BUDGET LETTER

NUMBER: 14-29	
SUBJECT: BUDGET BILL (LANGUAGE SHEETS) PREPARATION/PROCESS	**DATE ISSUED:** November 12, 2014
REFERENCES:	**SUPERSEDES:**

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

FROM: DEPARTMENT OF FINANCE

Starting with the 2015-16 Governor's Budget, the concept of main vs. subsidiary items will be replaced with independent items scheduled by program. This change will remove the need to process BR-1s to remove payables going forward. To facilitate this format change, there will be an early pass of the language sheets to provide sufficient time to incorporate this change.

The "starting point" language sheets display individual items and control sections based on the 2014-15 Final Budget Summary. One copy of these Budget Bill language sheets will be provided to you by your Finance Budget Analyst (FBA) in mid-November.

First Pass This Year (November):

New this year:

- Language sheets must be updated to reflect the new program code schema introduced with FI$Cal. The new program schema can be found on the FI$Cal resources page: http://www.dof.ca.gov/FISCal_Resources/view.php
- Language sheets will be revised by departments to schedule appropriations by program eliminating payables and the need for main and subsidiary items. All items will be treated like an "independent" item without payables (see attachment). Each item must be scheduled to a program(s) using the new program numbers (as if BR-1s have already been processed).
- Reimbursements will be also be scheduled by program (see attachment).
- The method used to schedule Administration and Distributed Administration programs for the Budget Bill must be consistent with its treatment in the Governor's Budget. In the past, some departmental Governor's Budget displays included Administration and Distributed Administration programs without including them in the Budget Bill or vice versa. This is longer allowed. Data entered into Hyperion will be used to produce the Governor's Budget displays. The final amounts will serve as the starting point in the administration of the enacted budget. Therefore, the scheduling within the 2015 Budget Bill must be consistent with those reflected in the 2015-16 Governor's Budget.
- A report will be provided/available to you by your FBA to assist in the preparation of the Budget Bill.

Other updates:

- Departments can choose to incorporate all known decisions and language changes in the first pass (please check with your FBA to determine your approach depending on timing of decisions). All language sheets distributed must be returned to your FBA. Your FBA will provide the deadline for your department's submission.
- For new Budget Bill items, new provisions, or significant changes to existing items or provisions, departments are to create the new language in a Word document. Submit a copy of the new language to your FBA along with the original language sheets. An electronic copy of the Word document must be sent to your FBA using the item number in the subject line and as the file name.
- Finance will submit all language sheets to the Office of State Publishing (OSP) for updating. After OSP returns the updated language sheets, they will be distributed to your FBA for review, cleanup, and/or corrections.
- If necessary, include and/or move provisional language to the independent items.

Second Pass (December):

In addition to the revisions made to the language sheets in the first pass, please submit the second pass of the language sheets as follows:

- Incorporate all final decisions and update the clean language sheets provided by your FBA to reflect the final language and dollar decisions.
- Submit the updated language sheets to your FBA with the final budget galley validation package according to the galley validation schedule that will be provided as part of subsequent instructions.

Budget Bill Preparation Guidelines

Detailed instructions on Budget Bill preparation and additional samples of reappropriation/reversion and transfer items can be found in the Budget Analyst's Guide on the Department of Finance webpage (see **Budget Bill Preparation Guidelines**).

This information can be accessed at the following location:
http://www.dof.ca.gov/accounting/calstars/links/documents/BB-Prep-Guidelines.pdf

REMINDERS:

- **All "starting point" language sheets must be returned to your FBA.**
- Failure to inform your FBA that an item, provision, or control section should be deleted may result in that information remaining in the 2015-16 Budget Bill.
- If an item or a provision is no longer required, mark the language sheet "deleted" and submit to your FBA.
- If there are no changes or revisions to be made to a language sheet, mark "no changes," have departmental reviewer initial the language sheet, and return it to your FBA.
- **Appropriation authority for expending revenues from fines and penalties:** Departments must be aware of the requirements of Government Code section 13332.18 and include the required standard Budget Bill language, when appropriate. The Budget Bill Preparation Guidelines (see link above), Section II, G, describe this requirement and provide the standard Budget Bill language.

- For new General Fund transfer and loan items, Finance needs to approve the timing of the actual transfers and loans for cash flow purposes. Budget Bill language should include "upon order of the Department of Finance." This statement prevents such transactions from occurring until Finance issues a budget administration adjustment (aka Executive Order).

If you have any questions, please contact your Finance Budget Analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachment

3990-001-0001—For support of Department of Air Quality.....621,567,000

Schedule:

(1) 10 Mobile 178,385,000
(2) 20 Stationary 604,672,000
(3) 35.01 Administration 18,395,000
(4) 35.02 Distributed Administration ..... -18,395,000
(5) Reimbursements ..... -157,886,000

(6) Amount payable from Traumatic Brain Injury Fund
(Item 3990-001-0311) ..... -203,000
(7) Amount payable from Federal Trust Fund
(Item 3990-001-0890) ..... -3,401,000

Provisions:

1. Of the amount appropriated in this item, not more than $300,000 shall be used to review air quality project applications for compliance with the Clean Air Act.

(1) 3545024 Mobile 176,782,000
(2) 3550015 Stationary 602,671,000
(3) 9900100 Administration 18,395,000
(4) 9900200 Distributed Administration ..... -18,395,000
(5) Reimbursements to 3545024 Mobile ..... -105,000,000
(6) Reimbursements to 3550015 Stationary ..... -52,886,000

Attachment

3990-001-0311—For support of Department of Air Quality, payment to Item 3990-001-0001, for payable from the Traumatic Brain Injury Fund.....203,000

Schedule:
(1) 3545024 Mobile..... 203,000

Attachment

3990-001-0890—For support of Department of Air Quality, for payment to Item 3990-001-0001, payable from the Federal Trust Fund..... 3,401,000

Schedule:
(1) 3545024 Mobile 1,400,000
(2) 3550015 Stationary..... 2,001,000

Attachment

3990-101-0001—For local assistance, Department of Air Quality.....2,820,000

Schedule:

(1) 10 Mobile..... 1,354,632,000
(2) Reimbursements .....-1,351,812,000

(1) 3545024 Mobile..... 1,354,632,000
(2) Reimbursements to 3545024 Mobile..... -1,351,812,000

NEW ITEM

3990-001-0232—For support of Department of Air Quality payable from the Hospital Services Account, Cigarette and Tobacco Products Fund.....20,820,000

Schedule:
(1) 3545024 Mobile 20,820,000