

BUDGET LETTER

	NUMBER: 17-19
SUBJECT: 2018-19 SALARIES AND WAGES SPREADSHEET (AUTHORIZED POSITIONS AND COST ESTIMATES)	DATE ISSUED: JULY 24, 2017
REFERENCES: STATE ADMINISTRATIVE MANUAL SECTIONS 6415, et seq., AND BUDGET LETTER 15-22	SUPERSEDES: BL 16-21

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

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL PERSONNEL OFFICERS.

This Budget Letter (BL) provides departments with instructions for preparing the 2018-19 Salaries and Wages Spreadsheet (Schedule 7A).

Note: Departments must build the 2018-19 Salaries and Wages publication from the final 2017-18 Salaries and Wages spreadsheets that will be provided electronically by your Department of Finance budget analyst.

<i>Deadlines and Deliverables</i>	
On or before Friday, September 1, 2017	<p>Departments must complete and return:</p> <ul style="list-style-type: none">▪ Electronic (Excel) version of the Salaries and Wages spreadsheet; and▪ Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) – either a signed hard copy or an electronic scan of the signed form. <p>Departments must provide copies of the following backup documentation:</p> <ul style="list-style-type: none">▪ Schedule 8 Report;▪ Supplementary Schedule 8 Report;▪ Schedule 8 Summary (Form 33);▪ Blanket Balance Position Expenditure Report;▪ Department Temporary Help and Overtime Reports; and▪ Detailed Multi-Year Expenditures Report (Hyperion FR report).

I. SALARIES AND WAGES SPREADSHEET

Position and salary information is compiled and maintained in an Excel spreadsheet. An electronic file created from the final 2017-18 Salaries and Wages spreadsheet will be distributed to departments by their Finance budget analyst the week of July 24. Departments must reconcile position and salary information, and **complete and return the following documents along with all required backup documentation to their Finance budget analyst no later than Friday, September 1, 2017:**

- Completed electronic (Excel) version of the Salaries and Wages spreadsheet provided by Finance. Departments must review the subtotal and total formulas in the Salaries and Wages spreadsheet prior to submitting it to their Finance budget analyst; and
- Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) – either a signed hard copy or an electronic scan of the signed form.

Departments must submit either hard or scanned electronic copies of the following backup documentation with the Salaries and Wages documents:

- Schedule 8 Report;
- Supplementary Schedule 8 Report;
- Schedule 8 Summary (Form 33);
- Blanket Balance Position Expenditure Report;
- Department Temporary Help and Overtime Reports; and
- Detailed Multi-Year Expenditures Report (Hyperion FR report).

II. STATE CONTROLLER REPORTS

The State Controller's Office (SCO) has released the following reports directly to departments:

- Schedule 8 Report;
- Supplementary Schedule 8 Report; and
- Blanket Balance Position Expenditure Report.

Any adjustments made to these reports must be reflected in the Salaries and Wages spreadsheet in accordance with the guidelines outlined in the State Administrative Manual (SAM) Sections 6415, et seq. Please note that at this time, SAM has not been updated to reflect the abolishment of Government Code 12439. Attachment A describes the documents used by departments to develop the Salaries and Wages Publication.

III. BUDGET POSITION TRANSPARENCY

Chapter 28, Statutes of 2015 (Senate Bill 98) abolished Government Code section 12439. The SCO no longer publishes the Preliminary/Final Vacant Abolished Positions Report.

The Budget Position Transparency analysis occurs biennially, and was last completed as part of the 2016-17 Governor's Budget and Salaries and Wages processes. Therefore, departments will be required to complete a similar analysis as part of the 2018-19 Governor's Budget development. However, this adjustment will only be displayed in the Governor's Budget and will not be reflected in the Schedule 7A. A forthcoming BL will provide further instructions. Please note that other fall drills rely on the data within the 2018-19 Salaries and Wages spreadsheet; therefore, the Schedule 7A must be submitted to Finance timely and accurately.

