



Arizona Budget Process

THE PLAYERS

Executive/Administrative

- Governor
- Office of Strategic Planning and Budgeting (OSPB)

Legislative

- Senate – 30 Members
- House of Representatives – 60 members
- Joint Legislative Budget Committee (JLBC):

Representative John
Kavanagh
Chairman 2013

Senator Don Shooter
Chairman 2014

Representative Lela
Alston

Senator Olivia Cajero
Bedford

Representative David
Gowan, Sr.

Senator Gail Griffin

Representative Adam
Kwasman

Senator John
McComish

Representative Debbie
Lesko

Senator Al Melvin

Representative
Stefanie Mach

Senator Lynne
Pancrazi

Representative Justin
Olson

Senator Anna Tovar

Representative
Michelle Ugenti

Senator Steven B.
Yarbrough

Private/Public Sector Economists

- Finance Advisory Committee

THE PROCESS

Budgets are set for a fiscal year. The fiscal year is the 12-month period beginning on July 1 and ending June 30 of the following year. The fiscal year is called by the year it ends; for example, Fiscal Year 2012-2013 (or "FY 2013"), begins on July 1, 2012 and ends on June 30, 2013.

State agencies prepare budget requests within the guidelines set by the Governor and submit their requests to the Governor's Office of Strategic Planning and Budgeting (OSPB) for the following fiscal year. The Governor then produces a budget for the upcoming year (along with any adjustments to the current fiscal



year) for consideration by the Legislature within 5 days after the start of each regular session of the Legislature.

The governor's budget staff provides a copy of each agency's budget requests to the Legislature's Joint Legislative Budget Committee (JLBC). Each budget office -- the governor's and the Legislature's -- analyzes the requests and develops independent revenue estimates and budget recommendations for the coming fiscal year.

At the beginning of the session, the JLBC briefs the Legislature on the budget. That update includes the costs of existing programs, incoming revenue and the estimated surplus. The budget is developed through a process that includes public hearings and caucus meetings, as well as closed-door meetings with the governor and legislative leadership.

The Finance Advisory Committee (FAC), a 15-member committee of public and private sector economists, meets publicly 3 times yearly, including each fall and in conjunction with OSPB and JLBC to produce consensus revenue estimates.

The primary budget bill is the General Appropriation Act (also known as the “feed bill”), which includes appropriations of General Fund and other dedicated funds to state agencies for the upcoming fiscal year and as well as supplemental appropriations and ex-appropriations for the current fiscal year.

Once approved by both chambers, budget bills are sent to the Governor. The Governor may either sign the bills, let them go into effect without a signature, or veto the bills. The Governor may also line-item veto appropriations. If the Governor chooses to veto or line-item veto a bill, the Legislature may override the veto before adjournment with a two-thirds vote of each chamber.

TIMELINE

July 1 – Beginning of fiscal year

September 1 – State agencies submit their budget request to OSPB for the next fiscal year.

Fall – Governor’s office and JLBC review budget requests

January – Legislature convenes

Five Days Later- Governor must submit budget



January – February – Legislature holds public hearings on budget to legislature

June 30 – End of fiscal year

SOURCES

“Arizona’s Budget Process,” Arizona State Legislature, accessed August 22, 2013, <http://www.azleg.gov/jlbc/budgetprocess.pdf>

Dianna Náñez, “Arizona budget: How a plan takes shape,” Arizona Republic, December 18, 2011, accessed August 22, 2013, <http://www.azcentral.com/news/articles/2011/12/13/20111213arizona-budget-how-plan-takes-shape.html>

“About Joint Legislative Budget Committee,” Arizona State Legislature, accessed August 22, 2013, <http://www.azleg.gov/jlbc/jlbcback.htm>