

Appendix I

Revenue Analysis Methodologies

In compliance with Fish and Game Code section 712.1, subsection (b)(2)(D), the department conducted an analysis of the department's existing revenue structure and program activities supported by those fund sources. The department's complex funding structure and the nature of the SBB data created challenges that required the department to develop specific analysis guidelines to prioritize funds for review, set reasonable thresholds for analysis, and revise its data collection process. The department relies on a three-part methodology to review a given fund and make findings, such as whether the fund would benefit from consolidation with other funds to increase funding flexibility.

Methodology Overview

The SBB revenue analysis consisted of three components: identifying challenges for the analysis, developing guidelines, and applying standardized methodologies

Challenges

- Funding Complexity
- Data Structure

Guidelines

- Prioritize Funds for Review
- Focus on Relevant Data
- SBB Fund Policy Decisions

Methodologies

- **Part 1: Fund Based Analysis**
 - General Process
 - Separate Reimbursements Process
- **Part 2: Policy Based Analysis**
- **Part 3: Additional Findings**
 - Flexible Funding Opportunities

Challenges

Challenges – Funding Complexity

The complexity of the department's funding created challenges in developing a method for analyzing the appropriateness of revenues used to fund department activities

- The department manages over 60 funds and funds are mapped in SBB to tasks through positions
- Nearly half of all department positions are funded by multiple fund sources
- 60+ funds, ~3,000 tasks, and ~2,050 positions in the SBB fiscal year 2018-19 dataset results in essentially infinite possible fund/task/position combinations
- Many tasks are appropriately funded under various fund sources



Challenges – Data Structure

Many department positions work on a variety of tasks and are supported by multiple funds. This, combined with the structure of the SBB data, created particular challenges when conducting the revenue analysis

- SBB tasks are purposely developed to be broad, rather than specific to a fund source. As a result, a fund may be supporting what appears to be an unrelated task, but the fund is appropriate for that task upon detailed review of the work and the position doing the work.
- Data entry can contain errors resulting in hours being allocated to tasks solely based on task name and without consideration for task subprogram taxonomy.
- Department positions are often supported by multiple funds. Specific hour entries from a position to a task cannot always be mapped to one funding sources or another, but rather map to all funding sources for that position.



Guidelines

Guidelines – Prioritize Funds for Review

The department prioritized funds for the initial revenue analysis, selecting a variety that represented the funding complexity of the department

- The department manages 60+ funds, preventing the department and its contractor from conducting a detailed analysis of every fund source
- Funds were prioritized for review to allow for more thorough analysis
- Select funds to provide a representational sample of fund types within the department



Guidelines – Focus on Pertinent Data

“What We Do” is structured to highlight the services the department provides, not correlate directly with any given fund. This required a focused approach on appropriate data for analysis

- The data structure challenge can lead to false errors—uses of funds for tasks that may suggest problems, but upon further review are appropriate uses
- The department set certain thresholds, such as minimum hour limits, for task review where necessary to reduce the occurrence of false errors
- Task entries representing less than five percent of a position’s time were excluded from the revenue analysis to minimize false
- A custom split-funding threshold was applied to each fund to allow for the most accurate and clear assessment



Guidelines – SBB Fund Policy Decisions

The fund analysis process at times may lead to a need to clarify policies regarding the use of a particular fund or how the department conducts the SBB data collection process

- When necessary, the department would make a policy decision on appropriate fund usage for a given task within the SBB task catalog
- When a fund policy decision was made, the department validates for compliance across the fund and associated activities
- The department adjusted its data collection process for seasonal/scientific aid classifications beginning in FY2019-20 to provide better correspondence with funding sources for a given position

