BUDGET LETTER

	NUMBER:	19-15
SUBJECT: BUDGET CHANGE PROPOSAL TEMPLATE AND INSTRUCTIONS	**DATE ISSUED:**	July 19, 2019
REFERENCES: BL 19-06, BL19-10, BL 18-10, BL 18-11, BL 19-13, AND 18-15	**SUPERSEDES:**	18-20

TO: Agency Secretaries
        Department Directors
        Department Budget and Accounting Officers
        Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) provides revised forms and instructions to departments for the preparation of regular Budget Change Proposals (BCPs). The documents referenced in this BL can be found on the following Finance web pages:

- Budget Forms
- FI$Cal Resources

Finance has issued separate instructions regarding general budget preparation guidelines (BL 19-06), and Capital Outlay BCP instructions are included in BL 19-10. Finance will provide policy guidelines regarding the criteria for BCP submittal in a forthcoming BL.

I.   Glossary Relevant to this BL

BR   =   Budget Requests. These are issues identifying changes to dollar amounts and/or positions for any fiscal year in the system.
BU   =   Business Unit. This four-digit number is equivalent to an organization code/entity.
Category =   An account code in the Chart of Accounts.
ENY   =   Enactment Year (formerly Year of Appropriation).
FTEs   =   Full Time Equivalents or Positions. These terms are used interchangeably.
RTL   =   Revenues, Transfers, and Loans.

II.   BCP Package

Departments must submit BCP packages via email to their respective Finance budget analyst and principal program budget analysts. The packages should include the following information:

1. **DF-46 BCP Cover Sheet:** A scanned signed copy.
2. **BCP Narrative**: A Word document providing the full explanation of the request.
3. **Fiscal Details/BCP Report**:   Departments should enter or upload fiscal information directly into Hyperion. Departments must enter all BCP BRs into the **GB Dept Working** version in Hyperion and copy the completed, validated BCP BRs to the **GB Exchange** version; generate and submit the Hyperion "**BCP Report**" as part of their package; and inform their respective Finance budget analyst once the BCP BR is available in the GB Exchange version for review.
4. **BCP Upload Template:** Provide an electronic copy of the upload template if used to upload the request into Hyperion.

Departments should email a signed PDF of the DF-46 cover sheet with appropriate department and agency signatures, a Word version of the BCP Cover Sheet and BCP narrative, the BCP Report, and an Excel upload template to their Finance budget analyst. Later in the fall cycle, instructions will be issued to all departments regarding submission of the approved original copies of the signed BCPs to be included in the Governor's Budget.

III. <u>BCP Forms, BCP Reports, and Upload Template</u>

Departments must provide all necessary budget information by creating BCP BRs and either keying data or uploading data into the system using BCP upload templates. Finance/FI$Cal continue to make periodic enhancements to the system, including updates to the chart of account codes and Programs; therefore, all requests entered into Hyperion via templates must use the latest upload templates available on Finance's website.

All BCPs for 2020-21 **must** include the DF-46 form and a BCP Report from Hyperion. The DF-46 form includes a cover sheet and a BCP narrative section.

<u>DF-46 - BCP Cover Sheet</u>

For details on how to fill out the DF-46, please refer to the DF-46 Instructions.

<u>BCP Narrative Section</u>

All departments must provide a scanned copy of the BCP narrative along with the signed Cover Sheet to their respective Finance budget analyst. The BCP narrative must indicate how the BCP is consistent with the policy guidelines as outlined in the 2020-21 Policy Guidelines Budget Letter.

For more details on the narrative, please refer to the DF-46 Instructions.

<u>Fiscal Detail (BCP Report) and BCP Upload Template</u>

Departments are required to enter or upload fiscal information directly into Hyperion, including expenditures, position change requests, position summaries, reimbursements, and revenues, etc., as applicable. Departments with a high volume of unique entries may choose to use the upload template to upload data.

Departments must use the updated BCP Report from Hyperion to provide fiscal details. Separate tabs of the BCP upload template capture detailed information for every affected item, program, and category of expenditure, consistent with the chart of accounts. The forms are color coded as follows:

> Blue color: Select from drop down menu.
> Salmon color: User input, no drop down menu.
> White cells: Update as necessary.

Please note: When updating BCP upload templates, **do not delete or insert new rows** in any tabs as this corrupts the Checklist tab. In the event users exceed the preset rows, copy one of the blue colored rows and paste the information into a new white row(s) below the blue preset rows. Finance requires a clean Checklist tab for accurate uploads. If rows are deleted or inserted, the cross-ties in the Checklist tab will not work and the department will be required to prepare a new template. Please work with your Finance budget analyst if you need assistance with the upload template.

The following provides a summary of the required data for each of the tabs in the new upload template. The same descriptions apply to direct entries into Hyperion.

a) **Checklist**—The checklist tab has a cross-tie page to check various issues such as duplicate rows, invalid points of view, position and dollar tie points, and correct BR naming conventions. Prior to uploading or submitting a template to Finance, ensure all "No Issues" fields are green and that there are no red fields.

b) **Summary**—No action is needed by departments. This tab provides a snapshot of total positions, personal services, and operating expenses and equipment, as well as total state operations and local assistance expenditures broken down by fund source.

c) **Budget Request Details**—Departments should note the following:

1. The BR Name must use a unique naming convention to post accurate detail in Hyperion. (**NEW:** See updated "Budget Request Naming Convention in Hyperion" for details on naming conventions.)

2. The BR Title should be meaningful, short, and succinct. Capitalization should remain consistent within the BR title. (See "Common Baseline Adjustments Titles" for a list of commonly used baseline adjustments and the suggested titles to use.)

