



State of Iowa

Executive Department

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

EXECUTIVE ORDER NUMBER 40

- WHEREAS, On August 12, 1980, in Executive Order 38, which ordered reductions in state spending, I noted there were "uncertain prospects for immediate improvement" in the economy of our nation, and consequently in our state, which was in the throes of recession, and that additional reductions in state spending might be necessary; and
- WHEREAS, increasingly negative economic factors including rising interest rates, falling grain prices, huge losses by certain manufacturing companies and further job layoffs persist; and
- WHEREAS, latest revenue estimates by the State Comptroller for fiscal year 1980-81 anticipate revenues to be \$29.4 million below the August, 1980, estimates; and
- WHEREAS, unanticipated expenditures of \$16.7 million must be made for taxpayer refunds, to local schools for special education and for increased social service caseloads and institutional populations; and
- WHEREAS, Article VII of the Iowa Constitution prohibits state budget deficits (with few exceptions inapplicable here); and
- WHEREAS, Section 8.31, the Code, provides a procedure for uniform and prorated reductions of state appropriations by the Governor to avoid overdrafts and deficits; and
- WHEREAS, there has been an expression of willingness in the General Assembly to consider and implement certain Code revisions to permit fiscal transfers and reallocations into the general fund; and
- WHEREAS, the fiscal measures undertaken this year have achieved significant savings, but further uniform, prorated reductions in state appropriations, and certain transfers and re-allocations are necessary to prevent the state from facing 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 at this time the estimated budget resources during the fiscal year 1981 are insufficient in the amount of \$46.1 million to pay all appropriations in full as required by Section 8.30, the Code.
2. I further find that an additional one percent reduction in appropriations covered by 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 subject, however, to revision in the event subsequent projections provide good reason to alter these findings.
3. I hereby direct the uniform modification of all allotment requests filed pursuant to Section 8.31, the Code, for the remaining one-half of the fiscal year to achieve a further annual one percent fiscal year reduction in each respective appropriation.
4. I further direct that the State Comptroller prepare such modified allotments for the third quarter of fiscal year 1981, which commences January 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 continue 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 of 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 15th day of December in the year of our Lord one thousand nine hundred and eighty.


Governor

