

**Report to:
Rapport au:**

**Ottawa Board of Health
Conseil de santé d'Ottawa
3 November 2025 / 3 novembre 2025**

**and Council
et au Conseil
12 November 2025 / 12 novembre 2025**

**Submitted on November 3, 2025
Soumis le 3 novembre 2025**

**Submitted by
Soumis par:
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publique**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2025-OPH-BDS-0007

SUBJECT: 2026 Draft Operating Budget for the Ottawa Board of Health

OBJET: Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa

REPORT RECOMMENDATIONS

That, at its meeting of November 3, 2025, the Board of Health for the City of Ottawa Health Unit:

1. Receive and table the 2026 Draft Operating Budget for the Ottawa Board of Health; and
2. Direct staff to forward the 2026 Draft Operating Budget for the Ottawa Board of Health to Ottawa City Council on November 12, 2025, as part of City Council's tabling of the City of Ottawa 2026 Draft Operating Budget; and
3. Request the Province of Ontario to provide an additional one-time in-year funding of \$450,000 to address the 2026 budget pressure in the cost-shared mandatory program resulting from cost-of-living adjustments to employee compensation and benefits.
4. Request that the Province of Ontario address the provincial funding shortfall to cover 75% of OPH's cost-shared budget by implementing a funding formula review and providing annual base funding increases of 3–4% to align with rising operating costs driven by cost-of-living adjustments and employee benefits; and

That, at its meeting of December 1, 2025, the Board of Health for the City of Ottawa Health Unit:

5. Approve the 2026 Draft Operating Budget for the Ottawa Board of Health;
6. Upon the Board of Health's approval of the 2026 Draft Operating Budget for the Ottawa Board of Health, direct staff to forward the report to Ottawa City Council, for consideration on December 10, 2025, as part of City Council's approval of the City of Ottawa 2026 Draft Operating budget; and
7. Upon approval of the 2026 Draft Operating Budget for the Ottawa Board of Health by the Board of Health and Ottawa City Council, direct the Medical Officer of Health (or delegate), on behalf of the Board of Health, to forward the 2026 Annual Service Plan and Budget Submission to the Ontario Ministry of Health (MOH) for consideration based on the approved 2026 Operating Budget for the Ottawa Board of Health.

RECOMMANDATIONS DU RAPPORT

Que, lors de la réunion du 3 novembre 2025, le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa :

1. reçoive et dépose le Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa; et

2. **demande au personnel de transmettre le Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa au Conseil municipal d'Ottawa lors du dépôt des budgets préliminaires de fonctionnement de 2026 de la Ville d'Ottawa le 12 novembre 2025; et**
3. **Demander à la province de l'Ontario de fournir un financement supplémentaire ponctuel de \$450 000 au cours de l'exercice afin de compenser la pression budgétaire de 2026 liée au programme obligatoire à frais partagés, découlant des rajustements au coût de la vie appliqués à la rémunération et aux avantages des employés.**
4. **Demander à la province de l'Ontario de combler le déficit de financement provincial couvrant 75 % du budget à coûts partagés de l'OPH, en procédant à une révision de la formule de financement et en accordant des augmentations annuelles de 3 à 4 % du financement de base afin de tenir compte de l'augmentation des coûts d'exploitation liée aux ajustements du coût de la vie et aux avantages sociaux des employés ; et**

Que, lors de la réunion du 1 décembre 2025, le Conseil de santé de la circonscription sanitaire de la Ville d'Ottawa :

5. **approuve le Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa;**
6. **demande au personnel, une fois le Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa approuvé par le Conseil de santé, de transmettre le rapport au Conseil municipal d'Ottawa afin que ce dernier puisse l'examiner le 10 décembre 2025 dans le cadre de l'approbation, par le Conseil municipal, des budgets préliminaires de fonctionnement de 2026 de la Ville d'Ottawa; et**
7. **Sur approbation du projet de budget de fonctionnement 2026 du Conseil de santé d'Ottawa par le Conseil de santé et le Conseil municipal d'Ottawa, demander au médecin hygiéniste en chef (ou à son délégué), au nom du Conseil de santé, de transmettre le Plan de services annuel 2026 et la soumission du budget au ministère de la Santé de l'Ontario (MSO) pour examen, conformément au budget de fonctionnement 2026 approuvé du Conseil de santé d'Ottawa.**

