



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer
Dr. Alexander Summers, Medical Officer of Health

DATE: 2023 September 14

2023 FUNDING UPDATE

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 14-23FFC re: “2023 Funding Update” for information.

Key Points (from the August 29th announcement):

- Base funding will increase by 1% annually from 2023 to 2026.
- Ministry will return to a 75/25 funding ratio with local Municipalities.
- Seniors Dental funding will increase by \$1.3 million from \$2,191,500 to \$3,491,500.
- One-time funding for COVID-19 and School Focused Nurses Initiative will end in 2023.
- Capital: there is \$145,400 of new funding available to expand Seniors Dental operatories at the Citi Plaza location.
- The 2023 *Accountability Agreement* is attached as [Appendix A](#).

Background

At the 2023 Association of Municipalities of Ontario (AMO), the Minister of Health announced a strategy to strengthen public health which included some of the highlights mentioned in the key points above.

On August 29th, the Health Unit received the 2023 approved funding in the form of the Accountability Agreement.

Base Funding

2023: 1% increase prorated from April to December. The base was reset from \$20,004,600 to \$20,204,700 which includes the full 1% increase.

2024 to 2026: will see a 1% annual increase for each year.

2023 Budget: [Additional funding of \\$150,075.](#)

75/25 Funding Ratio

It is unclear as to whether the Ministry will recalculate this or provide the original Mitigation Funding as the other 5% (the Mitigation Funding was calculated in 2018 at 5% to represent the difference between funding ratios of 75/25 and 70/30, and has not been adjusted for inflation since).

2024 to 2026: At minimum, the Mitigation Funding of \$1,361,300 will remain and become a part of Mandatory Program funding and subject to the annual 1% increase.

2023 Budget: [No impact as Mitigation funding was previously confirmed in 2022 for the 2023 budget.](#)

Seniors Dental

2023: \$1.3 million increase prorated from April to December at \$975,000. The base will change from \$2,191,500 to \$3,491,500.

2024 to 2026: It is unclear if there will be inflationary adjustments to the base of \$3,491,500.

2023 Budget: Funding is less than budgeted. Funding \$3,166,500 vs Budget \$3,693,148. Minimal concern with 2023 as year to date spending at August 31st is \$1,521k. However, the annual budget will need to be reviewed as base funding is \$201,648 less than the 2023 budget.

COVID-19 and School Focused Nurses Initiative

COVID-19: Extraordinary Expense funding continues for 2023 and will be based on actual spend. This information was previously available, and the Health Unit is taking it under consideration when building future budgets.

School Focused Nurses Initiative: The annual budget was submitted at \$1,415,572 or \$707,786 till June 30th (when the program officially ended). Ministry confirmed funding at \$550,000. Actual year to date spending is \$781k, generating a shortfall of \$231k.

2023 Budget: Short fall of \$158k to be funded from Base Funding. The Health Unit will seek Ministry approval to fund this shortfall through COVID-19 Extraordinary Expense funding for 2023.

Capital Funding

The funding announcement included a one-time \$145,400 of new funding available to expand Seniors Dental operatories at the Citi Plaza location. This funding is available until March 31, 2024.

2023 Budget: No impact to the operating budget.

2023 Funding Summary Impact to Budget

+ \$150,075	Shared Funded Programs. 1% prorated increase to base funding.
- \$684,434	100% Funded Programs. Seniors Dental short \$526k and SFNI short \$158k.
+ \$145,400	Capital. New funding for Citi Plaza Seniors Dental operatories expansion.

Next Steps

Staff will request Ministry approval to fund the School Focused Nurses Initiative shortfall (\$231,260) using COVID-19 funding for 2023.

This report was prepared by the Finance Team, Healthy Organization Division.



Emily Williams, BScN, RN, MBA, CHE
Chief Executive Officer



Dr. Alexander Summers, MD, MPH, CCFP, FRCPC
Medical Officer of Health