

# **NEWS RELEASE**

*from the*

## **IOWA TAXPAYERS ASSOCIATION**

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### **IOWA TAXPAYERS ASSOCIATION RELEASES STATE BUDGET REVIEW; URGES SPENDING RESTRAINT IN LIGHT OF ECONOMIC CONDITIONS AND FLOODS**

DES MOINES, IA – The **Iowa Taxpayers Association** (ITA), released a combined review of Governor Culver’s and the Iowa State Legislature’s budgets today. The review highlights the items that conform with and the more significant deviations from the ITA Committee on Accountable Government’s sound budgeting principles.

The Iowa Taxpayers Association urges Governor Culver and key leaders in the legislature to take the long-term view on increased state spending. The increased funding dedicated to new state programs and initiatives passed during the 82<sup>nd</sup> General Assembly have left the budget in no position to weather deteriorating economic conditions nor to address the extraordinary need to fund restoration of areas devastated by the recent flooding.

“As we begin a new fiscal year and the possibility of a Special Legislative Session looms, it is important to remind policymakers of the need for Iowa to be sound in its budgeting principles,” said Iowa Taxpayers Association President Ed Wallace. “Spending restraint must take place as leaders and local officials take the necessary time to evaluate Iowa’s long-term infrastructure

needs.” added Iowa Taxpayers Association Accountable Government Committee Chair Tom Wagner (CFO, Republic Companies - Davenport).

The Association’s review highlights a number of multi-year accelerating commitments. “By continuing to rely on multi-year commitments, decisions are being made without knowing what the trade-offs will be in future budget years. Multi-year accelerating commitments create more built-in increases and do not signify a sound budget,” stated Wagner.

The Iowa Taxpayers Association will continue to encourage Governor Culver and the Iowa Legislature to adhere to these sound budgeting principles.

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*In 2001, Iowa Taxpayers Association developed a **Committee on Accountable Government**. The work of this group complements and reinforces the goals of the Accountable Government Act passed in 2001. By focusing on what Iowa Taxpayers Association believes are sound budgeting and financial practices, the Office of the Governor and members of the General Assembly are offered a framework by this Committee through which they can provide more accountability in the practice of government.*

*The purpose of these reviews is not to provide subjective judgment or declaratory comment on the merits of individual State programs. The hope is to complement the standards set forth in the Accountable Government Act of 2001.*