

Toronto Public Health Operating Variance for the Six Months Ended June 30, 2025

Date: September 4, 2025
To: Board of Health
From: Acting Medical Officer of Health
Wards: All

SUMMARY

This report provides an update to the Board of Health on the Toronto Public Health (TPH) Operating Variance for the six months ended on June 30, 2025.

As of June 30, 2025, TPH's gross expenditure was underspent by \$19.3 million and revenue was underachieved by \$13.6 million, resulting in a favourable net variance of \$5.7 million.

At year end, TPH's gross expenditure is projected to be underspent by \$28.3 million, while revenue is expected to be underachieved by \$13.7 million. As a result, net expenditure will be under budget by \$14.5 million.

RECOMMENDATIONS

The Acting Medical Officer of Health recommends that:

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

FINANCIAL IMPACT

TPH will request a budget adjustment to increase its 2025 Operating budget by \$8.3 million gross and net to reflect the transfer of 2025 cost-of-living allowance that is allocated to TPH from Non-Program through City of Toronto's Q2 variance report process.

When adjusted for the 2025 cost-of-living allowance budget, TPH's net year-to-date variance was favorable by \$5.7 million or 19.2 percent. Net year-end variance is

projected to be favorable by \$14.5 million or 15.5 percent. These variances are mainly due to underspending in mandatory cost-shared programs from reinitiation of paused programs, primarily within Community Health and Wellbeing (CHW) including Chronic Disease and Injury Prevention.

There are no financial impacts associated with adoption of this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on February 11, 2025, City Council deemed adopted Item MPB27.1 "2025 Operating and Capital Budget" and approved a 2025 Operating Budget of \$288.6 million gross and \$85.7 million net.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MPB27.1>

On March 26 and 27, 2025, Council adopted item 2025.EX21.8 to increase \$5.0 million gross, \$0 net in the 2025 Operating Budget for the City Manager's Office to expand the school food program. [Agenda Item History - 2025.EX21.8](#)

At its meeting on July 23, 2025, City Council adopted the item EX25.10 "Operating Variance Report for the Four Months Ended April 30, 2025". As part of this report, the 2025 Operating Budget for Toronto Public Health (TPH) was reduced by \$2.646 million gross and \$0 net to reflect an in-year transfer of thirty-five (35) positions from TPH to Toronto Shelter and Support Services (TSSS), effective April 1st, 2025. This adjustment was made to facilitate transfer of part of the Harm Reduction Program, which provides supports to people experiencing homelessness in Toronto.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX25.10>

At its meeting on July 23, 2025, City Council adopted the item EX25.10 to increase the 2025 Operating Budget for Toronto Public Health by \$5.0 million gross and \$0 net to reflect an in-year transfer of funding from the City Manager's Office to implement the expansion of school food programs to new school communities and to enhance existing programs in schools.

[Agenda Item History - 2025.EX25.10](#)

COMMENTS

As of June 30, 2025, when adjusted for the 2025 cost-of-living allowance budget, TPH's 2025 Approved Operating Budget was \$297.9 million gross and \$93.9 million net.

On June 30, 2025, gross expenditure was lower than budget by \$19.3 million (16.5 percent) and revenue was lower than budget by \$13.6 million (15.5 percent), resulting in a favourable net expenditure variance of \$5.7 million (19.2 percent).

	Year To Date, as of June 30, 2025				Projection to December 31, 2025			
	Budget	Actual	Variance		Budget	Forecast	Variance	
			Over/(Under)				Over/(Under)	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	117,289.0	97,960.9	(19,328.1)	(16.5)	297,918.9	269,625.5	(28,293.4)	(9.5)
Revenue	87,512.2	73,906.4	(13,605.9)	(15.5)	203,955.2	190,205.5	(13,749.7)	(6.7)
Net Expenditure	29,776.8	24,054.5	(5,722.3)	(19.2)	93,963.7	79,420.0	(14,543.7)	(15.5)

Explanations of the variances in gross expenditure and revenue are outlined below.

Year to Date: Gross Expenditure and Revenue (June 30, 2025)

Gross Expenditure

As of June 30, 2025, TPH's gross expenditures were underspent by \$19.3 million (16.5%). Under expenditures were attributed to underspent salaries and benefits (\$14.3 million) and non-payroll expenditures (\$5.0 million).

The under-spending of \$19.3 million is predominantly due to:

- \$15.3 million in under-spending primarily in cost-shared programs within Community Health and Wellbeing (CHW) including Chronic Disease and Injury Prevention. Efforts to accelerate hiring, scale programs and introduce new service modalities and technologies continue in the second half of the year.
- \$4.2 million in under-spending due to adjustments to staffing levels, re-alignment of certain functions to other public health priorities, and allocation of vacancies in the Ontario Seniors Dental Care Program (OSDCP), entirely funded by the Ministry of Health (MOH). This under-spending is mainly due to staffing shortages in the first half of the year. Recruitment efforts and an increase in OSDCP services delivered by external contracted partners are expected to reduce under-spending in the second half of the year.
- \$0.3 million in underspending from the Healthy Babies Healthy Children (HBHC program), which is fully funded by the provincial government. The program received a \$1.6 million dollar increase to its 2024-2025 HBHC program budget. Under-spending is a result of delays in hiring including for a team to deliver client service outside of current service hours. Actions continue to accelerate hiring and expand after-hours service.
- \$0.5 million in over-spending from \$0.6 million in over-spending by City Dental Clinics to prioritize school-based dental screenings in the first half of the year. This

was partially offset by \$0.1 million in under-spending in other programs.

Revenue

Actual revenues were under achieved by \$13.6 million (15.5 percent) attributed to lower cost recoveries for: cost-shared programs (\$9.2 million); Ontario Seniors Dental Care Program (OSDCP) (\$4.1 million); Healthy Babies Healthy Children program (HBHC) (\$0.1 million); and other programs (\$0.2 million).

Year End Forecast: Gross Expenditure and Revenue (December 31, 2025)

Gross Expenditure

At year-end, TPH's gross expenditures are projected to be underspent by \$28.3 million (9.5 percent). This underspend is attributed to underspent salaries and benefits (\$20.1 million) and non-payroll expenditures (\$8.2 million).

The projected under-spending of \$28.3 million is predominantly due to:

- \$25.6 million in savings related to cost-shared programs.
- \$1.4 million in savings related to the Healthy Babies and Healthy Children (HBHC) program.
- \$1.3 million in savings related to other 100% funded programs, including \$0.4 million from City dental clinics (City-funded), \$0.3 million from Ontario Seniors Dental Care Program (OSDCP) (provincially-funded), and \$0.6 million from other funded programs.

Revenue

Year-end projected revenues are anticipated to be under achieved by \$13.7 million (6.7%). This shortfall is due to lower cost recoveries from: cost-shared programs (\$12.4 million), Healthy Babies and Healthy Children (HBHC) program (\$1.1 million), and other programs (\$0.2 million).

Strategic Impact

Toronto Public Health's 2025 Operational Budget advances all priorities of the Toronto Public Health Strategic Plan 2024-2028.

CONTACT

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SIGNATURE

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