Budget Change Proposal - Instructions

A Budget Change Proposal (BCP) is a proposal to change the level of service (increases, decreases, or shifts) or funding sources (new funds or utilizing different fund source for the same purpose) for activities authorized by the Legislature, or to propose new program activities not currently authorized.

There are a number of factors that determine whether a BCP will be approved for inclusion in the Governor's Budget, recommended by the Legislative Analyst and legislative staff, or included in the budget that the Legislature enacts.

A well-written and documented BCP may not be approved at even the first stage of a proposal's development (typically a concept or idea in a department). However, a quality BCP increases the chances that a department's proposal will be favorably considered. A poor quality BCP is easy to deny; it may even mask a critical problem that needs to be addressed. It is very important that your proposal be timely, complete, informative, and concise.

The following provides instructions regarding how to complete the documents that comprise a BCP: Cover Sheet, fiscal detail, and BCP Narrative.

These instructions have been updated to address the new data required for the implementation of FI$Cal.

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CONFIDENTIALITY

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The information contained in a BCP is an integral part of the Governor's Budget deliberation process. As such, every BCP must be treated as confidential until the BCP is released to the Legislature as part of the Governor's Budget, April 1 Finance Letter Process, or May Revision. A Department of Finance signature at the bottom of the BCP cover sheet will reflect when a BCP has been released to the Legislature. The BCP becomes a document available to the public upon that release and is posted on the Department of Finance website at: https://bcp.dof.ca.gov/viewBcp.html. Each department is responsible for maintaining the confidentiality of their respective BCPs until they are released to the Legislature or posted to the Finance website. For purposes of the Public Records Act, the Governor's deliberative process privilege is reflected in Government Code section 6255.

Those BCPs not released to the Legislature remain working papers subject to the Governor's deliberative process privilege indefinitely. These documents are to be released only if that privilege is waived by the Governor's Office or pursuant to court order.

Questions about requests for confidential budget documents under the Public Records Act or litigation discovery requests seeking confidential budget documents should be directed to department legal staff and, if necessary, by department legal staff to Finance legal staff. Departments may refer requests to Finance's website if the requested BCPs have been posted.

Cover Sheet

Fiscal Year	Identify the fiscal year of the budget under development or consideration at the time the BCP or Finance Letter is submitted (i.e., the fiscal year for which the budget is not yet enacted).
Business Unit Number	Four-digit Business Unit (organization code) as reflected in the Uniform Codes Manual.
Department	Title/Name of entity submitting request.
Hyperion Budget Request Name	Provide the unique Hyperion Budget Request (BR) name using the guide: [Budget Request Naming Convention in Hyperion]().
Program/Subprogram	Provide relevant program or subprogram titles as printed in the Governor's Budget. If more than one program is affected, reflect titles for each program and subprogram. Subprogram has replaced legacy element and component. For the legacy to Hyperion code translation between new and old program codes refer to the Program Crosswalk located on Finance's website here: https://dof.ca.gov/budget/resources-for-departments/fiscal-resources-for-budget/.
Budget Request Title	A succinct title that describes the proposed changes. This title must match the BR Title in Hyperion and will likely be used in budget hearing agendas. Avoid generic terms like: increase staff, workload, or augmentation.
Budget Request Summary	An overview of the proposal that clearly and concisely summarizes the request.
Requires Legislation	Check box to specify if the proposal requires new legislation, including budget trailer bill language or budget bill language, to implement the proposed change. If yes, the code section(s) to be added, amended, or repealed must be identified. The actual language to implement the proposal must also be included as an attachment to the proposal.
Information Technology	Check box to specify if the proposal includes an information technology component. If yes, the department's Chief Information Officer must review and sign the BCP. In addition, specify the project number, the most recent project approval document (Feasibility Study Report [FSR], Special Project Report [SPR], Stage 1 Business Analysis [S1BA], Stage 2 Alternatives Analysis [S2AA], Stage 3 Solution Development [S3SD], Stage 4 Project Readiness and Approval [S4PRA]), the approval date, and the total project cost.
Other Department Impact	For proposals that affect another department or a special fund administered by the Department, use the check box to specify whether or not the department agrees with the proposal and/or agrees that the special fund is projected to have a sufficient fund balance to support the proposal. Regardless of whether the department concurs or has concerns with the proposal, a letter must be included as an attachment with comments and signature of the affected department's Director or designee.
Signature Approvals	Department/Agency submitting proposal must indicate approval by obtaining specified signatures.

