

**Finance, Audit, Property and Risk Management Committee
Report to the Board of Health**

2020 PROGRAM BUDGETS

RECOMMENDATION

The Finance, Audit, Property and Risk Management Committee recommends to the Board of Health that:

- The Board approve the attached 2020 General Public Health Programs Budget of \$13,419,000
 - \$12,999,143 for the Ontario Public Health Standards
 - \$419,857 for Other Programs and Services

HEALTH UNIT GENERAL PUBLIC HEALTH BUDGET DESCRIPTION

The 2020 Health Unit General Public Health Programs Budget has two components - the first column, Ontario Public Health Standards (OPHS), relates to funding received and spent to implement the Ontario Public Health Standards, and the second column, Other Programs/Services, includes those programs/services funded from other sources.

ONTARIO PUBLIC HEALTH STANDARDS BUDGET

Revenue

- **Mandatory Program Funding** - The Ministry of Health (MOH) has instructed Health Units to submit their 2020 budget based on a change in the provincial/municipal cost sharing ratio to 70/30 for all public health program funding. The MOH provided an estimate of the provincial cost shared public health grant (\$8,416,268) for planning purposes to be confirmed later, plus \$835,000 at 100% provincial funding for the Seniors Dental Program. For 2020, the MOH will give a transitional grant of \$128K to offset the municipal increase. This amount is included in the Ministry of Health PH Funding line of the Budget. If permitted by the MOH, the Health Unit will submit One Time Funding Requests and they will be presented to the Board for approval at the February Board meeting.
- **Municipal Funding** – The Ministry of Health (MOH) provided an estimate of what the municipal contribution would be to public health programs (\$3,542,847) based on the change in the provincial/municipal cost sharing ratio. With the MOH transitional grant of \$128K, this amount is decreased to \$3,414,847 for 2020.
- **Reserve** –The Board Investment Policy V-165-0 places a limit on the total amount in the Reserve based on the funds in the Reserve as of December 2017, so the estimated income (\$30,000) from the Reserve Investment will be used to offset general expenses related to the Ontario Public Health Standards in 2019.
- **Revenue for Influenza, Hepatitis B and Human Papilloma Virus (HPV) Immunizations** – The MOHLTC gives the Health Unit a specific amount (\$8.50) for each HPV and meningococcal vaccine given to grade 7 students and \$5.00 for each influenza vaccine given. The amount for 2020 is based on actual and estimates for the remainder of 2019.
- **Food Handler Courses** – The revenue for the Food Handler Courses is based on the estimated demand which will be less in 2020 than 2019 because many food premises have already sent employees to complete the course in response to the 2019 requirement to have at least one trained person present in the food premise at all times.

- **Sale of Contraceptives** – Revenue for the sale of contraceptives in our Sexual Health Clinics is based on the amount received in 2019 plus an increase in revenue as more young people may have to pay initially for contraceptives due to the change in eligibility of the provincial OHIP Plus program (eligibility changed to individuals under 25 without health insurance.)
- **Project Grants** – The Health Unit has received two Green Communities grants (2018-2020) to develop a Walking School Bus Program in three communities and another one for North Grenville School Travel Planning, a grant from Ministry of Children, Community and Social Services (2019-2020) to provide Triple P Parenting in Leeds Grenville, and a Radon Grant from Health Canada.
- **Other Revenue** – Funds come from a variety of sources, and include funds from rebates and employee time reimbursed by the unions.

Expenses

- **Salaries and Benefits** - The actual cost of salaries and benefits to maintain all of our current permanent Public Health staffing commitments is \$402,108 more than the available revenue funds after operating reductions have been made, and considering the revenue proposed for 2020. The Management Team decided it was important to go into the new Regional Public Health Entity with all of our existing programs and positions. So instead of doing our usual budgeting process with PBMA (Program Budgeting and Marginal Analysis) to decrease programs and staff positions to reduce the budget shortfall, the budget shortfall will be managed by Voluntary Leaves of Absence without Pay as requested by employees, savings in salaries and benefits due to delays in recruitment (intentional where needed), and the associated salary differentials between the permanent job owner and the term replacement. HR has a detailed database that allows accurate tracking of this process so that any needed adjustments in staffing vacant positions can be made in a timely manner to ensure the budget is met.
- **Operating Expenses** – All operating expenses were reviewed by each Department Manager and the Medical Officer of Health/CEO. Reductions were made to the purchased services, travel/mileage/training and the building/occupancy operating lines of the budget. The increase in the Materials and Supplies category is due to increased costs associated with moving to a more effective and secure IT platform. This will be essential as we move to a Regional Public Health Entity.

