

**Report to
Rapport au:**

**Ottawa Board of Health
Conseil de santé d'Ottawa
18 September 2023 / 7 septembre 2023**

**Submitted on September 7, 2023
Soumis le 7 septembre 2023**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2023-OPH-PCS-0006

SUBJECT: Operating and Capital Budget Status Report for Q2 2023 – Board of Health for the City of Ottawa Health Unit Status Report

OBJET: Rapport d'étape sur le budget de fonctionnement et d'immobilisations du T2 2023 - 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 Q2 operating and capital budget status reports 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 T2 2023.**BACKGROUND**

The purpose of this report is to present to the Ottawa Board of Health the second 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 second 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 second 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 budget adjustment and transfer information made in the second 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 June 30, 2023.

Q2 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 on historical trends.

Table 1 outlines Q2 2023 expenditures and revenues by funding source and the year-to-date budget status.

Table 1 - Summary of Q2 2023 Results

	Net Expenditures (\$000)	Revenue (\$000)	YTD Net Surplus / (Deficit) (\$000)
Ministry of Health - Public Health Standards and Programs	49,306	49,306	0
Ministry of Children, Community and Social Services - Healthy Babies Healthy Children	2,351	2,351	0
City and Miscellaneous Programs	1,656	872	(784)
OPH	53,313	52,529	(784)

Q2 Compensation Results

Document 2 shows the operating status for OPH compensation expenditures up to June 30, 2023. The current financial information shows OPH has spent 43% of its compensation and overtime budgets during the second quarter of 2023 operations. The main reasons for underspending in compensation are attributed to staff movement related to demobilization of the COVID-19 program, including due to declining demand for vaccination, and work to re-align positions to top priorities based on lessons learned from the pandemic and in response to community needs.

Budget Adjustment and Transfers

A summary of the budget adjustments and transfers made in the second 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.

Q2 Capital Projects

Document 4 provides a list of provincially funded capital projects. The list identifies the total approved budget authority, expenditures and contractual obligations as of June 30, 2023. OPH has spent 180K for capital projects as of June 30, 2023. The total capital works in progress is \$5.3 million, of which all is uncommitted to date.

Provincial Funding Update

On July 18, 2023, the Ministry of Health announced a base increase of \$8,800 to OPH's AIDS Bureau funding, an increase of five percent. This funding supports the Province

and OPH's efforts to prevent Human Immunodeficiency Virus (HIV) transmission and improve access to community-based care and treatment.

A strategy to strengthen Ontario's public health sector was unveiled by the Ministry of Health on August 22, 2023, at the 2023 Association of Municipalities Ontario Conference. The Ministry approach includes restoring base provincial funding levels to local public health agencies (LPHAs) to the amount previously provided under the 2020 cost-shared formula starting January 1, 2024, what the government describes as restoring financing to a 75–25 cost-shared ratio between the provincial and municipal levels. The Ministry also outlined tactics to assist voluntary mergers between LPHAs and to clarify duties and responsibilities through a review of the Ontario Public Health Standards. If parties agree to a merger, LPHAs will receive one-time funding, and any savings from the merger can be put back into the new LPHA.

Additionally, the announcement increases base funding for local public health agencies by 1% annually for three years (2024-2026) to provide predictability while cooperative efforts are ongoing to evaluate roles and duties and encourage mergers.

Lastly, the Ministry committed to a review of the funding approach for the public health sector. The goal is to have an equitable funding system in place for January 1, 2026.

On August 29, 2023, OPH received its 2023-24 funding letter from the Ministry of Health. The funding letter mentions a projected restoration of "mitigation funding" resulting from offsetting the policy to adjust the cost-sharing formula during the COVID pandemic, as well as an increase of the provincial contribution to base funding by 1%. Information about COVID funding was absent from the Ministry's funding letter. To discuss funding for COVID, the Ministry has scheduled a meeting with the public health agencies. We expect the government will confirm its continued commitment to pay for extraordinary COVID-19 costs incurred through December 31, 2023. As a result, we anticipate having a balanced budget in 2023. Given COVID-19 spending is forecasted to be less than originally budgeted, the provincial contribution will be based on actual spending and may lead to a budget adjustment.

The Ministry's decision to restore base funding, the 1% increase in base funding, and the City of Ottawa's ongoing support with cost-of-living allocations (COLA) will be factored into the 2024 budget. To address remaining budget pressures and present a balanced budget for 2024, OPH managers are working to identify efficiencies in non-compensation areas, having already reallocated significant human resources to strategic priorities and areas with significant workload pressures in 2023.

OPH would like to thank the Ministry of Health and City of Ottawa for their commitment to strengthening public health with their locally driven approach to facilitate change to ensure public health programs and services can best protect and promote the health of local populations.

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: OPH 2023 2nd Quarter Operating Status Report

Document 2: OPH 2023 2nd Quarter Compensation Status Report

Document 3: OPH 2023 2nd Quarter Budget Adjustments & Transfers

Document 4: OPH 2023 2nd Quarter Capital Status Report

DISPOSITION

This report is provided for information.