



Windsor-Essex County Health Unit Board of Health

INFORMATION REPORT

SUBJECT: 2024 Budget

BACKGROUND

The WECHU is a publicly funded organization; as such, the WECHU has a responsibility to spend funds prudently with the objective of providing public health programs and services as required by the Health Protection and Promotion Act (HPPA) and the Ontario Public Health Standards: Requirements for Programs, Services, and Accountability (OPHS).

The WECHU receives funding in the following manner:

- The Province of Ontario, more specifically the Ministry of Health, annually grants the WECHU funding to a maximum of 75% of admissible expenditures for its Mandatory Program. In addition, the WECHU receives required contributions for the Corporation of the City of Windsor, the Corporation of the County of Essex, and the Corporation of the Township of Pelee (hereinafter collectively referred to as the Obligated Municipalities) at a minimum of 25% of admissible expenditures.
- The Ministry of Health annually provides grants for certain related health protection and promotion programs at a rate of 100% of admissible expenditures. More specifically this includes the Ontario Seniors Dental Care Program (OSDCP) and the Associate Medical Officer of Health (AMoH)/Medical Officer of Health (MoH) Compensation Initiative.
- The Ministry of Health annually provides grants for certain one-time program initiatives funded at a rate of 100% of admissible expenditures. Historically, this has included: Support for COVID-19 general and vaccination programs; Replacement of Vaccine Fridges; Small capital requests; etc.
- The Ministry of Children, Community and Social Services (MCCSS) provides annual grants to fund the Healthy Babies Healthy Children Program Initiative and the Nurse Practitioner Program Initiative at a rate of 100% of admissible expenditures. The operating budgets for programs funded by MCCSS will be reported to the Board of Health in a separate report in March of 2024 as the fiscal year for this program runs April through March annually.

Mandatory Program

The 2024 Budget contemplates the Programs and Services as outlined in the draft 2024 Annual Service Plan which will be included in the January 2024 Board of Health Meeting Package.

For the period January 1, 2024, to December 31, 2024, the proposed budgeted total net expenditures are **\$24,957,466**. Details of the financial statement captions that comprise the budgeted total net expenditures are follows:

	A	B	C	B+C=D	A-D=E	A-B=F
	2024	2023				
	Mandatory	Mandatory	COVID	Total	Change	Change
Salaries and employee benefits	20,583,385	19,213,856	4,931,638	24,145,494	- 3,562,109	1,369,529
Other operating expenditures:						
Association and membership fees	43,925	48,925		48,925	- 5,000	- 5,000
Mileage	274,905	254,925		254,925	19,980	19,980
Professional development	92,560	92,560		92,560	-	-
Travel and meetings	37,000	37,000	74,486	111,486	- 74,486	-
Advertising	3,000	3,600		3,600	- 600	- 600
Bank charges	7,500	6,000		6,000	1,500	1,500
Board	11,009	19,171		19,171	- 8,162	- 8,162
Office equipment rental	77,000	77,000		77,000	-	-
Office supplies	34,900	30,000		30,000	4,900	4,900
Postage and freight	25,600	35,000		35,000	- 9,400	- 9,400
Professional fees:						
Program – Dentistry	25,000	50,000		50,000	- 25,000	- 25,000
Program – Legal	15,000	15,000	25,000	40,000	- 25,000	-
Corporate – Legal	450,500	175,000		175,000	275,500	275,500
Corporate – Audit	16,100	15,500		15,500	600	600
Corporate – Consulting	6,800	6,700		6,700	100	100
Supplies:						
Programs	804,430	1,222,177	485,062	1,707,239	- 902,809	- 417,747
Corporate	855,908	717,257		717,257	138,651	138,651
Purchased services:						
Programs	150,875	110,054	61,565	171,619	- 20,744	40,821
Corporate	121,793	103,526		103,526	18,267	18,267
Building maintenance	169,100	161,500		161,500	7,600	7,600
Insurance	252,906	227,000		227,000	25,906	25,906
Parking	93,800	60,000		60,000	33,800	33,800
Property taxes	231,739	217,000		217,000	14,739	14,739
Rent	797,225	697,000		697,000	100,225	100,225
Security	35,110	38,298		38,298	- 3,188	- 3,188
Telephone	137,000	137,000	14,320	151,320	- 14,320	-
Utilities	141,500	148,000		148,000	- 6,500	- 6,500
Vehicle	4,700	3,700		3,700	1,000	1,000
Total other operating expenditures	4,916,885	4,708,893	660,433	5,369,326	- 452,441	207,992
Total budgeted expenditures	25,500,270	23,922,749	5,592,071	29,514,820	- 4,014,550	1,577,521
Less: Offset revenue	- 542,804	- 492,867		- 492,865	- 49,937	- 49,937
Total net expenditures	24,957,466	23,429,882	5,592,071	29,021,955	- 4,064,489	1,527,584

It is important to note that the 2023 WECHU Budget included \$5,592,071 in additional Provincial Ministry of Health funding for Covid-19 Response programming. It was just recently confirmed by the Province that PHU's should not plan to receive that funding for the 2024 year.

