

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

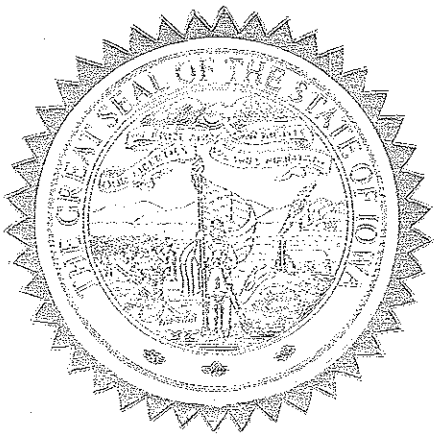
WHEREAS, I have therefore requested the Department of Management to recast the Fiscal Year 2010 General Fund budget with the REC's new revenue projections in order to abide with generally accepted accounting practices and to avoid an overdraft or deficit in the several funds of the State's General Fund 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 8th day of October, in the year of our Lord two thousand nine.

A handwritten signature in cursive script, appearing to read 'Chester Culver', is written over a horizontal line.

CHESTER J. CULVER
GOVERNOR

ATTEST:

A handwritten signature in cursive script, appearing to read 'Michael A. Mauro', is written over a horizontal line.

MICHAEL A. MAURO
SECRETARY OF STATE