IV. SALARIES AND WAGES SPREADSHEET PREPARATION

Definitions of Terms:

1. **Career Executive Assignment (C.E.A.) Positions**—Reflect the monthly salary range for all C.E.A. positions as of June 30, 2017 as follows:
 - C.E.A. A = \$6,647 - \$9,555;
 - C.E.A. B = \$9,255 - \$11,024; and
 - C.E.A. C = \$10,277 - \$11,669.
 - The maximum rate for physicians, attorneys, and engineers is \$15,129.
2. **Merit Salary Adjustments**—Merit Salary Adjustment (MSA) expenditure projections, except for C.E.A. positions, are included in the Schedule 8 by the SCO. C.E.A. salary levels must be adjusted manually in the Salaries and Wages spreadsheet to reflect the proper levels noted above. The current 2017-18 Budget does not include statewide funding for MSAs. Any net costs incurred by departments for this purpose must be absorbed within existing resources.
3. **Permanent Employees**—Generally, all permanent employees (full-time and part-time) must fill authorized and established positions. Permanent positions should not be budgeted in blanket authorizations on an ongoing basis.
4. **Salary Range**—Include a corresponding salary range for each classification. Within each segment of the Salaries and Wages spreadsheet, sort positions in **descending order** according to the **minimum step of the salary range**. Please note that the salary range displayed must be the salary range as of June 30, 2017.
5. **Partial-Year Authorizations**—Positions that are authorized for less than a full fiscal year must reflect the **net position count** and the **net associated dollars**. For example, a position established with an effective date of January 1, 2018, would reflect 0.5 in the 2017-18 position column and half of the position's salary range in the 2017-18 expenditures column.
6. **Temporary Help Authorizations**—Display positions for all three years, including positions for student assistants, seasonal, and other personnel used for temporary purposes if they are not filling a permanent authorized position. Generally, departments should not include permanent employees (full-time or part-time) in the blanket, although this is allowed to meet short-term needs of departments, such as for succession planning. These employees should be moved from the blanket to permanent positions as soon as possible. Permanent intermittent positions may be in the blanket. Ensure the position equivalent and dollar value are based on realistic usage; do not create a position value if the dollar value will not result in hiring a person.
7. **Overtime**—Budget overtime as a separate line entry. Do not display positions for overtime.
8. **Reorganizations**—Reorganizations that are proposed for the 2018-19 Budget must first be approved by Finance. Upon Finance's approval, reflect a condensed version of proposed reorganizations in the Governor's Budget documents, rather than in the Salaries and Wages spreadsheet.

- 9. Limited-Term Positions**—Previously approved limited-term positions will remain in effect until their expiration date(s). These positions will continue to be footnoted in the 7A spreadsheet until expired. However, pursuant to [BL 15-22](#), Finance is no longer approving new limited-term positions. If an increase in temporary resources is necessary to support short-term workload, limited-term expenditure authority, without authorized positions, will be considered to meet operational needs.
- 10. Vacant Positions**—Reflect vacant positions at the first step of the appropriate classification, except for positions within interchangeable classes. Reflect vacant positions with interchangeable classes at the minimum step of the: (a) lowest salary range for groups consisting of two classes, (b) middle salary range for groupings that contain an odd number of classes, or (c) lowest salary range of the lower of the two middle classes for groupings that contain an even number of classifications in excess of two.
- 11. Standard Abbreviations (Attachment B)**—Use only the abbreviations in the attached listing.
- 12. Salary Adjustments**—Funding increases for 2017-18 salary changes, including any General Salary Increases ratified by the Legislature, which have not already been distributed to departmental budgets, have been centrally carried by Finance in the 2017 Budget Act. Funding for these salary adjustments will be distributed to departments through a forthcoming Employee Compensation Adjustments BL. Any salary changes or General Salary Increases effective on or after July 1, 2017, **must not** be included in the expenditure columns of the Schedule 7A. Any salary changes, including any one-time bonuses included in the recently adopted collective bargaining agreements, or General Salary Increases effective on or before June 30, 2017, are included in the Schedule 8 and should be included in the Schedule 7A. Please note that the Schedule 8 Report provided by State Controller’s Office may contain salary adjustments effective on or after July 1, 2017, and should not be reflected in this year’s Salaries and Wages spreadsheets. Therefore, departments must review Schedule 8 Report information thoroughly prior to submission to Finance. Collective bargaining agreements may be viewed on the CalHR website here:
<http://www.calhr.ca.gov/state-hr-professionals/Pages/bargaining-contracts.aspx>.
- 13. Consolidated Benefits (CoBen)**—Last year, a small number of departments recorded CoBen costs under a salaries and wages account category (AC) code that begins with 510. However, because CoBens are staff benefits, and not salaries or wages, they should be entered using a *benefits* AC code that begins with 515. Therefore, we have created a new AC Code (5150850 – Consolidated Benefits) for departments to use in PeopleSoft to properly categorize these expenditures as benefits.
- 14. Flex Elect Cash Options**—Last year, some smaller departments had concerns that the display of Flex Elect Cash Option amounts on “Overtime” lines in the 7A may significantly skew the perception of overtime hours worked. Although Flex Elect Cash Option amounts default to an overtime AC code in the FI\$Cal system, departments have the discretion to choose to display Flex Elect Cash Option amounts on a “Temporary Help” line in the 7A if that provides a clearer representation of salaries and wages for their department.

