

January 10, 2012

Councillor Nancy Branscombe
Chair, Services Review Committee
300 Dufferin St.
London, On N6A 4L9

Re: City of London Budget Target for the Middlesex-London Board of Health

Dear Councillor Branscombe,

On behalf of the Board of Health, I am writing in response to a request for information from the Services Review Committee. The Board of Health, in preparing its 2012 budget submission, carefully considered City Council's budget target. In so doing, the Board observed the target established for the Middlesex- London Health Unit is unique in a number of ways:

- a) The City Council target represents a 6.6% reduction to the current level of City funding. All other external Boards and Commissions have budget targets at 1.5% (or greater) above current levels of funding.
- b) The budget target for the Board of Health is for each of 3 years in contrast with the one year targets established for all City Departments, external Boards and Commissions.
- c) The budget target does not take into account the fact that the amount of City funding to the Middlesex-London Health Unit has not increased since 2004. All City Departments, external Boards and Commissions have realized City funding increases (in many instances on an annual basis) over this same period of time.

For these reasons, it appears to the Board of Health that the target established for the Middlesex-London Health Unit is less than fair. Since 2004 (post SARS), provincial direction has been to strengthen public health programs and services. The Board of Health has implemented a responsible business plan approach to achieve this direction and has done so without incurring any additional costs to its municipal funders (i.e. City of London and County of Middlesex) over these past 7 years.

However, the Board of Health does recognize the current local economic conditions and respects Council's intent to minimize any increase to property taxes for 2012. To that end, the Board of Health has directed staff to find additional operating cost efficiencies which would result in a 2012 City funding reduction of \$100,000. This represents a 1.6% reduction in City funding.

As you may be aware, services provided by all provincial health units are defined through the Ontario Public Health Standards of the Health Protection and Promotion Act. This same legislation empowers local Boards of Health to oversee the administration of these services. While not addressing specific service implications, we are providing you with a document entitled "Background - 2012 Board of Health Budget". This includes the overall implications of the City Council budget target direction.

Also enclosed are the following relevant documents:

- a) Ministry of Health and Long-Term Care Fact Sheet re Boards of Health Funding (prepared by Public Health Division, June 13, 2011)
- b) Middlesex-London Health Unit Funding History
- c) Bar Chart Entitled 2004 – 2011 Cost Shared Program Funding

Dr. Pollett, Medical Officer of Health and CEO and Mr. John Millson, Director, Finance and Operation will attend the January 18, 2012 Services Review Committee meeting. They will be pleased to answer any questions related to the City of London's share of the 2012 Board of Health operating budget.

Yours sincerely,

Patricia Coderre

Ms. Patricia Coderre
Chair, Middlesex-London Board of Health

cc: Mayor Joe Fontana
Middlesex-London Board of Health Members
Mr. Jeff Fielding, City Manager
Mr. Martin Hayward, City Treasurer & Chief Financial Officer

FACT SHEET

BOARDS OF HEALTH

CAPITAL FUNDING

Funding Authority:

- Under section 72 of the Health Protection and Promotion Act (HPPA), the legal obligation for board of health funding resides with the obligated municipalities within the area that comprises the public health unit.
- The legislative authority for provincial funding to boards of health can be found in section 76 of the HPPA which specifically states "the Minister may make grants for the purposes of this Act on such conditions as he or she considers appropriate."

Operational Funding:

- Historically, this legislative authority has been utilized to fund board of health "operational" requirements for the delivery of mandatory programs, such as salaries and wages, benefits, building occupancy, and information technology. Operational funding for mandatory programs is currently cost-shared with the obligated municipalities at a ratio of 75% provincial funding and 25% municipal funding for approved costs of mandatory programs.
- The government does not provide operational funding to boards of health on a specific line-by-line basis. Rather, operational funding is provided by the government on a global basis and boards of health are then responsible for allocating the funding to meet the requirements of the HPPA and Ontario Public Health Standards according to local needs and priorities.
- Eligible occupancy costs within the global budget for owned or leased/rented premises include: mortgage payments, leasing costs, rent, utilities, maintenance, etc.
- When funds are available, the government has approved an annual increase over the prior year's base budget for mandatory programs. Over the past 5 years, the increase has ranged between 3% to 5%. If the board of health's total eligible costs exceed the government's approved funding, then the obligated municipalities are responsible for the costs (as per section 72 of the HPPA). The government is not in a financial position to increase the base budget over and above the annual increase provided.

