The Case for Service Based Budgeting
To manage California’s diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public.
How We Arrived Here

CDFW’s 2012 Strategic Vision, 2017 Expenditure Concept, and the 2018 Budget Bill of the Senate are drivers of SBB

1. **CDFW Strategic Vision (2012)**
   - “Dedicated funds restrict DFG's ability to set priorities. Seek Legislative Support to combine funds.”
   - “DFG must find a way to be relevant to 100% of California’s population.”
   - “Require open and transparent accounting within DFG to build public confidence in how funds are managed.”

2. **CDFW Expenditure Concept (2017)**
   - “One of the most visited, but ultimately unresolved issues for CDFW is how to provide the department with sustainable financing.”
   - “An efficient and responsive department is an essential ingredient in the state’s commitment to the environment and the economy.”

3. **Budget Bill of the Senate (2018)**
   - SBB was successfully implemented at Parks & Recreation
   - CDFW is asked to define service standards, staffing levels, and activities required to meet its Mission
# Strategic Vision Goals

SBB further assists the Department in achieving the goals set forth in the 2012 Strategic Vision

<table>
<thead>
<tr>
<th>Strategic Vision Goals</th>
<th>SBB Benefits</th>
</tr>
</thead>
</table>
| **1** Strong Relationships with Other Agencies, Governments, Organizations and the Public | • Stakeholder Communication  
  • Cost Transparency  
  • Information Consistency |
| **2** Highly Valued Programs and Quality Services              | • Increased Programmatic Understanding  
  • Performance & Risk Management |
| **3** An Effective Organization                                | • Data Driven Decisions  
  • Organizational Alignment  
  • Reporting Flexibility |
| **4** An Efficient Organization                                | • Operational Efficiency |
A New Budgeting Approach

The Department is embarking upon a new approach to budgeting that aligns the distribution of funds with its Mission

1. **SBB is a fresh approach** to facilitate the development of the Department’s annual budget.

2. **SBB will allow CDFW to tell its story** by describing its organization in terms of services it provides to the public.

3. **SBB will help inform the future budget** based on the costs of operational tasks and activities that make up the services the Department provides.

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**What SBB is not**

<table>
<thead>
<tr>
<th>A Department Restructuring</th>
<th>A Funding Decision</th>
<th>A Fixed Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>While SBB may highlight areas for efficiency improvement, restructuring the Department is not the intent of SBB</td>
<td>Although SBB will inform which services may require additional funding, final funding decisions are not a part of SBB</td>
<td>SBB tasks and service levels should be reviewed each year in advance of the budget cycle</td>
</tr>
</tbody>
</table>
How Does SBB Work?

SBB is a budgeting approach that identifies the tasks needed to accomplish the Department’s Mission

**Task-based**
Subject matter experts (SMEs) developed the list of service-specific activities, referred to as tasks, that align with the Mission.

**Labor-focused**
CDFW staff collect labor hours desired per task (“mission level”), and now spent per task (“current level”).

**Organized by service**
SMEs create task lists for distinct Services that represent all of the activities that occur within the Department.

**Annual process**
Current service levels will be updated annually in advance of the budget cycle and mission service levels will be updated every five years.

SBB is a task-based budget that describes all services needed to accomplish the Department’s Mission.
Understanding the SBB Service Structure

The Mission is categorized into core service areas

**Mission Statement**
To manage California’s diverse fish, wildlife, and plant resources, and the habitats upon which they depend, for their ecological values and for their use and enjoyment by the public.

**CDFW Service Areas**
- Public Use & Enjoyment
- Species & Habitat Conservation
- Permitting & Environmental Protection
- Law Enforcement
- Education & Outreach
- Lands & Facilities
- Operational Support
- Administrative Support
## The Benefits of SBB