BACKGROUND

Economic and Fiscal Context for OPH's 2026 Budget Planning

Ottawa Public Health (OPH) is preparing its 2026 budget within a challenging broader fiscal and economic environment marked by a slowing national and provincial economy, inflationary pressures, and ongoing fiscal restraint at both municipal and provincial levels. The City of Ottawa's 2026 Budget Direction Report highlights limited fiscal capacity for new investments, with an overall municipal tax target increase capped at 3.75% and departments directed to identify further efficiencies to maintain service affordability. The City continues to face structural budget pressures driven by inflation, aging infrastructure, housing affordability, and transit deficits, constraining its ability to expand contributions to programs like public health.

At the provincial level, Ontario's 2025 Budget prioritized hospitals, long-term care, and mental health stabilization while providing no confirmation of new investments in public health. The Ministry of Health also missed its promised 2025 deadline to release results of the provincial public health funding formula review, which was expected to address long-standing inequities for health units receiving less than the 75% provincial cost-share. Meanwhile, the annual 1% increase in provincial funding for cost-shared programs remains significantly below cost-of-living and inflationary pressures, leaving public health units like OPH to manage growing structural funding gaps.

To maintain current programs and services, OPH faces a **\$3.99 million** budget pressure in 2026, mainly driven by cost-of-living adjustments to employee compensation and benefits, and the continuation of annual deficits resulting from insufficient annual increases in provincial funding.

OPH's 2026 budget is prepared in accordance with the provincial guidance on 2026 revenue growth and City of Ottawa's budget direction:

- A \$403,000 revenue increase, reflecting a 1% rise in the Ministry of Health's 2025 base funding contribution to the cost-shared mandatory programs.
- A \$1,335,000 increase in net requirement funded by the City of Ottawa, aligned with City Council's directive to base Ottawa Public Health's draft operating budget on a 2.9% increase in the municipal tax levy for public health funding, along with 1.6% assessment growth revenues from new properties

Ottawa Public Health's (OPH) Budget Priorities for 2026

Ottawa Public Health (OPH) is submitting its 2026 operating budget while reviewing the newly released draft of the revised Ontario Public Health Standards, with the final version expected in January 2026. In this transitional period, OPH's budget priority remains focused on sustaining essential public health services and safeguarding the health of Ottawa's population through the most effective use of available resources, all while adapting programs to align with the forthcoming standards and navigating a challenging fiscal environment.

The 2026 operating budget supports programs and services that:

- Address the most pressing population health needs, including:
 - Healthy growth and development
 - Infectious disease case and contact management
 - Environmental health and infection prevention and control
 - Chronic disease prevention and wellbeing (including immunization, oral health, sexual health, mental health, and substance use health)
 - Health surveillance and emergency preparedness and response
- Advance OPH's 2023–2027 strategic goals and objectives
- Align with Ottawa City Council's Term of Council priorities

OPH continues to prioritize health equity, diversity, inclusion, and the well-being of Indigenous Peoples, including First Nations, Inuit, and Métis communities, with a focus on Urban Indigenous populations. The 2026 budget will enable necessary adjustments to align with the revised Ontario Public Health Standards (OPHS) and will aim to achieve compliance as far as available resources allow.

DISCUSSION

OPH faces a **\$3.99 million budget pressure in 2026**, primarily due to:

- Annual increase in compensation costs due to cost-of-living adjustments for employee salaries and benefits: \$3,167,000
- One-time increase in non-compensation budget to support the expansion of a cloud-based digital health platform—an Electronic Medical Record (EMR) system

with integrated practice management tools—enhancing public health service delivery and patient engagement: \$330,000

- Reversal of temporary mitigation funding received from the City of Ottawa in 2025: \$450,000

OPH's 2026 **Gross Operating Budget is \$88.5 million**, with 511.11 full-time equivalent (FTE) positions, the FTE level remaining the same since 2021.

