New loan program a boon for schools

When Birmingham schools reconvene this fall, the salaries of at least six teachers won't cost the district a thing. No, the teachers aren't working for free. The equivalent of about 6 ½ salaries will be paid before the year even begins because of a new, innovative financing plan organized by the state of Michigan. Thanks to the sale this summer of what are known as Consolidated Tax Anticipation Notes, the Birmingham

district will realize about \$180,000 in unanticipated interest, according to finance director Richard Perry.
Ed Grant, the finance director for the Oakhand Intermediate Schools, said his district will realize at least \$150,000 in extra interest income.
"It is a tremendous advantage to municipalities, schools and taxpayers," sald Perry. "You've heard of win-win situations, where if you win I win? Well, this is a win-win-win situation."

Statewide, 23 schools are partici-pating in the program, which went

mate the program will save \$1 mil-llon in borrowing costs. Interest in-come figures state-wide aren't avail-able.

HERE'S HOW the program works: Municipalities borrow money to loan to local school districts, with the state guaranteeing the loans. Be-cause of the state's improved credit rating, and the borrowing power generated by the pooling of munici-palities, loans are available at rates below normal market costs, in this

Senators voting no wanted to over-turn the AIDS law.

REUPHOLSTERING

SALE So

STATEWIDE

REUPHOLSTERY

case 4.4 percent.

The various municipalities then loan the money to the school districts, which previously would have to wait for tax money to come filtering in. As tax money comes in, the municipalities reinvest them at higher interest than they are paying for the original loan.

The result is that the school districts make money by reinvesting the money in the summer before their bills start coming in in September. The municipalities make money in the fall on their investments. The

taxpayers don't pay a cent more. And the program doesn't cost the state a thing.

"The taxpayers don't pay taxes any faster than usual, and the potential is there for reduced taxes further down the line," Perry said.

THREE AREA school systems are involved in the program. Birming-ham borrowed about \$8.7 million to be divided among the Birmingham district and the Oakland Intermediate Schools. Farmington borrowe nearly \$3 million to be apportione

between the Farmington schools and Oakland Intermediate. And South-field Township borrowed \$5.5 to be split between Birmingham schools and Oakland Intermediate. Perry said that his district received \$7.5 million from the city of Birmingham and \$4.5 million from Southfield Township. In addition, the city of Troy, which had its own sale of notes, contributed \$1.1 million to the district, for a total contribution in July of \$13.1 million.

Perks stay for ex-presidents

Here's how area members of Con-gress were recorded on major roll-call votes through Aug. 8. HOUSE

PERKS FOR EX-PRESIDENTS
- By a vote of 356 for and 61 against, the House adopted an amendment to keep intact a wide range of perquisites for former presidents.

range of perquisites for former presidents.

The measure trimmed only \$59,000 from a \$1,234,000 outlay for ex-presidents in fiscal 1987.

Although appearing as budget cutting, this actually was a maneuver to block a proposed deep cut into the outlay for Richard Nixon, Gerald Ford and Jimmy Carter and Lady Bird Johnson, the former first lady. It gutted an amendment to reduce the expenditure by nearly \$1 million, to \$278,600, climinating perks such as office space and staff support and caving only \$62,000 each in pensions for Carter, Ford and Nixon and \$20,000 in pension money for Mrs. Johnson.

\$20,000 in pension modey or rus-johnson. Both amendments were offered to an appropriations bill (HH 5294) that later was sent to the Senate. Joe Skeen, R-N.M., who sponsored the amendment to keep the perks in-tact, said the former presidents, in an initiative led by Nixon, have pledged to hold down costs. Andrew Jacobs, D-Ind., who prosed the deep cuit, called the outlay for ex-presidents "a slush fund" and said their persions are higher than the Income of 37 percent of Ameri-cans.

cans.

Members voting yes wanted to preserve taxpayer-provided perquistes for former presidents.

Voting yes: Carl Pursell, R-Plymouth, Denais Hertel, D-Harper Woods, William Foord, D-Taylor, William Broomfield, R-Birmlogham.

Voting no: Sander Levin, D-Southfield.

BUDGET CUT — The House adopted, 269 for and 152 against, an amendment to cut \$125.8 million from HR 5294 (above), the \$13.8 billion Treasury and Postal Service appropriations bill for fiscal 1987.

The cut was aimed at discretion-

The cut was almed at discretionary outlays, which account for near-

Roll Call Report

ly half of the bill's pricetag. But it was blunted because it exempted budgets for the Internal Revenue Service, Customs Service and Business of the Business

Postal Service. — and the U.S.
Postal Service. As passed and sent to the Senate, the bill was some \$400 million above the Administration's budget request and several hundred million dollars higher than liscal 1986 appropriations for the same agencies.

Members voling yes supported the spending cut.
Voling yes; Pursell, Hertel, Levin, Broomfield.
Voling no: William Ford.

Voting no: William Ford.

TEXTILE IMPORTS — By a vote
of 276 for and 149 against, the House
failed to achieve the two-thirds majority needed to override President
Reagan's veto of legislation to protect certain American industries by
sharply cutting imports of textiles,
clothing and non-tubber footwear.
While the bill was aimed at many
countries, most of them Asian, its
strictest provisions sought to roll
back textile and apparel imports
from South Korea, Talwan and Hong
Kong by nearly a third.

from South Korea, Taiwan and Hong Kong by nearly a third.
This was a test of the Administra-tion's power to resist protectionist pressures in Congress at a time when imports are displacing many American workers. Democra

bill.
Voting yes: Hertel, William Ford,

Voting no: Pursell, Broomfield. SENATE

AIDS AND INSURANCE — By a vote of 41 for and 53 against, the Senate failed to table (kill) an amendment seen as unsympathetic to District of Columbia residents who have tested positive for expo-

"STAR WARS' FUNDING — By a vote of 50 for and 49 against, the Senate tabled (killed) an amendment to lower from \$3.9 billion to \$3.2 billion the fiscal 1987 outlay for continuing research into the Administration's Strategie Defense Initiative (SDI). sure to the AIDS virus.

As later attached to legislation (HJ Res. 668) raising the national debt ceiling, the amendment repeals a new D.C. law making it illegal for insurance companies to deny coverage to potential AIDS victims.

HJ Res 668 was headed for House-Senate conference, where the repeal attempt was unlikely to survive.

The AIDS measure has been a target of national right-wing groups since it was passed in May.

Under the 1973 home rule statute that gives D.C. limited autonomy to run its day-to-day affairs, local laws can be overturned by votes of both the House and Senate.

Charles Mathias, R-Md., who voted to kill the amendment, called the AIDS measure "a purely local law affecting a purely local mater—the regulation of insurance in the D. Jesse (Hons, R-N.C., said the D.C. law should be repealed because "it would suspend longstanding risk assessment practices for a relatively few individuals" whose "illestyles place them at risk of developing AIDS."

Senators voting no wanted to overturn the AIDS law.

(SDI). Popularly called "Star Wars," SDI se envisioned by President Reagan and other advocates as potentially a foolproof shield against incoming missiles. Its estimated price tag is between \$770 billion and \$2 trillion. A decision on whether the experimental venture is workable is severations as a second of the severations as a second of the severations.

The amendment was offered to the fiscal 1987 military authoriza-tion bill (\$ 2638), which remained un-der debate.

tion bill (S 2638), which remained under debate.
William Cohen, R-Maine, who woted to kill the amendment, called SDI "an important bedge against the kind of research and development of the state of th

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AMPLE MESSAGES







