



TO: Chair and Members of the Finance & Facilities Committee

FROM: Dr. Christopher Mackie, Medical Officer of Health

DATE: 2017 November 2

PROPOSED RESOURCE REALLOCATION FOR THE 2018 BUDGET

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 037-17FFC re: Proposed Resource Reallocation for the 2018 Budget for information.

Key Points

- Program Budgeting and Marginal Analysis (PBMA) is an integral part of the Health Unit's budget process, and allows us to identify opportunities for reallocating resources from areas of lower impact to areas of higher impact.
- This report outlines the process used to identify such opportunities and provides a summary of the investments and disinvestments proposed for consideration in the 2018 budget.
- Of thirty-one proposals submitted, the Senior Leadership Team approved sixteen ongoing disinvestments totaling \$732,253, six ongoing investments totaling \$416,231, and three one-time disinvestments/investments totaling \$148,765.
- This is a preliminary report. Final recommendations will be brought to the Finance & Facilities Committee in December.

Background

Program Budgeting and Marginal Analysis (PBMA) is a criteria-based budgeting process that facilitates reallocating resources to maximize impact. This is done through the transparent application of pre-defined criteria and decision-making processes in order to prioritize where investments and disinvestments should be made. The health unit has made PBMA an integral part of its annual budget process; we have been using it since 2013.

Proposal Selection Process

The 2018 PBMA process consisted of:

- a) Validation of assessment criteria and weighting at the September 7, 2017 Finance & Facilities Committee meeting;
- b) Proposal development to identify disinvestments that will have the least negative impact;
- c) Proposal development to identify investments that will have the greatest positive impact;
- d) Review of proposals by internal advisory committees (still in process); and
- e) Open proposal review sessions, an appeals process and recommendations by the Senior Leadership Team (SLT).

Additional information gathering will continue in order to ensure that negative impacts are minimized and positives impacts are maximized during implementation in 2018.

Tentatively Selected Disinvestment and Investment Opportunities

At the open proposal review sessions, SLT considered nineteen disinvestment proposals and twelve investment proposals. Of these thirty-one proposals, SLT approved sixteen ongoing disinvestments totaling \$732,253, six ongoing investments totaling \$416,231, and three one-time disinvestments/investments totaling \$148,765.

[Appendix A](#) provides a list and descriptions of the ongoing disinvestment proposals. [Appendix B](#) provides a list and descriptions of the ongoing investment proposals. [Appendix C](#) provides a list and descriptions of the one-time disinvestment/investment proposals.

Next Steps

The Finance & Facilities Committee now has the opportunity to review the selected proposals for investment and disinvestment, and to identify areas where further information is needed prior to final approval in December.

This report was prepared by the Corporate Services Division.



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