Definitions of Totals and Subtotals:

1. **Totals, Authorized Positions**—Means the number of positions authorized by the Legislature. After past year adjustments are made, the past year expenditure amount and the total authorized positions reflected in the Salaries and Wages spreadsheet should match the past year salaries and wages total in Hyperion.
2. Include the following subtotal lines below the **TOTALS, AUTHORIZED POSITIONS** line:
 - Regular/Ongoing Positions (see bottom line total from Form 33);
 - Temporary Help; and
 - Overtime.

Do not include a subtotal line that displays zero for positions and dollars for all three years.

The Budget Position Transparency adjustment will only be reflected in the Budget Galley, not in the Schedule 7A. Additionally, the BASELINE BUDGETED POSITIONS lines and the Current Service Level adjustment lines will not be displayed in the Schedule 7A.

SALARIES AND WAGES RECONCILIATION

To assist with Schedule 7A reconciliation, departments must complete and submit Attachment C (Salaries & Wages Schedule 7A Reconciliation Form) to their respective Finance budget analyst.

SCO Roster Summary Section:

- **Line 1:** Enter the number of positions from SCO's Schedule 8 Report "Total by Agency" line for the 2017-18 and 2018-19 columns.
- **Line 2:** If there are positions not captured in the Schedule 8, enter the number of positions from SCO's Supplementary Schedule 8 Report "Total by Agency" line for the 2017-18 and 2018-19 columns.
- **Line 3:** Use Form 33 (Schedule 8 Summary Reconciliation) to explain any corrections to Regular/Ongoing positions not included on the Schedule 8 or the Supplementary Schedule 8. Enter the number of Regular/Ongoing positions on Form 33 for the 2017-18 and 2018-19 columns.
- **Total Regular/Ongoing Positions:** A formula adds **Line 1** through **Line 3**. These amounts should match the Total Regular/Ongoing Positions line on the 2018-19 Salaries & Wages Spreadsheet (7A).
- **Line 4:** Use the Blanket Balance Position Report and/or your department's year-end reports for the number of Temp Help positions. Enter the number of Temp Help positions for the 2017-18 and 2018-19 columns.
- **Line 5:** Enter any miscellaneous adjustments, if necessary. Please provide supporting documents and brief descriptions of these adjustments to your Finance budget analyst.
- **Total Authorized Positions:** A formula adds **Total Regular/Ongoing Positions, Line 4 and Line 5**. This should match the Total Authorized positions line on the 2018-19 Salaries & Wages Spreadsheet (7A).

Budget Reconciliation Section:

- **Line 1:** Enter the amount for the 2017-18 column from the **TOTALS, AUTHORIZED POSITIONS** line from last year's 2017-18 Salaries and Wages (Schedule 7A) publication. No need to enter an amount for 2018-19. A formula is inserted to calculate the amount for 2018-19.
(Line 1 for 2018-19 = the sum of Line 1 and Line 2 for 2017-18).
- **Line 2:** Enter the amount from the "Total Adjustments" line of the "Expenditures by Category" section of your department's 2017-18 Enacted Budget galley (<http://www.ebudget.ca.gov/>). There is no need to enter any amount for 2018-19.
- **Line 3:** Subtract any limited-term positions that expire on or before 06/30/2018 in the 2018-19 column. Do not to enter an amount for 2017-18.
- **Line 4:** Enter any miscellaneous adjustments, if necessary. Please provide supporting documents and brief descriptions of these adjustments to your Finance budget analyst.
- **Total Authorized Positions:** A formula adds **Lines 1 through 4** for the 2017-18 and 2018-19 columns. This should match the Total Authorized Positions line on the 2018-19 Salaries & Wages Spreadsheet (7A) and the SCO Roster Summary section above.

Tieout of 2016-17 Actuals:

The 2016-17 actual positions and expenditures **MUST** match between the 7A and Hyperion.

