

Gas tax increase on hold — Blanchard

By Tim Richard
Staff writer

Gov. James Blanchard dashed cold water on suburban hopes of raising the state fuel tax for better roads in the near future.

"Until then, gas prices level off and the federal and state governments get a handle on why gas prices went up so quickly, I don't think anything will happen" in the Legislature, said, "Probably not, and I'll tell you why."

"Gas prices have shot up, and

there's concern the oil companies are taking advantage of the current situation, citing the Exxon Valdez incident (in which an Exxon tanker ran aground and spilled oil on the Alaskan coast).

"Until those gas prices level off, and the federal and state governments get a handle on why gas prices went up so quickly, I don't think anything will happen" in the Legislature.

The panel wants increases of 2 cents a gallon for three years, for a new total of 8 cents.

Current state gasoline tax is 15 cents a gallon.

Gas have risen about 15 cents a gallon.

THE OAKLAND County Road Commission is seeking an even bigger increase than the current legislative bill calling for a 2 cent hike on gasoline and another penny on other petroleum products.

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for a new total of 8 cents.

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The Oakland proposal calls for putting half the new money in the general road fund and half in an economic development fund, which would go back to counties experiencing great economic growth. Under that formula, Oakland has been the biggest winner, followed by Kent County.

Each penny of the gasoline tax produces about \$45 million in revenue.

Wayne County Executive Edward McNamara has supported the current legislative bill in testimony before a House committee.

Blanchard predicted a "modest" increase "at some point."

"Oakland voters themselves turned down a (road) proposal, so there's some controversy as to how important it is to everybody," Blanchard said. Oakland voters last Nov. 8 rejected, 3-1, a \$25 per vehicle fee for local roads.

"The bad news is that we have far more demands for infrastructure than money. The good news is we're growing, so that's what we expect," the governor said.

He recalled that a 2-cents-a-gallon increase took effect in 1983 and a fee package was passed in 1987, "and there's still enormous demands."

School bill delay called 'mistake'

By Tim Richard
Staff writer

"Big mistake," said Gov. James J. Blanchard of a legislative committee's rejection of one of his major school quality measures.

"Ultimately they will pass it," Blanchard said in a Novi news conference last week.

"Philosophy of the plan is to reward success, not prop up failure," he said.

THE HOUSE Education Committee turned down the Governor's achievement Incentive (GAIN) plan to reward school buildings with grants averaging \$15,000 for reaching planned goals.

Those goals could be improved standard test scores, reduced dropout rates, greater student participation in extracurricular activities, and improved post-graduation job placement.

It failed for Bloomfield Hills, to get their average score from the 80th to the 92nd percentile," the governor told a news conference.

"It's for average schools in big cities."

As amended, House Bill 4444 would limit grants to 25 percent of the buildings in any K-12 school district.

Democratic Blanchard noted Republican President George Bush had proposed a similar national program of incentive grants. "Ours has more money and more teeth," Blanchard said.

THE 19-MEMBER House Education Committee voted eight yes and nine no on reporting the bill to the House floor. Two members didn't vote.

The panel was split across party

lines and across city-suburban-out-state lines.

(In Thursday's edition, the vote of Rep. Justine Barnes, D-Westland, was not recorded. She voted no.)

In part, committee members resented Blanchard's political exploitation of the issue. Others feared the GAIN program, estimated at \$15 million for fiscal 1990, would drain other meritorious programs, such as those for dropouts and pregnant teens.

BLANCHARD said a U.S. Department of Education report showing Michigan with a high dropout rate was evidence of need for "massive preschool education."

The federal report said Michigan plummeted to 48th in the nation with only 62 percent of students graduating from high school.

While state school officials criticized the way statistics were gathered, Blanchard said they showed that "we have to start in the early

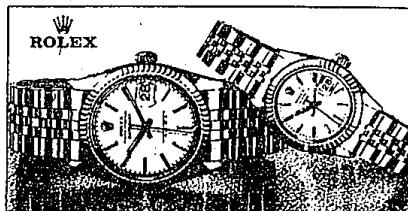
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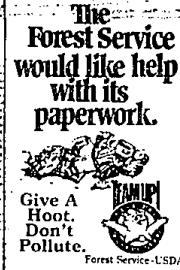
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