



TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 November 5

PROPOSED RESOURCE REALLOCATION FOR THE 2016 BUDGET

Recommendation

It is recommended that Report No. 027-15FFC re Proposed Resource Reallocation for the 2016 Budget be received for information.

Key Points

- The use of the Program Budgeting and Marginal Analysis (PBMA) process has allowed the health unit to identify opportunities for reallocation of resources from areas of lower impact to areas of high impact.
- This report outlines the process used to identify the proposals and provides a summary of the proposed investments and disinvestments for consideration in the 2016 Health Unit budget.
- This is a preliminary report. Further internal consultations are occurring, and the final PBMA report will come to the December meeting of the Finance and Facilities Committee.

Background

Program Budgeting Marginal Analysis (PBMA) is a criteria-based budgeting process that facilitates reallocation of resources based on maximizing impact. This is done through the transparent application of pre-defined criteria and decision-making processes to prioritize where proposed funding investments and disinvestments are made. The Finance and Facilities Committee has used PBMA to inform the 2014 and 2015 Health Unit budgets.

The proposals outlined in this report will be integrated into the 2016 budget for consideration during the budget approval process in January and February.

Proposal Selection Process

The 2016 PBMA process consisted of (a) validation of the assessment criteria and weighting at the July 2nd Finance and Facilities Committee meeting, (b) proposal development to identify those investments that will have the greatest positive impact, (c) identification of disinvestments that have the least negative impact, (d) review of proposals by internal advisory committees, and (e) open proposal review sessions and recommendations by the Senior Leadership Team.

Additional consultation with internal advisory committees is ongoing with disinvestment proposals to ensure that identified proposals have the least negative impact and that mitigation strategies are considered for their implementation.

Tentatively Selected Investment and Disinvestment Opportunities

Of the 39 proposals initially considered by the Senior Leadership Team (SLT), 13 on-going investments (totaling \$487,596), 6 one-time investments (totaling \$206,953) and 13 disinvestments (totaling \$302,903) were selected for further consideration in the 2016 budget process.

Descriptions of the proposals selected for further consideration have been included for investments ([Appendix A](#)), one-time investments ([Appendix B](#)) and disinvestments ([Appendix C](#)).

Next Steps

SLT has enhanced the transparency of the PBMA process this year, and also substantially increased consultation with internal groups. This has included open meetings of SLT when PBMA decisions were being made, which were, in each case, attended by a number of staff. The 2016 process also includes an opportunity to review and provide input on PBMA proposals for four major staff committees:

- Strategic Planning
- Organizational Structure and Location
- Nursing Practice Council
- Foundational Standards

Each of these committees has reviewed investment proposals, and they are now in the process of reviewing disinvestments.

The Finance & Facilities Committee now has the opportunity to review this preliminary summary of selected proposals for investment and disinvestment, and identify any areas where they would like further information before final approval in December.

This report was prepared by Jordan Banninga, Manager of Strategic Projects.



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