

BUDGET CYCLE

Under A.R.S. § 35-113, the state has a “bifurcated” budget system in which most state agencies submit a biennial budget request each odd-numbered year, requesting a separate appropriation for each of the next 2 fiscal years. Larger state agencies make an annual budget request. These “annual budget units” are:

- Arizona Department of Administration (ADOA)
- Arizona Health Care Cost Containment System (AHCCCS)
- Arizona Community Colleges
- Department of Corrections (ADC)
- Department of Economic Security (DES)
- Arizona Department of Education (ADE)
- Department of Health Services (DHS)
- Judiciary
- Department of Juvenile Corrections (DJC)
- School Facilities Board (SFB)

- Arizona Department of Transportation (ADOT)
- Universities, including:
 - Arizona Board of Regents
 - Arizona State University - Tempe/DPC, East, and West
 - University of Arizona
 - Northern Arizona University

In addition to these agencies, the FY 2010 General Appropriation Act appropriated annual budgets to all other agencies. As a result, all agencies also received FY 2011 budgets in the 2010 legislative session.

The table below provides additional detail on how the budget cycle has changed for state agencies since FY 2008. See the *FY 2010 Appropriations Report* for the history since FY 1992.

Biennium	Changes in Biennial Budgeting
FY 2008 - FY 2009	No changes in statutorily-mandated annual agencies from previous biennium. In addition to statutory annual budgets, the Department of Financial Institutions, State Mine Inspector, Arizona Navigable Streams Adjudication Commission, Department of Public Safety, and the State Treasurer received an annual budget. All other agencies received biennial budgets for FY 2008 and FY 2009.
FY 2010 - FY 2011	No changes in statutorily-mandated annual agencies from previous biennium. All agencies received an annual budget for FY 2010 in 2009 and an annual budget for FY 2011 in 2010.

STRATEGIC PROGRAM AREA REVIEWS (SPARs)

A.R.S. § 41-1275 establishes the Strategic Program Area Review (SPAR) process. The SPARs provide an opportunity for the Governor and the Legislature to evaluate the effectiveness and efficiency of programs crossing state agency lines. These reviews by Joint Legislative Budget Committee (JLBC) Staff and the Governor’s Office of Strategic Planning and Budgeting (OSPB) are a permanent part of the biennial budget process and result in decisions to retain, eliminate, or modify particular programs.

A.R.S. § 41-1275 requires JLBC Staff, in consultation with OSPB, to recommend to the JLBC, program areas for SPAR by January 1 of every odd-numbered year. Because the SPAR process was viewed as duplicating the efforts to review the effectiveness and efficiency of programs that cross state agency lines during session, no programs were subject to SPAR in the current cycle.