The gross operating budget for 2026 is **\$2.4 million higher than 2025**. Despite a mounting budget pressure, the net increase is moderated by a \$537,000 reduction in the compensation budget through an additional staffing gapping adjustment, a \$365,000 reduction in non-compensation costs through efficiencies, and the removal of a \$200,000 contribution to reserves.

2026 Operating Expenses:

Expenditures by Program	Gross Expenses	\$ Change over 2025 Budget
Cost-shared Core Programs– funded 58% by the Ministry of Health and 42% by the City of Ottawa	\$ 72,937,000	\$ 2,511,000
Ontario Seniors Dental Care Program– fully funded (100%) by the Ministry of Health	\$ 3,259,000	\$ 0
Healthy Babies Healthy Children – fully funded (100%) by the Ministry of Children, Community and Social Services (MCCSS)	\$ 5,465,000	\$ 0
City Programs-fully funded (100%) by the City of Ottawa: <ul style="list-style-type: none"> • Dental Program for Ontario Works clients • School-based outreach for mental health and substance use • Community outreach for harm reduction • Mental Health • Head Injury 	\$ 4,936,000	\$ (73,000)

Expenditures by Program	Gross Expenses	\$ Change over 2025 Budget
Miscellaneous Programs: <ul style="list-style-type: none"> • Indigenous Public Health – fully funded (100%) by the Ministry of Health • HIV/AIDS Program – fully funded (100%) by the Ministry of Health • Needle Retrieval Program – fully funded (100%) by the Ministry of the Solicitor General • Childhood Immunization (Kids Come First initiative) – fully funded (100%) through a fund transfer from CHEO 	\$ 1,892,000	\$ 0
Total Expenditure	\$ 88,488,000	\$ 2,438,000

2026 Recoveries and Allocations:

Recoveries and allocations are a type of fund inflow that help offset program expenditures, though they are not classified as revenue in the City's budget. They include transfers from other City departments through shared provincial funding (e.g., funding from the Ministry of the Solicitor General for the Needle Retrieval Program) and reimbursements for dental services provided to clients eligible for Ontario Works. OPH forecasts **\$2,692,000 recoveries and allocations** that will offset 2026 operating expenditures:

- Dental Charges: \$ (1,825,000)
- Denture Charges: \$ (305,000)
- SOLGEN funding for Needle Retrieval program: \$ (510,000)
- Miscellaneous: \$ (52,000)

2026 Revenue Estimates:

Revenues by Sources and Types	2026 Estimates
Ministry of Health - Cost-shared Core Programs	\$ (40,777,000)
Ministry of Health -MOH/AMOH Compensation	\$ (377,000)
Ministry of Health - Ontario Seniors Dental Care Program	\$ (3,259,000)
Ministry of Health - Indigenous Public Health	\$ (297,500)
Ministry of Health - HIV/AIDS	\$ (184,000)
Ministry of Health - Forecast in-year one-time funding to support budget pressure in cost-shared mandatory program	\$ (450,000)
Ministry of Children, Community and Social Services (MCCSS) - Healthy Babies Healthy Children	\$ (5,464,000)
Total Estimated Revenue from the Province	\$ (50,808,000)
Revenue from Fees and Services:	
<ul style="list-style-type: none"> • Fund transfer from CHEO (KCF) • OHIP billing for consultations at sexual health clinic • Vaccine administration reimbursement • Dental procedure fee reimbursement • Public health inspection 	\$ (1,892,000)
Withdrawal from OPH IT reserve - Own Fund	\$ (605,000)
Transfer from Partners	\$ (370,000)
Total Estimated Revenue	\$ (53,675,000)

Net Requirement:

Net requirement is fully (100%) funded by the City of Ottawa.

Total Gross Expenditure – Total Recoveries and Allocations - Total Estimated Revenue = Net Requirement

\$88,488,000 – \$2,692,000 - \$53,675,000 = \$32,121,000

In 2026, the net requirement is **\$1,335,000 higher than the 2025 City funding allocation**, representing a **4.3%** increase in City funding from 2025.

