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HUFFMAN PLANS SERIES OF HEARINGS ON POOL INSURANCE PLAN

In a more than two-week series of hearings that began Thursday, the state's four-year colleges and universities will be asked to consider a plan that its backer says could amount to a \$14 million savings to the state. Rep. William Huffman (D-Madison Heights), chairman of the House Appropriations Higher Education Subcommittee, said he would like to see the 29 community colleges and the 13 four-year schools band together in a program of self-insurance for their health, life, property and liability coverage.

The four-year schools are spending a total of \$2.1 million just for property liability, and Mr. Huffman said most have a \$100,000 deductible clause. He also doubts whether any college or university has had a claim for the past several years. The University of Michigan spends the largest amount, a little over \$1 million, and the Michigan State University spends a little less than half a million dollars. It is Mr. Huffman's contention that with the full faith and credit of the state behind each university, there is no reason why they cannot pool together to provide their own coverage, particularly in view of rising premiums in the wake of student disturbances in recent years. Mr. Huffman is currently collecting information from all the institutions on their premiums in the last 10 years and their claims.

He sees an even bigger savings in the health insurance area, which is eating up \$9.8 million annually from the colleges' and universities' budgets. Life insurance premiums account for an additional \$1.4 million. The University of Michigan is again the largest spender at \$3.7 million for health and \$500,000 for life insurance. Next largest is Michigan State, spending \$1.6 million for health insurance, and Wayne State which is paying \$304,000 for life insurance premiums.

Mr. Huffman has asked Haig Neville, director of the Insurance Division of the State Administration Department, to assist him in the developing of a workable program of self-insurance for the colleges. Mr. Neville said such a program is feasible, and desirable, and can be done, but it must be funded. He said there may be no savings in the first year in order to build up a contingency fund. He said if there were no fund, it would be a non-insurance program that could put institutions in a bind if property were destroyed and the state were strapped for money as it is this year. He suggested the pooled money could have a \$100,000 deductible policy with coverage up to \$1 million and additional coverage from commercial companies, which could be bought for a nominal sum. The next year, the pooled coverage could be increased. The savings in the following years could amount to an additional 25 per cent a year, he said, but it would take at least a year to get off the ground.

Mr. Huffman said some universities have responded very favorably to the concept and expressed willingness to establish a pooled coverage. All of them will be able to present their views in the hearings held by the House and Senate committees that began Thursday with Saginaw Valley State College and Lake Superior State College and to end with the medical schools Monday, June 14. The three largest universities will justify their spending requests on Wednesday, June 2, for U-M; Thursday, June 3, for Wayne State; and Friday, June 4, for Michigan State.

BURSLEY PRAISES POPULATION GROWTH REPORT

A report on population recently released by the Governor's Advisory Council on Environmental Quality recommending zero population growth as a goal for Michigan has been praised by Sen. Gilbert E. Bursley (R-Ann Arbor). Mr. Bursley, who chaired a special Senate committee on population growth last year, called the document an "excellent report" and said he wants to see a permanent statutory commission established to study the effect of population growth and to determine an ideal population for Michigan.

He has introduced a bill to that effect and will soon introduce others aimed at curbing population growth. One would remove the state and local income tax exemption for third children born after December 31, 1972. Mr. Bursley said a similar bill was not successful last year and he does not expect this year's bill to pass, but called the proposal a *"discussion point to provoke public awareness and controversy."* The other bill would require county clerks to distribute a list of family planning and birth control clinics and agencies to couples applying for a marriage license. Mr. Bursley said a bill that would have required the teaching of environmental classes in primary grades was returned to committee by the Senate earlier this year because Senators did not want to legislate curriculum, but a concurrent resolution (SCR 69) asks the State Board of Education to draw up guidelines for such instruction.

Mr. Bursley said he agrees with the council's report that voluntary rather than mandatory controls are needed at present, but added population must be limited if problems of pollution, education, welfare and transportation are to be at all manageable. He said the population of Southeast Michigan will double by the year 1990 or 2000 if unrestricted growth continues. Abortion, he said, is a very limited means of population control, serving mainly as a solution to emergency personal situations. *"What is important is making family planning information available to all persons throughout the state,"* he said.

