BUDGET LETTER	NUMBER:	22-19
SUBJECT: BUDGET CHANGE PROPOSAL TEMPLATE AND INSTRUCTIONS	**DATE ISSUED:**	August 16, 2022
REFERENCES: BLS 21-16, 22-03, 22-06, 22-07, 22-12, AND 22-18	**SUPERSEDES:**	BL 21-12

TO: Agency Secretaries
        Department Directors
        Departmental 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 webpages:
- Budget Forms
- FI$Cal Resources

Finance has issued separate instructions regarding general budget preparation guidelines (BL 22-06), and Capital Outlay BCP instructions will be included in a forthcoming BL. 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 Hyperion.
BU   = Business Unit. This four-digit number is equivalent to an organization code/entity.
Category = An account code (AC) in the Chart of Accounts.
CY – BY4 = Current year though budget year plus four.
ENY   = Enactment year (formerly Year of Appropriation).
FTEs   = Full-Time Equivalents or Positions. These terms are used interchangeably.
RTLs   = Revenues, Transfers, and Loans.

II.   BCP Package

Departments must submit BCP packages via email to their Finance Budget Analyst and Principal Program Budget Analyst. The packages should include the following information:

1. **DF-46 BCP Cover Sheet**: A Word version of the BCP Cover Sheet and a signed copy of the BCP Cover Sheet with appropriate department and agency electronic signatures.

2. **BCP Narrative**: A Word document providing the full explanation of the request.

3. **Fiscal Details**: Departments should enter or upload fiscal information directly into Hyperion. Departments must enter all BCP BR(s) into the **GB Dept Working** version in

Hyperion and copy the completed validated BCP BR(s) to the **GB Exchange** version; and inform their Finance Budget Analyst once the BCP BR is available in the GB Exchange version for review.

4. **BCP Report**: Generate and provide a Hyperion "BCP Report" (Word version). The BCP Report is a Business Intelligence (BI) report in Hyperion.

5. **BCP Upload Template**: Provide an electronic copy of the Excel upload template if used to upload the fiscal information directly into Hyperion.

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. Approved BCPs will be posted on Finance's website and must meet current ADA accessibility standards as set forth by the Web Content Accessibility guidelines (WCAG 2.0). Departments will be responsible for verifying and certifying that the final documents meet the WCAG 2.0 accessibility standards prior to submission to their Finance Budget Analyst. Please refer to the BCP Form Submission Instructions for additional information on accessibility checks and verification.

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

As specified in Section II above, all BCPs for 2023-24 **must** include the DF-46 Form, which includes a BCP Cover Sheet and BCP narrative section, and a BCP Report from Hyperion.

DF-46 BCP Cover Sheet

For details on how to fill out the DF-46 Form, please refer to the DF-46 BCP instructions.

BCP Narrative Section

<u>**The BCP narrative must indicate how the BCP is consistent with the policy guidelines as outlined in the 2023-24 Budget Policy Guidelines BL**</u>. For more details on the narrative section, please refer to the DF-46 BCP instructions.

Fiscal Detail—BCP Report and BCP Upload Template

Departments are required to create BCP BRs and either enter or upload all necessary budget information directly into Hyperion, including expenditures, position summaries, position change requests, reimbursements, and revenues, etc., as applicable. Departments with a high volume of unique entries may choose to utilize an upload template to upload data. Finance and the Department of FI$Cal continue to make periodic enhancements to the system, including updates to the Chart of Account codes and programs; therefore, departments using upload templates must use the latest version distributed through the Budget Operations mailing list (after Governor's Budget in late January/early February and after Budget Enactment in late July/early August).

Departments must use the 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 cells within each upload template tab are color coded as follows:

Blue color cells:	Select from drop down menu.
Salmon color cells:	User input. No drop down menu.
White color cells:	Update as necessary.
Purple color cells:	Do not modify. Pre-populated values.

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 for accurate uploads into Hyperion. 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 upload 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 latest 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 an upload template to Finance, ensure all "No Issues" fields are green and that there are no red fields.

b. **Checklist Details**—No action is needed by departments. This tab is the Checklist tab's cross-tie page.

