



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 November 3

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## PROPOSED RESOURCE REALLOCATION FOR THE 2017 BUDGET

### ***Recommendation***

***It is recommended that the Finance and Facilities Committee receive Report No. 041-16FFC re: Proposed Resource Reallocation for the 2017 Budget for information***

### **Key Points**

- Program Budgeting Marginal Analysis (PBMA) is an integral part of the health unit's budget process and allows us to identify opportunities for reallocation of resources from areas of lower impact to areas of higher 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 2017 budget.
- Of 30 proposals that were submitted, SLT approved 15 disinvestments totaling \$474,112 and 7 investment proposals totaling \$479,655 to move forward.
- This is a preliminary report. Final recommendations will be brought to the Finance and Facilities Committee in December.

### **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 investments and disinvestments are made. The health unit has made PBMA an integral part of the annual budget process and it has been in used since 2013.

### **Proposal Selection Process**

The 2017 PBMA process consisted of:

- a) Validation of the assessment criteria and weighting at the July 7, 2016 Finance and Facilities Committee meeting;
- b) Proposal development to identify those disinvestments that will have the least negative impact;
- c) Proposal development to identify those investment that will have the greatest positive impact;
- d) Review of proposals by internal advisory committees; and
- e) Open proposal review sessions, an appeals process and recommendations by the Senior Leadership Team (SLT).

Additional information will continue to be gathered to ensure that negative impacts are minimized and positives impacts will be maximized during implementation in 2017.

## **Tentatively Selected Disinvestment and Investment Opportunities**

At the open proposal review sessions, SLT considered 18 disinvestment proposals and 12 investment proposals. Of these 30 proposals, SLT approved 15 disinvestments totaling \$474,112 and 7 investment proposals totaling \$479,655 to move forward

[Appendix A](#) provides the listing and descriptions of the disinvestment proposals and [Appendix B](#) provides the listing and descriptions of the investment proposals being moved forward.

### **Next Steps**

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

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



Christopher Mackie, MD, MHSc, CCFP, FRCPC  
Medical Officer of Health