

You voted
Pistons' Wallace
as Michigan's
+ top sports figure.
SPORTS, 1G



BIG BEN'S THE BEST

NHL SETS DEADLINE
OF THIS WEEKEND
Get a pact or season's over.
SPORTS, 1G

ON GUARD FOR 173 YEARS

METRO
FINAL
50 cents

Detroit Free Press

THURSDAY
Feb. 10,
2005

www.freep.com

Granholtm to seek money for schoolkids

Districts would have to share services — or risk consolidation

By LORI HIGGINS, PEGGY WALSH-SARNECKI AND TERESA MASK
FREE PRESS EDUCATION WRITERS

► Districts ranked by size. 5A
► Opinion and a Q&A with the governor. Editorial, 14A-15A

Gov. Jennifer Granholtm has a deal for Michigan schools: She'll try to get them a \$175-per-pupil boost in state aid for the coming school year, but in return, they have to do more to share services and cut costs.

If they don't make the effort, she wants the power to force the issue by consolidating districts.

"There are a lot of very small districts that are paying for two superintendents and two bureaucracies," Granholtm told the Free Press on Wednesday. "I don't see consolidating huge districts. But there are a lot of very tiny districts in this state."

Districts that are small and losing students need to look to combine with others to cut costs, she said.

Details such as how much a district would have to do to avoid a consolidation effort have not

been worked out, Granholtm said. School leaders said Wednesday that they welcome the push to share services, but are skeptical about consolidation.

"It's fraught with danger. Those are highly emotional issues," said Justin King, executive director of the Michigan Association of School Boards.

Granholtm said her top priority is education and that she wants districts to do everything they can to free up money for teaching.

Today, the governor will propose increasing school funding by \$175 per student. Schools currently get a minimum of \$6,700 per student. That amount has not changed since the 2001-02 budget year.

The governor also has proposed. Please see SCHOOLS, Page 5A

Drug benefit's \$724-billion cost riles legislators

Some say Medicare law needs rewriting

By JILL ZUCKMAN AND MARK SILVA
CHICAGO TRIBUNE

► White House can't give Social Security overhaul's cost. 4A

WASHINGTON — Frustrated that new estimates show the cost of the Medicare prescription drug program skyrocketing, some lawmakers said Wednesday that the law should be rewritten to require the government to negotiate for better deals from drugmakers and to allow patients to buy drugs from Canada.

Originally estimated to cost \$400 billion over 10 years, the program is now expected to cost \$724 billion in its first decade, with costs reaching \$100 billion a year in the next decade, the Bush administration said this week.

"This is what happens when you forbid Medicare from negotiating lower prices from pharmaceutical companies, and you forbid Medicare employees from

telling the truth about how much the law will cost until after it's passed," said Sen. Dick Durbin, D-Ill., the assistant Senate Democratic leader. "We must put providing real help for seniors ahead of lining the pockets of the corporations that benefit when seniors get sick."

White House press secretary Scott McClellan downplayed the \$724-billion figure Wednesday, pointing out that it covers the 10-year period beginning in 2006, just as the program takes effect. The earlier 10-year estimate covered the two years prior to the start of the program — the phase-in years, when costs are lower —

Please see MEDICARE, Page 8A



Michigan beer and wine distributors have it made. And they wine, dine and finance legislators to keep it that way.

UNDER THE INFLUENCE

WHAT THEY GAVE:

Poured \$2 MILLION into campaign coffers

Picked up tab for fund-raisers netting \$440,000

WHAT THEY GOT:

No competition, higher prices, government protection

By JENNIFER DIXON
FREE PRESS STAFF WRITER

Michigan's beer and wine wholesalers like to take along special guests when they jet off every winter for a convention at a luxury resort.

The lucky travelers? They're some of Michigan's most powerful lawmakers.

The legislators fly for free to beachfront retreats like the Atlantis Resort in the Bahamas and the Hyatt Regency on Grand Cayman Island. They pay nothing for their rooms and can bring spouses, too.

They give a speech or two. Then they can kick back and enjoy their escape from cold, gloomy Michigan.

