



2021 Budget Report

February 26, 2021

Presented by
Marilyn Herbacz, CEO

Executive Summary

The Northwestern Health Unit (NWHU) provides a wide range of services under the authority of the [Health Protection and Promotion Act \(HPPA\)](#), related legislation, regulations and service standards. We work with individuals, families, groups, partner agencies and communities to provide services in several broad areas:

- Health promotion – promoting health of the public by changing knowledge, attitudes, practices and environmental supports for health-related behaviours;
- Disease and injury prevention – preventing or limiting substance misuse, injuries, and the spread of dental decay and infectious diseases;
- Health protection – reducing risks to human health in the environment caused by unsafe food, water, air, or other health hazards;
- Population health assessment and surveillance – monitoring and understanding the health conditions and issues in our region;
- Emergency preparedness – coordinating our planning and response to emergencies such as forest fires, floods or chemical spills with local partner and our municipalities.

On January 1, 2018, the *Ontario Public Health Standards* came into effect, which include the Public Health Accountability Framework. This framework outlines the parameters and requirements to hold Boards of Health accountable for the work we do, how we do it, and the results achieved. This framework articulates the expectations the Ministry of Health has of Boards of Health and is outlined under four domains: Delivery of Programs and Services, Fiduciary Requirements, Good Governance and Management Practices, and Public Health Practice. It is designed to promote a transparent and effective accountability relationship. [\(Figure 1\)](#)

Northwestern Health Unit's Board of Health (BOH) is an autonomous corporation under the HPPA and is the legal authority for the organization. The HPPA outlines that every BOH shall superintend, provide or ensure the provision of **mandatory** health programs and services. Additionally under the HPPA, the Minister of Health may make grants for the purposes of the HPPA on the terms and conditions that the Minister considers appropriate (section 76). Section 72.1 of the HPPA directs obligated municipalities to pay for expenses incurred by or on behalf of the BOH in the performance of its functions and duties under this or any other Act.

The NWHU Board of Health is accountable to 19 municipalities and their communities for ensuring their health needs are addressed by appropriate programs and to ensure the health unit is well managed. The BOH also establishes policies that govern the operation of Northwestern Health Unit, including **approval of the budget**.

Each year, deliverables are reviewed within each program. Program budgets are then developed based on evidence and need, which in turn results in an allocation of budget dollars. In 2020, the BOH established a Finance Committee, which was directed to engage with senior administration in the NWHU budget process. Four meetings were held of the Finance Committee and senior administration in 2020-21 during which the budget process, the budget, and supporting information were discussed.

The Board of Health approves the budget annually at its February meeting. Once the budget is approved by the BOH it is submitted to the Ministry of Health for review and final approval by the Minister.

The NWHU budget is submitted to the Ministry of Health within the calendar budget year, meaning our budget for January 1 to December 31, 2021 will be submitted March 1, 2021. This means we essentially work according to the prior year's approved budget until the in-year budget is approved by the Ministry of Health. Historically, this occurs in late summer or early fall.

This report will outline the budget process and our 2021 budget request. The agency budget is driven by the vision and the strategic plan of the organization; it is the plan we use to allocate funds to achieve the objectives within our strategic plan. When planning the budget, we also consider relevant legislation, regulations, terms and conditions of our amending agreements or service contract requirements, and agency mandates.

The budget becomes an essential financial management tool that assists us in **monitoring ongoing organizational activities** throughout the year. With each reporting cycle, the organization compares actual performance against its plan. This is done in several ways: The CEO reports to the BOH monthly financial activity through a financial report, which shows *budget vs. actual* and outlines significant variances; Quarterly reports are submitted to each of our Ministries; and Program managers provide annual reports to the BOH.

Once the budget is approved by the Ministry of Health, each Public Health Unit receives what is called *The Public Health Funding and Accountability Agreement*. This agreement:

- Specifies that the grant provided by the Ministry must be used to provide public health programs and services in accordance with the HPPA and OPHS;
- Requires comprehensive reporting against key deliverables and performance measures;
- Requires written consent of the Ministry prior to assignment of any portion of the grant to another entity;
- Requires the submission of proof of insurance;
- Requires the submission of quarterly financial reports;
- Emphasizes the requirement for detailed audited financial statements and auditor's questionnaires to enable review by the Ministry within 6 months of the board of health's financial year end; and
- Provides under Schedule A, a detailed budget approved for the period including mandatory programs, 100% funded programs and one-time funding allocations.

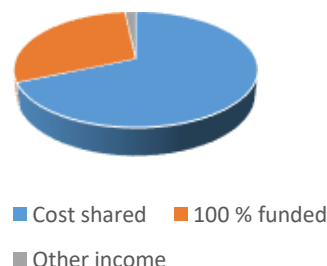
Budget Summary

NWHU has several sources of funding. The Ministry of Health is our largest funder and in 2020 funded 71.2% of our overall budget. This included base and one-time funding. The Ministry of Community, Children, and Social Services (MCCSS) funded 12.37%. Municipalities provided 11.8% of overall funding, and Federal Funding was 1.08%. Other funding comes from various sources such as small grants, and our Part 8 program, and in 2020, made up 3.54% of our overall budget. There are also two fiscal year-ends - the Ministry of Health is calendar-based (Jan-Dec), and the MCCSS fiscal period is April to March annually.

