

**THE JACOBS REPORT**  
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**GOVERNOR: STATE FACING SERIOUS BUDGET DEFICIT**  
**Patchwork Solutions Not Sufficient This Time**

Governor Jennifer Granholm used her traditional year-end news conference to warn that the state needs to come up with \$1 billion to balance the budget over the next two years. Michigan is swimming in red ink that will force spending cuts or other measures.

"I'm not giving you a headline to write," the governor told members of the press. "I'm preparing people for the fact that this is going to be significantly challenging.

"We're looking at another huge deficit going forward," she added, noting that the deficit is larger than the one her administration faced early in its first four-year term. "We need as a priority right off the bat in 2007 to resolve the state's fiscal footing, to make it sound footing."

Spending cuts are expected to help cover some of the shortfall, but not all of it.

The governor said that she will unveil specific solutions to the shortage during the first week of February in her annual State of the State address and fiscal 2008 budget proposal.

She stressed the importance of avoiding cuts in K-12 education, higher education, health care, and public safety. If necessary, the governor said she would veto any of the 250 bills passed this month during the Legislature's lame-duck session that involve spending more money.

"We want to have a competitive business tax, and a competitive business climate," she said. "But that competitive business climate depends on an educated work force, a higher education system that's funded. It depends on a quality of life that encourages businesses to invest here."

**POLICE OUT EN FORCE ON NEW YEAR'S WEEKEND**  
**Extra Officers Patrol for Drunk Drivers**

Armed with federal safety money, police in 108 agencies in 30 counties will be out in force on New Year's Eve to help crack down on drunken driving, the Office of Highway Safety Planning (OHSP) said Wednesday.

The holiday weekend will start Thursday, December 28 and the goal of the effort is to keep drunken drivers off the road before they cause accidents.

During the New Year's holiday in 2005-06, 10 people were killed on the roads, three in alcohol-related crashes. Just on December 31, 2005 and January 1, 2006, police arrested 548 people for drunken driving across the state.

"New Year's Eve is known as a party night, but I think people can celebrate and have fun without putting others at risk of a crash," said Michael L. Prince, OHSP division director.

"Extra officers will be out on the road to make sure that drunk drivers are arrested before they can cause serious harm."

During New Year's holiday weekend 2005/2006, 10 people died in Michigan traffic crashes, according to the Michigan Department of State Police, Criminal Justice Information Center. Three, or 33 percent, of the nine fatal crashes involved alcohol. Statewide, officers arrested 548 motorists for drunk driving on Dec. 31, 2005 and Jan. 1, 2006.

OHSP administers funds for drunk driving and safety belt enforcement throughout the year to agencies in 55 counties that cover 94 percent of Michigan's population. Each county determines when to schedule patrols based on crash data, officer availability and unique local needs.

Oakland is one of over thirty participating counties.

For a list of planned New Year's patrol dates, times and locations, please visit: [www.michigan.gov/ohsp](http://www.michigan.gov/ohsp).

## USE FINANCIAL CAUTION OVER THE HOLIDAYS

### FDIC Tips Help Consumers Avoid Fees, Pitfalls

Consumers should use caution and avoid common pitfalls when using their checking accounts, credit cards and other financial services this holiday season.

The FDIC recently issued a list of financial pitfalls in its online newsletter, FDIC Consumer News. Some of the more common slip-ups that can trigger fees, penalties or other costs are:

- Not checking up on your checking account. Lack of attention to the account balance can result in fees for bounced checks or for going below a required minimum balance. Also, if a customer fails to spot fraudulent transactions, fixing those can be costly and time consuming.
- Paying a credit card bill late, even if it's only by a day. A late card payment can trigger a fee of about \$30 or more. In addition, the

consumer also may face a major hike in the interest rate – often to between 29 and 35 percent – on this credit card and possibly other cards or loans, especially if the person's credit record shows other signs of risk.

- Signing up for a new credit card without understanding the costs. "Zero-percent interest" and other incentives for applying for a credit card may sound great, but the various freebies could end up being expensive if the consumer is penalized for not following the rules of the new card. Repeatedly signing up for new cards also can send signals that the person is more of a credit risk, which can result in a higher interest rates being charged the next time he or she applies for a mortgage or other loans.
- Consumers should also be on the lookout for scams, such as fraudulent e-mails claiming to be from the FDIC in an attempt to obtain valuable information from consumers and businesses, or unsolicited e-mails supposedly from a financial institution or government agency. These emails are really from criminals asking consumers to call a phone number to provide bank account and other "needed" information using their telephone keypad. Once the information is entered, it can be used by crooks to gain unauthorized access to bank accounts or commit identity theft.

More tips and information on financial matters are available online at the FDIC Consumer News. The fall 2006 issue can be viewed at [www.fdic.gov/consumers/consumer/news/cnfall06](http://www.fdic.gov/consumers/consumer/news/cnfall06).

### WIT, WISDOM, ETC . . . Quotables

“Film is one of the three universal languages, the other two: mathematics and music.”  
-Frank Capra

“Action speaks louder than words but not nearly as often.”  
-Mark Twain

Quote of the Week: Billy Wilder  
“Trust your own instinct. Your mistakes might as well be your own, instead of someone else's.”

**HAVE A SAFE AND JOYOUS HOLIDAY SEASON!**  
The Jacobs Report Will Return January 5, 2007

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All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

If you'd like to be removed from this distribution list, simply reply to [jacobsreport@aol.com](mailto:jacobsreport@aol.com) with "remove" in the subject header.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.