SBB has extensive benefits to offer, across a variety of key areas

<table>
<thead>
<tr>
<th>Stakeholder Communication</th>
<th>Data Driven Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enables CDFW staff to tell a <strong>compelling story</strong> of Fish and Wildlife in terms of <strong>services and associated costs</strong> to Governor’s Office, Department of Finance, other agencies and partners, external funding agencies, the Legislature, and the public</td>
<td>• Provides data and analysis that allows executive staff to make <strong>informed decisions</strong></td>
</tr>
<tr>
<td><strong>Increased Programmatic Understanding</strong></td>
<td><strong>Reporting Flexibility</strong></td>
</tr>
<tr>
<td>• Gives Regional Managers, Branch Chiefs and their Program Leads a fresh opportunity to take a <strong>comprehensive look at their entire operation</strong> through the SBB process</td>
<td>• Provides a budget management model and structure that <strong>allows flexibility to report</strong> and present relevant data</td>
</tr>
<tr>
<td></td>
<td>• Enables year-to-year <strong>flexibility</strong> in budgeting decisions</td>
</tr>
<tr>
<td><strong>Cost Transparency</strong></td>
<td><strong>Information Consistency</strong></td>
</tr>
<tr>
<td>• Increases <strong>visibility to the costs</strong> required to run Department services at desired service level</td>
<td>• Builds a budget management framework based on <strong>standardized services / tasks</strong></td>
</tr>
<tr>
<td></td>
<td>• Brings <strong>consistency</strong> in measurement, reporting, and decision-making <strong>across the Department</strong></td>
</tr>
<tr>
<td>• Highlights current service level and <strong>identifies resource gaps</strong></td>
<td></td>
</tr>
</tbody>
</table>
The Benefits of SBB (cont.)

SBB has extensive benefits to offer, across a variety of key areas:

**Organizational Alignment**
- Links service level standards to CDFW’s Mission
- Improves allocation of budget and resources to realize desired levels of service
- Enables year-to-year adaptability of budgeting decisions

**Performance & Risk Management**
- Enables performance measurement and metrics usage across services
- Provides the foundation for better service level measurement, strategic planning and risk management

**Operational Efficiency**
- Identifies opportunities for efficiency improvement through metrics reporting and comparative analysis
- Enables best practice sharing on operational models and staffing models
SBB Data Will Inform Future Budgeting

**Gap Analysis**
SBB data will be used by CDFW to determine the cost of Department tasks at the current level of service and options to reduce the gap in fulfilling the mission level of service.

**Revenue Source Analysis**
The SBB task catalog will enable the Department to identify existing funding sources supporting particular tasks and gain visibility to tasks that could benefit from a different allowable or more appropriate funding source.

**Task Justification**
SBB data will provide the justification (i.e., mandate, operational necessity, best practice) for tasks the Department performs.

**Service Level Gaps**
SBB will identify the gaps between the mission level of service and the current level of service for each task.
CDFW will be able to leverage analytics capabilities enabled by SBB data reporting in Power BI to inform budgeting and process improvement decisions. Power BI will also support CDFW in responding to stakeholder inquiries about SBB data.

**Dashboard Analytics Enabled by SBB Data**

Interactive reports and dashboards will enable CDFW to track key performance metrics and facilitate data-driven decision making.

**CDFW SBB Analysis**

ILLUSTRATIVE DATA, FOR EXAMPLE PURPOSES ONLY
A Look Ahead
# Project Governance

The SBB project is a collaborative and collective effort across the Department to define the mission level of service, analyze current service levels, and inform external groups.

<table>
<thead>
<tr>
<th>Groups</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Team</strong></td>
<td>• Make project-level decisions and manage project activities</td>
</tr>
<tr>
<td></td>
<td>• Drive the SBB model and process design</td>
</tr>
<tr>
<td></td>
<td>• Guide the task catalog development</td>
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<tr>
<td></td>
<td>• Communicate project status and accomplishments</td>
</tr>
<tr>
<td><strong>Executive Working Group</strong></td>
<td>• Inform and advise project decisions</td>
</tr>
<tr>
<td></td>
<td>• Communicate SBB process to Divisions and Regions</td>
</tr>
<tr>
<td></td>
<td>• Identify subject matter experts</td>
</tr>
<tr>
<td></td>
<td>• Review and validate SBB data</td>
</tr>
<tr>
<td><strong>Subject Matter Experts and Data Collection Respondents and Validators</strong></td>
<td>• Develop list of tasks and activities performed by Department staff</td>
</tr>
<tr>
<td></td>
<td>• Lead collection of mission level of service needed for tasks</td>
</tr>
</tbody>
</table>

For more information, see the Project Team List on the [SBB webpage](#).
External Stakeholders and Government Entities

CDFW is committed to open communication and engagement with external stakeholders over the course of SBB project activities.

