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STATE AUDITOR ROB SAND LIKENS IOWA'S FINANCES TO A "FISCAL TIME BOMB"

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Des Moines – State Auditor Rob Sand today released an [advisory](#) on Iowa's current budget and future fiscal challenges, calling the condition of Iowa's finances a "fiscal time bomb."

"It's only a matter of time before the fuse runs out and Iowans get burned by years of poor management of their tax dollars," said Sand. "Declining revenue, increased spending, and an over-reliance on one-time federal funds are setting the stage for a fiscal crisis in our state."

In March, [Iowa's Revenue Estimating Conference \(REC\)](#) projected a 6.1% decline in the state's net receipts for fiscal year 2025, which ends June 30. As of April 30, the realized decline, according to the nonpartisan [Legislative Services Agency](#), was 9.4% year to date. The REC also projects further declines for FY2026.

Three straight years of declining revenue, combined with the Governor's proposed \$9.4 billion budget, will usher in a deficit of more than \$900 million in FY2026 alone. Projected *perpetual* annual deficits into the next decade will severely drain the state's Taxpayer Relief Fund and set the stage for a budget shortfall not seen this century.

"Politicians who voted to increase spending while giving tax cuts to people who don't need the money, intend to use the Taxpayer Relief Fund for *political* relief," said Sand. "They want to use it to shield themselves from the fiscal fallout of this time bomb while everyday Iowans feel the heat."

A video presentation of the advisory can be found on the [Auditor of State YouTube page](#).

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