Capital Funding:

- Currently, the government does not have an approved allocation to support board of health capital projects (e.g. construction costs related to a new facility). Consequently, the government is not in a position to fund capital projects for boards of health at this time. However, the government may approve funding, which is cost-shared with municipalities at the current funding ratio, for minor capital items such as planning costs, leasehold improvements, etc. When available, these funds are provided on a one-time basis in an effort to offset some of the costs to the boards of health.

Prepared By: Public Health Practice Branch
Public Health Division, MOHLTC

Date: June 13, 2011



Middlesex-London Health Unit Funding History

Before 1998	75-25 Provincial/Municipal cost sharing arrangement
1998	100% Municipal funding (downloading by Harris Government)
1999	50-50 Provincial/Municipal cost sharing
2003	SARS epidemic
2004	SARS reviews (Federal & Provincial) identified need to strengthen Public Health in Ontario.

This led to McGuinty government commitment to both increase proportion of provincial funding plus increase overall funding to public health units. The increase in the proportion of provincial funding was to occur as follows:

2005 – 55/45
2006 – 65/35
2007 – 75/25

The province made it clear, the changes to the funding arrangement were to achieve increased funding and resources and not to simply be a re-distribution of the existing Public Health funding.

2005	Board of Health developed a business plan, which called for municipal funders/obligated municipalities (City of London and Middlesex County) to hold their funding at the 2004 level until the 75/25 cost sharing arrangement was achieved. Strengthening of local public health services would be realized through increases to the provincial portion of the Health Unit's funding.
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This plan was adopted by both City Council and County Council and has been in place ever since, accounting for 0% increases in municipal funding to the Health Unit for the past 7 years.

2006	The Provincial government capped its funding increases to Public Health Units at 5% in 2006. This resulted locally in an altered cost sharing arrangement from that originally intended (i.e. 62/38 vs 65/35)
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Both municipal councils endorsed the continuation of the Board of Health Business Plan, that is, continuing to hold the municipal level of funding to that provided in 2004, despite the resultant alteration to the cost sharing arrangement. In so doing, it was understood by both Councils that it would take longer than originally intended for the 75/25

cost sharing arrangement to be achieved.

- 2009 The Province of Ontario enacted new Ontario Public Health Standards under the Health Protection and Promotion Act. All Boards of Health are required by this legislation to ensure compliance with the Standards.

- 2010 Provincial government capped funding increases to health units at 3%. Again both municipal Councils agreed to continue the implementation of the 2005 Board of Health Business Plan.

- 2011 The Province of Ontario enacted Organizational Standards under the Health Protection and Promotion Act with which all Boards of Health must comply.

- 2011 As a condition of receiving funding, the Provincial Government required all Boards of Health to sign Public Health Accountability Agreements. These agreements include clauses specifying compliance with the Ontario Public Health Standards and Organizational Standards.

**Comparison of Proportionate Share of Funding by Funding Body*
2004 - 2012**

	Province	City	County
2004	50.00%	42.00%	8.00%
2005	55.00%	37.80%	7.20%
2006	62.00%	31.90%	6.10%
2007	66.00%	28.60%	5.40%
2008	66.30%	28.31%	5.39%
2009	67.18%	27.57%	5.25%
2010	66.56%	28.09%	5.35%
2011	67.21%	27.54%	5.25%
2012	68.05%	26.84%	5.11%
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2023	75.00%	21.00%	4.00%

*The municipal portion of Health Unit funding is cost shared on a proportionate population basis (84% City, 16% County)

2004 - 2011 Cost-Shared Program Funding (\$000's)

