



Public Sector Reports

Legislative Week in Review

- Despite major differences between two versions of **Governor Blanchard's school property tax reduction plan** that passed the House and Senate this week, odds favor approval of a ballot proposal before the legislature adjourns December 8. Both versions would reduce school property taxes on residences by 25 percent and on businesses by 10 percent, and both would increase the rate of the sales tax from 4 percent to 5 percent to make up the lost revenue. The House version would provide schools with an annual \$110 million in new money gained because the shift would reduce the state's payment of property tax credits and would maintain \$30 million in credits for senior citizens and renters. The Senate proposal would allocate the entire \$140 million to schools. Both versions would cap property taxes at 28 mills, but the House plan would allow voters to increase the maximum by two mills beginning in 1991. The Senate proposal also would freeze taxes on business property, while the House plan would allow voters to increase millage on both business and residential property. The Senate wants to schedule a special election on the proposal for March 7, but the House prefers May 2.
- Rep. David Hollister (D-Lansing) won House passage of his controversial **patients' rights bill** after 14 years of struggle, but the Senate Judiciary Committee is unlikely to hold hearings on it before the legislature ends its two-year session next week. Bills die if not passed before the session ends. Right-to-life groups have opposed the measure, which would allow a person who might become incapacitated to appoint an advocate to make decisions on medical treatment, including whether life support should continue. Hollister will reintroduce the bill in early 1989.
- The State Officers Compensation Commission has recommended **pay and benefit increases** for most elected state officials. Legislators would receive base pay raises in two steps from the current \$39,881 to \$45,450 in 1990. During the same period the governor's salary would increase from \$100,077 to \$106,690 and the lieutenant governor's from \$67,077 to 82,400. Justices would receive \$106,605 in 1990, up from the current \$100,000.

Political News

- Washington rumormongers say that former Michigan Governor **William Milliken** and Ann Arbor political consultant **Robert Teeter** are being considered for key positions in the Bush administration. Milliken, a staunch environmentalist, is reportedly under consideration to head either the Department of the Interior or the Environmental Protection Agency. He says he has not sought either post. Teeter, a key Bush campaign advisor and codirector of the transition team, allegedly has been asked to become deputy chief of staff for domestic policy and communications. He has told friends he may return to Michigan to run the new consulting firm he established after leaving Market Opinion Research, a Republican polling firm he cofounded.
- **Spencer Abraham** says he will seek a fourth term as chair of the Michigan Republican Party, citing such accomplishments as delivering the state for **George Bush**, defeating four Democrats in state House races, gaining control of the state Senate four years ago, and erasing a \$500,000 party deficit. His opponent will be Grand Rapids businessman and 5th Congressional District party chair **Chuck Yob**, who says Abraham has shown little leadership during intraparty squabbles and has failed to wrest Michigan's U.S. Senate seats and the governorship from Democratic control. Yob also has complained about the party's organization under Abraham. Some Kent County Republicans say Yob's effort is doomed because he has yet to organize it.
- When U.S. Sen. **Donald Riegle** assumes the chair of the Senate Banking Committee next year, Michigan politicians will increase their already extraordinary influence on national fiscal policy. Riegle will work closely with **L. William Seidman**, a Grand Rapids Republican and chairman of the Federal Deposit Insurance Corp., who has offered his assistance in solving the debt crisis of more than 400 savings and loan institutions. Arguably Michigan's most influential voice in Washington is Rep. **John Dingell** (D-Trenton), who chairs the House Energy and Commerce Committee. Dingell's and Riegle's committees will be the main venues for debating solutions to the savings and loan crisis. Another Michiganiaan, **Martha Seger**, is a senior member of the Federal Reserve Board, which oversees monetary policy.

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