JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

EXECUTIVE ORDER
No. 2007 - 3

IMPLEMENTATION OF EXPENDITURE REDUCTIONS UNDER SECTION 20 OF ARTICLE V OF THE MICHIGAN CONSTITUTION OF 1963

WHEREAS, under Section 20 of Article V of the Michigan Constitution of 1963, the Governor, with the approval of the appropriating committees of the House of Representatives and the Senate, shall reduce expenditures authorized by appropriations whenever it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based, and the reductions shall be made in accordance with procedures prescribed by law;

WHEREAS, it appears that actual revenues for the fiscal period beginning on October 1, 2006 and ending on September 30, 2007, will fall below the revenue estimates on which appropriations for that period were based, the estimates having been determined by the Legislature as required under Section 31 of Article IV of the Michigan Constitution of 1963;

WHEREAS, pursuant to Section 391 of The Management and Budget Act, 1984 PA 431, MCL 18.1391, on the basis of written information from the State Budget Director and the State Treasurer, it appears that actual revenue will fall below such revenue estimates;

WHEREAS, there is an unanticipated loss of funding that the departments and agencies of state government do not expect to obtain or make up during the current fiscal year;

WHEREAS, expenditure reductions totaling $274,245,000.00 general fund-general purpose and $70,383,100.00 special purpose funds are necessary;

NOW, THEREFORE, I, Jennifer M. Granholm, Governor of the State of Michigan, by virtue of the power and authority vested in the Governor under the Michigan Constitution of 1963 and Michigan law, and with the approval of a majority of members of each appropriations committee, order the following reductions in expenditures:

Printed by members of:

A. Portions of general fund-general purpose expenditures authorized by appropriations amounting to $274,245,000.00 contained in the following public acts are reduced. Where the expenditure reductions of general fund-general purpose appropriations in this Order reduce the restricted portions of gross appropriations and sources of financing that will be earned, the amounts to be reduced shall be provided separately to the State Budget Director for approval and entry into the accounts.

Public Act	Department	Reduction Amount
2006 PA 345	Agriculture	$2,293,200
2006 PA 345	Attorney General	2,116,100
2006 PA 345	Civil Rights	360,900
2006 PA 345	Civil Service	466,100
2006 PA 341	Community Colleges	29,154,000
2006 PA 330	Community Health	33,160,000
2006 PA 331	Corrections	67,551,800
2006 PA 332	Education	313,800
2006 PA 343	Environmental Quality	2,729,700
2006 PA 345	Executive Office	43,000
2006 PA 340	Higher Education	73,390,900
2006 PA 345	History, Arts, and Libraries	886,600
2006 PA 345	Human Services	29,375,700
2006 PA 345	Labor and Economic Growth	1,461,200
2006 PA 345	Management and Budget	16,793,700
2006 PA 345	Michigan Strategic Fund	2,253,900
2006 PA 345	Military and Veterans Affairs	1,441,000
2006 PA 344	Natural Resources	469,900
2006 PA 345	State	616,200
2006 PA 345	State Police	7,311,700
2006 PA 345	Treasury	2,055,600
	TOTAL	274,245,000

The Department of Information Technology shall reduce user charges to state agencies consistent with reductions for information technology services and projects contained in Section B.

B. The reduction totals for the departments and agencies in Section A include the following appropriation items or are predicated upon the following actions:

1. Department of Agriculture

Appropriation Number	Item	Reduction Amount
01120	Statistical reporting service	130,700
01220	Agricultural development	15,000
02320	Animal health and welfare	125,000
03120	Environmental stewardship	234,700
03908	Local conservation districts	758,400
30000	Information technology services and projects	1,200
		1,265,000

The amounts in Section 604 of Part 2 of Article 1 of 2006 PA 345 for local conservation districts are reduced to the following amounts: for each district, $9,600.00; for equal distribution among multiple districts within a county, $9,600.00.

The amount in Section 703 of Part 2 of Article 1 of 2006 PA 345 is reduced to $15,000.00.

