

# Sparks: GOP seeks economic policy voice

By Tim Richard  
staff writer

State Rep. Gordon Sparks got off to a bad start last week with his team's economic growth plan.

The Troy Republican and House GOP minority leader Paul Hillegonds intended to say "Michigan has done poorly in recent years" in job growth compared to other states. And they intended to let the world know the minority party would have "a lot to say about setting the agenda" in the House with some 30 bills. Instead, Sparks got caught in a flap with labor over a proposal to reduce restaurant waiters' pay to the level of neighboring states (see Associated Press story on this page).

**SPARKS.** A 52-year-old third-term lawmaker, headed a five-member GOP task force that last summer held hearings in four towns near the Wisconsin and Indiana borders. They made that choice to assess "Michigan's competitive position — how we do in relation to other states." "We aren't doing as well as we should, particularly in manufacturing," said Sparks in an interview a

day after the Lansing news conference.

Michigan employers told them, in Sparks' words: "We resent being in Michigan and slugging it out, and instead of substantive changes, we see special deals with the Mazdas."

Added GOP policy analyst Kalmin D. Smith, who has a doctorate in political philosophy, "When we (Gov. Blanchard's administration) were bidding for the GM Saturn project, the state offered a unique workers comp deal. Shouldn't we offer such fundamental reforms to everybody?"

The package contains bills on lowering health care costs, limiting liability suits, lowering the single business tax, streamlining environmental rule-making, reforming school financing and, of course, "making Michigan's restaurant industry competitive," to use the task force's chapter heading.

**SPARKS' TASK FORCE** is one of several launched by Hillegonds, a 39-year-old Holland lawmaker, serving his first term as minority leader and highly regarded in party circles. Other groups covered AIDS, educa-

tion and health care.

Besides an economic philosophy of helping all businesses vs. offering highly publicized deals to a few, the Hillegonds team is looking for a different style of operation in a House of Representatives dominated by Speaker Gary Owen, D-Ypsilanti, and a handful of leaders.

Sparks and Smith cited these tactical differences.

• "The House labor committee and economic development committee almost never meet," said Smith. Hillegonds' style is more meetings involving more people, Sparks said.

• The House GOP group attempts to communicate better with the Republican-led Senate "rather than lobbying bills back and forth," said Sparks. Senators and representatives have worked out identical bills before introduction. Senators have invited representatives to take part in Senate committee meetings because House committees meet less often, Smith said.

• Hillegonds clearly has studied the style of Senate Majority Leader John Engler, R-Mount Pleasant, who relies on the committee structure to report out major legislation according to schedule. Owen's style, as shown in mid-December, is to let major bills pile up, negotiate an agreement among leaders, link them in a package and pass them all without amendment in a couple of days. Hillegonds says major bills such as the income tax cut and insurance tax increase should have been considered separately, "on their merits."

• Hillegonds personally "is really open to input from the staff," said Smith. "His door is open. He invites criticism. Some of the Democratic leaders would have been very angry" at staff input.



Rep. Gordon Sparks (left) of Troy has the ear of House Minority Leader Paul Hillegonds.

SPARKS AND Smith said the GOP task force report was neither "a business wish list" nor "labor bashing."

It addresses not only business con-

cerns from the state borders but the loss of jobs and benefits.

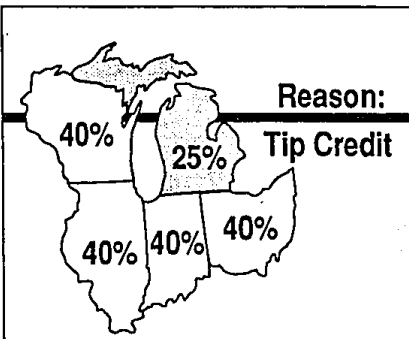
For example, they support a Republican bill to protect workers whose employers may not be covered by workers comp through creation of an uninsured employers security fund. And they call for a state crackdown on workers comp policy

verification.

Not all 30 bills in their package have Republican authors. The group endorsed Democratic-sponsored bills they thought matched their philosophy.

Said Sparks: "We're trying to de-emphasize the pride of authorship and emphasize accomplishments."

Reason:  
Tip Credit



House Republican task force

Michigan has fewer restaurants per 1,000 residents, Republicans say, because it allows only a 25 percent "tip credit" offset to the minimum wage while neighboring states allow a 40 percent credit. Raising the credit has the effect of lowering the wage rate.

## Restaurateur: no to wage cut

**AP** — Slicing 50-cents-an-hour off the wages earned by most waitresses and waiters could create 60,000 new Michigan jobs, according to a legislative report unveiled in Lansing.

But the restaurateur who initially suggested the idea said the House Republican task force went far beyond his original proposal and no longer has the support of the restaurant industry.

