

TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 February 18

2016 PROPOSED BUDGET

Recommendation

It is recommended that the Board of Health:

- 1) Approve the 2016 Operating Budget in the gross amount of \$34,865,737 as appended to Report No. 008-16 re: 2016 Proposed Budget; and further*
- 2) Forward Report No. 008-16 to the City of London and the County of Middlesex for information; and*
- 3) Direct staff to submit the 2016 Operating Budget in the Ministry of Health and Long-Term Care's Program Based Grant format, or whatever format the provincial funder requires.*

Key Points

- The proposed 2016 budget and Planning & Budgeting Templates were developed with an estimated 2% increase in Mandatory Program funding from the MOHLTC, and a 0% change from the City of London and the County of Middlesex. The budget also includes other known or potential funding sources from the Public Health Agency of Canada (PHAC), Ministry of Health and Long-Term Care (MOHLTC – 100%), Ministry of Children & Youth Services (MCYS – 100%), and other revenues.
- The overall 2016 Proposed Budget as presented in [Appendix B](#) is decreasing by \$546,710 or 1.5% year over year due to the upload of dental claims administration to the MOHLTC.

Background

The 2016 Proposed Budget has been developed using an integrated approach where program planning and budgeting activities are aligned to mitigate against risk of unplanned expenditures and to support optimal allocation of resources to key initiatives. This approach uses a combination of “Program Budgeting and Marginal Analysis” [PBMA] and Planning & Budgeting Templates to bring together both planning and program information.

Program Budget Marginal Analysis

This is a process that transparently applies pre-defined criteria (See [Report No. 19-15FFC](#) for 2016 criteria) to prioritize where proposed decreases or increases could be made, to facilitate “reallocation of resources based on maximizing the value of services across the four principles of the Ontario Public Health Standards [OPHS] (Need, Impact, Capacity, and Partnerships/Collaboration).” Attached as [Appendix A](#), are the recommended PBMA proposals for dis-investment, re-investment and one-time investments. The proposals were reviewed by the Finance & Facilities Committee at its December 3, 2015 meeting ([Report No. 31-15FFC](#)) and have been incorporated into the proposed 2016 planning & budgeting templates for Board of Health approval.

Planning & Budgeting Templates

The Planning & Budgeting Templates provide both planning & budgeting information and are meant to increase transparency and provide additional program information for the Board to make informed resource allocation decisions. Over two Finance & Facilities Committee meetings the members reviewed the Planning & Budget Templates for Human Resources & Corporate Strategy; Information Technology; Oral Health, Communicable Disease and Sexual Health Services; Office of the Medical Officer of Health; Finance & Operations; Family Health Services; Environmental Health & Chronic Disease Prevention Services and General Expenses and Revenues.

2016 Proposed Board of Health Budget

At its meeting on October 1, 2015, the Finance & Facilities Committee reviewed [Report No. 023-15FFC](#) re 2016 Board of Health Budget – Financial Parameters. The report noted that the City of London is implementing a multi-year budget for the 2016-2019 term and the Board of Health Unit has been requested to consider a 0% or no change in funding over this period.

The Committee recommended that staff prepare a draft 2016 budget with a 0% municipal increase and a 2% increase in provincial funding for Mandatory Programs. A 2% provincial increase would provide \$325,612 in additional resources, however, it is expected that the MOHLTC will reduce the grant by \$252,064 for the uploading of the management of Children In Need of Treatment claims. The budget also includes other known or potential funding sources from the Public Health Agency of Canada (PHAC), MOHLTC – 100%, MCYS – 100%, and other revenues.

Attached as [Appendix B](#), is the 2016 Proposed Budget Summary that provides gross expenditures for the various programs and also provides a summary of revenue sources given the planned changes in the sources of funding.

As can be seen the Health Unit expenditures are planned to decrease overall by \$546,710 or 1.5% primarily due to the uploading the dental claims administration of the Health Smiles Ontario and Children In Need of Treatment programs.

Conclusion

The 2016 proposed budget is \$34,865,737 which represents a reduction of \$546,710 or 1.5% from the revised 2015 budget. The details of the program budgets are incorporated in the planning & budgeting templates attached as [Appendix B](#). A request for 0% or no change in funding was provided to the County of Middlesex and a request was submitted to the City of London with an estimated impact of 0% for the 2016-2019 period, assuming continued implementation of the provincial funding formula.

This report was prepared by Mr. John Millson, Associate Director of Finance.



Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health