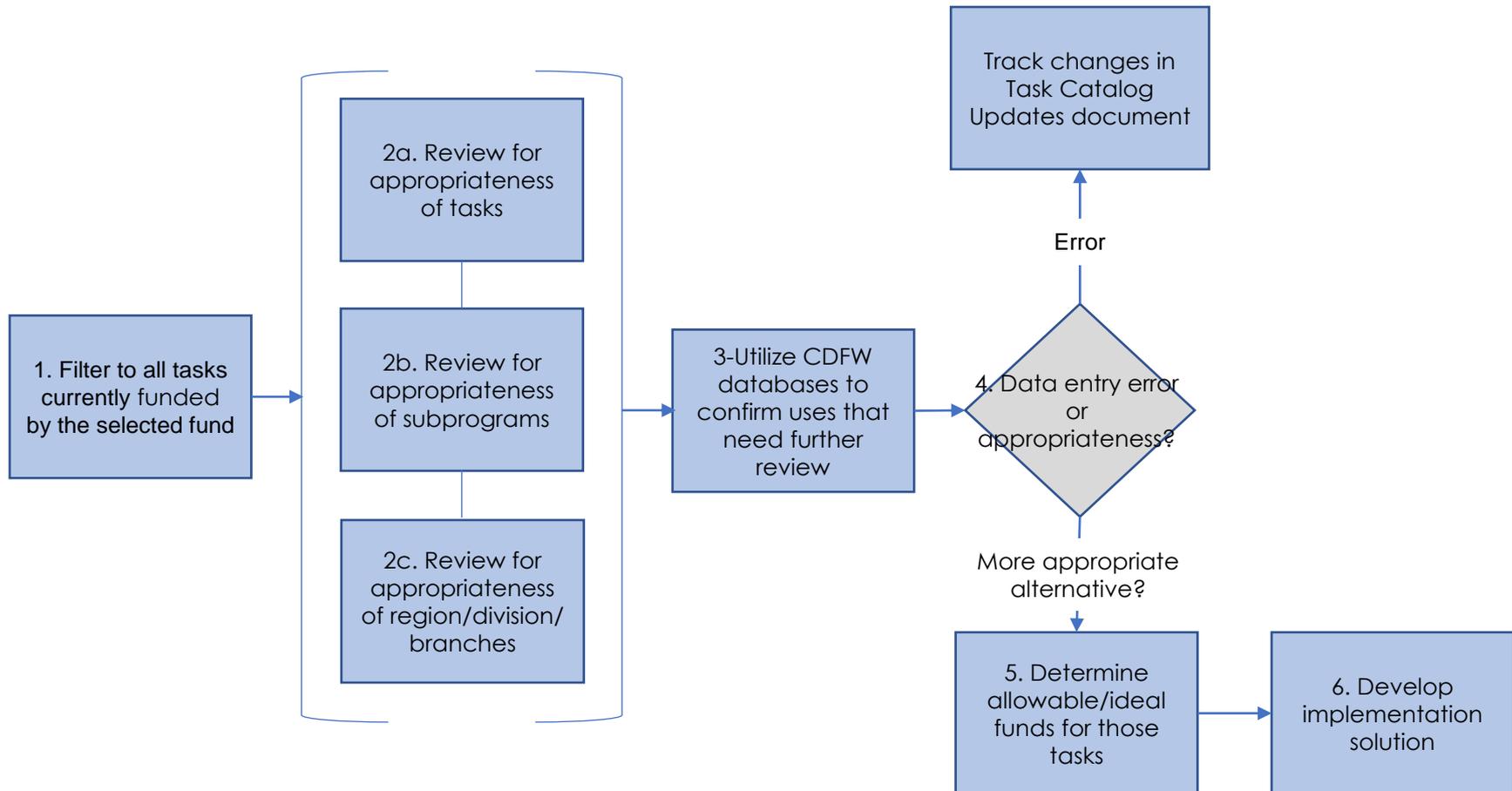


Methodologies

Part 1a Method: Fund-Based Analysis (All Except Reimbursements) —

The first part of the revenue analysis method consists of reviewing every task allocated for a given fund for appropriateness, in accordance with predetermined guidelines

