

Toronto Public Health Operating Budget Variance - Twelve Months Ended December 2020

Date: April 25, 2021

To: Board of Health

From: Medical Officer of Health

Wards: All

SUMMARY

This report provides an update to the Board of Health on the Toronto Public Health (TPH) Operating Budget Variance for the twelve months ended on December 31, 2020.

As of December 31, 2020, TPH's net expenditure was under budget by \$8.8 million (12.3 percent).

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. The Board of Health receive this report for information.

FINANCIAL IMPACT

As of December 31, 2020, Toronto Public Health's (TPH) gross expenditure was lower than budgeted by \$9.9 million (3.5 percent), revenue was lower than budgeted by \$1.1 million (0.5 percent), resulting in a net favourable variance of \$8.8 million (12.3 percent).

The variances reflect the impact of the COVID-19 pandemic on TPH's budget from the suspension of mandatory and City-funded programs and services, as approximately 80 percent of TPH resources were redeployed to the COVID-19 response. These costs as well as the additional costs incurred to increase resources deployed to respond to the COVID-19 pandemic and revenue shortfalls from user fees and other recoveries were fully funded by the Ministry of Health.

DECISION HISTORY

On July 28, 2020, City Council requested the City Manager to engage the Public Health Agency of Canada, Public Health Ontario, and the Ontario Ministry of Health to support Toronto Public Health's work on the establishment of a volunteer isolation/quarantine centre system as well as other methods to achieve effective isolation for individuals who are unable to safely and effectively isolate at home.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.HL18.1>

At its meeting on June 29-30, 2020, City Council approved an increase to Toronto Public Health's 2020 Operating Budget by \$1.4 million gross and net for 2020 Cost of Living adjustment for Local 79 Union members.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC22.4>

At its meeting on June 29-30, 2020, City Council also approved an increase to Toronto Public Health's 2020 Operating Budget by \$0.07 million gross and zero net in order to receive a Planning and Dissemination Grant from the Canadian Institutes of Health Research for implementing Urban Health Policy related to active transport and design of public spaces.

<https://www.toronto.ca/legdocs/mmis/2020/ex/bqrd/backgroundfile-149154.pdf>

At its meeting on February 14, 2020, City Council approved a Toronto Public Health 2020 Operating Budget of \$269.2 million gross and \$69.4 million net.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX13.2>

COMMENTS

As of December 31, 2020, Toronto Public Health's (TPH) 2020 approved Operating Budget was \$280.7 million gross and \$70.9 million net, an increase of \$11.5 million gross and \$1.4 net million from the budget approved by City Council on February 14, 2020 as outlined in Table 1.

Table 1 - Increase to Toronto Public Health's 2020 City Council Approved Budget
(\$ Millions)

	GROSS EXPENDITURE BUDGET	REVENUES	NET
City Council Approved Budget - Feb 2020	269.2	199.7	69.5
Increased to the 2020 Budget:			
Toronto Voluntary Isolation Centre	5.0	5.0	-
Public Health Nurses - Schools Program	4.2	4.2	-
One-time Funding for Provincial Case and Contract Management	0.2	0.2	-
One-time Funding for Infant Hearing Program	0.6	0.6	-
Non-Union COLA and Benefits	1.4	-	1.4
Other	0.1	0.1	-
City Council Approved Budget - Dec 2020	280.7	209.8	70.9

As of December 31, 2020, actual gross expenditures were lower than budgeted by \$9.9 million (3.5 percent) and actual revenue was lower than budgeted by \$1.1 million (0.5 percent). This resulted in a net favourable variance of \$8.8 million (12.3 percent) for the City of Toronto as outlined in Table 2.

Table 2 - Net Expenditure Variance
(\$ Millions)

	BUDGET	ACTUAL	VARIANCE	
			OVER / (UNDER)	
Gross Expenditure	280.7	270.8	(9.9)	(3.5%)
Revenue	209.8	208.7	(1.1)	(0.5%)
Net Expenditure	70.9	62.1	(8.8)	(12.3%)

Expenditures:

COVID-19 Extraordinary Expenses

Toronto Public Health incurred expenses in the amount of \$40.0 million related to the COVID-19 Response:

- \$32.8 million for salaries, benefits and overtime for redeployed and newly hired staff; and
- \$7.2 million in non-payroll expenses.

The COVID-19 expenses did not result in an over expenditure as previously anticipated and reported to the Board of Health as a result of:

- an increase in funding from the province to support the hiring of additional public health nurses for school reopening;
- the funding provided by the Ministry of Children, Community and Social Services (MCCSS) for the MCCSS staff redeployed to the Response up to December 31, 2020 versus September 30, 2020 as originally expected; and
- additional savings achieved in non-payroll expenses as programs and services continued to be suspended up to December 31, 2020.

Gross Expenditure Variance

The favourable variance of \$9.9 million gross (3.5 percent) in Gross Expenditures is attributed to underspending in Salaries and Benefits (\$2.4 million) and non-payroll expenditures (\$7.5 million) stemming from the following programs and services:

- \$4.4 million from the Ontario Seniors Dental Care Program reflecting changes in program delivery to be in compliance with public health measures such as limiting capacity in the clinics;
- \$2.7 million from the Toronto Voluntary Isolation Centre reflecting a slower than anticipated uptake of the service;
- \$1.8 million from the Public Health Nurses Schools Program reflecting an increase in demand for public health nurses across the GTHA which affected the timely hiring of new staff; and
- \$1.0 million from the suspension of Capital Projects as resources were deployed to support the Response.

Revenues:

Revenues were underachieved by \$1.1 million (0.5 percent) as outlined in Table 3.

Table 3 - Revenue Variance
(\$ Millions)

	VARIANCE
Revenue Reduction:	
Ontario Seniors Dental Care Program	(11.5)
Public Health Nurses - Schools Program	(2.7)
Lower user fees from various programs (Food Handlers, Vaccination Doses Program and City Dental Clinics)	(1.8)
Lower Interdivisional revenues from Employment and Social Services	(1.3)
Suspension of Capital Projects	(1.0)
Offset by Revenue Increases:	
Increase in One-Time Mitigation Funding Related to Public Health Modernization	4.5
Funding at 100% for COVID-19 Extra-ordinary Costs from the Ministry of Health	12.7
Revenue Variance	(1.1)

CONTACT

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SIGNATURE

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