



State of Iowa  
Executive Department

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

**EXECUTIVE ORDER NUMBER 19**

**WHEREAS**, reckless conduct by Wall Street financial interests, combined with years of misguided economic and fiscal policies of the federal government, have joined to create a Great Recession, the worst economic downturn since the Great Depression; and

**WHEREAS**, as a result, across the nation, states are facing record high budget shortfalls in Fiscal Year 2010; and

**WHEREAS**, in addition to budgetary challenges caused by this economic down turn, the State of Iowa has, in recent years, experienced a series of unprecedented natural disasters requiring increased expenditures to relieve hardships endured by individuals and businesses harmed by those weather-related events; and

**WHEREAS**, the State of Iowa, using sound fiscal management practices, is in better shape than most other states, had the highest reserve funds in the state's history in Fiscal Year 2009, and thereby positioned itself to manage successfully notwithstanding the economic downturn and the adverse impacts of weather-related events; and

**WHEREAS**, in March, 2009, the State's Revenue Estimating Conference projected state revenues for Fiscal Year 2010, and the Iowa General Assembly passed, in April 2009, a balanced budget for Fiscal Year 2010, based on those projections; and

**WHEREAS**, on October 7, 2009, the State's Revenue Estimating Conference (REC), upon its review of more recent economic data, substantially revised and reduced its official projection of state General Fund revenues for Fiscal Year 2010 by approximately \$415 million; and

**WHEREAS**, based on these most recent projections, unless budgetary adjustments are made, I find that the estimated budget resources during Fiscal Year 2010 will be insufficient to pay all appropriations in full by the end of that period; and

**WHEREAS**, I have therefore requested the Department of Management to recast the Fiscal Year 2010 General Fund budget with the REC's new revenue projections in order to abide with generally accepted accounting practices and to avoid an overdraft or deficit in the several funds of the State's General Fund for Fiscal Year 2010; and

**WHEREAS**, modifying budget allotments to state departments and agencies this early in the fiscal year will help state agencies adjust to lower revenues, despite already managing within the tight budget; and

**WHEREAS**, an across-the-board reduction of General Fund expenditures avoids the unfair and unrealistic "picking and choosing" of important programs; and

**WHEREAS**, a 10 percent reduction in appropriations, pursuant to Iowa Code 8.31, would reduce state expenditures in Fiscal Year 2010 by approximately \$565 million and help the State avoid an overdraft or deficit in the Fiscal Year 2010 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 ten percent budget reduction for Fiscal Year 2010. The Department of Management shall take all necessary steps under Iowa law to effectuate the annual ten percent reduction for Fiscal Year 2010, 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 October 8, 2009.



**IN TESTIMONY WHEREOF**, I have hereunto subscribed my name and caused the Great Seal of Iowa to be affixed. Done at Des Moines this 8<sup>th</sup> day of October, in the year of our Lord two thousand nine.

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CHESTER J. CULVER  
GOVERNOR

ATTEST:

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MICHAEL A. MAURO  
SECRETARY OF STATE