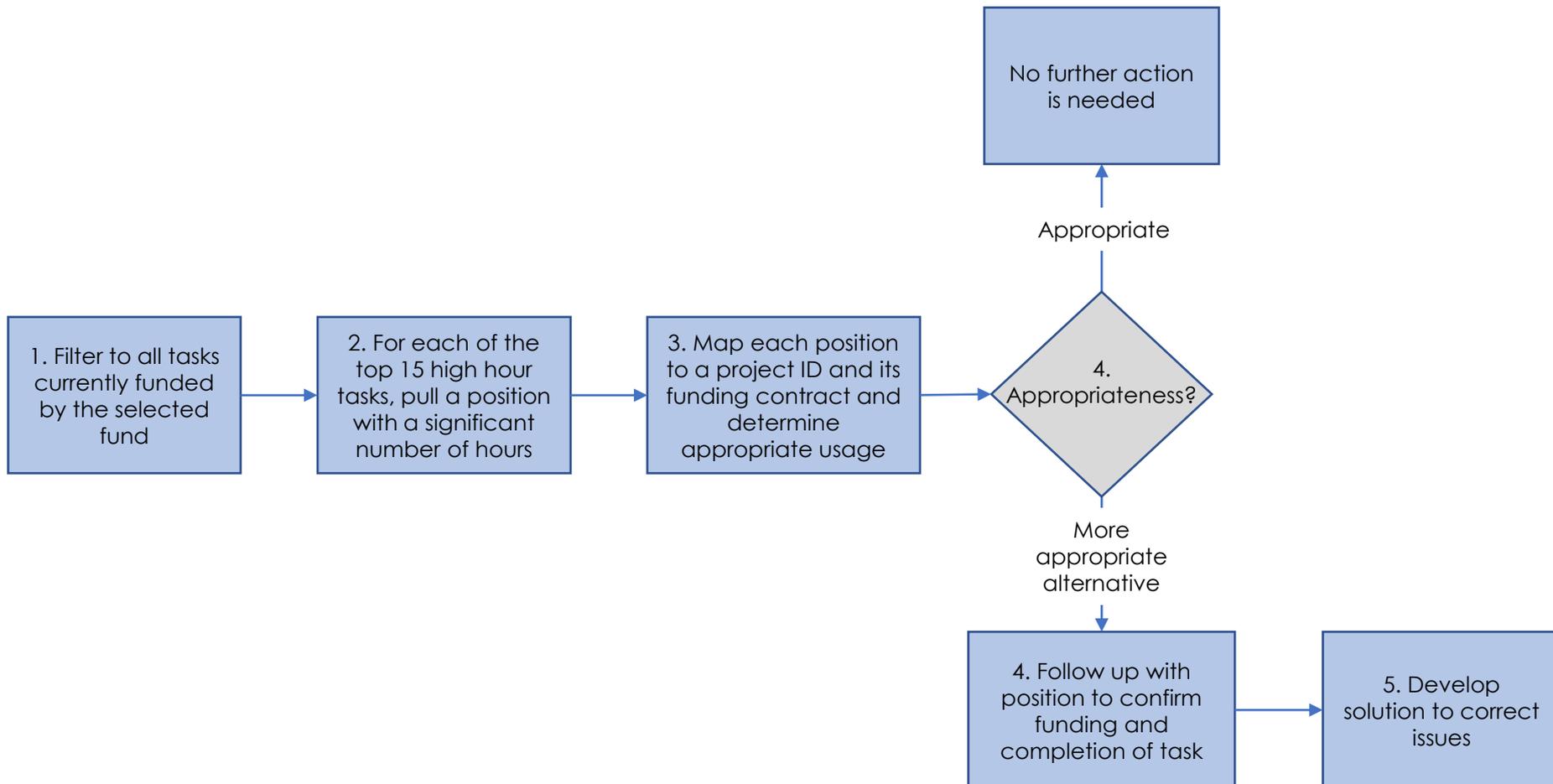
Revenue Analysis Method: Part 1



Part 1b Method: Fund-Based Analysis (Reimbursements Only)

Given the breadth of the reimbursement funds, the method was modified to analyze a sample of the funds