- **7A Line:** Enter the 2016-17 Positions and Expenditures from your 7A **TOTALS, AUTHORIZED POSITIONS** line.
- **Hyperion Line:** Run the FR Detailed Multi-Year Expenditures report from Hyperion using the following point of view:
 - Year:** FY18
 - Version:** GB Dept Working
 - Entity:** BU XXXX (XXXX should be your 4-digit department BU number)
 - Fund:** All Fund
 - Category:** AC 510

Enter the total FTE PY for the actual positions line and the total Budgetary Expenditure PY for the actual Expenditures line.

If you have any questions regarding this BL, please contact your Finance budget analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachments

**DOCUMENTS USED IN THE DEVELOPMENT
OF THE SALARIES AND WAGES PUBLICATION**

Schedule 7A Spreadsheet—The Schedule 7A spreadsheet represents a summary listing of all authorized Regular/Ongoing positions by classification within each reporting unit as of a specified point in time. The 2018-19 Schedule 7A spreadsheets display position information authorized as of June 30, 2017.

Schedule 8—A listing of approved, established, Regular/Ongoing positions with related personnel information, including past year expenditures by class code and estimated expenditures for the current and budget years for each position.

Supplementary Schedule 8—A listing of current year and budget year information on employees for whom there are no established positions (by Standard Form 607 action) to continue beyond June 30 of the past year, or for those positions with an abolished or non-existent class code. Past year expenditures, if any, for these employees are displayed on the Schedule 8.

Blanket Position Expenditure Report—A listing of established blanket numbers (for overtime, temporary help, seasonal, etc.) with the corresponding dollars and positions expended.

Standard Form 607—Standard 607 position documents received by the SCO by June 15 each year are normally reflected on the SCO's reports.

Schedule 8 Summary Reconciliation (Form 33)—This summary schedule is prepared by departments to reconcile any difference for Regular/Ongoing positions between the Schedule 7A Spreadsheet and the combined total of Regular/Ongoing positions listed in the Schedule 8 and in the Supplementary Schedule 8. Form 33 can be found here:
<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std033.pdf>

**ATTACHMENT B
BL 17-19**

Word *Abbreviation*
 academic aad
 academic year acad yr
 account(s) acct(s)
 accounting acctg
 administrative adm
 administration admin
 advisor advr
 affairs affs
 agricultural agric
 agriculture agri
 and &
 appointment appt
 apprentice apprt
 assessment assess
 assistant asst
 associate assoc
 attorney aty
 automotive auto
 bilingual—bicultural bi/bi
 biology biol
 board bd
 branch br/brch
 building bldg
 bureau bur
 business bus
 Dept of Transportation Caltrans
 captain capt
 career executive appointment .. C.E.A.
 center cntr/ctr
 certification cert
 chemistry chem
 clerk clk
 compensation comp
 conservation cons
 construction constrn
 control cntrl
 coordinator coord
 corporate corp
 corrections corrs
 correctional corr
 county co
 criminal crim
 curriculum curr/curric
 data processing DP
 department dept
 departmental deptl
 deputy dep
 determination(s) determ(s)
 development dev/developmt
 developmental develmtl
 disability dis
 dispatch disp
 district dist
 division div
 drafting drftg
 duplicating dup
 economic econ
 education ed/educ

Word *Abbreviation*
 electrical elec
 electronic data processing EDP
 employee and employer emp/emp
 employment empt
 engineer engr
 engineering engrng
 environment envirm
 environmental envirtl
 equal employment opportunity ... EEO
 equipment equip
 evaluation eval
 examination exam
 executive exec
 federal fed
 federal fund FF
 field fld
 general gen
 government gov
 governmental govtl
 handicap hdcp
 health hlth
 high occupancy vehicle HOV
 highway hwy
 hospital hosp
 hydraulic hyd
 hydroelectric hyd
 identification id
 information info
 inheritance inh
 inspector insp
 institutional instl
 instruction inst
 instructional instl
 insurance ins
 intergovernmental intergovtl
 intermediate inter
 international intntl
 junior jr
 laboratory lab
 leadership ldrshp
 legislative legis
 level of care LOC
 licensing lic
 lieutenant lieut
 machine mach
 maintenance maint
 management mgt/mgmt
 manager mgr
 managerial mgrl
 mechanical mech
 medical med
 member mbr
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 nonsupervisory nonsuprvy
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Word *Abbreviation*
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 program(s) pgm/prog(s)
 project proj
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 rehabilitation rehab
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 representative rep
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 residential res
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 secretary secty
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 senior sr
 sergeant sgt
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 supervisor supvr
 supervisory supvrl
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 system(s) sys(s)
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 television TV
 training trng
 transportation transp
 veterinary vet
 vice president VP
 vocational voc