OTHER PROGRAM/SERVICES BUDGET

Revenue

- **Allocations Recovered and Rental Income** – This includes the rent and Human Resources, Finance and IT services charged to Land Control and the Preschool Speech and Language Program which are funded through other sources. A 5% increase was applied to the Land Control Allocated Expenses to reduce the budget shortfall. This is the first increase in over 10 years and reflects, in part, the increase in staffing costs over this time.
- **Ontario Works Revenue** - This is the revenue received from the Ontario Works Dental Program for the United Counties of Leeds and Grenville and Lanark County. Most of the revenue goes to pay dentists and we retain 8% as an administration fee. The revenue was much less in 2019 than in previous years so the 2020 revenue has been adjusted to reflect this change.
- **Purchase/Sale of Vaccine** – The revenue for the sale of travel vaccines reflects the revenue in 2019.
- **Project Mental Health Hub** – The Health Unit has a contract with Kemptville District Hospital to assist in the development of a Children’s Mental Health Hub for this region.

Expenses

- The Salaries, Benefits and Operating Costs are directly tied to the Revenue sources/lines outlined above.

Submitted by:

Paula Stewart, MOH/CEO and Jackie Empey, Business Manager, November 21, 2019

LEEDS, GRENVILLE AND LANARK DISTRICT HEALTH UNIT			
General Public Health Programs			
STATEMENT OF EXPENSES - OPHS Standards			
2020 Budget			
	Ontario Public Health Standards and Others 2020	Other Programs & Services 2020	Total Ontario Public Health Standards & Other 2020
REVENUE			
Municipal Levies	\$ 3,414,847		\$ 3,414,847
Reserve Income	30,000		30,000
Ministry of Health PH Funding	8,544,268	\$ -	8,544,268
Ontario Seniors Dental -	835,700		835,700
Ministry of Health - one time Funding Def	-		-
Influenza Grants	250		250
Meningitis Grants	12,000		12,000
HPV Grants	18,000		18,000
Allocations Recovered		78,283	78,283
Rental Income		19,558	19,558
Food Handlers Courses	36,000		36,000
Interest Revenue	7,500		7,500
Purchase/Sale Vaccine		50,000	50,000
Sale of Contraceptives	30,000		30,000
Ontario Works Revenue	-	162,000	162,000
Project Mental Health Hub	-	110,016	110,016
Triple P	13,452	-	13,452
Walking School Bus Fund	14,126		14,126
North Grenville Active School Travel	13,000		13,000
St. Lawrence College	10,000		10,000
Radon Project	15,000		15,000
Other Revenue	5,000		5,000
TOTAL REVENUE	\$ 12,999,143	\$ 419,857	\$ 13,419,000
EXPENSES			
Salaries/Wages	\$ 8,349,319	183,828	\$ 8,533,147
Benefits	2,337,811	51,471	2,389,282
TOTAL SALARIES/BENEFITS	\$ 10,687,130	\$ 235,299	\$ 10,922,429
Purchased Services	\$ 199,148	150,000	\$ 349,148
Travel/Mileage/Training	309,857	0	309,857
Materials & Supplies	620,655	15,000	635,655
Building/Occupancy Costs	383,644	19,558	403,202
GENERAL OPERATING EXPENSES	\$ 1,513,304	\$ 184,558	\$ 1,697,862
Seniors Dental Program Purchased Services	798,709	\$ -	798,709
TOTAL EXPENSE	\$ 12,999,143	\$ 419,857	\$ 13,419,000
SURPLUS (DEFICIT)	\$ (0)	\$ (0)	\$ (0)