2. Department of Attorney General

Appropriation Number	Item	Reduction Amount
01040	Attorney general operations	1,000,000
06100	Information technology services and projects	1,600
		1,001,600

3. Department of Civil Rights

Appropriation Number	Item	Reduction Amount
01000	Civil rights operations	25,000
02100	Information technology services and projects	700
		25,700

4. Department of Civil Service

Appropriation Number	Item	Reduction Amount
09150	Information technology services and projects	1,000
19300	Executive direction	174,300
		175,300

5. Community Colleges – Delayed Payments

Appropriation Number	Item	Reduction Amount
07600	Alpena Community College	222,900
07605	Bay de Noc Community College	225,000
07610	Delta College	605,000
07620	Glen Oaks Community College	101,600
07625	Gogebic Community College	183,800
07630	Grand Rapids Community College	759,400
07635	Henry Ford Community College	924,100
07645	Jackson Community College	510,700
07650	Kalamazoo Valley Community College	523,600
07655	Kellogg Community College	410,800
07660	Kirtland Community College	125,000
07665	Lake Michigan College	221,500
07670	Lansing Community College	1,313,200
07675	Macomb Community College	1,402,200
07680	Mid Michigan Community College	186,800
07685	Monroe County Community College	182,300
07690	Montcalm Community College	131,400
07615	C.S. Mott Community College	663,100
07695	Muskegon Community College	376,900

07700	North Central Michigan College	127,700
07705	Northwestern Michigan College	384,400
07710	Oakland Community College	885,700
07715	St. Clair County Community College	297,000
07720	Schoolcraft College	517,900
07725	Southwestern Michigan College	278,200
07730	Washtenaw Community College	531,300
07735	Wayne County Community College	691,300
07740	West Shore Community College	97,100
		12,879,900

6. Community Colleges – Retirement Rate Reduction

Appropriation Number	Item	Reduction Amount
07600	Alpena Community College	167,300
07605	Bay de Noc Community College	140,000
07610	Delta College	828,800
07620	Glen Oaks Community College	98,100
07625	Gogebic Community College	115,200
07630	Grand Rapids Community College	1,303,400
07635	Henry Ford Community College	1,266,800
07645	Jackson Community College	322,500
07650	Kalamazoo Valley Community College	460,800
07655	Kellogg Community College	336,200
07660	Kirtland Community College	207,800
07665	Lake Michigan College	249,100
07670	Lansing Community College	1,244,500
07675	Macomb Community College	1,453,600
07680	Mid Michigan Community College	199,700
07685	Monroe County Community College	331,700

07690	Montcalm Community College	165,500
07615	C.S. Mott Community College	831,800
07695	Muskegon Community College	338,700
07700	North Central Michigan College	149,000
07705	Northwestern Michigan College	429,300
07710	Oakland Community College	1,872,600
07715	St. Clair County Community College	379,000
07720	Schoolcraft College	903,000
07725	Southwestern Michigan College	120,000
07730	Washtenaw Community College	1,044,000
07735	Wayne County Community College	1,182,500
07740	West Shore Community College	133,200
		16,274,100

7. Department of Community Health

Appropriation Number	Item	Reduction Amount
11232	Worker's compensation program	864,600
33500	Hospital services and therapy	2,181,000
33550	Health plan services	12,500,000
33680	Long-term care services	1,700,000
34500	Health information technology initiatives	7,250,000
80000	Information technology services and projects	2,700
		24,498,300

8. Department of Corrections

Appropriation Number	Item	Reduction Amount
02072	Training	2,500,000
03112	Worker's compensation	963,100

05083	Information technology services and projects	5,800
22261	Parole and probation special operations program	208,300
		3,677,200

The amount in Section 607(2) of 2006 PA 331 is reduced to $291,700.00.

