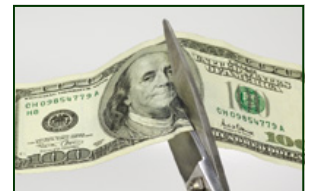


**SPECIAL EDITION**

At this hour, State Budget Director Bob Emerson is presenting Executive Order 2009-22 to a joint session of the House and Senate Appropriations Committees in order to help eliminate a shortfall in the 2009 state budget. The recommendations in this EO are designed to address our state's current budget situation, which results from the worst economic conditions since the 1930s.

The combination of the crisis in the domestic auto industry and the most severe national recession in decades have reduced state general fund revenues for the current fiscal year by 21 percent from FY 2008 levels. When adjusted for inflations, this is by far the largest decline in revenue in at least 50 years. Clearly, there is no way to sugarcoat what our state is going through.

Today's executive order reduces state spending by \$350 million. By all accounts, today's action must be considered to be a "down payment" on the spending reductions that will be necessary in the future. These cuts, which come on the heels of recently enacted spending reforms, will feel especially painful to state employees and our citizens. However, as the governor has said, as businesses and families are forced to cut back on their spending so, too, is state government.



Implementation of the executive order will require shutdown of most state government operations for six days between now and September 30. Those days, for which state employees will not be paid, will be announced in the near future after all operational and contractual requirements have been met to allow you and our citizens to plan accordingly.

Additionally, the executive order will affect us in the following ways:

The Michigan Department of Corrections will realize a \$1 million reduction. This will be achieved through a cut in the department's vehicle travel services. The \$1 million decrease will be spread throughout all travel accounts within the department. This reduction will not involve the elimination of positions within the department and will not impact public safety.

Once an executive order is presented, the appropriations committees in the Legislature have 10 days to either approve or disapprove by a majority vote (without amendment) the reductions contained within the order. The EO will have immediate effect if and when it is approved.

A copy of the executive order and related material will be available on the state's Web site at:

[www.michigan.gov/budget](http://www.michigan.gov/budget)

Additional information also will be posted on our new employee intranet site at:

<http://connect.michigan.gov>

I join the governor in saying this is difficult news to bring to you so late in the fiscal year, but none of us expected revenues to fall so far below the very conservative estimates on which our budget was based. We will do our very best to keep you informed on the status of these recommendations and how they affect you as that information becomes available.

Sincerely,

*Patricia L. Caruso*, Director  
Michigan Department of Corrections