In the latter portion of August, the Ministry of Health announced the current 2023 operational year funding approval along with the following 2 years allotment. The new budgetary allotment for 2024 announced by the province incorporates the base funding for 2023 with the addition of one-time mitigation funding with a 1 % increase. Recognising quickly that the new provincial funding allotment does not support the current inflationary pressure of operations and union contracts (CUPE and ONA), the leadership at the WECHU performed a detailed program prioritization analysis to make decisions in an effort to further reduce expenses in the organization. These decisions, although based on evidence and evaluation, have significant programming and services consequences that reduce the WECHU's ability to meet certain aspects of the provincial OPHS. Although the COVID-19 Extraordinary Expense funding will no longer be provided by the Province, there continues to be pressures on the WECHU and other Ontario health units with regards to high rates of COVID-19 outbreaks in high risk congregate living settings, in addition to ongoing vaccine administration and distribution requirements, in particular to reach those most at risk in our community. These ongoing COVID-19 response activities require an increased staffing footprint to meet the needs of our community. In addition to the increased expectations of the COVID-19 response activities, other key factors in our community such as increases to local population levels, particularly in priority populations and an influx of asylum seekers, vaccine preventable disease clusters and outbreaks, increased rates of food insecurity, opioid overdoses, youth vaping and cannabis rates, and increasing rates of sexually transmitted and blood born diseases such as syphilis (including neurosyphilis cases for the first time in a decade). The following decreasing trends also pose a higher demand on WECHU resources, decreasing COVID-19 vaccination rates, poor rates of mental health in school aged children and youth, decreasing breastfeeding rates, and folic acid consumption during pregnancy. As these and other factors that affect the collective level of health of our community continue to worsen, in particular post pandemic, the WECHU continues to focus on our strategic priority of partnerships wherever possible in order reduce negative impact of shortfalls in programming and service in our community.

From a monetary perspective, please note that the proposed budget changes include:

- A total salaries and employee benefits decrease in 2024 of **14.5%** from 2023, with a valuation of **\$24,145,494** to **\$20,583,385** (with respect to the 2023 overall budget with COVID-19 funding incorporated).
- Of the 2024 combined salary and benefits total, **\$15,900,326** (2023 - **\$18,883,923**) relate to salaries and **\$4,683,059** (2023 - **\$5,261,571**) relate to employee benefits. In comparing both the 2023 and 2024 mandatory budget, an increase of **\$1,369,529 (7.1%)** toward salaries and benefits is demonstrated.
- Total other operating expenditures decreased **\$452,441** over 2023 (covid funding included) from **\$5,369,326** to **4,916,885** in 2024. In comparison of only mandatory budgets, the 2024 budget increases to **\$207,992 (4.4%)** mostly resulting from an increase in the legal (**\$275,000**) and rent (**\$100,225**) line items.

2023 Mandatory Program Funding

As it relates to the 2023 Mandatory Program Budget, Administration has confirmed with the ministry the following:

The grant from the Ministry of Health is consistent with the base funding increase granted in 2023 of **\$16,303,000**, plus the Mitigation funding of **\$1,260,800** and an increase of **1 %** in 2024. The resulting total in the Ministry of Health funding is **\$17,739,438** which calculates to a percentage of **71.1%**.

- A proposed increase of **\$92,061 (1.29%)** in the contributions from the Obligated Municipalities, resulting in a Municipal funding contribution percentage of **28.9%** as compared to **30.4%** in 2023. Total municipal contributions for 2024 would total **\$7,218,028**. Increases broken down by municipality are as follows: City of Windsor increase of **\$50,000** The County of Essex increased by **\$42,011** The Township of Pelee increased by **\$50**.

The following table details the contributions from obligated municipalities for the 2024 and 2023 fiscal years. Contributions are calculated based upon their proportionate share of the population in our catchment area. For 2024 and 2023, population figures are calculated using 2021 census data.

Obligated Municipalities	2024 Contributions	2023 Contributions	Change
City of Windsor	3,920,192	3,870,192	50,000
County of Essex	3,293,910	3,251,899	42,011
Township of Pelee	3,926	3,876	50
Total	7,218,028	7,125,967	92,061

Summary of Mandatory Budget (Ministry and Municipal Contributions)

Total Mandatory Funding compared to Total Mandatory Program Expenditures		
Total Mandatory Program Funding Approval per Budget – Ministry of Health	(A)	17,739,438
Total Contributions per Budget – Obligated Municipalities	(B)	7,218,028
Total Mandatory Program Funding	(A+B)	24,957,466
Total Mandatory Program Budgeted Expenditures, net		24,957,466
Variance		-

Ontario Seniors Dental Care Program (OSDCP)

