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GOVERNOR

## GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING

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July 23, 2015

Dear Agency Directors,

I wish to extend my personal thanks to you and to your budget managers for your efforts over the last year. Through the Governor's leadership, in March we passed a balanced budget for FY 2016 and created a path to a structurally balanced budget in FY 2017. Thanks to your efforts, in May the State received an upgrade of its credit rating from both S&P (from AA- to AA) and from Moody's (from Aa3 to Aa2). This upgrade has allowed the State to refinance debt at much lower rates than the original issuance, thus saving the State millions of dollars a year in interest costs.

In FY 2017 we are going to fix the lingering structural deficit without the use of temporary revenue or carryover balances. In order to meet this goal it's imperative that we understand the needs of individual agencies. A.R.S. §35-113, Submission of Budget Estimates, requires that budget units submit their estimates no later than September 1st. The Governor and OSPB will be requiring September 1, 2015 as a hard deadline for budget submittals this year. Complete budget submittals will include AZIPS, BUDDIES, and CLIFF (if applicable). We wish to move ahead expeditiously with planning for the coming years and the best way to do that is to have a clear understanding of the challenges that State agencies are facing by September 1.

To help agencies abide by the September 1st deadline, we encourage budget personnel to attend one of the days of trainings at OSPB on July 28<sup>th</sup>, July 30<sup>th</sup>, August 3<sup>rd</sup> and August 4<sup>th</sup>.

Please contact your OSPB analyst if you have any questions, or if there is other assistance that you require in your budget preparation and submission.

Thank you once again for all of your hard work and dedication. I look forward to working with you to eliminate the State's structural deficit and achieving long-term fiscal stability.

All the best,



Lorenzo Romero  
Director