BCP Fiscal Detail

Fiscal Detail	The BCP report in Hyperion is available for departments to use. Departments must populate associated fiscal information in Hyperion and submit the BCP report as part of the BCP package.

BCP Narrative—Analysis of Problem

DISCUSSION

Know your audience—The primary audience within the Administration is your Finance budget analyst. The primary audience within the Legislature is your Legislative Analyst's Office (LAO) Program Analyst and the budget committee staff. These are the people who must read and understand your proposal and explain it to others. Write the proposal based on how much information will be needed to understand and approve the request. Keep in mind that you are primarily trying to persuade the audience of your case.

A well-documented request will be presented in a narrative report format, be concise and include self-contained information for each analysis section of the BCP. The narrative sections of the BCP have been structured to provide the answers to most of the commonly asked questions regarding BCPs and their justification. These sections also guide the writer through basic analytical steps. As a BCP is being drafted, the following guidelines should be used by the writer to provide the relevant information for each of the BCP sections. Not all questions will apply to each proposal or situation.

When finalizing a BCP for submission to Finance, please remember departments are responsible for deleting the italicized instructions in parentheses at the beginning of each section of the BCP Narrative template. Additionally, departments are responsible for verifying and certifying the BCP Word documents submitted to Finance pass the web accessibility check in Word and/or meet web content accessibility guidelines. Refer to Finance’s DF-46 BCP Form Submission Instructions for additional information.

A. Problem Statement

Clearly summarize the problem and context of the issue and how this proposal will address it. This section should also clearly identify the resources requested to address the problem and specify if the requested resources are one-time, phased-in, or ongoing and fund source(s). Specify if a change is needed to current statutes or regulations.

Additionally, provide context for the proposal and purely factual information identifying how the relevant program has changed over time in a way that caused the problem addressed in the proposal. If applicable, include relevant legislation or prior BCP requests. Each proposal must include the completed Program Resource History (unless it is an entirely new program proposal). If applicable, the Program Workload History (workload metrics) must also be completed. If there are no workload metrics applicable to the proposal, this table may be left blank. The Resource History and Workload History Tables should be limited to information relevant to that program, unit, or request. Strive to keep this information as relevant to the new request for resources as possible. (For example: If the request is for four new accounting staff, populate information relevant to the total existing accounting staff, not the entire program or Division totals.)

- ☐ What are you asking for and why?
- ☐ What resources are required? Identify dollars, positions, and funding sources.
- ☐ Specify the duration of the requested resources (e.g., permanent, one-time, phased-in, or ongoing).
- ☐ What resources are currently being expended by the state, e.g., dollars and positions? (Could include resources in multiple departments.) Summarize the current resource level in the narrative and include historical data in the five-year Workload History table.
- ☐ How is workload currently measured?
- ☐ What options has your department already explored to address the problem/need?
- ☐ Describe recent resource changes specific to this proposal, e.g., increases/decreases to staffing, revenues, fees. If resources were added, have those positions been filled? These recent changes should be reflected in the Resource History table.

B. Justification

This section is the substance of most proposals. Provide information to clearly indicate how the requested resources will address the problem outlined in the Problem Statement section that requires a change in resources. The first statement should specify what changes have occurred to necessitate the proposal.

Additionally, if the BCP requests new positions or proposes a reorganization, the BCP must include attachments that reflect the current and proposed organizational structures. Indicate how the BCP is consistent with the Governor's annual policy direction for the proposed Budget as outlined in the annual budget letter regarding budget policy.

The following questions should be addressed in this section, as applicable:

