

HU2.1

Impact of Provincial Budget Announcement

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April 11, 2019 Provincial Budget Announcement

Recap Changes to Public Health

- Adjusting provincial-municipal cost-sharing of public health funding
- Establishing 10 regional public health entities and 10 new regional boards of health with one common governance model by 2020-2021
- Projecting annual savings of **\$200 million** by 2021-2022 through regionalization and governance changes to public health units
- Investment of **\$90 million** for new dental program for low-income Ontario seniors

April 18, 2019 Discussion with MOHLTC

Provincial-Municipal Cost-Sharing Formula Confirmed

- Provincial/Municipal cost shared funding formula with the Ministry of Health and Long Term Care (MOHLTC) is changing for Toronto from **75%/25%** and **100%** funded programs to:
 - o 2019/2020: **60%** provincial/**40%** municipal effective April 1, 2019
 - o 2020/2021: **60%** provincial/**40%** municipal effective April 1, 2020
 - o 2021/2022: **50%** provincial/**50%** municipal effective April 1, 2021

May 27, 2019 Provincial Reprieve Announcement

For the Ministry of Health and Long Term Care Programs

- Maintain in-year funding arrangements
 - o 75% provincial / 25% municipal
 - o 100% provincial funded
- Municipalities are expected to use this “reprieve” to work with the Government of Ontario to transform critical shared public services and find the efficiencies that will ensure their sustainability

To Be Negotiated/Confirmed with the MOHLTC

- \$190 million provincial funding envelope for 2019-2020, comprised of
 - o \$43 million – City's share of Cost Shared Programs
 - o \$129 million – Provincial share of Cost Shared Programs
 - o \$18 million – Provincial 100% Funded Programs
- Proposed reduction to Toronto's provincial funding envelope from \$190 million to \$170 million effective April 1, 2020
- Proposed change to the provincial/municipal cost sharing model

- Provincial Low-Income Seniors' Dental Program
 - o ~\$15.5 million in funding allocated to Toronto for 2019-2020
 - o Province is holding working sessions; program details are forthcoming
- Provincial Technical Tables
 - o City Manager designated the Medical Officer of Health to be the lead represent for Toronto at the City of Toronto Public Health Technical Table
- City Manager to lead a Value Based Outcome Review as part of the 2020 Budget Process

Financial Pressure

- Based on last available information from the MOHLTC, the estimated financial pressure is \$4 million gross and \$0.8 million net
 - o \$3.5 million gross and \$0.8 million net stemming from the proposed cap of \$190 million for the provincial funding envelope; and
 - o \$0.5 million gross and \$0 net related to our Supervised Consumption Service which remains under review by the Province

Response to Date

- Hold on discretionary expenditures like stationery, office supplies, furniture, conferences, seminars, training and development, and advertising and promotion activities.

Financial Pressure Estimates

- Pressure ranges from \$19 - \$70 million for 2020:
 - o \$19 million if Province caps funding at \$170 million commencing April 1, 2020 **and** the City increases its contribution to public health to maximize the \$170 million provincial cap
 - o \$70 million if the Province caps funding at \$170 million commencing April 1, 2020 **and** the City is unable to increase its contribution to public health beyond the \$43 million approved in the 2019 City Council Approved Operating Budget.

Strategies to Address 2020 Financial Pressure

- Provincial Low Income Seniors' Dental Program
- New Revenue Tools

Provincial Low Income Seniors' Dental Program

- Re-invest 100% City budget for low income Seniors' dental program into other public health programs
- Savings estimated to be in the range of \$4 – 6 million annually.
- Re-investing the savings would reduce the financial pressure on public health by \$8 – 15 million depending on the change to the provincial-municipal cost-sharing funding model.

New Revenue Tools

- Identify opportunities for new revenue sources

Questions and Answers