9. Department of Education

Appropriation Number	Item	Reduction Amount
01404	Best practices study	175,000
03801	Information technology services and projects	3,300
		178,300

10. Department of Environmental Quality

Appropriation Number	Item	Reduction Amount
01150	Information technology services and projects	700
06051	Water pollution control and drinking water revolving fund	1,600,000
		1,600,700

11. Higher Education – Delayed Payments

Appropriation Number	Item	Reduction Amount
01001	Central Michigan University	3,744,700
01501	Eastern Michigan University	3,553,100
02001	Ferris State University	2,274,800
02501	Grand Valley State University	2,945,400
04001	Lake Superior State University	587,700

03001	Michigan State University	13,281,200
03501	Michigan Technological University	2,237,200
04501	Northern Michigan University	2,109,100
03201	Oakland University	2,382,200
05001	Saginaw Valley State University	1,312,400
05501	University of Michigan - Ann Arbor	14,808,900
05801	University of Michigan - Dearborn	1,157,100
05701	University of Michigan - Flint	978,200
06501	Wayne State University	10,001,500
06001	Western Michigan University	5,130,700
03301	Agricultural experiment station	1,537,600
03401	Cooperative extension service	1,326,200
		69,368,000

12. Higher Education – Retirement Rate Reduction

Appropriation Number	Item	Reduction Amount
01001	Central Michigan University	834,200
01501	Eastern Michigan University	665,900
02001	Ferris State University	704,600
04001	Lake Superior State University	143,700
03501	Michigan Technological University	369,200
04501	Northern Michigan University	417,200
06001	Western Michigan University	888,100
		4,022,900

13. Department of History, Arts, and Libraries

Appropriation Number	Item	Reduction Amount
01100	Management services	18,900
02001	Administration (Michigan Council for Arts and Cultural Affairs)	62,500

03050	Library of Michigan operations	126,500
05000	Information technology services and projects	7,400
07516	Historical facilities system	14,000
		229,300

14. Department of Human Services

Appropriation Number	Item	Reduction Amount
11350	Demonstration projects	575,000
14200	Medical consultation program	241,800
15100	AFC, children's welfare and daycare licensure	123,400
16100	Information technology services and projects	3,002,800
32500	Family independence program	6,576,000
32520	State disability assistance	213,500
32550	Day care services	1,139,300
32630	Indigent burial	738,700
62040	Contractual services, supplies, and materials	269,300
72360	Black child and family institute	50,000
72420	Youth in transition	122,000
72550	Foster care payments	1,226,200
81100	Domestic violence prevention and treatment	75,000
81200	Crisis prevention and elder law of Michigan food for the elderly project	160,000
83200	Legal support contracts	2,000,000
		16,513,000

The amount in Section 307(1) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 423(1) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 423(2) of Part 2 of Article 10 of 2006 PA 345 is reduced to $35,000.00.

The amount in Section 423(3) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 423(4) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 560 of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 613 of Part 2 of Article 10 of 2006 PA 345 for the maximum allowable reimbursement limit for indigent burials is reduced to $680.00 and distributions are reduced to the following amounts: for funeral directors, $435.00; for cemeteries or crematoriums, $145.00; and for the provider of the vault, $100.00.

The amount in Section 668(2) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 905 of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 906 of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

15. Department of Labor and Economic Growth

Appropriation Number	Item	Reduction Amount
18001	Fire protection grants	1,000,000
		1,000,000

16. Department of Management and Budget

Appropriation Number	Item	Reduction Amount
00005	Information technology services and projects	75,800
01737	State building authority rent – universities	6,875,100
01739	State building authority rent – department of corrections	8,794,900
11000	Executive operations	17,500
12000	Administrative services	25,000
13000	Budget and financial management	61,700
16000	Business support services	72,500
		15,922,500

17. Michigan Strategic Fund

Appropriation Number	Item	Reduction Amount
01000	Administration	12,500
01100	Job creation services	112,500
03010	Economic development job training grants	1,600,500
		1,725,500

18. Department of Military and Veterans Affairs

Appropriation Number	Item	Reduction Amount
01011	Headquarters and armories	150,000
03500	Grand Rapids veterans' home	185,000
03700	D.J. Jacobetti veterans' home	134,500
03800	Information technology services and projects	600
		470,100

