

HL20.3 - Attachment 1



OPERATING VARIANCE SUBMISSION FOR THE SIX MONTHS ENDED JUNE 30, 2020

OVERVIEW

TITLE **TORONTO PUBLIC HEALTH**

YEAR-TO-DATE AT JUNE 30, 2020

	YEAR-TO-DATE					
	BUDGET	SAP ACTUALS	ACTUAL ADJUSTMENTS	ADJUSTMENTS + SAP ACTUALS	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	115,338.9	106,518.4	1,891.9	108,410.3	(6,928.6)	(6.0%)
Revenue	87,126.0	78,538.4	1,757.5	80,295.9	(6,830.1)	(7.8%)
NET EXPENDITURE	28,212.9	27,980.0	134.4	28,114.4	(98.5)	(0.3%)

APPROVED COMPLEMENT

	APPROVED COMPLEMENT - YTD			
	COMPLEMENT	STRENGTH	VARIANCE OVER/(UNDER)	
	No.	No.	No.	%
Operating Positions	1,911.2	1,713.7	(197.5)	(10.3%)
Capital Positions	10.0	2.0	(8.0)	(80.0%)
Total Positions	1,921.2	1,715.7	(205.5)	(10.7%)

PROJECTIONS TO YEAR-END

	PROJECTIONS TO YEAR-END			
	BUDGET	ACTUAL	VARIANCE OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	270,640.5	273,913.4	3,272.9	1.2%
Revenue	199,811.4	198,008.5	(1,802.8)	-0.9%
NET EXPENDITURE	70,829.2	75,904.9	5,075.7	7.2%

APPROVED COMPLEMENT

	APPROVED COMPLEMENT - YEAR END			
	COMPLEMENT	STRENGTH	VARIANCE OVER/(UNDER)	
	No.	No.	No.	%
Operating Positions	1,911.2	1,838.7	(72.5)	(3.8%)
Capital Positions	10.0	2.0	(8.0)	(80.0%)
Total Positions	1,921.2	1,840.7	(80.5)	-4.2%

Signature – Head of Program/Agency/Board/Commission

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH (TPH)

YEAR-TO-DATE AT JUNE 30, 2020

A. Variance Explanation

I. Gross Expenditures

There is a favourable variance of \$6,928.6 thousand gross (6.0 percent) in Gross Expenditures attributed to underspending in Salaries and Benefits (\$4,552.7 thousand) and non-payroll expenditures (\$2,375.9 thousand).

The favourable variance of \$6,928.6 (6.0 percent) is attributed to:

- recruitment plans and purchase of services contracts for the implementation of the Ontario Seniors Dental Care Program have been suspended which accounts for \$4,488.0 thousand of the variance.
- the suspension of TPH programs and services during the COVID-19 pandemic particularly as a number of these programs are delivered in settings that have been closed, in keeping with provincial regulations; this included settings such as schools, dental clinics, community settings and facilities, and civic centres. Approximately 65 percent of TPH employees have been redeployed to response to the COVID-19 pandemic.

Toronto Public Health's total gross expenditure variance of \$6,928.6 thousand (6.0 percent) is comprised of underspending of \$1,699.6 thousand in Ministry of Health cost shared programs and 100 percent City funded programs; \$4,668.7 thousand in 100 percent provincially funded programs predominately for the Ontario Seniors Dental Care Program, and \$560.3 thousand in Capital and other funded programs.

II. Revenue

Actual revenue is under budget by \$6,830.1 thousand (7.8 percent) mainly due to lower recoverable costs from the Province and other sources.

**OPERATING VARIANCE SUBMISSION
FOR THE SIX MONTHS ENDED JUNE 30, 2020**

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH (TPH)

III. Complement and Strength

1,921.2 positions were approved in TPH's Operating Budget, of which 1,715.7 positions were filled and 205.5 positions are vacant.