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

d. **Budget Request Details**—Departments should note the following:

   1. The BR Name must use a unique naming convention to post accurate detail in Hyperion. (See 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 Adjustment Titles for a list of commonly used baseline adjustments and the suggested titles to use.)

   3. Enter Request ID, Version, Year, and Entity. Request ID is the 4-digit BR identifier number assigned in Hyperion when a BR is created.

e. **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.).

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

g. **Position Change Request**—Specify the following information:

   1. **Job Code**—The class code and classification title.

   2. **Start Date**—Only populate if the position will not be filled on July 1, 2023, such as a January start date.

   3. **Proposed FTEs**—The number of positions requested. Enter total positions for affected years (CY through BY4, if applicable). Positions entered on the Position Change Request tab must tie to the total positions entered on the Position Summary tab(s).

   4. **Salaries and Wages**—The salaries and wages for all of the position(s) in the same classification. Enter total dollars for affected years (CY through BY4, if applicable). <u>Salaries and wages entered on the Position Change Request tab must tie to the total salaries and wages (category code 510XXXX) entered on the Expenditure tab(s).</u>

h. **Position Summary**—Specify the Item, ENY, Program, and related salaries and wages categories of expenditure associated with each position. Enter the total number of positions for the affected years (CY through BY4, if applicable). <u>Positions 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.</u>

i. **Expenditures** (level of spending authority)—Specify the 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 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. Departments should reference the [Active Item List](#) to ensure the Item is valid and the appropriate ENY is used. If an Item is not available from the drop down menu, contact your Finance Budget Analyst (do not manually add item numbers as these may not be valid items in Hyperion and will cause incorrect report totals).

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

   Departments must update the "BY – BY4 Revenues" tab to include revenues projected 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 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 Name (e.g., 0250-011-BCP-2023-GB) must include the following components:

a. 4-digit BU number.

b. Unique three-digit sequencer number that matches the last three digits of the associated BR identifier number in Hyperion. For example, BR identifier: BR 0**011** with BR Name: 0250-**011**-BCP-2023-GB.

c. First part of the fiscal year. For example, use 2023 for the development of the 2023-24 budget cycle.

d. BR type ("BCP" for expenditures or "RTL" for revenues, transfers, or loans).

e. Point-in-time when the issue originated ("GB" for Governor's Budget).

See Budget Request Naming Convention in Hyperion for additional information regarding the required naming convention.

V. Use of Items in Upload Templates and Data Entry Forms

Each expenditure and RTL requires a three-part item consisting of a BU number, a reference number, and a fund number. For example, if BU 0250 had 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 Finance's website.

Please note that for RTLs, the specific reference numbers to use depends on the type of RTL as follows:

- Revenue: 787
- Transfer: 788
- Loan: 789

VI. New Items and Invalid Items

All valid items that existed in Hyperion as of the 2022 Budget Act, as well as those already pre-created for the 2023-24 budget cycle during the Hyperion rollover process, will be posted on Finance's website (see the Active Item List). If any new items are needed, departments should provide their Finance Budget Analyst with a completed New Item Request Form. Otherwise, the new items will not be available in Hyperion. **Departments must run the "Invalid (in Red) & Valid Items with Dollars" report from Hyperion to verify all their items are valid for use.**

VII. **Enactment Year (ENY)**

For new one-year appropriations, use the following:

- ENY 2022 for current year.
- ENY 2023 for budget year and out years.

For multiyear or continuously appropriated spending requests, utilize the Active Item List or consult with your Finance Budget Analyst for assistance.

VIII. **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 Hyperion. **Users must only enter dollar amounts into Hyperion that end with "000."**

IX. **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 of a 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.**

X. **Additional Resources Related to FI$Cal**

The information Finance maintains on its FI$Cal Resources webpage is updated often to provide a convenient location for all relevant FI$Cal resources. Departments should continue to check and utilize the information on this webpage and the FI$Cal Learning Center for reference materials. Please also refer to the Uploading Budget Templates in Hyperion Job Aid for information on how to upload data into Hyperion.

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

/s/ Thomas Todd

Thomas Todd
Program Budget Manager