- SBB webpage on CDFW website with informational resources (including SBB overview, project team list, and frequently asked questions)
- Dedicated SBB mailbox for project inquiries
- Project status updates at public F&G Commission meetings
- Informational external stakeholder outreach
- Public SBB External Advisory Committee meetings
## Phased SBB Approach (Through 2021)

The SBB implementation will occur over two years with distinct phases.

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</thead>
<tbody>
<tr>
<td>Discover</td>
<td>Analyze</td>
<td>Design</td>
<td>Operationalize</td>
<td>Report</td>
<td></td>
</tr>
</tbody>
</table>

### Activities
- Develop detailed project plan
- Develop SBB framework and program structure
- Collect SBB data
- Analyze current SBB services
- Perform gap analysis to desired service levels
- Execute stakeholder engagement plan
- Design future SBB process
- Develop tool functional requirements
- Execute stakeholder engagement plan
- Drive tool user acceptance testing
- Establish SBB long-term process
- Conduct SBB data update training
- Refine task library
- Identify and support implementation of SBB findings
- Legislative oversight hearings re: status by April 15, 2020
- Final SBB review report to Legislative committees and LAO by January 15, 2021
- Legislative oversight hearings by April 15, 2021

### Outcomes
- Approach and Timeline
- Subject matter expert selection and training
- SBB Taxonomy and Methodology
- Stakeholder Engagement Plan
- Task Measurement and Performance Calculation
- Stakeholder Engagement Sessions
- Department SBB Structure
- Tool Functional Requirements
- Stakeholder Engagement Sessions
- Final Project Status Report
- Training Materials
- SBB Operational Plan
- SBB Findings
- Stakeholder Engagement Sessions
- Legislative oversight hearings re: status by April 15, 2020
- Final SBB review report to Legislative committees and LAO by January 15, 2021
- Legislative oversight hearings by April 15, 2021

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**Project Phase 1**
- Sept. 2019
- April 2020
- Apr. 2021

**Project Phase 2**
- Jan. 2019
- April 2019
- Aug. 2019

*Note: Dates and details of project phases are subject to change.*
CDFW’s SBB Journey Through Phase 1

Jan. – Feb. 2019:
SBB Introduced, subject matter experts Trained

Mar. – Apr. 2019:
CDFW SBB Task Catalog Created and Reviewed

May – Jun. 2019:
CDFW Mission Level Data Collected

Jun. – July 2019:
Current Service Level Data Collected

Aug. 2019:
CDFW SBB Preliminary Data Analysis

July – Aug. 2019:
CDFW Mission Level Data Reopen Period

Ph. 1

CDFW’s first full Mission to Current service level preliminary data analysis!
CDFW’s SBB Journey in Phase 2

Beyond the Current Phases (Through Apr. 2021)

Jan. – Apr. 2021
SBB Final Report to Legislature

Through Dec. 2020
Finalize Proposed Changes for SBB Final Report

Annually
Refresh Current SBB Data (every 5 years for Mission Level)

Ph. 2

Through May 2020
SBB Data Review and Gap Analysis Update

Apr. 2020
Legislative Oversight Hearings SBB Status Report

Feb. – Mar. 2020
SBB Training and Data Collection Refresh

Through Dec. 2019
Long Term SBB Tracking Tool and Training Development

Jan. – Sep. 2019
First SBB Data Collection and Preliminary Data Analysis

Through Feb. 2020
SBB Long-Term Operational Plan and Draft SBB Findings

Note: SBB data refinement is continual through the duration of the project.
Questions and Feedback

CDFW is committed to communicating transparently regarding the SBB project and welcomes feedback.

------------------- Know Where To Go -------------------

• Service Based Budgeting Web Page

• Contact SBBinfo@wildlife.ca.gov with any additional questions or feedback on the SBB project.