



State of Iowa

Executive Department

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

EXECUTIVE ORDER NUMBER 42

- WHEREAS, Iowa's economy is experiencing the effects of the national recession and will be further affected by weather-related losses in the agricultural sector; and
- WHEREAS, these factors have caused the Revenue Estimating Conference and state lottery officials to revise estimates of state revenues compared to earlier estimates for fiscal year 1992; and
- WHEREAS, the funds appropriated for human services entitlement programs are substantially below the level estimated to be expended under state and federal mandate; and
- WHEREAS, the director of the department of management has concluded that without revisions to the state budget in fiscal year 1992, the shortfall in revenues and the need for supplemental appropriations in human services entitlement programs will result in a general fund deficit on June 30, 1992, of \$92.7 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 \$92.7 million deficit in the general fund on June 30, 1992.

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:

- I find that the estimated budget resources during fiscal year 1992 are insufficient to pay all appropriations in full as required by Iowa Code Section 8.30, to wit:

General fund balance, June 30, 1991	\$	0.0 million
Fiscal year 1992 receipts (net)	\$	3207.1 million
Fiscal year 1992 appropriations and standing estimated appropriations	\$	3299.8 million
TOTAL DEFICIT	\$	(92.7) million

=====

2. I further find that a 3.25 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 four quarters of the fiscal year to achieve an annual 3.25 percent fiscal year reduction in each respective appropriation unless subsequent projections provide good reason to alter these findings.
4. I further direct the director of the department of management to prepare such modified allotments for each quarter of fiscal year 1992, which commences July 1, 1991, with the exception of appropriations excluded by Iowa Code Section 8.2 (5), pertaining to the courts and the legislature.



IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 1st day of July in the year of our Lord, one-thousand nine hundred and ninety-one.

Tom E. Branstad
GOVERNOR

Attest:

Elaine Baxter
SECRETARY OF STATE