved recently by Congress but vetoed by President Bush. Meanwhile, the controversial bill to require minors to obtain parental consent for an abortion, which passed the Senate last month, is scheduled for its first hearing in the House on November 13.
- The defeat of proposals A and B places the issue of school financing back in the legislative arena. Both Governor James Blanchard and his likely GOP challenger in 1990, Senate Majority Leader John Engler (R-Mt. Pleasant), say they will try to provide more funding for schools through the 1990-91 budget process, meaning other state programs may have to be cut. This promises to make next year's budget one of the more controversial since Blanchard took office.
- The Michigan Insurance Bureau issued a report on the effect of a 1986 law intended to increase the number of companies providing auto insurance in Detroit. The report finds that competition has not increased, resulting in higher premiums for urban drivers. The report says that since 1985 "premiums in Detroit and other urban areas have risen considerably while premiums in outstate areas have risen only slightly." To lower Detroit rates, the report recommends making the city part of a tri-county rating territory that includes suburbs, which generally have lower rates. The bureau does not expect suburban rates to increase significantly under such a system. Other findings include: in 1987 the amount of a premium dollar used to pay losses was lower in the Detroit area than the state average and, in rural areas, higher than average; Detroit suburbs have five times as many insurance agents representing the 10 largest auto insurers as does Detroit; and the second largest writer of auto insurance in Detroit is the Michigan Automobile Insurance Placement Facility (MAIPF) with 16 percent of the market. The MAIPF is a state-created mechanism for making auto insurance available to those who have difficulty obtaining coverage from regular companies.

Political News

- Detroit Mayor Coleman Young defeated challenger Tom Barrow 56 percent to 44 percent on Tuesday and begins his fifth consecutive term. The 12-point margin was the smallest since Young first won in 1973. While the mayor indicated that mass transit and city demolition projects head his agenda, he plans to vacation before taking office.
- Tuesday, proposals A and B became the 8th and 9th school finance/property tax reform issues since 1972 to be rejected by state voters. Proposal A was approved by Detroit voters but overtaken by opposition throughout the rest of the state and defeated 72 percent to 28 percent according to the most recent unofficial totals from the Secretary of State. Proposal B was rejected statewide, 76 percent to 24 percent. According to the *Detroit News*, Governor Blanchard responded to the defeat, "I don't think people were voting against quality education, just against a tax increase." Senate Majority Leader and gubernatorial hopeful John Engler told the *Detroit Free Press*, "You can expect in the 1990 governor's race there will be a lot of discussion on this topic—more funding for education with a greater percentage of the state budget devoted to it."
- A recent *Detroit Free Press* and WXYZ-TV poll conducted by Market Opinion Research indicates that Governor Blanchard holds the lead over Senate Majority Leader John Engler for the 1990 gubernatorial race. According to the poll, 57 percent of voters said they would vote for Blanchard, 27 percent for Engler, 14 percent were undecided, and 2 percent said they would not vote.
- Recent reports that the U.S. Senate Ethics Committee plans to conduct an investigation of Senator Don Reigle, based on a request from the citizen's lobbying group Common Cause, are at this point speculation. It was reported that Reigle delayed the government takeover of a savings and loan operated by a campaign contributor and that an ethics committee investigation was under way. A spokesperson for the Senate Select Committee on Ethics indicated that the committee has several steps to take before it will consider an investigation.
- Michigan Department of Corrections officials reported that Michigan State University is currently the only state school negotiating with the department to run a psychiatric prison. Neither the University of Michigan nor Wayne State University responded to requests for proposals, although the U of M sent a letter of interest.

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