

Financial Management and Budgeting Strategies in Public Health

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Dany Zimmel (DZ): Welcome to Ideas for Practice, a podcast of the Region V Public Health Training Center. As one of the 10 public health training centers across the country, the RVPHTC seeks to strengthen the skills of the current and future public health workforce in order to improve population health outcomes. We hope this podcast will share insights and spark ideas among those working in public health practice. Thank you for tuning into our episode on financial management and budgeting strategies in public health. I'm your host, Dany Zimmel. Today we'll be reviewing some of the basics of financial management in public health, and we'll also discuss the impact of the covid 19 pandemic on financial management and budgeting. We hope this conversation will provide some guidance for managers in Public Health, particularly those working in governmental agencies. We're fortunate to have Michele Borgialli with us today. She is the director at a National Public Health Foundation, managing \$36 million in federally funded programs this year. Welcome to the podcast, Michele. I'm looking forward to learning more about this topic in our discussion today.

Michele Borgialli (MB): Hey, Dany, I'm happy to be here.

DZ: Can you start by telling us a little bit about yourself and about your work?

MB: Yes. Well, first of all, thanks for having me today on your Ideas for Practice podcast. It's an honor to sit and chat with you, and I know we're gonna have a rich conversation today. I'm a long-timer in the public health practitioner space, my academic background includes Master's degrees in public health and social work, which I've worked on concurrently in the early 1990s. From there, I did a short internship with the CDC through my grad school program, and then landed an entry level front line position at the State Health Department in Michigan. I had decades of great experiences, learning all aspects of public health programming, thanks to a very supportive mid-level manager. I moved into a management position and then was promoted to support the public health administration's executive leadership team. Last year, I decided to move into the philanthropic space where I am currently directing six large federally funded projects at a National Health Foundation. After all these years, I am still loving my career, Dany.

[Financial Management]

DZ: Obviously, your experience is extremely relevant to our topic, and so I'm just going to jump right into our conversation on financial management and budgeting. So diving in, financial management, what exactly is this?

MB: Well Dany, in order to prepare for this podcast, I reviewed a course on the Region V Public Health Training Center's website called Key Aspects of Financial Management instructed by Matt Stefanak. It was a great refresher to brush up on terms and why this topic is so important to the practice of public health. I would highly recommend it to those with further curiosity. Financial management is a recognized systematic process applied to provide oversight of an organization's day-to-day financial operations; to plan for long-range financial direction; and to increase revenues while decreasing costs to sustain organizational growth. In terms of federal grant funding, this process ensures that the organization is spending down the funding in the most cost-effective manner while meeting or exceeding project deliverables and expected outcomes.

DZ: Thanks for providing that overview, Michele. So now that we know a bit more about financial management, can you please talk about, what are some of the main goals?

MB: Sure. The main goals of financial management include generating a reasonable net income to assure that revenues exceed expenses, setting prices for services by conducting cost analysis, recording and analyzing cost information that is used in budgeting and cost analyses, preparing auditing and disseminating financial reports for all stakeholders, and reducing financial risk through internal controls to ensure the integrity of financial and accounting information, promote accountability, and to prevent fraud.

[Financial Monitoring]

DZ: Promoting accountability. I think that's something that sometimes we forget about in financial management, but I appreciate that you included that. So obviously, we can't forget about financial monitoring. Who is involved in this?

MB: Well, there are primarily two parties that are involved in financial monitoring, Dany. Financial analysts and program managers, ideally meeting together on a monthly basis. I often refer to these two as speaking different languages with the goal of both becoming bilingual. Program learns the language of finance and analysts learn more about public health programming. When they achieve this bilingual level, they optimize what each brings to the financial monitoring process.

[Budgeting]

DZ: I really like that part about the bilingual level and being able to speak and understand one another and what they each bring to the table. So we also know that budgeting is an important part of the financial management process. At a base level, what does it entail?

MB: Well Dany, budgeting is a programmatic tool that allows for monitoring the use of resources and provides a basis to measure actual performance against the budget plan. This is a method to compare the expected project activities to the actual revenue or grant funding and expenses, it's essentially a way of checking in on the fiscal and programmatic health of your project.

[COVID-19 Impact]

DZ: Hmm. I like that: checking in on the health of your project. So obviously health and public health has changed dramatically over the past now, almost, or over, I should say, two years. How has budgeting changed due to the COVID-19 pandemic?

MB: Well Dany, it's become harder for public health agencies in the budgeting arena. I've witnessed how inflexible governmental bureaucracies are as managers and directors are trying to ramp up and keep up with the ever-changing COVID programming to meet the needs of their jurisdictions, their executive teams, commissioners and political leaders. Public health and politics are intertwined, as we all know very well, public health programs may not have a voice at the table when executives and high-level budget offices are making funding decisions. Sometimes too much money is allocated or sometimes not enough. Both are problematic in public health programming. However, I would say on a positive note, now that we are two years into these processes, I am hopeful and have witnessed that stakeholders are working better together as we've all learned to be more agile and more communicative along the way.

[Managing Funds as New Managers]

DZ: Well, while COVID has unfortunately brought many of these issues to light, I'm really glad to hear that you've seen increased collaboration and improved communication to get closer to getting funds allocation right. One thing I'd like to note is that here at the RVPHTC, we have two new webinars on advocating for public health funds, so I encourage our listeners to check out our Demystifying Public Health Advocacy series at rvphtc.org if they'd like to gain some strategies on advocating for funding. So now, shameless plug aside, while the influx of federal and state dollars for public help is needed and much appreciated, it seems like managing these funds can sometimes be overwhelming and challenging. Michele, what recommendations do you have for a newer mid-level manager in local public health for effectively managing these new funds?