- ☐ What is the program, what does it do, and who does it serve or affect?
- ☐ How is this proposal consistent with existing authority? Specify the primary law/regulation that requires this activity.
- ☐ What workload changes have occurred? How will this proposal address those workload changes?
- ☐ How will this proposal address or solve the problem?
- ☐ What are the adverse impacts if this proposal is not approved? (Be realistic in this assessment.)
- ☐ Why is this solution the highest and best use of resources? Why does this have to be done now? Can it wait?
- ☐ What relevant and current facts and figures support the recommendation?
- ☐ Provide the methodology used to quantify the program/proposal objectives.
- ☐ Why should the Administration prioritize this request over the department's other program activities including those activities that rely on the same funding source?
- ☐ How is the proposal consistent with the use and purpose of the funding sources requested? Are there other funding sources that could be used for this purpose?
- ☐ What is the public need for the request?
- ☐ How does the proposal affect external clients? Identify positive and negative effects (e.g., change fees, improve processing time, increases transparency). If applicable, include statements/information from stakeholders.
- ☐ How does this address a long-term or short-term need or a combination of both? Explain the timeframe.
  for this problem or solution.
- ☐ What are the legal implications of this proposal—past and future?
- ☐ What actions from other governmental entities are required for implementation (e.g., federal approval or state regulatory agency)?
- ☐ Does law need to be added, amended, or repealed? If so, attach applicable statutory changes.
- ☐ Why should the state assume responsibility for this change? (Why not private, federal, local, etc.?)
- ☐ What clientele is being served? Who benefits?
- ☐ Are there examples from other states or institutions where this or similar approaches have been undertaken? (Should not be limited to successful endeavors.)
- ☐ Historical baseline systems: Is the proposal supporting a historical policy framework that sustains inequities to individuals or communities? Conversely, is the proposal removing long- standing historical barriers/policies to facilitate more opportunities for equal outcomes?
- ☐ Is there data (quantitative or qualitative) about the current inequalities in impacted populations?
- ☐ Are there strategies or adjustments to program design to mitigate the inequitable impacts and support more equal outcomes? Think of needs that may be different for demographic or geographic groups.
- ☐ Are departments/agencies actively seeking public engagement from impacted groups or communities in the development of the proposal, and ongoing? If so, how have and will impacted communities been engaged?

C. Departmentwide and Statewide Considerations

Describe any state entities that are affected by the proposal and how it aligns with broader departmentwide and statewide initiatives. Provide links to relevant initiatives, master plans, policy manual sections, etc. and highlight any operational, policy, or fiscal impacts the proposal will have on other state entities.

- ☐ How does this proposal reflect the Administration's current policies, priorities, and initiatives?
- ☐ How is this proposal consistent with the department's strategic plan (if one has been developed)? Be as specific as possible. At a minimum, identify the objective(s) this BCP will support.
- ☐ How does this proposal help achieve the department's mission or goals?
- ☐ What is the impact on other state departments? Do those departments concur with the request or have concerns been raised?
- ☐ What are the areas of potential support and opposition for this proposal?

D. Outcomes and Accountability

Because each proposal is submitted to address a problem, clearly specify the expected outcomes, even if they are difficult to quantify. This section should clearly articulate the outcomes that will be achieved through the proposal, identify how outcomes will be measured by the department, and explain when changes will be visible and/or reported to internal or external stakeholders. If applicable, provide projected workload metrics that reflect how this proposal improves the metrics outlined in the Projected Outcomes table. These workload metrics should align with the metrics included in the Program Workload History table in Section A and should demonstrate how the resources will address the problem.

- ☐ How will improvements or changes be measured?
- ☐ Who will benefit from or be burdened by the particular decision/proposal (including related statutory changes, budgetary expenditure requests, budget reductions, and fee changes)? Please include information with regards to demographic and geographic groups, as applicable. Think of indirect impacts or unintended consequences.
- ☐ Once implemented, how will departments measure impacts on impacted populations, and more equal outcomes? What data/metrics (quantitative or qualitative) will be used to evaluate the impacts?
- ☐ What controls will be in place to ensure the appropriate use of the requested resources or authority?
- ☐ How will the requested resources be accounted for and monitored?
- ☐ Will there be progress and/or outcome reports completed? If so, how often and to whom will they be distributed?

E. Implementation Plan

Identify major milestones, deliverables, and timelines for implementing the proposed solution. The implementation schedule should be realistic and consider the steps to hiring, procurement, and phasing in of costs associated with the proposal.

- ☐ How does your plan consider the timing between budget enactment and start-up activities?
- ☐ If staff is requested, what is the hiring plan or steps needed to fill positions being requested?
- ☐ What is the schedule for regulations?
- ☐ What is the timeline for implementing fee changes, including collection schedules?
- ☐ Is this proposal dependent upon federal actions or approval? If so, what are the steps and anticipated time frames?
- ☐ If additional space/facilities are required, how will this need be met (e.g., leasing, capital outlay project, other)?
- ☐ What is the timeline to acquire, modify, and occupy office space?

F. Supplemental Information (If Applicable)

Attach workload standards, organizational charts (both before and after resource request), and identify any additional resources needed to support the proposal. Any resources requested, such as equipment, consulting and professional services, and facility/capital costs, must be detailed and must include back up information to support costs.

For federal fund requests, provide the following information to the extent possible:

- ☐ Proof of federal award.
- ☐ Information on state matching requirements and how they will be met, if applicable.
- ☐ Compliance plans for meeting federal encumbrance/obligation and expenditure/liquidation deadlines.