WHEREAS, irresponsible actions by Wall Street financial interests, combined with the impact of misguided economic and fiscal policies of the federal government in the past eight years, have resulted in creating the worst economic recession since the Great Depression, one that is hitting Main Streets and factories and farms and families in Iowa and across the nation and the world; and

WHEREAS, at least 43 other states across the country have experienced significant reductions in their revenues and are using their state reserve funds to combat the adverse effects of this economic downturn; and

WHEREAS, the State of Iowa, in 2008, experienced a series of unprecedented natural disasters, wreaking havoc on Iowa homeowners, businesses and governmental jurisdictions and requiring unanticipated emergency draws from the state’s General Fund for Fiscal Year 2009 to assist in the payment of damages; and

WHEREAS, the State of Iowa, using sound fiscal and management practices, has created reserve funds, and has positioned itself to avoid some of the worst budgetary impacts of the combined forces of the recession and natural disasters upon the State Treasury; and

WHEREAS, on December 12, 2008, the State’s Revenue Estimating Conference (REC) reduced its projection of state revenues for Fiscal Year 2009 by $99.5 million; and

WHEREAS, the Department of Management has informed me that budget allotments to state departments and agencies must be modified in order to avoid an overdraft or deficit in the State’s General Fund for Fiscal Year 2009; and

WHEREAS, conservative fiscal management during this period of uncertainty necessitates the creation of an economic buffer in budget allotments in the event that the actual revenue collected by the State at the end of Fiscal Year 2009 is even lower than now-anticipated; and

WHEREAS, I have already announced on December 9, 2008, $77 million in expenditure adjustments, including a proposed de-appropriation of $37 million, fund transfers of $12 million, and a reduction of expenditures of $28 million; and

WHEREAS, a 1.5 percent reduction in appropriations, pursuant to Iowa Code 8.31, would reduce state expenditures by an additional $91.4 million and help the State avoid an overdraft or deficit in the Fiscal Year 2009 General Fund; and

NOW, THEREFORE, I, Chester J. Culver, Governor of the State of Iowa, by the power vested in me by the Constitution and laws of the State of Iowa, do hereby order and direct a uniform modification of allotment requests, pursuant to Iowa Code §8.31, to achieve an annual 1.5 percent budget reduction for fiscal year 2009. The Department of Management shall take all necessary steps under Iowa law to effectuate the annual
1.5 percent budget reduction for fiscal year 2009, directed to all state departments and establishments, as provided in Iowa Code §8.2(5). Actions taken by the Department of Management and all state departments and establishments described above, to implement this order, shall commence on December 22, 2008.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 22nd day of December, in the year of our Lord two thousand eight.

CHESTER J. CULVER
GOVERNOR

ATTEST:

MICHAEL A. MAURO
SECRETARY OF STATE