TAXATION COMMITTEE RECEIVES A THIRD REVENUE-SHARING PROPOSAL

The House Taxation Committee this week received yet another formula for state-local revenue-sharing, differing from the already proposed plans from the governor and the Michigan Municipal League in determining the base for the amount of revenue to be shared. The 12-page plan submitted by Michigan State University economics professor Milton Taylor and graduate student Richard Willits relies not only on population, needs, and effort, but also resources as measured by local personal income and assessed valuation. The governor's plan takes into account local tax effort as measured by the ratio of local revenue raised to the state average of local revenue using state equalized valuation as a base. Mr. Taylor and Mr. Willits say the formula is an improvement, but does not recognize that one city could be merely supplying essential functions while another of identical relative tax effort could be supplying superfluities. The League's proposal expands the governor's plan by including consideration of local overlapping school and county taxes in calculating the relative tax burden.

Although the paper concerns itself with only urban areas, the authors say there is a reasonable presumption its components could be applied to counties, villages and townships.

Because studies have shown police costs rise with lower-income residents and transients, and fire protection and sanitation costs rise with density, the two MSU men contend the present revenue-sharing proposals are deficient in that the same payments could be made to an older low-income core city and a newer middle-income suburb of the same sizes, but with quite different needs. In order to provide a proper perspective, they propose determining resources with a ratio of average per capita statewide equalized valuation to the per capita local state equalized valuation. The factor thus determined would then be multiplied by the local effort measure used in the governor's program. Multiplying that by the per capita income and intangibles tax payment and adding the per capita sales tax payment would yield the per capita grant to the local units. By including the resource factor, Mr. Taylor and Mr. Willits estimate Detroit would receive about \$3.4 million over \$14.3 million under the governor's plan. Other cities that would receive an increase are Inkster and Roseville, while Birmingham, Dearborn, Midland and Warren would lose money. A few curious cases show up, however, where Flint, Highland Park and Battle Creek, for instance, would lose money, apparently because of their industrial property, while relatively rich East Lansing would receive an increase, apparently because its student population makes it appear relatively poor.

To help remove the impact of those anomalies, the two MSU men also propose a core city factor, which includes all 45 cities with a 1970 population of over 25,000. The variable they use to indicate core city characteristics is per capita income.

LEGISLATORS JOIN GOVERNOR'S TASK FORCE ON WELFARE EVALUATION TRIP TO ILLINOIS, NEW YORK

Three legislative experts on welfare are joining the task force Governor Milliken has assigned to examine what other states are doing to control welfare costs. Mr. Milliken last week assigned his executive officer, Don Gordon, to head a group that will first go to Illinois and New York to follow up on consultations Mr. Milliken has had with Governors Richard Ogilvie and Nelson Rockefeller.

Joining the group will be Reps. Raymond C. Kehres (D-Monroe); James S. Farnsworth (R-Plainwell); and Earl E. Nelson (D-Lansing), of the House Appropriations Committee Welfare Subcommittee. Other members of the group will be Social Services Director R. Bernard Houston and Joseph Farrell, head of the governor's Program Budget Evaluation Systems Office.

The group will go to New York on Tuesday and Illinois on Wednesday.

NO-FAULT INSURANCE HEARINGS SCHEDULE

A joint public hearing of the House Insurance Committee and the Senate Commerce Committee on no-fault insurance will be held at 10 a.m., June 7, in the House Chamber. The hearing will cover all phases of no-fault insurance and all bills introduced on the subject. In addition, independent committee hearings will be held at various places in the state during the summer. The schedule, however, is not yet definite.

CAPITOL BRIEFS

A CONFERENCE OF GREAT LAKES GOVERNORS AND PREMIERS will be held August 16-17 at Mackinac Island to help "assure a fully coordinated U.S.-Canadian pollution control program for the Great Lakes," Governor Milliken announced Thursday. The conference will involve the states of New York, Pennsylvania, Ohio, Indiana, Illinois, Wisconsin, Minnesota and Michigan and the provinces of Ontario and Quebec...THE URBAN EDUCATION SUBCOMMITTEE of the House Education Committee will hold a series of meeting with high school students in Detroit June 11 and 12. The meetings will be by appointment and will be held at Mackenzie High School June 11 and at Central and Mumford High Schools on June 12...A STATE BOARD OF EDUCATION ADVISORY COMMITTEE will hold a public hearing on educational practices which have been fostered and financed under Title III of the Federal Elementary and Secondary Education Act of 1965 at 1 p.m., June 29, in Michigan State University's Kellogg Center.