



Public Sector Consultants, Inc.

Michigan ROUNDUP

....The standoff continues on legislation to increase the personal exemption on the state income tax and thereby return to taxpayers about \$60 million of a \$165 million windfall from federal tax reform. While there is agreement on the size of the increase--from \$1,500 to \$1,600 this year, to \$1,850 next year, and to \$2,000 by 1989--the House continues to oppose a Republican proposal to index the personal exemption to inflation after 1989. A conference committee on the legislation will meet Monday, even though the Senate has adjourned for Thanksgiving break. The House will adjourn November 24. Both houses are scheduled to return December 1.

....The Senate passed five bills intended to reduce the amount of hazardous waste produced and disposed of by Michigan industries in local landfills. The bills would allow the state to assist companies by offering information, waste audits, and advice about how to produce less hazardous waste. The plan would be funded by a \$10-per-ton fee on hazardous waste disposed of in landfills.

....Work has started on the governor's 1988 state of the state message. The Detroit Free Press reports that the Department of Natural Resources wants the governor to include support of a \$1 billion bond proposal for environmental cleanup and recreational development. The bond proceeds would provide \$400 million to clean up seriously contaminated groundwater sites, \$250 million to develop alternatives to landfills, and \$250 million to renovate state parks, rehabilitate urban waterfronts, and fund other projects.

....Rick Cole, former chief of staff to Governor Blanchard, will leave his current position as higher education advisor to the governor on September 1, 1988. Cole will become an associate professor at Michigan State University, working full-time in the advertising department to develop its public relations curriculum. Cole, who joined Blanchard's staff in 1983, has taught part-time at the university during the last four years.

....A Senate Fiscal Agency report released Wednesday states that Michigan state government expenditures have increased 54 percent since 1978, but that permanent revenues have increased only 45 percent. The difference has been covered by temporary tax increases, department transfers, and one-time revenue raising plans such as the tax amnesty program. The report warns that "unless the Michigan tax base grows to close the gap between revenues and expenditures, Michigan budget decisionmakers must make a decision to permanently raise state taxes or reduce expenditures, or some combination of these solutions."

....The House Republican Task Force on Long-term Care, chaired by Representative DeLange, issued its report Tuesday. The report addresses the problem of financing long-term nursing home care. It includes recommendations on alternatives to long-term care; spousal impoverishment; minimum standards for long-term care insurance; and individual medical accounts (IMAs). Legislation to implement some of the changes has been introduced in the House.