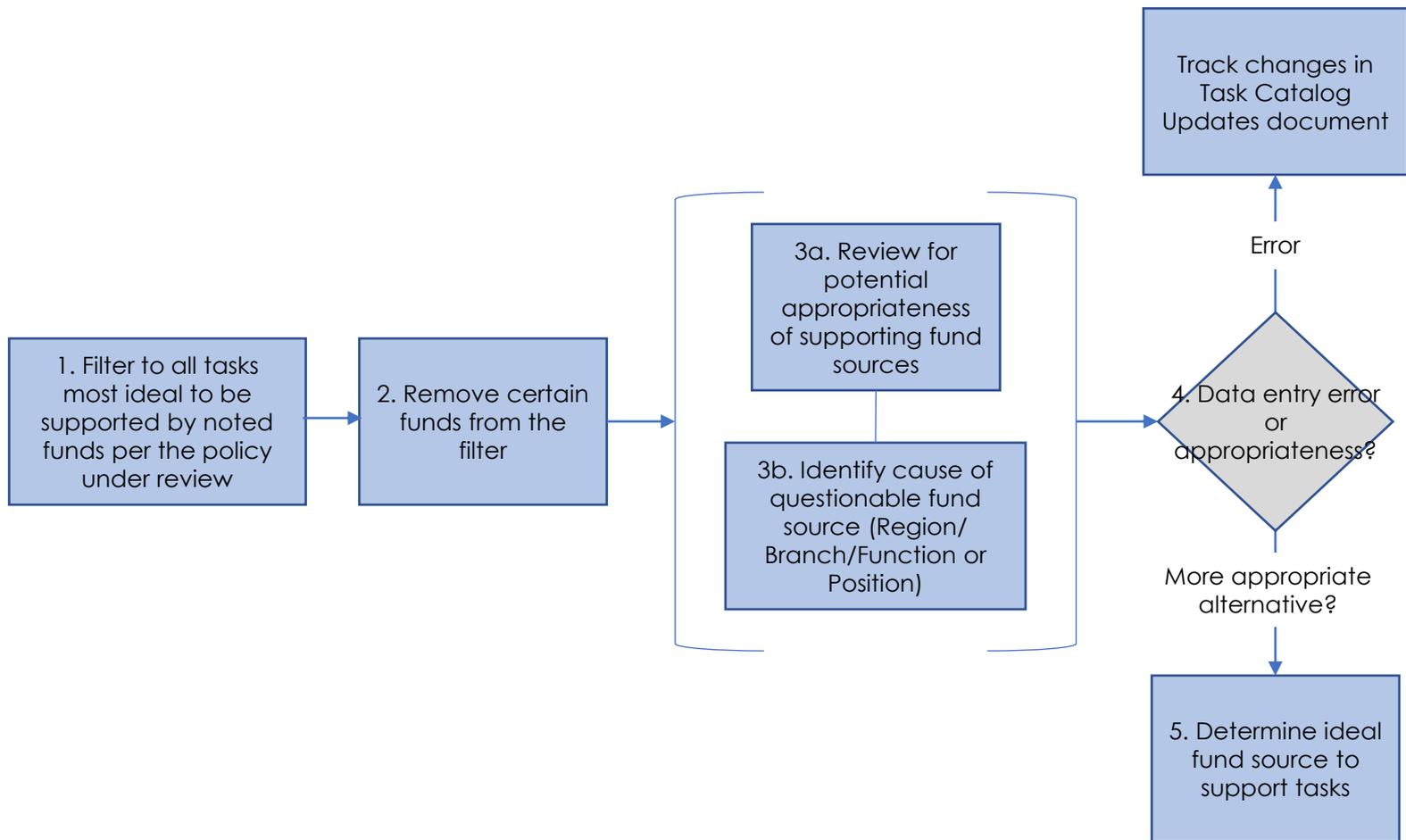
Reimbursements Fund Analysis Method



Part 2 Method: Policy-Based Analysis (All Funds)

For department-approved task funding policies, a reverse analysis was conducted to identify task hours that may not be funded from the most ideal sources

Revenue Analysis Process: Part 2



Part 3 Method: Additional Findings

During the analysis process, the data was determined to support an additional consideration as to flexibility of funds

Flexible Funding Opportunities

While analyzing the revenue data, fund managers discovered areas where tasks may be more appropriately funded by another source based on the fund usage guidelines, even though these tasks are often required to be performed in conjunction with one another. Opportunities for consolidating funds to support specific program activities were also assessed as part of the revenue analysis.