Sustaining Services Amid Structural Funding Gaps:

To manage 2026 operating budget pressures, OPH is implementing temporary measures, including increasing staffing gapping (from 3.9% to 4.5%), identifying efficiencies in non-compensation budget, and making additional withdrawals from OPH IT reserves. Despite these efforts, OPH requires an additional \$450,000 in provincial in-year funding to maintain mandatory programs and services.

However, OPH continues to face a structural imbalance between rising operating costs and relatively flat provincial revenue growth, resulting in recurring annual deficits. For example, provincial funding for cost-shared mandatory programs has increased by only 1% annually—well below the 3–4% growth in operating costs needed to sustain existing services. This 1% annual increase, introduced in 2024, replaced a period of frozen annual funding increase in prior years.

The ongoing gap between costs and funding continues to drive deficits even without program expansion. Currently, the Ministry of Health funds only 58% of the cost-shared mandatory program budget—far below the 75% provincial commitment. As outlined in OPH's 2025 Annual Service Plan and Budget submission, this shortfall represents a cumulative \$12 million deficit, which is expected to grow further into 2026.

A detailed analysis of Ottawa Public Health's budget pressures—both to sustain current service levels and to expand programs in response to emerging needs—is available in the report titled *2026 Budget Planning and Considerations for Ottawa Public Health*, presented to the Board of Health in September 2025.

In August 2023, the Ministry of Health announced its plan to strengthen public health by acknowledging **funding inequities** among many public health units including OPH **receiving less than the 75% provincial funding for cost-shared mandatory**

programs. The Ministry committed to addressing these disparities through a provincial funding formula review. OPH anticipates that the results of this provincial review—originally expected in Spring 2025—will help correct the structural funding shortfall and support a fair, equitable funding model for all public health units in Ontario.

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

OPH employee and partner feedback has been incorporated into priorities for how resources will be used to advance population health in 2026.

Following the tabling of the 2026 Draft Operating Budget for the Ottawa Board of Health at the November 3, 2025 Board of Health meeting, the budget report will be tabled at the City Council meeting of November 12, 2025. The Board will consider the budget for approval at its subsequent meeting, on December 1, 2025, and submit it to Council on December 10, 2025 as part of the 2026 Budget process.

The process for consideration of the Board of Health budget is outlined below, and additional information about the City’s community consultation process can be found on Ottawa.ca.

Table 1: Process for Consideration of the Board of Health Budget

Budget Process	Dates
2026 Draft Operating Budget for the Ottawa Board of Health tabling and presentation at Board of Health meeting	November 3, 2025
Widespread circulation of draft budget via web and social media channels with opportunities for online and direct feedback	November 3 to December 1, 2025
2026 Draft Operating Budget for the Ottawa Board of Health tabling at Ottawa City Council, including Boards’ and City Departments’ budgets	November 12, 2025

Budget Process	Dates
Public Delegations and 2025 Board of Health Operating Budget Approval	December 1, 2025
Final 2026 City Operations and Capital Budget Approval at Ottawa City Council, including Boards' and City Departments' budgets	December 10, 2025

Residents can comment on the draft budget via email at healthbudget@ottawa.ca, or, by calling the Ottawa Public Health Information Line at 613-580-6744, Monday to Friday from 9 a.m. to 4 p.m.

Residents are also invited to make written submissions to the Board of Health in advance of its meeting of December 1, 2025 or register to speak at the Board meeting of December 1, 2025. Registrations must be received by the Board of Health Secretary (casey.whiticar@ottawa.ca) before noon on the day of the meeting.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

Financial implications are as outlined within the report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

SUPPORTING DOCUMENTATION

DOCUMENT 1 – 2026 Draft Operating Budget for the Ottawa Board of Health – English

DOCUMENT 1 – Budget provisoire de fonctionnement pour 2026 pour le Conseil de santé d'Ottawa – Français

DISPOSITION

The Ottawa Board of Health will consider the 2026 Draft Operating Budget for the Ottawa Board of Health for approval at its meeting on December 1, 2025. Staff will forward the report to Ottawa City Council for its consideration, as part of City Council's 2026 Budget process and to the Ministry of Health, for consideration as part of the Annual Service Plan and Budget Submission application process.