

BUDGET LETTER

		NUMBER: 14-18
SUBJECT: BASELINE BUDGET ADJUSTMENTS (FI\$CAL TEMPLATES)	DATE ISSUED: August 8, 2014	
REFERENCES: BUDGET LETTERS 14-05, 14-07, 14-08, AND 14-15	SUPERSEDES:	

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

FROM: DEPARTMENT OF FINANCE

The Financial Information System for California (FI\$Cal) deployed with Wave 1 functionalities in July. These functionalities include accounting functions for Wave 1 departments in PeopleSoft and statewide budget preparation for **ALL** departments (not just Wave 1 departments) in Hyperion.

This Budget Letter (BL) provides instructions for updating baseline adjustments (that are not capital outlay—these instructions will be provided separately). Instructions for Budget Change Proposals have been provided in BL 14-15.

I. Glossary Relevant to this BL

BBA	=	Baseline Budget Adjustments. Baseline expenditure adjustments previously collected on a planning estimate worksheet.
BRTL	=	Baseline Revenues, Transfers, Loans. Baseline updates previously collected on a Schedule 10R.
BR	=	Budget Request. A component within a Decision Package identifying estimated changes to expenditures and positions.
BU	=	Business Unit. This is equivalent to organization code/entity.
Category	=	An account code in the new Chart of Accounts
CSL	=	Current Service Level (starting point of each year in Hyperion)
DP	=	Decision Package. An adjustment in this context.
ENY	=	Enactment Year. Formerly Year of Appropriation.

II. Method of Submittal and Deadline

Wave 1 departments will provide all necessary budget information directly in the new FI\$Cal System (Hyperion), either by keying the data in the system or leveraging the upload templates for data input.

All non-Wave 1 departments will complete the new Excel templates (described below) and electronically send them to your respective Finance budget analyst.

<u>Deadlines and Deliverables</u>	
September 4, 2014	Departments update FI\$Cal or submit templates for past year revenues, revenue transfers, and loans/loan repayments.
October 9, 2014	Departments update FI\$Cal or submit templates for current and budget year revenues, revenue transfers, and loans/loan repayments.
October 13, 2014	Departments update FI\$Cal or submit templates for current and budget year baseline budget adjustments for expenditures, except for Employee Compensation and Retirement adjustments which have separate deadlines.

III. **Baseline Budget Adjustments for Expenditures**

1. All departments should have provided their initial base upload amounts to Finance. As part of the budget year initial base amounts, departments have made certain known baseline adjustments (removing certain limited-term positions and one-time funding) through a template.
2. Additional baseline expenditure adjustments are to be made as separate BBAs, directly keyed in by Wave 1 departments or via a new upload template for non-Wave 1 departments. Each adjustment type will result in a separate Decision Package/Budget Request and will require a separate template to be completed based on applicability to your department budget. For instance, a department may need to submit one template to capture adjustments related to final abolished vacant positions (GC 12439) and a template to make Pro Rata adjustments.

Baseline Adjustment Types

BBAs include the types listed below. Departments must select **one** of the types, as applicable, from the drop down menu in the Baseline Adjustment Type tab. For ease of reference, a cross walk that corresponds to the PE lines is as follows:

1. Salary Adjustments—PE line 0110 General Salary Increase
2. Benefit Adjustments—PE line 0120 Other Employee Compensation Adjustments
3. Retirement Rate Adjustments—PE line 0200 Sec. 3.60 PERS Rate Adjustment
4. Abolished Vacant Positions—PE line 0300 Continuously Vacant Positions
5. Carryover/Reappropriation—PE line 0500 Carryovers/Reappropriations
6. Legislation with an Appropriation—PE line 0550 New Financial Legislation W/appropriation
7. Pro Rata—PE line 0700 Miscellaneous Baseline Adjustments
8. SWCAP—PE line 0700 Miscellaneous Baseline Adjustments
9. Miscellaneous Baseline Adjustments
 - a. PE line 0700 Miscellaneous Baseline Adjustments
 - b. PE line 0250 Limited Term Positions/Expiring Programs
 - c. PE line 0350 One Time Cost Reductions
 - d. PE line 0400 Full Year Cost of New/Expand Programs
10. Lease Revenue Debt Service Adjustment—PE line 0750 Lease Revenue Debt Service Adjustment
11. Statutory COLAs—PE line 0900 Statutory COLAs

Baseline Budget Adjustment Excel Upload Template

Non-wave 1 departments must use the new Excel template to provide fiscal details for these types of baseline budget adjustments. It is available at <http://www.dof.ca.gov/budgeting/forms/view.php>. Separate tabs will capture detailed information for every affected item, program, and category of expenditure consistent with the new chart of accounts. The forms are color coded:

- Blue color: Select from drop down menu
- Salmon color: Input, no drop down menu
- White color: Do not change. No input necessary

The following provides a summary of the required data for each of the tabs in the new template:

- a) **Budget Request Details**—Departments should only complete the following:
 1. Use unique naming conventions to provide DP and BR Name.
 2. DP/BR Description should be meaningful title. (See http://www.dof.ca.gov/FISCAL_Resources/view.php for a list of commonly made baseline adjustments and the suggested title to use.)
 3. Enter BU (organization code).

