


State of Iowa
Executive Department

IN THE NAME AND BY THE AUTHORITY OF THE STATE OF IOWA

EXECUTIVE ORDER NUMBER NINETEEN

- WHEREAS, economic conditions in Iowa are reflecting a depressed agricultural economy and a softening demand for consumer goods; and
- WHEREAS, these factors have generated a decline in actual state revenues compared to earlier estimates for fiscal year 1986; and
- WHEREAS, the state comptroller has concluded that without revisions to the state budget in fiscal year 1986, the shortfall in revenues will result in a general fund deficit on June 30, 1986 of \$91.1 million; and
- WHEREAS, Article VII of the Iowa Constitution prohibits state budget deficits; and
- WHEREAS, Iowa Code Section 8.31, provides a procedure for uniform and prorated reductions of state appropriations by the Governor to avoid overdrafts and deficits; and
- WHEREAS, without implementing these uniform, prorated reductions in state appropriations, the state will face a \$91.1 million deficit in the general fund on June 30, 1986.
- NOW THEREFORE, I, Terry E. Branstad, Governor of the State of Iowa, by the power and authority invested in me by the Constitution and the laws of Iowa, do hereby make the following findings and orders:

1. I find that the estimated budget resources during fiscal year 1986 are insufficient to pay all appropriations in full as required by Iowa Code Section 8.30, to wit:

| | |
|---|--------------------------|
| General fund balance, June 30, 1985 | <u>\$.0 million</u> |
| Fiscal year 1986 receipts (net) | <u>\$2,123.0 million</u> |
| Fiscal year 1986 appropriations and standing estimated appropriations | <u>\$2,214.1 million</u> |

TOTAL (\$91.1 million)
=====

2. I further find that a 3.85 percent reduction in appropriations subject to Iowa Code Section 8.31 is necessary to prevent an overdraft or deficit in the general fund of the state at the end of this fiscal year.
3. I hereby direct the implementation of Iowa Code Section 8.31 requiring the uniform modification of allotment requests filed pursuant to that section for each of the remaining three-quarters of the fiscal year to achieve an annual 3.85 percent fiscal year reduction in each respective appropriation unless subsequent projections provide good reason to alter these findings.
4. I further direct the state comptroller to prepare such modified allotments for the second quarter of fiscal year 1986, which commences October 1, with the exception of appropriations excluded by Iowa Code Section 8.2(1), pertaining to the courts, the legislature, constructive trust funds such as tax refund allocations, federal highway matching funds, and obligated, encumbered or contracted capital items, and those appropriations that by law have been distributed 100 percent to date.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 18th day of September in the year of our Lord one-thousand nine hundred and eighty-five.

Terry E. Branstad
Governor



Attest:

Mary Jane Odell
Secretary of State