Free trips to paradise are just one way that members of the Michigan Beer & Wine Wholesalers Association court politicians who control their business in Lansing. The 75-member trade group spends hundreds of thousands of dollars a year showering legislators with generous campaign contributions, picking up large food and bar tabs and taking their friends on golf outings in northern Michigan.

In return, the wholesalers ask for one thing: Keep business just the way it is.

And that means no changes to Michigan laws giving them a deal that is hard to beat. The wholesalers control the distribution of nearly every drop of beer and wine sold in the state. They're protected by law from competition. Their customers must buy from them, and only them. And no one

gets a price break.

A Free Press survey found that beer and wine prices tend to be higher in Michigan than in neighboring states — prices that are so high Northwest Airlines found it cheaper to truck beer from Minnesota to Metro Airport than to buy locally.

Despite the state's budget crisis, the wholesalers are proud of having kept a lid on state commodity taxes on beer and wine — which haven't changed in decades.

During their summer convention last year, the association's chairman, Howard Wolpin, touted the success in a speech, saying there was no better proof of their influence than the fact that their products eluded higher taxes as the state has struggled to balance its budget since 2002.

"Nearly every other state facing similar budget challenges ... zeroed in on beer and wine," said Wolpin, an Anheuser-Busch distributor in Detroit who stepped down as chair last summer. "It has taken tremen-

Please see BEER, Page 6A

DAY 1 OF A 3-DAY SERIES

WHAT'S INSIDE:

Ever wonder how Michigan's beer and wine prices compare to neighboring states? Check out the results of a Free Press price survey. Page 7A

WHAT'S NEXT:

► Friday: The wholesalers make it easy for politicians to raise money: They pay for the fund-raising party, then make a nice contribution, too.

► Saturday: The wholesalers association and its lobbyist have arranged closed-door meetings with state regulators — in possible violation of state law.



Andy Hsiao, 8, who is extremely allergic to peanuts, eats lunch at Angell School in Ann Arbor. The school says it limits nut products.

Debate has some schools swearing off nuts

Allergy dangers bring on lifestyle changes

By PEGGY WALSH-SARNECKI
FREE PRESS EDUCATION WRITER

► Avoiding allergic reactions. 8A
► How foods cause allergies. 8A

Andy Hsiao was less than a year old and apparently tired of waiting for his mother to finish her shopping. When Andy started to cry, Jimmy Hsiao gave his son a few crumbs of a peanut butter cookie.

Suddenly Andy started to make a noise so horrible that years later, his mother still can't describe it. A passing security officer heard An-

dy had eaten a bit of a peanut butter cookie, and immediately said, "Call 911."

That's how his parents learned Andy, now 8, is allergic to peanuts. The All-American peanut butter and jelly sandwich could, in Andy's case, be a real killer.

"We didn't know about aller-



gies; we didn't know about peanut allergies; we didn't know what was going on," said Andy's mother, Kaori O'Hara.

Peanut and nut allergies tend to be much more lethal than other allergies, causing about 200 deaths each year nationwide. Kids like Andy could have a serious reaction after inhaling just a little dust from a bag of peanuts

at the next lunch table, or rubbing against a shirt that a classmate brushed their hand against while eating a nutty breakfast bar.

These allergies are the subject of a growing debate. Is it better to create nut-free schools for kids with a potentially fatal allergy, or is public education and awareness a better weapon? In Andy's case, they chose the nut-free school.

"It's frightening," O'Hara said. "I don't even know what would be

Please see PEANUT, Page 8A

KNIGHT RIDDER



EARLY FLURRIES 30 | 18
Partly sunny later.
Jerry Hodak's forecast, 7E HIGH LOW



INDEX
Volume 174, Number 279
© 2005
Detroit Free Press Inc.
Printed in the United States

Bridge 5E Corrections 2A
Business 1F Crossword 7E
Classified 1C Death notices 4B
Comics 7E, 8E Editorials 14A

Horoscope 4E Movie Guide 5E
Jumble 4C Obituaries 5B
The List! 2E Television 6E
Motor City 1D Yak's Corner .. Insert

INFORMATION FOR LIFE

CONTACT US
Delivery: 800-395-3300 Classified: 586-977-7500
News tip: 313-222-6600 800-926-8237