19. Department of Natural Resources

Appropriation Number	Item	Reduction Amount
08914	Information technology services and projects	1,400
		1,400

20. Department of State

Appropriation Number	Item	Reduction Amount
45500	Information technology services and projects	2,400
		2,400

21. Department of State Police

Appropriation Number	Item	Reduction Amount
61000	Information technology services and projects	9,200
		9,200

22. Department of Treasury

Appropriation Number	Item	Reduction Amount
01201	Information technology services and projects	5,400
01870	Collections	50,000
01960	Mail operations	50,000
02450	Revenue enhancement program	350,000
09455	Special census revenue sharing payments	892,400
		1,347,800

23. Retirement Rate Reduction – Defined Benefits – Rate Reduction

General fund/general purpose expenditures authorized by appropriations are reduced by the amounts listed for the following departments and agencies. The State Budget Director is authorized to take any and all actions necessary to properly record expenditure reductions for each department and agency, including federal and state restricted revenue reductions, as part of the financial transactions for the fiscal year ending September 30, 2007.

Public Act	Department	Reduction Amount
2006 PA 345	Agriculture	736,300
2006 PA 345	Attorney General	807,400
2006 PA 345	Civil Rights	263,300
2006 PA 345	Civil Service	208,900
2006 PA 330	Community Health	6,225,800
2006 PA 331	Corrections	49,804,000
2006 PA 332	Education	101,900
2006 PA 343	Environmental Quality	809,500
2006 PA 345	Executive Office	43,000
2006 PA 345	History, Arts, and Libraries	512,700
2006 PA 345	Human Services	9,279,900
2006 PA 345	Labor and Economic Growth	329,200
2006 PA 345	Management and Budget	603,100
2006 PA 345	Michigan Strategic Fund	424,600
2006 PA 345	Military and Veterans Affairs	703,600
2006 PA 344	Natural Resources	343,300
2006 PA 345	State	449,900
2006 PA 345	State Police	6,761,900
2006 PA 345	Treasury	532,600
		78,940,900

24. Retirement Rate Reduction – Defined Benefits – Health Advance Subaccount Contribution

General fund/general purpose expenditures authorized by appropriations are reduced by the amounts listed for the following departments and agencies. The State Budget Director is authorized to take any and all actions necessary to properly record expenditure reductions for each department and agency, including federal and state restricted revenue reductions, as part of the financial transactions for the fiscal year ending September 30, 2007.

Public Act	Department	Reduction Amount
2006 PA 345	Agriculture	291,900
2006 PA 345	Attorney General	307,100
2006 PA 345	Civil Rights	71,900
2006 PA 345	Civil Service	81,900
2006 PA 330	Community Health	2,435,900
2006 PA 331	Corrections	14,070,600
2006 PA 332	Education	33,600
2006 PA 343	Environmental Quality	319,500
2006 PA 345	History, Arts, and Libraries	144,600
2006 PA 345	Human Services	3,582,800
2006 PA 345	Labor and Economic Growth	132,000
2006 PA 345	Management and Budget	268,100
2006 PA 345	Michigan Strategic Fund	103,800
2006 PA 345	Military and Veterans Affairs	267,300
2006 PA 344	Natural Resources	125,200
2006 PA 345	State	163,900
2006 PA 345	State Police	540,600
2006 PA 345	Treasury	175,200
		23,115,900

C. Portions of expenditures authorized by appropriations financed with special purpose revenue amounting to $50,383,100.00 contained in the following public acts are reduced as follows:

Public Act	Department	Reduction Amount
2006 PA 340	Higher Education	$6,000,000
2006 PA 345	Human Services	3,088,200
2006 PA 345	Labor and Economic Growth	10,660,000
2006 PA 345	State Police	4,000,000
2006 PA 345	Transportation	26,584,900
2006 PA 345	Treasury	50,000
	TOTAL	50,383,100

