

**Report to
Rapport au:**

**Ottawa Board of Health
Conseil de santé d'Ottawa
19 June 2023 / 19 juin 2023**

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**Submitted by
Soumis par:**

Dr./ D^{re} Vera Etches, Medical Officer of Health/Médecin chef en santé publique

Contact Person

Personne ressource:

**Samantha Gosson, Program Manager, Finance and Scheduling Unit /
Gestionnaire de programme, unité de finance et ordonnancement
613-580-2424 ext./poste 24240, Samantha.Gosson@ottawa.ca**

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2023-OPH-PCS-0005

SUBJECT: 2023 Operating and Capital Budget Q1 – Board of Health for the City of Ottawa Health Unit Status Report

OBJET: Rapport d'étape sur le budget de fonctionnement et d'immobilisations 2023 du t1 du Conseil de santé pour la circonscription sanitaire de la ville d'Ottawa

REPORT RECOMMENDATION

That the Board of Health for the City of Ottawa Health Unit receive the 2023 Q1 operating and capital budget status report for information.

RECOMMANDATION DU RAPPORT

Que le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa prenne connaissance du rapport d'étape sur le budget de fonctionnement et d'immobilisations du T1 2023.

BACKGROUND

The purpose of this report is to present to the Ottawa Board of Health the first quarter operating and capital budget results for Public Health Programs. Ottawa Public Health (OPH) management actively reviews quarterly results to ensure that their respective spending and revenue are on-track as planned, and not indicative of any underlying issues needing to be highlighted or addressed.

The 2023 operating budget first quarter results present actual year-to-date revenues and expenditures against the amounts budgeted for the corresponding period. The capital report provides a listing of the capital projects, the authorized expenditure budgets, along with the actual expenditures and commitments incurred to-date.

DISCUSSION

Document 1 provides operating budget details on first quarter results for the various Ontario Public Health Standards. Financial information is presented by program.

Document 2 provides compensation information showing the actual salary, benefits and overtime costs incurred by OPH during the corresponding period.

Document 3 provides information on budget adjustments and transfers made in the first quarter of 2023 through delegated authority given to the Medical Officer of Health.

Document 4 provides a listing of the capital projects in progress and their status as of March 31, 2023.

Q1 Operating Results

The year-to-date budget figures are prepared on a calendarized basis. Service Areas have allocated their 2023 budgets on a monthly and quarterly basis, established primarily according to historical trends.

Table 1 outlines Q1 2023 expenditures and revenues by funding source and the year-to-date budget status.

COVID-19 spending year-to-date is lower than projected because case management and outbreak management workloads have decreased, COVID-19 vaccine uptake has been lower than expected, and temporary positions have been vacated. This trend is expected to continue over 2023 as we follow the provincial indication that the COVID-19 extraordinary funding support will end by the end of the year.

Cost-shared program funding for core programs is underspent compared to the budget year-to-date because positions were temporarily held vacant to enable OPH to develop and implement its new four-year strategy, including new service-delivery models, based on lessons learned from the pandemic response. Having the financial flexibility to proceed with staffing new roles identified is part of the rationale for this underspending during Q1 as OPH continues to demobilize its COVID-19 response and transition to resuming its core operations. Staffing and recruitment processes have been initiated to begin to fill priority positions.

There is an overall departmental deficit of \$488K attributed to OPH's dental programs funded by the City of Ottawa, which serve low-income residents. This deficit is low risk and is due to the timing of expenses. The issue will be monitored over the remainder of the year.

The Integrated Planning Process, which refers to OPH's consolidated process for forward budget, staffing, and strategic planning, was initiated to ensure new and ongoing work is adequately resourced within constrained budgets while closely reviewing the organization's short-, medium- and long-term plans. This process included: OPH's 2023 Budget Planning; our next 4-year strategy; the review and implementation of staff-driven proposals to deliver core services differently with equity, prevention and impact as guiding principles; a review of ongoing COVID-19 work as OPH continues to demobilize our pandemic response; ongoing efforts to address the impact of workload pressures on our employees; and our 2023 operational planning activities. The Integrated Planning Process was a significant undertaking involving input from employees, leaders and community partners, and it enabled OPH to identify and reinvest more than \$9M to advance emerging strategic priorities aligned with the evolving needs of our community.

Table 1 - Summary of Q1 2023 Results

	Net Expenditures (\$000)	Revenue (\$000)	YTD Net Surplus / (Deficit) (\$000)
MOH - Public Health Standards and Programs	25,892	25,892	0
MCCSS - Healthy Babies Healthy Children	1,143	1,143	0
City and Miscellaneous Programs	835	346	(488)
Ottawa Public Health	27,870	27,381	(488)

Q1 Compensation Results

Document 2 shows the operating status for OPH compensation expenditures up to March 31, 2023. The current financial information shows OPH has spent 22% of its compensation budget and 18% of its overtime budget during the first quarter of 2023 operations. The trend on overtime spending has been significantly reduced from the peak of the pandemic response and is now below baseline levels from 2018.

