

BUDGET LETTER

SUBJECT: BUDGET ROLLOVER IN HYPERION FOR THE 2017-18 BUDGET CYCLE	NUMBER: 16-13
REFERENCES: BUDGET LETTERS 14-07, 14-08, 15-14, 15-15, AND 16-10	DATE ISSUED: July 18, 2016
	SUPERSEDES: BL 15-06

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

FROM: DEPARTMENT OF FINANCE

This Budget Letter is to inform departments of the data rollover rules in Hyperion. They are similar to the rules used last July with a few changes to enhance usability and data entry/validation efficiency. In preparation for the 2017-18 fall budget process, data in Hyperion is being consolidated and will be used to populate the starting point for 2017-18 budget development (the “rollover”). Once the system is accessible to departments in early August, they should validate the rolled-over data in their “GB Dept Working” version.

I. Glossary Relevant to this BL

- BBA = Baseline Budget Adjustments. These are baseline expenditure adjustments such as employee compensation, carryovers, etc.
- 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.
- CSL = Current Service Level (a consolidated starting point in Hyperion for all fiscal years except past year).
- ENY = Enactment Year (formerly Year of Appropriation).
- FTEs = Full Time Equivalents or Positions. These terms are used interchangeably.
- RTL = Revenues, Transfers, and Loans (**New** for this year: “loan repayments” are now included in “loans”).

II. What Will Be Included and Timeframe

Rolled over information will become the new base for the 2017-18 budget cycle. The data elements included in the rollover for each item-ENY-program-category combination are:

1. Request Amounts (aka Authorized)
2. Estimated Savings
3. Estimated Carryover
4. Budgetary Expenditure
5. Non-add values of the above
6. FTEs
7. Revenues, transfers, and loans
8. 2015-16 (now past year) through 2021-22 in Hyperion

In late July, after the FI\$Cal project completes the rollover activities, Finance will centrally validate statewide data in Finance's version in Hyperion. Once the system is available to departments, with assistance from Finance analyst, departments should validate the data in their version (GB Dept Working) and inform their budget analysts of any anomalies. The purpose of the validation is to ensure the rollover process was performed correctly.

III. Rules for the Rollover

Below are detailed rules for data that will be rolled over from the 2016-17 budget cycle to create the new base for the 2017-18 budget cycle. They are the same rules applied last year unless otherwise identified as new enhancements this year.

A. Expenditures and Positions

Support Budgets:

2015-16 fiscal year (Past Year)—All approved BRs will be retained individually as will the current CSL from the 2016-17 budget cycle (not consolidated). These components will be rolled into the 2017-18 budget cycle and will become the new past year. This will provide the individual detailed adjustments needed for display in the Governor's Budget. The Governor's Budget will also include adjustments that will be made in the fall budget preparation process.

2016-17 fiscal year (Current Year)—All individual approved BRs from the 2016-17 budget cycle will be consolidated and added to the current CSL to create the new CSL amount for 2016-17 (the new current year in the next budget cycle). Consolidation will be made for each unique combination of item-ENY-program-category.

2017-18 through 2020-21 fiscal years (Budget Year [BY] through BY+3)—All individual BRs from each fiscal year in the 2016-17 budget cycle will be consolidated and added to the current CSL to create the new BY through BY+3 CSL amounts in the next budget cycle. Item details for appropriations approved in 2016-17 with one year to encumber will be included in 2017-18 and out years with ENY and year of completion of 2017. **NEW:** Item details for appropriations with multiple years to encumber (and still available for encumbrance beyond 2016-17) will retain the original ENY and year of completion (these are continuing or continuous appropriations). These item details have been created.

2021-22 fiscal year (BY+4)—Will have the same new CSL as that in 2020-21 fiscal year.

Capital Outlay Budgets:

2015-16 and 2016-17 fiscal years. Same as support budgets.

2017-18 fiscal years and beyond. All dollars are zeroed based.

NEW: Enhancement this cycle – Treatment of Reimbursements:

Beginning in 2016-17, Hyperion will no longer identify reimbursements using "AC_48". In the last two fiscal years, users must take "AC_5" minus "AC_48" to derive the true expenditure chargeable to an item/fund. Expenditures for the item/fund and the associated reimbursements were made in a commingled manner. As part of the rollover process this year, "AC_48" amounts were converted to "XXXX-XXX-0995" items. A user no longer needs to derive the true expenditure for an item or a fund. AC_5 is the true value. This new method also enhances transparency because it is now possible to determine the types of expenditures (categories) from each item/fund and also from reimbursements.

Reimbursements converted to XXXX-XXX-0995 items were budgeted to an unallocated account category code (AC 5550000) because data is not available in Hyperion for the team to globally map to the exact account. Departments should work with their Finance budget analysts to allocate these reimbursements to the appropriate account category codes for 2017-18 and forward in the fall. More instructions to come.

B. Revenues

For all fiscal years, all individual revenue BRs will be consolidated with the CSL in the 2016-17 budget cycle and rolled over to create the new CSL amount for the 2017-18 budget cycle. Similar to the expenditures, the consolidation will be made for each unique combination of BU-fund-revenue category code.

C. Transfers and Loans (TLs)

For all fiscal years, all TL BRs will be retained individually and rolled over. For TLs, there are no consolidated CSLs. This will provide capability to edit the BR amount, name, and description, if needed. Departments and Finance will not have to recreate all the individual BR titles for the Governor's Budget Fund Condition display.

NEW: Loan repayments are consolidated with loans. Under the account measure of "loans," a user displays "to" and "from." This is similar in concept of the "transfers" account measure where a user utilizes this account to show "to" and "from" transactions.

D. Rounding to "000"

NEW: For budget purposes, there is no need to track dollars below \$1,000. The level of precision is unnecessary, and creates additional workload and reconciliation problems between level zero data and rolled up data. As part of the rollover process, all data will end with "000." Users must not enter new amounts that do not end with "000."

IV. Updating in the New Budget Cycle

At this time, it is anticipated that the system will be available for all departments to upload or enter data by early August. Future instructions will be issued regarding these technical processes:

- Updating (new) past year expenditures and revenues and reconciliation of fund balances, and
- Updating baseline expenditure adjustments via BBAs and revenues/transfers/loans via RTLs for the new current year and beyond.

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

/s/Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager