

8.22 Nature and contents of budget.

The budget shall consist of four parts, the nature and contents of which shall be as follows:

1. *Part I — Governor's budget message.* Part I shall consist of the governor's budget message, in which the governor shall set forth all of the following:

a. The governor's program for meeting all the expenditure needs of the government for the fiscal year, indicating the classes of funds, general or special, from which appropriations are to be made and the means through which the expenditures shall be financed. The governor's program shall include a single budget request for all capital projects proposed by the governor. The request shall include but is not limited to all of the following:

- (1) The purpose and need for each capital project.
- (2) A priority listing of capital projects.
- (3) The costs of acquisition, lease, construction, renovation, or demolition of each capital project.
- (4) The identification of the means and source of funding each capital project.
- (5) The estimated operating costs of each capital project after completion.
- (6) The estimated maintenance costs of each capital project after completion.
- (7) The consequences of delaying or abandoning each capital project.
- (8) Alternative approaches to meeting the purpose or need for each capital project.
- (9) Alternative financing mechanisms.
- (10) A cost-benefit analysis or economic impact of each capital project.

b. (1) Financial statements giving in summary form:

(a) The condition of the treasury at the end of the last completed fiscal year, the estimated condition of the treasury at the end of the year in progress, and the estimated condition of the treasury at the end of the following fiscal year if the governor's budget proposals are put into effect.

(b) Statements showing the bonded indebtedness of the government, debt authorized and unissued, debt redemption and interest requirements, and condition of the sinking funds, if any.

(c) A summary of appropriations recommended for the following fiscal year for each department and establishment and for the government as a whole, in comparison with the actual expenditures for the last completed fiscal year and the estimated expenditures for the year in progress.

(d) A summary of the revenue, estimated to be received by the government during the following fiscal year, classified according to sources, in comparison with the actual revenue received by the government during the last completed fiscal year and estimated income during the year in progress.

(e) A statement of federal funds received in the form of block or categorical grants which were not included in the governor's budget for the previous fiscal year and a statement of anticipated block grants and categorical grants. The budget shall indicate how the federal funds will be used and the programs to which they will be allocated. The amount of government funds required to implement the programs to which the federal funds will apply shall also be indicated. The departments and establishments shall provide information to the director on the anticipated federal block grants and categorical grants to be received on or before November 1 of each year. The director shall use this information to develop an annual update of the statement of federal funds received which shall be provided to the general assembly.

(f) Other financial statements, data, and comments as in the governor's opinion are necessary or desirable in order to make known in all practicable detail the financial condition and operation of the government and the effect that the budget as proposed by the governor will have on the financial condition and operation.

(g) A separate report containing a complete list of all standing appropriations showing the amount or estimated amount of each appropriation and the purpose for which the appropriation is made.

(2) If the estimated revenues of the government for the ensuing fiscal year as set forth in the budget on the basis of existing laws, plus the estimated amounts in the treasury at the close

of the year in progress, available for expenditure in the ensuing fiscal year are less than the aggregate recommended for the ensuing fiscal year as contained in the budget, the governor shall make recommendations to the legislature in respect to the manner in which the deficit shall be met, whether by an increase in the state tax or the imposition of new taxes, increased rates on existing taxes, or otherwise, and if the aggregate of the estimated revenues, plus estimated balances in the treasury, is greater than the recommended appropriations for the ensuing fiscal year, the governor shall make recommendations in reference to the application of the surplus to the reduction of debt or otherwise, to the reduction in taxation, or to such other action as in the governor's opinion is in the interest of the public welfare.

c. Supplemental estimates for such appropriations as in the governor's judgment may be necessary on account of laws enacted after transmission of the budget, or as the governor deems otherwise in the public interest. The governor shall accompany such estimates with a statement of the reasons therefor, including the reasons for their omission from the budget. Whenever such supplemental estimates amount to an aggregate which, if they had been contained in the budget, would have required the governor to make a recommendation for the raising of additional revenue, the governor shall make such recommendation.

2. *Part II — Recommended appropriations.*

a. Part II shall present in detail for the ensuing fiscal year the governor's recommendations for appropriations to meet the expenditure needs of the government from each general class of funds, in comparison with actual expenditures for each of the purposes during the last completed fiscal year and estimated expenditures for the year in progress, classified by departments and establishments and indicating for each the appropriations recommended for:

(1) Meeting the cost of administration, operation, and maintenance of the departments and establishments.

(2) Appropriations for meeting the cost of land, public improvements, and other capital outlays in connection with the departments and establishments.

b. Each item of expenditure, actual or estimated, and appropriations recommended for administration, operation, and maintenance of each department or establishment shall be supported by detailed statements showing the actual and estimated expenditures and appropriations classified by objects according to a standard scheme of classification to be prescribed by the director.

3. *Part III — Appropriation bills.* Part III shall include a draft or drafts of appropriation bills having for their purpose to give legal sanction to the appropriations recommended to be made in parts I and II. The appropriation bills shall indicate the funds, general or special, from which the appropriations shall be paid, but the appropriations need not be in greater detail than to indicate the total appropriation to be made for:

a. Administration, operation, and maintenance of each department and establishment for the fiscal year.

b. The cost of land, public improvements, and other capital outlays for each department and establishment, itemized by specific projects or classes of projects of the same general character.

4. *Part IV — Strategic plan.* Part IV shall include an explanation that correlates the budget with the enterprise priorities established pursuant to [section 8E.205](#). The budget shall provide an explanation of appropriations recommended for the administration and maintenance of an agency as defined in [section 8E.103](#) with the general evaluation of the agency in meeting enterprise priorities, including identifying goals that require legislation.

[SS15, §191-b; C24, 27, 31, §332, 333, 335; C35, §84-e15; C39, §84.15; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §8.22; [81 Acts, ch 17, §2](#)]

[84 Acts, ch 1231, §2](#); [86 Acts, ch 1245, §2016](#); [89 Acts, ch 298, §6](#); [90 Acts, ch 1168, §5](#); [2001 Acts, ch 169, §1, 2](#); [2008 Acts, ch 1032, §201](#); [2024 Acts, ch 1082, §1](#); [2024 Acts, ch 1185, §10](#)

Referred to in [§8.5](#), [8.22A](#), [8.27](#), [8.41](#), [8.54](#)