

TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 November 1

PROPOSED RESOURCE REALLOCATION FOR THE 2019 BUDGET

Recommendation

It is recommended that the Finance & Facilities Committee:

1. Approve [Appendix A](#), PBMA Disinvestments totalling \$390,727;
2. Approve [Appendix B](#), PBMA Investments totalling \$397,526;
3. Approve [Appendix C](#), PBMA One-time Proposals totalling \$140,784; and
4. Approve [Appendix D](#), outlining proposals not currently recommended for inclusion totalling \$631,732.

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 provides a summary of the investments and disinvestments proposed for consideration in the 2019 budget.
- Of thirty-one proposals submitted, the Senior Leadership Team approved seventeen disinvestments totalling \$390,727, six investments totalling \$397,526, and five one-time investments totalling \$140,784.
- Six of the investment proposals were revised, with a reduced budget being approved; the unapproved portion of these proposals, combined with four additional proposals that did not move forward, total \$631,732.

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 predefined 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, and has been using it since 2013.

Proposal Selection Process

The 2018 PBMA process consisted of:

- a) Validation of assessment criteria and weighting at the July 5, 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; and
- e) Open proposal-review sessions, an appeals process, and recommendations by the Senior Leadership Team (SLT).

Proposed PBMA Disinvestment and Investment Opportunities

SLT is recommending a total of twenty-eight proposals for inclusion in the 2019 Health Unit Budget, including: seventeen disinvestments (totalling \$390,727), six investments (totalling \$397,526), and five one-time proposals (totalling \$140,784). Descriptions of the proposals have been included for recommended disinvestments ([Appendix A](#)), recommended investments ([Appendix B](#)), and recommended one-time investment proposals ([Appendix C](#)). An outline of proposals that did not move forward (totalling \$631,732) are set out in [Appendix D](#).

Although the withdrawn proposals are not being recommended for inclusion in the 2019 budget, some are anticipated to be funded through other means, and/or may be reconsidered if financial circumstances show a favourable change.

Next Steps

If approved, the recommended proposals will be incorporated into the 2019 budget, which will be considered for approval by the FFC and the Board of Health at future meetings.

This report was prepared by the Healthy Organization Division.



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