Budget Adjustments and Transfers

A summary of the budget adjustments and transfers made in the first quarter of 2023, through the delegated authority given to the Medical Officer of Health, is provided in Document 3. The Board of Health's Delegation of Authority By-law requires the reporting of these transactions for information purposes.

Q1 Capital Projects

Document 4 provides a list of provincially funded capital projects. The list identifies the total approved budget authority, expenditures as of March 31, 2023, and contractual obligations as of March 31, 2023. The total amount of capital projects currently in progress is \$5.5 million, all of which is uncommitted to-date.

Provincial Funding Update

OPH would like to thank our funders, including the Province of Ontario and the City of Ottawa, for their ongoing commitment to the work of the public health sector. Provincial funding has supported the extraordinary COVID-19 costs that continue to be incurred by OPH in 2023. This funding is sustaining our pandemic response, which includes surveillance, infection prevention and control, immunization, community engagement, and public health communications.

The Ontario provincial budget indicated no further extraordinary COVID-19 funding to public health units to cover costs related to COVID-19 past December 2023. This includes OPH's COVID-19 general response and vaccine program. OPH is working through this transition to demobilize dimensions of our pandemic response and resume core operations in ways that help re-imagine how we can deliver our services in more innovative, impactful and cost-effective ways, according to the evolving needs of our community, integrating lessons learned from our pandemic response.

With provincial funding to support OPH's COVID-19 general response and vaccine program ending by December 31, 2023, any remaining pandemic-related work must be

integrated into OPH's core operations. To enable this, OPH's Integrated Planning Process has reallocated permanent, base-funded positions to boost the staffing levels required to sustain a high volume of work related to infection prevention and control, and managing outbreaks of communicable diseases.

In the first quarter of 2023, OPH learned that one-time funding for the School Focused Nursing Initiative would not be extended past June 30, 2023. This provincially funded program was created in 2020 to support additional nursing capacity in every Board of Health to provide rapid-response support to school boards and schools, childcare settings and camps in facilitating public health preventative measures related to COVID-19, including screening, testing, tracing, vaccination, education and mitigation strategies.

In 2019, the Ontario Ministry of Health announced a unilateral change to the way it funded the province's 34 local public health units. This change involved modifying its cost-sharing formula with municipalities, which also fund local public health units. Before this change, the province had contributed up to 75 percent to the annual cost-shared budgets of local public health units, with municipalities contributing the remainder, and a smaller proportion of OPH programs were supported by either 100 percent provincial or municipal funding. Effective 2020, the funding formula was revised to a 70 percent – 30 percent split. Programs that were previously 100 percent funded by the province were shifted to this new cost-shared formula.

In response to concerns raised by local Boards of Health about their ability to fulfill provincially mandated requirements within the new funding formula, the Ministry implemented a temporary top-up, called mitigation funding. In 2021, with the ongoing COVID-19 response and temporary provincial funding required to support the pandemic response, the Ministry agreed to continue to provide OPH with a one-time contribution of \$3.1M to mitigate against the budget pressures caused by the change in the way the province applied the revised funding formula to OPH. The following year, with pandemic response still ongoing, the province once again provided all Boards of Health, including OPH, with mitigation funding and extended that commitment through 2023.

When the change to the funding formula was announced, the province also signalled an intention to transform the governance of local public health units. Specifically, it proposed to amalgamate 34 local public health units – and their corresponding boards of health – into 10 regional public health units and 10 corresponding boards of health under a single governance model rather than a range of different governance models that reflect local context. The stated objective of this change was to find provincial

savings. While the plan to change the governance model has not been advanced since 2019, and is not currently being discussed, the revised cost-sharing formula has remained in place.

With the provincial commitment to provide local public health units with temporary mitigation funding set to expire at the end of December 2023, and no clarity to date from the province on what funding plans exist for public health units heading into 2024, OPH staff are developing contingency plans to address any potential budget pressures that may arise should provincial mitigation funding end.

In the meantime, OPH continues to engage with the Ministry to seek clearer direction about provincial funding. Any provincial announcements, including confirmation of 2023 funding from the Ministry of Health, will be provided to the Board in future budget status reports. The Q2 report will also include an update on the forecast for year-end expenditure and revenues.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

The purpose of this report is administrative in nature and therefore no public consultation is required.

LEGAL IMPLICATIONS

There are no legal impediments to receiving the information in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this information report.

FINANCIAL IMPLICATIONS

Financial implications are as outlined in the report.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this report.

SUPPORTING DOCUMENTATION

Document 1: Ottawa Public Health 2022 1st Quarter Operating Status Report

Document 2: Ottawa Public Health 2022 1st Quarter Compensation Status Report

Document 3: Ottawa Public Health 2022 1st Quarter Budget Adjustments & Transfers

Document 4: Ottawa Public Health 2022 1st Quarter Capital Status Report

DISPOSITION

This report is provided for information.