D. The reduction totals for the departments and agencies in Section C include the following items or are predicated upon the following expenditure reductions:

1. Higher Education – Michigan Merit Award Trust Fund

Appropriation Number	Item	Reduction Amount
80000	Michigan merit award program	6,000,000
		6,000,000

2. Human Services –Temporary Assistance for Needy Families - Federal Funds

Appropriation Number	Item	Reduction Amount
11350	Demonstration projects	149,200
32550	Day care services	126,500
72280	Child safety and permanency planning	1,200,000
72300	Child protection/community partners	220,000
81200	Crisis prevention and elder law of Michigan food for the elderly project	50,000
82380	Community services block grant	500,000
		2,245,700

The amount in Section 303(2) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 304 of Part 2 of Article 10 of 2006 PA 345 is reduced to $54,300.00.

The amount in Section 306 of Part 2 of Article 10 of 2006 PA 345 is reduced to $75,000.00.

The amount in Section 565(1) of Part 2 of Article 10 of 2006 PA 345 is reduced to $0.00.

The amount in Section 658 of 2006 PA 345 Part 2 of Article 10 of is reduced to $0.00.

3. Human Services – Child Care Development Fund – Federal Funds

Appropriation Number	Item	Reduction Amount
32550	Day care services	262,500
		262,500

The amount in Section 676(2) of Part 2 of Article 10 of 2006 PA 345 is reduced to $12,500.00.

4. Human Services – Part B of Title IV of the Social Security Act – Federal Funds

Appropriation Number	Item	Reduction Amount
72290	Strong families/safe children	580,000
		580,000

5. Labor and Economic Growth – Temporary Assistance for Needy Families – Federal Funds

Appropriation Number	Item	Reduction Amount
08230	Welfare-to-work programs	10,000,000
		10,000,000

6. Labor and Economic Growth – Corporation Fees – State Restricted Funds

Appropriation Number	Item	Reduction Amount
07008	Commercial services	660,000
		660,000

7. State Police – Auto theft Prevention Fund

Appropriation Number	Item	Reduction Amount
51220	Auto theft prevention program	4,000,000
		4,000,000

8. Transportation – Comprehensive Transportation Fund

Appropriation Number	Item	Reduction Amount
40007	Specialized planning services and local studies	300,000
18000	Information technology services and projects	50,000
77610	Rail passenger service	813,500
78420	Freight preservation and development	500,000
77400	Intercity bus service development	200,000
77090	Terminal development	1,340,900
78430	Rail infrastructure loan	500,000
75260	Specialized services	29,800
75200	Bus capital	16,317,200
75400	Service initiatives	233,500
75300	Transportation to work	300,000
		20,584,900

9. Transportation – Transportation Economic Development Fund

Appropriation Number	Item	Reduction Amount
87210	Target industries/economic redevelopment	6,000,000
		6,000,000

10. Treasury – Michigan Merit Award Trust Fund

Appropriation Number	Item	Reduction Amount
03700	Michigan merit award administration	50,000
		50,000

E. Expenditures authorized under the following work project account, are reduced by $20,000.000.00:

Appropriation Number (Appropriation Year)	Item	Reduction Amount
20501 (AY 06)	**Michigan Strategic Fund** Michigan Forest Finance Authority	$20,000,000

The State Budget Director is authorized to take any and all actions necessary to implement the provisions of this Order to reduce during the fiscal year ending September 30, 2007 expenditures authorized by appropriations as specified above.

This Order is effective upon approval by the appropriations committees of the House of Representatives and the Senate, as provided under Section 20 of Article V of the Michigan Constitution of 1963 and Section 391 of The Management and Budget Act, 1984 PA 431, MCL 18.1391.

Given under my hand and the Great Seal of the State of Michigan this 22nd day of March, in the year of our Lord, two thousand and seven.

JENNIFER M. GRANHOLM
GOVERNOR

BY THE GOVERNOR:

SECRETARY OF STATE

FILED WITH SECRETARY OF STATE
ON 3/22/07 AT 1:58 P.M