

Toronto Public Health Operating Budget for the Year Ending on December 31, 2025

Date: March 12, 2026

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 Operating Budget variance for the year ending on December 31, 2025.

As of December 31, 2025, TPH's gross expenditures were underspent by \$41.4 million, while revenues were underachieved by \$26.2 million, resulting in a favourable net variance of \$15.2 million.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

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

FINANCIAL IMPACT

As of December 31, 2025, Toronto Public Health's 2025 approved Operating Budget was \$301.5 million gross and \$94.0 million net. As of December 31, 2025, Toronto Public Health's gross expenditures were underspent by \$41.4 million (13.7 per cent) while revenues were underachieved by \$26.2 million (12.6 per cent), resulting in a net favorable variance of \$15.2 million (16.0 per cent). The net favorable variance was mainly driven by underspending in mandatory cost-shared programs from scaling up of redesigned programs in response to community needs and partner engagement, as well as modernizing interventions, primarily within Community Health and Wellbeing (CHW) programs.

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.

<https://secure.toronto.ca/council/agenda-item.do?item=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 the transfer of a portion 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.

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

At its meeting on October 8 and 9, City Council adopted a recommendation resulting in the transfer of 2025 Non-Union cost-of-living allowance budget of \$1,085.6 thousand and Union cost-of-living allowance budget of \$7,172.5 thousand to TPH from non-program.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX26.4>

At its meeting on December 16 and 17, 2025, City Council adopted an increase for Toronto Public Health's 2025 Operating Budget by \$3,592.2 thousand gross, \$0 net a one-time funding provided by the Province of Ontario for the Homelessness and Addiction Recovery Hub (HART Hub) implementation.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX28.13>

COMMENTS

As of December 31, 2025, Toronto Public Health's 2025 approved Operating Budget was \$301.5 million gross and \$94.0 million net. On December 31, 2025, gross expenditures were underspent by \$41.4 million (13.7 per cent) and revenues were underachieved by \$26.2 million (12.6 per cent), resulting in a net favorable variance of \$15.2 million (16.1 per cent) as outlined in the following table.

	As of December 31, 2025			
	Budget	Actual	Variance Over / (Under)	
	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditures	301,511.1	260,105.3	(41,405.8)	(13.7%)
Revenues	207,547.5	181,293.4	(26,254.1)	(12.6%)
Net Expenditures	93,963.6	78,812.0	(15,151.7)	(16.1%)

Explanations of the variances in gross expenditures and revenues are outlined below.

Gross Expenditures

As of December 31, 2025, Toronto Public Health's (TPH's) gross expenditures were underspent by \$41.4 million (13.7%). Expenditure underspend was attributed to underspent salaries and benefits (\$28.3 million) and non-payroll expenditures (\$13.1 million).

More specifically, the under-spending of \$41.4 million is primarily due to:

- \$33.6 million in under-spending primarily in cost-shared programs within Community Health and Wellbeing (CHW) from scaling up of redesigned mandatory programs in response to community needs and partner engagement, as well as modernizing interventions. Efforts to accelerate hiring, scale programs and introduce new service modalities and technologies continue in 2026.
- \$3.9 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 reduced under-spending in the second half of the year.
- \$2.3 million in savings from the Downtown Homelessness and Addiction Recovery Treatment (HART) Hub due to timing of receiving funding partway through the fiscal year. When the program started, there were delays in nurse recruitment and retention challenges, for both TPH and third-party provider, resulting in lower operational spending overall.

- \$1.9 million in underspending from the Healthy Babies Healthy Children (HBHC) program, which is fully funded by the provincial government. Program received a \$1.6 million increase to its 2024/2025 HBHC program budget. Under-spending is a result of delays in hiring including for an after-hours team. Progress was made in Q4 of 2025 with a large number of permanent staff joining the HBHC program. Accelerated hiring will continue in 2026. Significant progress was also made to expand service to after-hours, including the hiring of an after-hours team. It is anticipated that the after-hours team will launch in Q1 2026, increasing service access to families in need.
- \$0.3 million in over-spending related to City dental clinics (\$0.4 million), partially offset by under-spending from other programs (\$0.1 million).

Revenues

Actual revenues were underachieved by \$26.3 million (12.6 percent), primarily due to lower cost recoveries in cost-shared programs (\$18.6 million), the Healthy Babies Healthy Children (HBHC) program (\$1.5 million), the Ontario Seniors Dental Care Program (OSDCP) (\$3.7 million), and the Downtown Homelessness and Addiction Recovery Treatment (HART) Hub startup recoveries (\$2.3 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

Myuran Palasandiran, Director, Operations and Business Services, Toronto Public Health, 416-338-7840, Myuran.Palasandiran@toronto.ca

SIGNATURE

Dr. Michelle Murti
Medical Officer of Health