Jerry Hill, president of Bill Knapp's Inc., said he never intended the state to roll back the pay for waitresses and waiters from \$2.51 to \$2.01 an hour, as proposed by a House GOP task force report.

"I would not support it, and I don't know anyone in the restaurant business who would support it," said Hill, who heads a chain with 32 restaurants in Michigan.

"PSYCHOLOGICALLY that's a disaster. You'd lose 80 percent of their enthusiasm the day you cut them a penny," Hill said.

The GOP proposal seeks to increase the amount employers can estimate as earnings on tips from 25 percent to 40 percent. Because the legislation includes a grandfather provision, only new servers would experience the 50-cents-an-hour wage cut.

That would bring them in line with the wages paid to tip servers in Ohio, Indiana, Illinois and Wisconsin.

The report, which was based on data compiled by Bill Knapp's, said lowering wages would lead to the opening of 1,900 restaurants and spark \$2 billion in construction. But Hill said he only suggested expanding the so-called "tip credit" if the federal minimum wage were increased to \$4.20, the amount needed to offset the higher tip percentage. He said he never wanted to lower employees' wages.

been \$3.35 an hour since 1981. Restaurants in Michigan are allowed to pay their waitresses and waiters \$2.51 an hour because it is assumed they supplement their income by at least 25 percent.

**REP. GORDON SPARKS, R-Troy** and one of the bill's two sponsors, described the situation as a misunderstanding. Sparks said Hill never mentioned anything about making the change contingent on a boost in the federal minimum wage.

"That's different than the position he testified to," Sparks said.

The wage cut also came under fire from House Democrats and labor officials.

"The proposal appears to be another typical Republican ploy to stick it to working men and women by, in effect, lowering the minimum wage for restaurant-tipped employees," said Stephen Serkalan, a spokesman for House Democrats.

Tim Hughes, a spokesman for the Michigan AFL-CIO, said labor was strongly opposed to the idea and doubts it would create 60,000 new jobs.

"Most of those people don't make that much money in the first place," Hughes said.

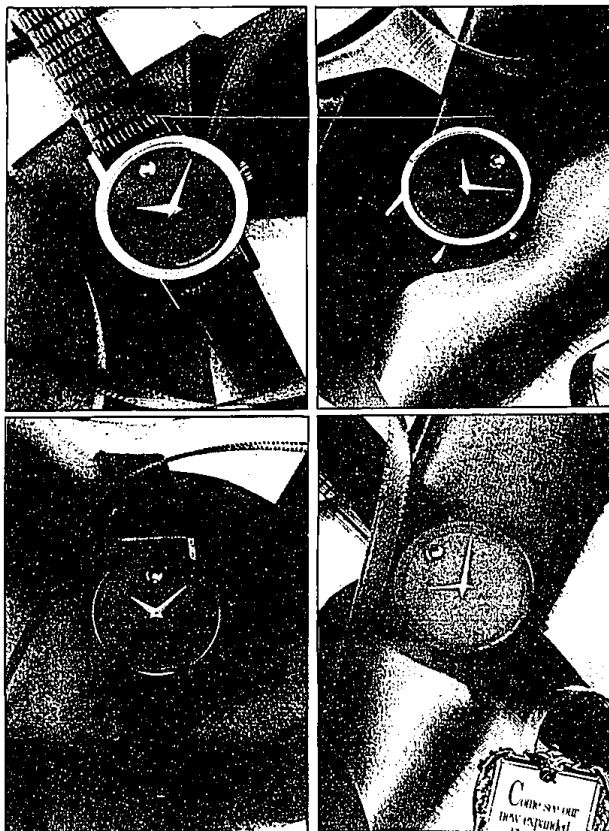
**REPUBLICAN LEADER PAUL HILLEGONDS** admitted the bill's chances of passing the Legislature this year were slim. "I would be surprised if it was seriously debated in 1988," he said.

Still Hillegonds, R-Holland, said the proposal is the kind of bold idea the state needs to consider if it wants to reduce unemployment and improve the state's jobs climate.

Hillegonds said he was releasing the report to put pressure on Gov. James Blanchard to address these and other business climate issues in his Jan. 20 State of the State address.

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## OCC's food course lauded

The food service management program at Oakland Community College announced it has received a 1987 award of excellence from the National Restaurant Association.

Robert B. Zemke, registered dietitian and chairman of the hospitality department at OCC, was notified by Philip Kravovec of the NRA. The award is granted jointly by the NRA and the American Vocational Association.

The food service management program is available at the Orchard Ridge Campus in Farmington Hills.

It leads to an associate's degree in applied science. The program gives the student experience in food preparation, nutrition, menu planning and management. Graduates are ready for middle-management supervisory positions.