- b) **Position Change Request**—If the baseline adjustment affects total authorized positions included in the Current Service Level (e.g., GC 12439 positions), then complete this tab. Specify the Job Code (class code and classification title), Start Date (if applicable), End Date (if applicable), Proposed Position (# of positions affected by the adjustment), Salaries and Wages for all the position(s) in the same classification. Enter total positions and dollars for affected years (CY, BY, and BY1).
- c) **Position Summary**—Specify fund information (Ref, Fund, Enactment Year [ENY]), Program, and related salaries and wages Category of Expenditure associated with each position. Enter total positions for affected years (current year and out years). Reference to the Position Change Request tab for total positions included in this adjustment.
- d) **Baseline Adjustment Types**—Select one of the 11 types described above.
- e) **Baseline Adjustments**—Specify the fund information (Ref, Fund, ENY), Program, and related Category for each unique combination of funding needed to support the adjustment. See http://www.dof.ca.gov/FISCAL_Resources/view.php for suggested categories of expenditure/account codes. Departments must provide the same level of information as is required in the DF-300 Supplementary Schedule of Operating Expenses and Equipment. More information related to the DF-300 will be provided later. Enter all dollars in the “OnGoing” column. All ongoing dollars should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs. If dollars are limited-term or only affect the BY, only enter dollars on the relevant tab. If the request is for multi-year or continuous appropriation spending authority, please contact your Finance budget analyst for additional instructions.
- f) **Reimbursements**—If the adjustment changes reimbursement spending authority, specify the fund information (Ref, Fund, ENY), Program, and source of reimbursements. Under the new Chart of Accounts (http://www.dof.ca.gov/FISCAL_Resources/view.php), these are reflected under account code of 48XXXXXX representing the projected reimbursement collection. Total reimbursements must also be reflected in the Baseline Adjustments tab and associated with specific spending category code(s). All ongoing reimbursements should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs.

IV. Revenue, Revenue Transfers, and Loans/Loan Repayments Special Fund Reporting Requirements

Starting with the 2015-16 Governor’s Budget process, each department will be required to report its own special fund revenue, transfers, loans, and loan repayments, instead of the administering department reporting all revenues, transfers, loans, and loan repayments for each special fund it administers. This is similar to the current expenditures process and how revenues are reported for the General Fund.

Hyperion has been or will be populated with the revenue, transfer, loan, and loan repayment information as of the 2014 Budget Act (2013-14 and 2014-15). Departments that administer a special fund will need to allocate these amounts to the appropriate BU that collects the revenue or is involved in any transfer, loan, and loan repayment activity. Separate instructions will be distributed to Budget Officers of the administering departments via their Finance budget analyst later this month. The completed revenue, transfer, loan, and loan repayment allocation process will be the starting point for building the 2015-16 Governor’s Budget.

Finance will distribute all 10Rs (as of 2014 Budget Act) to departments so it is clear about the initial base loaded in Hyperion (CSL).

V. **Baseline Budget Adjustments for Revenues, Revenue Transfers, and Loans/Loan Repayments**

Adjustments for BRTLs will be entered directly into Hyperion by Wave 1 departments while the template described in this BL will only apply to non-Wave 1 departments. The template is in lieu of the Schedule 10Rs that were previously used to collect this information from the administering BU.

For baseline 2015-16, the revenue information will be populated with the 2014-15 data as the starting point and establishes the CSL. Loan, loan repayment, and transfer information is generally one-time in nature so any of those transactions from 2014-15 will not be rolled over into 2015-16. Departments are to record incremental adjustments in the BRTL template to update the information that is or will be populated in Hyperion.

BRTL Template

The template contains various tabs as indicated below. A different template will be needed for a separate adjustment issue.

