

BUDGET LETTER

SUBJECT: BUDGET ROLLOVER IN HYPERION FOR THE 2019-20 BUDGET CYCLE	NUMBER: 18-11
REFERENCES: BUDGET LETTERS 18-07 AND 18-08	DATE ISSUED: July 12, 2018
	SUPERSEDES: BL 17-11

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. The rules are similar to those used last July. In preparation for the 2019-20 fall budget process, data in Hyperion has been consolidated and has been used to populate the starting point for the 2019-20 budget development (the "rollover"). The system is now available and it is nearly two weeks earlier than last year. This provides departments earlier access to view your data and prepare for the next cycle.

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 each BU for all fiscal years).
- ENY = Enactment Year.
- FTEs = Full-Time Equivalents or Positions. These terms are used interchangeably.
- RTL = Revenues, Transfers, and Loans.

II. What are Included

Rolled over information is the starting point for the 2019-20 budget cycle. The data elements included in the rollover for each Item-ENY-Program-Category combination are:

1. Requested Amount
2. Estimated Savings
3. Estimated Carryover
4. Budgetary Expenditure
5. Non-add values of the above
6. FTEs
7. Revenues, Transfers, and Loans
8. 2017-18 (now past year) through 2023-24 in Hyperion

The Department of FI\$Cal has completed the rollover activities and Finance has validated statewide totals in Finance's version in Hyperion and the joint team has validated statewide totals in the department version. The purpose of the validation is to ensure the rollover process was performed correctly. Departments should also validate data in their respective GB Dept Working version before making any new entries for the 2019-20 cycle. If Departments believe the data to be inaccurate, reach out to your Finance budget analyst immediately to determine what adjustments if any are needed.

III. **Rules for the Rollover**

Below are detailed rules for the rollover process using data from the 2018-19 budget cycle that created the new base for the 2019-20 budget cycle. These are the same rules applied last year.

A. **Expenditures and Positions**

Support Budgets:

2017-18 fiscal year (Past Year)—During the summer 2015 and summer 2016 rollover processes (after each Budget Enactment), all expenditure adjustments in Hyperion were consolidated into the CSL for each department's budget by Item-ENY-Program-Category, with the exception of past year BRs. Beginning with the 2017 rollover, past year expenditure BRs were not individually retained for Governor's Budget display purposes. Instead, all approved BRs from the 2017-18 budget cycle were consolidated and added to the CSL to create the new CSL amount for 2016-17 (the past year in the 2018-19 budget development cycle). Each unique combination of Item-ENY-Program-Category was consolidated. The new process last year reduced the time for departments and Finance to validate rolled over data.

The rollover process this year continued the same practice which:

- Simplifies both the past year update and data validation exercises for departments.
- Removes information which is repeated from the Detail of Appropriations and Adjustments in the 2018-19 Budget Enactment galley and shows only adjustments made in the new 2019-20 budget cycle; and
- Improves Hyperion performance by reducing the amount of data residing in the budget development environment, which also displays a cleaner workspace for users.

Importantly, this process does not reduce the availability of information—Finance and departmental users can continue to view past/prior year data in archived CalPLN applications, as well as on Finance's eBudget website and in Budget Enactment galleys. The change made last year was specific to expenditure BRs; revenue BRs were already consolidated in the rollover process in prior years, while BRs for revenue transfers and for loans continue to be rolled over individually.

2018-19 fiscal year (Current Year)—All approved BRs from the 2018-19 budget cycle are consolidated into the existing CSL and created the new CSL amount for 2018-19 (the new current year in the new budget cycle). The BRs for each unique combination of Item-ENY-Program-Category are consolidated with existing CSL data for that combination.

2019-20 through 2022-23 fiscal years (Budget Year [BY] through BY+3)—All approved BRs from each fiscal year in the 2018-19 budget cycle are consolidated to create the new BY through BY+3 CSL amount for the 2019-20 budget cycle. The BRs for each unique combination of Item-ENY-Program-Category are consolidated with existing CSL data for that combination. Item details for appropriations approved in 2018-19 with one fiscal year to encumber are repeated in 2019-20, as well as out years with an ENY and year of completion of 2019. Item details for appropriations with multiple years to encumber (and still available for encumbrance beyond 2018-19) retain the original ENY and year of completion (these are continuing or continuous appropriations).

2023-24 fiscal year (BY+4)—Reflects the same CSL as in the 2022-23 fiscal year. If there was limited-term funding that ended in 2022-23, this fiscal year will need an adjustment.

Capital Outlay Budgets:

2017-18 and 2018-19 fiscal years—Same as support budgets.

2019-20 through 2023-24 fiscal years—All dollars are zero-based.

The new expenditure CSLs are loaded in GB Dept Working, GB Dept Submitted, and GB Dept What-If versions in Hyperion for departments to use.

B. Revenues

For all fiscal years, all individual approved revenue BRs are consolidated and added to the current CSL in the 2018-19 budget cycle to create the new CSL amount for the 2019-20 budget cycle. Similar to the expenditures, each unique combination of BU-Fund-Revenue Category are consolidated.

The new revenue CSLs are also loaded in GB Dept Working, GB Dept Submitted, and GB Dept What-If versions in Hyperion for departments to use.

C. Revenue Transfers and Loans

For all fiscal years, all Revenue Transfer and Loan BRs are retained individually and rolled over. They are loaded in GB Dept Working for departments to update before departments submitting to Finance. For Revenue Transfers and Loans, there are no consolidated CSLs. This provides capability to edit the BR amount, name, and title, if needed. Departments and Finance do not need to recreate all of the individual BR name and titles for the Governor's Budget Fund Condition display. As enhanced last year, the fiscal year has been globally changed from "2018" to "2019" in the BR names during the rollover process to help minimize workload.

D. Rounding to "000"

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 amounts that do not end with "000."

IV. Updating in the New Budget Cycle

Instructions will be issued regarding these technical processes in the near future:

- Updating past year expenditures and revenues and reconciliation of fund balances; and,
- Updating baseline expenditure adjustments via BBAs, and revenues, transfers, and 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

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