As of June 30, 2020, 1,106 or 65 percent of the TPH's staff were redeployed to support TPH's response to the COVID-19 pandemic. In addition, TPH has recently hired over 100 temporary Public Health Nurses to support case and contact tracing.

PROJECTIONS TO YEAR END

At year end, TPH gross expenditures are projected to be overspent by \$3,272.9 thousand gross (1.2 percent). The explanation of Year- end projected Gross and Revenue variance is explained below:

- extraordinary expenses in response to COVID-19 pandemic of \$27.1 million is comprised of \$24.5 million for salary and benefits and \$ 2.6 million in non-payroll. The \$24.5 million in salary and benefits extra-ordinary costs is composed of \$16.6 million for overtime, and shift bonus for staff and \$7.9 million for additional staff to support COVID-19 case and contact tracing.
- The extraordinary expenses is offset by \$23.8 million in savings resulting from vacant positions due to retirements and hiring slowdown and savings from the suspension of several TPH programs as a result of public health measures implemented to mitigate COVID-19 spread. Of the \$23.8 million in savings, \$7.6 million results from the delayed implementation of 100 percent provincially funded Ontario Senior Dental Care Program.
- The Province has signaled that additional revenue will be provided to offset the over expenditures and the shortfall from other revenues, currently projected at \$5,075.7 thousand. The Ministry of Health has indicated that extraordinary costs in response to the COVID-19 pandemic that are over and above the Provincial grant will be fully funded by the Province. Revenue projections will be adjusted to reflect any additional funding received from the Province as part of future period variance reports.

EXPLANATIONS / COMMENTARY

TORONTO PUBLIC HEALTH (TPH)

B. Concise Summary for Inclusion in the Consolidated Corporate Report

As of June 30, 2020, TPH gross expenditures were underspent by \$6,928.6 thousand gross (6.0 percent) and revenues were underachieved by \$6,830.1 thousand (7.8 percent), resulting in a net favourable variance of \$98.5 thousand (0.3 percent). The favourable variance reflects the impact of the COVID-19 pandemic on TPH's budget as efforts have been redeployed to support TPH's response.

At year end, TPH is expected to be over budget by \$5.1 million as TPH anticipates incurring additional costs by continuing to increase resources deployed to respond to the COVID-19 pandemic and revenue shortfalls from user fees and other recoveries. The Ministry of Health has indicated that extraordinary costs in response to the COVID-19 pandemic that are over and above the Provincial grant will be fully funded by the Province.

C. Impact of Variances

TPH is taking the necessary actions, in consultation with the Province of Ontario, other public health units and experts with the public health sector to protect the citizens of Toronto and reduce the risk of spreading the COVID-19 virus in the community.

D. Corrective Action

On April 23, 2020, Ministry of Health issued a memo outlining their commitment to invest up to \$100 million for the public health sector which includes the 34 public health units, Public Health Ontario and the assessment centres. Public Health units are expected to apply for reimbursement of one time extraordinary expenses related to managing the response to COVID-19 global pandemic. Reimbursement of expenses will be made by the Province at 100 percent after exhausting the approved provincial grant.

E. Others



OPERATING VARIANCE SUBMISSION
FOR THE SIX MONTHS ENDED JUNE 30, 2020

ADJUSTMENT WORKSHEET
(\$000s)

TITLE TORONTO PUBLIC HEALTH

YEAR-TO-DATE AT JUNE 30, 2020

	YTD ACTUAL	ADJUSTMENT	ADJUSTED ACTUAL
Gross Expenditure	106,518.4	1,891.9	108,410.3
Revenue	78,538.4	1,757.5	80,295.9
NET EXPENDITURE	27,980.0	134.4	28,114.4

Adjustment Details:

(major items only)

Gross Expenditure:

Separation Pay Carryforward	1,689.0
IDC - CREM	203.0
	<u>1,891.9</u>

Revenue:

Revenue to balance with expenses.	<u>1,757.5</u>
-----------------------------------	----------------

Net Expenditure: 134.4