- a) **Budget Request Details**—Departments should do the following:
 1. Use unique naming conventions to provide DP and BR Name
 2. DP/BR Description has a meaningful title
 3. Enter BU (organization code)
 4. Attribute Value: Select Revenue Transfer, Revenue, Loan, or Loan Repayment. (These values cannot be mixed in the same template.)
- b) **Revenues**—If the adjustment updates revenues, specify the affected fund, program, and revenue code. Enter revenues in the OnGoing column. All ongoing revenues should be copied to the appropriate BY1, BY2, BY3, and BY4 tabs. Revenues are coded with an account code of 4XXXXXX (except for 48XXXXX which are for reimbursement receipts).
- c) **Revenue Transfers**—If the adjustment reflects a transfer, specify the amount to be transferred and the fund providing and receiving the transfer in the affected fiscal year. See [http://www.dof.ca.gov/FISCAL Resources/documents/New Codes for Revenue Transfers and Loans.pdf](http://www.dof.ca.gov/FISCAL%20Resources/documents/New%20Codes%20for%20Revenue%20Transfers%20and%20Loans.pdf). If both sides of the transaction do not fall within the same BU, each BU must carry the appropriate side of the transaction. These are formerly transfers reflected on a Schedule 10R.
- d) **(Revenue) Loans**—If the adjustment is related to a loan (new or an adjustment to the CSL), specify the amount to be loaned and the fund providing and receiving the loan in the affected fiscal year. See [http://www.dof.ca.gov/FISCAL Resources/documents/New Codes for Revenue Transfers and Loans.pdf](http://www.dof.ca.gov/FISCAL%20Resources/documents/New%20Codes%20for%20Revenue%20Transfers%20and%20Loans.pdf). If both sides of the transaction do not fall within the same BU, each BU must carry the appropriate side (To or From) of the transaction. These are formerly loans reflected on a Schedule 10R.
- e) **(Revenue) Loan Repayments**—If the adjustment changes the timing or amounts for repayment of a prior loan, specify the amount to be repaid and the fund providing and receiving the loan repayment in the affected fiscal year. See [http://www.dof.ca.gov/FISCAL Resources/documents/New Codes for Revenue Transfers and Loans.pdf](http://www.dof.ca.gov/FISCAL%20Resources/documents/New%20Codes%20for%20Revenue%20Transfers%20and%20Loans.pdf). If both sides of the transaction do not fall within the same BU, each BU must carry the appropriate side (To or From) of the transaction. These are formerly loan repayments reflected on a Schedule 10R.

VI. Unique Naming Convention

The department is required to create a DP and one or more BRs for each BBA or BRTL. A DP may contain one or more BRs. Each DP and BR must have a BU number (Business Unit/Organization Code), a unique sequencer (001 to 999), identify DP type (e.g., BBA), fiscal year, and budget cycle when the issue is originated (e.g., GB for Governor's Budget). Keep the same sequencer if an incremental proposal is made in a subsequent cycle within the same fiscal year.

Example of one DP to one BR at 2015-16 GB

Decision Package	2222-001-BBA-DP-2015-GB
Budget Request	2222-001-BBA-BR-2015-GB

Or

Decision Package	5555-001-BRTL-DP-2015-GB
Budget Request	5555-001-BRTL-BR-2015-GB

Example of one DP to multiple BRs at 2015-16 GB

Decision Package	2222-001-BBA-DP-2015-GB
Budget Request	2222-001-BBA-BR-2015-GB
	2222-002-BBA-BR-2015-GB
	2222-003-BBA-BR-2015-GB

The template is designed to capture one DP with only one BR. Therefore, if a Department has a DP with more than one BR, a separate template must be used to provide the data for each BR.

VII. Enactment Year (ENY) (aka Year of Appropriation)

For new one-year appropriations, use:

- 2013 for past year
- 2014 for current year
- 2015 for budget year
- 2015 for years beyond budget year

For multi-year or continuously appropriated spending request, consult with your Finance budget analyst.

VIII. Special Instructions Related to Reimbursements

A baseline expenditure adjustment consists of one DP in Hyperion. Within each DP, there can be one or more BRs.

If the adjustment has multiple fund sources including reimbursements, the reimbursement portion must have its own BR. The reimbursement dollars and the associated program/category spending must be self-contained within the same BR without other components. This provides clear documentation as to the program/category spending to be funded with reimbursements. If the adjustment is entirely funded with reimbursements, only one BR is needed.

IX. Additional Resources Related to FISCAL

Finance created a new website, "FISCAL Resources" (http://www.dof.ca.gov/FISCAL_Resources/view.php), to provide one location for all relevant FISCAL resources. This page will be updated and expanded frequently. Please utilize the information on this page for reference materials.

Also refer to FISCAL Job Aids available at <http://www.fiscal.ca.gov/access-fiscal/budgetsjobaids.html>.

For an accurate and successful transition to FISCAL, all budget and accounting deadlines must be strictly adhered to. Please submit all populated BBA and BRTL templates to your Finance budget analyst by the deadlines stated earlier in this BL.

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

/s/ Veronica Chung-Ng

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