

# State of Iowa

## Executive Department

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

### EXECUTIVE ORDER NUMBER 38

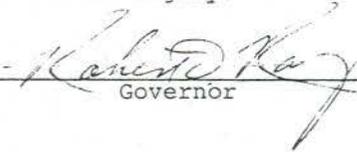
- WHEREAS, the national economy and the Iowa farm and business economies remain unsettled and in a recession with uncertain prospects for immediate improvement; and
- WHEREAS, these factors generated a substantial decline in actual state revenues compared to earlier estimates for fiscal year 1979-1980 and a general fund balance of only \$23.5 million on June 30, 1980--some \$67 million below the June 30, 1979, figure; and
- WHEREAS, latest revenue estimates for fiscal year 1980-1981 anticipate revenues to be \$68 million below earlier estimates; and
- WHEREAS, state fiscal experts have concluded that without revisions to the state budget in fiscal year 1980-1981, the shortfall in revenues will result in a general fund deficit on June 30, 1981, of \$5 million to \$40 million (Legislative Fiscal Director) and \$40.9 million (State Comptroller); and
- WHEREAS, Article VII of the Iowa Constitution prohibits state budget deficits (with few exceptions inapplicable here); and
- WHEREAS, Section 8.31, the Iowa Code, 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 deficit in the general fund on June 30, 1981.
- NOW THEREFORE, I, Robert D. Ray, Governor of the State of Iowa, by the power and authority vested 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 1981 are insufficient in the amount of \$63 million to pay all appropriations in full as required by Section 8.30, the Code, to wit:

General fund balance, June 30, 1980	<u>\$23.5 million</u>
Fiscal year 1981 receipts	<u>\$1,749.3 million</u>
Fiscal year 1981 appropriations and standing estimated appropriations	<u>\$1,835.8 million</u>
TOTAL	<u>(\$63 million)</u>

2. I further find that a 3.6 percent reduction in appropriations subject to Section 8.31, the Code; 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 Section 8.31, the Code, 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 3.6 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 1981, which commences October 1, with the exception of appropriations excluded by Section 8.2(1), the Code, 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.
5. I ask the Governor's Economic Advisory Council to meet at least 15 days prior to the commencement of each quarterly allotment period for the purpose of evaluating the Iowa economy and its likely effect on budget resources.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused the Great Seal of the State of Iowa to be affixed. Done at Des Moines this 12th day of August in the year of our Lord one thousand nine hundred and eighty.

  
 \_\_\_\_\_  
 Governor



Attest:

  
 \_\_\_\_\_  
 Secretary