3. Enter Request ID, Version, Year, and Entity (BU/Organization code). Request ID (BR Identifier) is the BR number assigned in Hyperion when the BR is created.

d) **Workload Measures**—Provide workload metrics associated with the program, beginning with the past five years through the current year. Specify how the requested resources are projected to impact the related workload for the affected out years (BY through BY4). These are the number of units of workload (e.g., inquiries responded to, backlog reduced, applications processed, etc.).

e) **Program Budget Measures**—Provide a five-year resource history of the program (unless it is a new program proposal).

f) **Position Change Request**—Specify the Job Code (class code and classification title), Start Date (only if the position will not be filled on July 1, 2020, such as a January start date), Proposed position(s) (number requested), and Salaries and Wages for all of the position(s) in the same classification. Enter total positions and dollars for affected years (CY through BY4, if applicable). Salaries and Wages entered on the Position Change Request tab must tie to the total Salaries and Wages (AC_510XXXX) entered on the Expenditure tab(s).

g) **Position Summary**—Specify Item, ENY, program, and related salaries and wages categories of expenditure associated with each position. Enter total number of positions for the affected years (CY through BY4, if applicable). Positions (FTEs) in CY through BY4 in the Position Summary tabs must tie to the total proposed positions in CY through BY4 in the "Position Change Request" tab for the overall BR.

h) **Expenditures** (level of spending authority)—Specify Item, ENY, Program, and Category of expenditure for each unique combination of funding needed to support the BCP. See "Account/Category Codes Available in Hyperion" for categories of expenditure/account codes available in Hyperion. Departments must provide the same level of information as is required in the DF-300 Supplementary Schedule of Operating Expenses and Equipment. Departments must update the "BY - BY4 Expenditures" tab to include the amounts projected for each of those years.

i) **Revenues, Transfers, and Loans (RTL)**—If the BCP proposes new revenues (either an increase to an existing revenue source or proposed new revenues), a new revenue transfer, and/or a new loan, departments must either use the RTL upload template or enter information directly into Hyperion using the RTL BR type.

The BY through BY4 tabs must be updated to include revenues coded for each of those years. For transfers and loans, if both sides of the transaction do not fall within the same BU, departments must coordinate and the owner of the other BU must carry the appropriate side of the transaction. Departments must notify their respective Finance budget analyst of the other BU's transaction.

IV. Unique BR Naming Convention

Departments are required to create a BR for each BCP or RTL adjustment. Each BR must have a BU number, a unique three-digit sequencer number (i.e., 001 to 999), BR type (BCP for expenditures or RTL for revenues, transfers, or loans), and version (the point-in-time when the issue is initiated such as GB for Governor's Budget). See "Budget Request Naming Convention in Hyperion" for additional information regarding the required naming convention.

NEW: To improve coordination and reduce system kick outs, departments and Finance budget analyst should use BR sequencers that match the last three digits of the associated BR identifier number in Hyperion. For example, BR identifier: BR0011 with BR Name: 0250-011-BCP-2020-GB.

V. Enactment Year (ENY)

For appropriations, use:
- 2019 for current year
- 2020 for budget year
- 2020 for budget year and out years

VI. Use of Items In Upload Template and Data Entry Forms

Each expenditure, revenue, transfer, or loan requires a three-part item consisting of the BU, a reference number, and the fund. For example, if BU 0250 has a proposed expenditure and/or revenue adjustment to the General Fund, the expenditure item would be "0250-XXX-0001" and the revenue item would be "0250-787-0001." For a list of reference numbers and the corresponding character code, please utilize the Reference Numbers document on the Finance website. Please note that for RTLs, the specific reference numbers to use depend on the type of RTL as follows:

Revenue: 787
Transfer: 788
Loan: 789

VII. Rounding to "000" for Dollars

For budget purposes, do not reflect dollars below $1,000. This level of precision is unnecessary and creates additional workload and reconciliation problems. All dollars should be rounded to the nearest thousand and end with "000" (e.g., $2,000 and not $1,992) to avoid rounding issues in the system. **Users must only enter dollar amounts into Hyperion that end with "000."**

VIII. Rounding to Tenth Decimal for Positions

For budget purposes, do not reflect FTEs beyond the tenth decimal position. This level of precision is unnecessary and creates additional workload and reconciliation problems. All FTEs should be rounded to the nearest tenth position (e.g., 1.75 FTEs should be rounded to 1.8 FTEs) to avoid rounding issues in Hyperion. **Users must not enter FTE amounts beyond the tenth decimal position.**

IX. New Items and Invalid Items

All valid items that existed as of the 2019 Budget Act, as well as those already pre-created for the 2020-21 budget cycle during the rollover process, are posted on Finance's website. Please provide your Finance budget analyst with a completed New Item Creation form if you need any new items. Otherwise, those new items will not be available in Hyperion. **Departments must run the Invalid (in Red) & Valid Items with Dollars report in Hyperion to verify that all of their items are valid for use.**

X. Additional Resources Related to FI$Cal

Finance maintains the information often on the "FI$Cal Resources" page on its website to provide one convenient location for all relevant FI$Cal resources. Departments should continue to check and utilize the information on this page for reference materials and also refer to FI$Cal Job Aids.

If you have any questions about this BL or budget/policy questions regarding the use of Hyperion, please contact your Finance budget analyst. For system logon/password issues or other technical system questions, please contact the FI$Cal Service Center (fiscalservicecenter@fiscal.ca.gov) and copy your Finance budget analyst.

/s/ Thomas Todd

Thomas Todd
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