MB: Dany, this is a great question, and I hope that my response resonates with your listeners today. Most important is to figure out who touches the designated funding

streams within the organization. Where does the money enter the agency and where does it leave? By this, I mean, identify the people and the business areas where the funding flows from and to. On the way in, it's likely the grants management office, then the funding touches operations, payroll, budget monitoring and auditing. On the way out the door, the funding is moved by the contracts and procurement teams, they are the ones that get the funds in the hands of vendors and other business partners who will help meet the programs deliverables. Now, every agency operates differently, but it's there to explore and identify. I want to put a special mention out there for the auditing folks, I have come to realize that internal auditors can be supportive allies to your program, learn who they are and reach out. I would ask them, "what are common audit findings that you are aware of with similar funding?", "how can I proactively avoid programmatic compliance issues?"

DZ: Those are great questions to ask, Michele, and I'm sure that the folks that are in auditing have all those answers.

MB: I think so. So getting to know these internal stakeholders that I've just mentioned will build financial management capacity as a leader, I have also come to know that trust and communication are keys to solid work relationships, Dany. Another question I would ask is, does your organization have a strategic plan around the new funding that you are responsible for programming? Perhaps one needs to be created or modified to include your program area. Dany, I would say that one of the most important relationships that I have at work is with my budget analyst team, my current business practice includes meeting with my financial team monthly to review expenditures and look at budget projections through the end of the performance period. This way I can be confident that I am on track with spending, or if I need to make modifications, I can take action early enough. Indirectly, but closely tied to financial management, is documenting and reporting on program deliverables and metrics, as we all know. As a mid-level manager, folks are likely responsible for this aspect of their programs too. And lastly, if you don't have a colleague to ask questions of, find a seasoned mentor within your agency so that you are not expending energy recreating the wheel. We all know how hard that is.

[Public Health Training Gaps]

DZ: Yes, I think those last points are especially important, document, document, document that is definitely really needed, and finding a mentor, lots of really great nuggets of wisdom here. But now I'd like to chat a little bit about the disconnect between what public health practitioners actually do on the job and what they learned or maybe didn't learn in school or training.

MB: In interviewing interns and frontline staff myself, over the past few years, I have found that financial management and grant writing are still really light touches in our public health academic curricular. This was the case when I was in grad school. So not much has changed, and I'd love to see a more robust training in this area.

DZ: I agree, Michele, in my MPH program, and I graduated just a few years ago, we spent a few weeks on budgeting in my final semester, but I've felt that it wasn't enough time to really dig into the topic and get practical experience.

MB: Yeah, and also I've witnessed high-performing frontline staff that are promoted into supervisory roles and handed fiscal management responsibilities for the first time in their careers. It's like a right of passage, and I'm sure many of our listeners are nodding their heads in agreement right now. Wow, do you remember that day? I certainly had the deer in the headlights look when that happened to me.

DZ: As a newer manager myself, there are times I still have to ask my supervisor budget-related questions, she often reminds me that managing a Public Health program budget is both a science and an art.

MB: For sure.

[Developing Financial Skills in Practice]

DZ: Mmhmm. So what about staff who are interested in developing these financial management and budgeting skills, who are not yet managers: how can they be involved in these processes to develop those skills?

MB: Well, let's be real, Dany, there are plenty of frontline staff in the workforce that were not inspired to go into public health to be responsible for budgets and financial management. In fact, my experience is that it was even difficult to attract accountants to join the public health workforce when we had Financial Analyst job postings. But there is the occasional staffer who takes an interest, who are they? They might ask questions like, "How do you create the budget for our program?" "Do you know if there is enough money in the budget to do this activity?" maybe they want to sign up for a budget training as part of their professional development objectives on their annual performance plan. My advice, take them under your wing and mentor them.

DZ: Yes.

MB: Dany, I think that our progressive and dynamic public health managers can change the landscape on this one, by promoting on-the-job training, it's for the greater good of our organizations when you have a high contributing direct report who shows interest in budgets and financial management. Let them in, there are ways that they can learn and participate without seeing salary information, which I know is always the primary concern of organizations. Now that we have the ability to share documents on OneDrive and Google Docs, those inquisitive and eager staffers can help build budgets, write budget narratives, and research cost estimates for you. Learning federal grant and cooperative agreement budgets and how to spend down funds compliantly takes years to master. So, I say start early with your team and invest in your organization's collective skillset, someday those high contributing direct reports will be running the organization alongside of you, so who better to train them?

DZ: I agree with your last points, especially. Start with your team and invest in the organization's collective skill set. Well, thank you so much, Michele, for joining us today and for giving such great information as we wrap up our conversation today, Michele, would you mind sharing something that is helping you get through the pandemic, something that provides comfort or inspiration...

MB: Sure, I can do that. I have a few things that bubble up to the top for me right now, I love working with people to achieve big ideas together, so during the work week, it's my colleagues at the foundation. We have public health practice in common, and we've all been through some level of work trauma together as it relates to COVID, we all have personal stories to tell, Dany, as far as comfort goes, I will say my family, friends and delicious food, meet my fundamental needs right now, and I'm keeping life pretty simple these days. Thank you.

DZ: Yeah, those all sound like great tidbits and happy to hear that you have strong relationships with people in your professional life and personal life that are helping you get through the times that we're living through. So thank you so much for joining us today and sharing from your experiences. To our listeners, we hope that you've learned some useful information that you can integrate into your budgeting in financial management activities, we encourage you to check out some of the great resources that we will share in the podcast notes as well as an evaluation and a transcript. Funding for this podcast is provided by the Health Resources and Services Administration, and with that, we'll end here for today. Stay safe and stay curious, everyone.