



Douglas A. Ducey
Governor

**Governor's Office of
Strategic Planning and Budgeting**
1700 West Washington, 6th Floor, Phoenix, Arizona 85007
(602) 542-5381 • FAX: (602) 542-0868

Lorenzo Romero
Director

MEMORANDUM

TO: Agency Directors

FROM: Lorenzo Romero

CC: Victor Riches

RE: FY 2018 Budget Development

DATE: July 19, 2016

First and foremost, I want to thank you for your leadership to our great state. It is because of your vigilant efforts to deliver world class service, while also driving efficiencies throughout state government, that we are structurally balanced for the first time in 10 years. **Maintaining this structural balance is one of the Governor's key budgetary objectives. This means we must keep a tight grip on spending as we move forward.**

With this in mind, it is now time to start developing the FY 2018 budget. As you and your team begin drafting a request, I ask for your partnership in helping maintain our structural balance by committing to fiscal prudence. Our goal is to create a budget that is structurally balanced, while maximizing limited resources for our fundamental goals of achieving: a 21st century education; a strong, innovative economy; healthy people, places and resources; safe communities; and efficient and accountable government. As we strive to transform state government, these fundamental goals serve as our roadmap. Please carefully consider and submit only those decision packages that demonstrate your commitment to furthering these goals and helping us achieve a structurally balanced budget for FY 2018.

It is the strong desire from the Governor's office that agencies limit their requests to the essential needs of their mission. As such, I strongly encourage you to work in consultation with your assigned OSPB analyst to develop your funding requests and to reach out to them with any questions (submissions are due to OSPB on September 1).

Later this week we will provide documents with further technical guidance. Additionally, our budget software training classes still have openings available. To reserve a spot, call Pam Ray at (602) 542-5381.

Instructions for New E-Submissions of Budgets and Plans

As a first step toward paperless submissions, OSPB is changing the requirements for hard copies of budget and planning submissions. **Beginning this year, the requirement for five hard copies is reduced to only two copies.**

In addition, Laws 2016, Chapter 115, mandates that all agency budget and planning submissions be posted to each agency's website.

For submissions due to OSPB on September 1 this year, OSPB has prepared the following process to fulfill the electronic requirements of Chapter 115 to mitigate the amount of work required of agencies.

FOR THE PORTION OF BUDGET AND PLANNING SUBMISSIONS GENERATED FROM INFORMATION IN BUDDIES, AZIPS, AND CLIFF

The Governor's Office (OSPB) will produce pdf versions of agency submissions and reports directly from the electronic submissions of BUDDIES, AZIPS, and CLIFF. A copy of the completed PDF will be provided to the legislature and to the originating agency, for posting on that agency's website.

FOR SUPPLEMENTARY MATERIAL THAT AN AGENCY WOULD LIKE TO INCLUDE IN ITS SUBMISSIONS, BUT WHICH IS GENERATED OUTSIDE OF BUDDIES

Many agencies' budget submissions contain accompanying documents that explain their requests and estimates, and which are produced outside of BUDDIES. OSPB will incorporate any supplementary information agencies provide outside of BUDDIES with the pdf file produced from BUDDIES. A copy of the completed PDF will be provided to the legislature and to the originating agency, for posting on that agency's website.

There are four types of attachments that fall within this group:

- The Budget Request Transmittal, containing the signature of the agency head
- The Cover Letter that most agency heads include with their budget request
- Additional documents providing further explanations of information entered into BUDDIES
- The agency's organizational chart

This information will need to be provided to OSPB as follows:

- Documents must be sent to ospb.submissions@az.gov.
- Documents must be in some commonly used format, e.g., pdf, docx, xlsx, or pptx.
- The first page of each document must specify the name of the agency and the page number in the BUDDIES, AZIPS, or CLIFF reports where the attachment should be inserted.

Any questions about this process should be directed to your OSPB analyst. A list of analysts, by agency assignment, can be found at <http://www.ospb.state.az.us/staff-agency.asp?sort=agency>.