

Michigan ROUNDUP

....The 1987-88 budget is still on hold; it is not likely to be resolved until Christmas week, if then. Legislators were told to plan on morning sessions that week. Medicaid and foster care payments due next week will not be paid pending final budget action. An agreement on the in-state insurers' premium tax increase, which is largely responsible for the holdup, fell apart Thursday.

....State budget director Shelby Solomon has asked state department directors to consider **budget cuts** of as much as 15 percent for the 1988-89 fiscal year. Only the Department of Corrections will be exempt from the requested reductions.

....The Senate has passed three bills that would regulate a **low-level radioactive waste storage** site in Michigan. SB 65 sets up a waste management system for low-level radioactive waste, SB 66 conforms current state law with the interstate low-level radioactive waste compact, and SB 297 creates a Low-Level Radioactive Waste Authority. Two of the bills were sent to the governor; SB 297 was sent to conference committee after the House rejected it because the Senate removed a provision giving the legislature final say on location.

....The Senate rejected House versions of three bills in the **transportation funding** package and sent them to conference committee. The bills (SBs 152, 321, and 495) would increase driver's license and vehicle registration fees, revise the distribution formula of transportation funds, and establish a new fund for local projects. All other bills in the transportation package, which would raise a total of about \$100 million in revenues, are also expected to end up in conference committee.

....Democratic State **Senator Basil Brown** will not participate in any more Senate sessions and will resign his office effective January 3, after pleading guilty to two felonies. Had Brown not resigned, he likely would have been expelled. Brown, 60, is the Senate's longest-serving member--almost 31 years. The governor must now set a date for a special election in the heavily Democratic 2nd district; the winner will serve the remainder of Brown's term, which ends in 1990. Possible candidates, all Democrats, include House members Ethel Terrell, Joseph Young, Jr., or Joseph Young, Sr., lame-duck Highland Park Mayor Robert Blackwell, and Wayne County Commissioner Jackie Currie.

....According to the *Detroit News*, the **Blue Cross and Blue Shield of Michigan (BCBSM)** board of directors voted unanimously to accept an audit report recommending that John C. McCabe, company chairman and CEO, resign. McCabe had planned to retire in 1988 but stay under contract to the Blues as a consultant. The audit followed an investigation by the Blues' audit committee of questionable real estate deals, company car sales, and improvements on homes of BCBSM executives. The state insurance bureau, attorney general, and a grand jury also are investigating BCBSM.

....A 1980 state law requiring a percentage of state contracts to go to **businesses owned by women and minorities** was recently ruled unconstitutional by the 6th U.S. Circuit Court of Appeals. The challenge to the law was filed several years ago by the Michigan Road Builders Association. The court ruled that there was no evidence that the state had discriminated against minorities.