The OSDCP is fully funded by the Ministry of Health. The OSDCP provides free, routine dental services for low-income seniors who are sixty-five (65) years or age or older to reduce unnecessary trips to the hospital, prevent chronic disease and increase their quality of life. More specifically, the coverage includes:

- Check-ups (including scaling, fluoride, and polishing)
- Repairing broken teeth and cavities
- X-rays
- Removing teeth or abnormal tissue
- Treating infection and pain
- Treating gum conditions and diseases
- Dental prosthetics

For the period January 1, 2024, to December 31, 2024, the proposed budgeted total net expenditures for the OSDCP are **\$3,115,427**. Details of the financial statement captions that comprise the budgeted total net expenditures are follows:

	2024	2023	Change
Salaries and employee benefits	1,995,020	2,173,915	- 178,895
Other operating expenditures:			
Association and membership fees	2,000	2,000	-
Building occupancy	215,236	129,624	85,612
Mileage	15,883	18,000	- 2,117
Professional development	10,000	10,000	-
Program supplies and other:			-
Bank charges	1,000	1,000	-
Clinical and other supplies	290,000	290,000	-
Information technology	6,000	97,925	- 91,925
Office supplies	4,000	4,000	-
Purchased services:			-
Professional services	530,000	300,000	230,000
Security	12,288	12,288	-
Translation	30,000	30,000	-
Travel and meetings	4,000	4,000	-
Total other operating expenditures	1,120,408	898,837	221,571
Total budgeted expenditures	3,115,427	3,072,752	42,675

For 2024, the total OSDCP has increased from **\$3,072,752** in 2023 to **\$3,115,427** in 2024. Significant changes in the financial captions from the 2023 budget include:

- Under Salaries and employee benefits, A decrease in FTEs supporting the OSDCP of 1.5 from 2023, which is due to change in proportion between Health Smiles (under the mandatory program budget) and OSDCP resulting from the limited number operatories within the current clinics. Resulting decrease of **\$178,895** in this line item.
- Under Other Operating Expenses: Building occupancy: The 2023 OSDCP Budget contemplates building occupancy costs (i.e., rent, property taxes, insurance, utilities, telephone, etc.) for the Windsor and Leamington Offices.
- Under Program supplies and other: Information Technology: In 2023, the OSDCP implemented a new dental records management system. Only licensing of **\$6,000** will remain under this line item. Resulting decrease of **\$91,925** under this line item.
- Under Purchased Services: Professional Services: **\$530,000** will be attributed to the significant wait list of approximately 8 months to receive care. In an effort to reduce the wait times for the senior clients of our community, care is outsourced to external dental professionals that agree to work within the program guidelines. Resulting increase of **\$230,000** for this line item.

Risk Assessment

- **Changes to the Ontario Public Health Standards (OPHS) or other relevant legislation.** WECHU's 2024 Budget does not contemplate changes in direction from the Province of Ontario or any governing legislation that could have implications for programs and services (i.e., changing in funding model; expansion of mandatory program requirements, etc.). Within the 2024 fiscal year, the ministry has indicated that a full review of the program standards will be conducted, with a target implementation of January 1, 2025. The results of this process could see changes in required programming and services standards across all PHUs in Ontario, resulting in

additional staffing fluctuations (augments or reductions). The budget and FTE reductions proposed to the board at this time is reflective of what evidence and evaluation we have available to date.

- **Inflation.** The 2024 Budget factors in the on-going impact of inflation on the purchase of goods and services. Administration will continue to mitigate this risk by ensuring procurement processes and procedures are appropriate and are in accordance with WECHU's Procurement Policy. Furthermore, Administration will actively monitor budgets to actual financial results and implement mitigation strategies (i.e., prioritization) when required.

Motion

Whereas the Windsor-Essex County Health Unit receives grants annually from the Ministry of Health to a maximum of seventy (75%) percent of admissible expenditures associated with the Mandatory Program. In addition, WECHU receives required contributions from the Obligated Municipalities at a minimum of thirty (25%) percent of admissible expenditures, and

Whereas the Ministry of Health annually provides grants for certain related health protection and promotion programs at a rate of one hundred (100) percent of admissible expenditures.

Now therefore be it resolved that the Windsor-Essex County Board of Health approve the 2024 Mandatory Program Budget, requiring **\$17,739,438 (71.1%)** in base funding from the Ministry of Health and **\$7,218,028 (28.9%)** in contributions from the Obligated Municipalities, the Corporation of the City of Windsor, the Corporation of the County of Essex, and the Corporation of the Township of Pelee, be approved.

Further that the Windsor-Essex County Board of Health approve the 2024 Mandatory Program Budget with total expenditures of **\$24,957,466** and offset revenue of **\$539,404**, and

Further that the Windsor-Essex County Board of Health approve the 2024 Ontario Seniors Dental Care Program, funded at a rate of one hundred (100) percent with total budgeted expenditures of **\$3,115,425**.