Ministry of Health

For 2021, the budget request for MOH cost-shared and 100% funding programs is \$16,067,904, broken down as follows:

Type	Amount	Percent
Cost-shared (70% + 7.63% Province, 22.37% Municipal)	\$ 11,010,190	69%
100 % Province funded	\$ 4,781,700	29%
Other income	\$ 276,014	2%

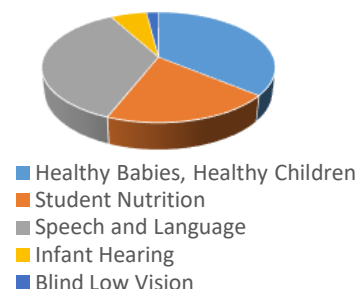


For the Ministry of Health budget, there is a request to increase the budget by \$81,333.

Ministry of Community and Children's Services (MCCSS) Budget

MCCSS includes the Healthy Babies Healthy Children (HBHC), Student Nutrition Program (SNP), Speech Language (SLP), Infant Hearing (IHP), and Blind Low Vision Programs (BLV). With the exception of the HBHC budget which has a calendar year-end, the fiscal period for the rest of the MCCSS programs is April 1, 2021 to March 31, 2022. For the 2021-22 we are expecting the budgets to be set at a total of \$2,541,378. The HBHC, SLP, IHP, and BLV programs have not seen increases in their budgets from the Ministry of Children, Community, and Social Services prior to 2008.

MCCSS Program	Funding	%
Healthy Babies, Healthy Children (HBHC)	\$908,525	36%
Student Nutrition (SNP)	\$515,271	20%
Speech and Language (SLP)	\$926,517	36%
Infant Hearing (IHP)	\$141,511	6%
Blind Low Vision (BLV)	\$ 49,454	2%

**Municipal**

Municipal levy for 2021 will remain the same as 2020 at \$2,462,435.

Other Income

Other income represents 2% of the overall budget and is made up of Part 8, which operates as a single entity under the BOH for the NWHU. Also included is TB serum, travel vaccine, Ontario Works, sexual health, and food handler courses.

One-time Ministry of Health

Annually, we have the opportunity to request one-time funding allocations. For 2021, we will request for 100% one-time funding to support Needle Exchange Programming - \$120,000; the purchase of two (2) vaccine refrigerators - \$12,600; and costs related to a Public Health Inspector Practicum - \$17,500.

The following information is an overview of the NWHU budget cycle, and includes charts and graphs that summarize the budget and the financial requirements for operations in 2021.

Detailed Budget Report

The Budget Cycle

Over the years, the process for budgeting has changed significantly. Ministry templates have changed and now include multiple components, not limited to the allocation of dollars. The template contains both financial data and program descriptions, including community needs and priorities for each program, key partners, program objectives, and planned public health interventions. All of which ties directly back to program planning where operational plans are formed for each program. Operational plans then tie back to our overall strategic plan and annual program and department budget planning.

Budget Cycle Map

NWHU ANNUAL BUDGET CYCLE

Inputs	Strategic Plan	HPPA, OPHS & Service Agreements	MCCSS & Other Funder Requirements	Community Needs & Priorities	Evidence & Best Practices								
P r o c e s s	Timeline	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	Evidence review for best practices, community need												
	Operational planning for the next year (includes a review of existing op plans and progress). What do we need to achieve / do?												
	Develop budget templates.												
	Project fixed corporate costs, identify new rates for source deductions, benefits, pension, pay scales, etc and update template												
	Share draft operational plans at the Leadership Council to identify synergies / efficiencies												
	Finance meets with each manager to project costs for their operational plans and reviews new funding that may be required to meet goals and objectives												
	Budget estimate based on meetings with Ministry(s). Balance the proposed budget. Outline any new funding required either base or one-time												
	Approve the operational plans based for the proposed budget												
	Final draft of the budget prepared by CEO/MOH												
	Draft budget reviewed by the Finance Committee												
	Final version of the Ministry budget templates received from the ministry (s)												
	Completion of Ministry templates – budget and operational plans												
	BOH reviews, finalizes and approves the budget												
	Finance submits budget to Ministry												
	Budget is uploaded to financial system												
Principles	Sustainability, Political Acceptability, Accountability, GAAP, Legislation												

Financial Components

An Excel sheet is created annually to facilitate the budget process. This spreadsheet includes salary scales and rates of pay, benefits and source deduction rates, pension rates, positions, programs, standards, revenues, and expenditures. It also breaks down the various components of the revenue and applies specific funding to each program(s) and/or department(s). The majority of the spreadsheet is formula-driven.

Each tab within the spreadsheet links to a summary page, which is used to balance the overall budget and expenditures.

Once the spreadsheet is balanced it is then used to populate Ministry template, which is submitted to the Ministry of Health. The deadline for submitting the budget is March 1st. For 2021, the budget deadline will be delayed to April 1 or possibly later. Generally, Public Health Units operate on the prior year's budget allocations for about 2/3rds of the year. This can prove challenging and if any new funding is granted it usually means funding will be returned as there is no time to get things in place and operational.

Ministry of Health Cost Shared Mandatory Programs

MOH Cost Shared and 100% Budget	2020	2021 request + PHI position	2021 Budget request	Difference
Cost shared mandatory				
Cost of new position		\$ 81,333		
Province (70%)	7,650,200	56,933	7,707,133	56,933
Municipal (22.37%)	2,462,435	24,400	2,462,435	-
Transitional funding @ 100% (1x) (7.63%)	816,222		840,622	24,400
Total cost shared mandatory	\$ 10,928,857		\$ 11,010,190	\$ 81,333
100% Funded MOH				
ODSCP	292,300		292,300	
Unorganized Territory	2,436,700		2,436,700	
Indigenous Partnership	1,448,600		1,448,600	
NFVP	604,100		604,100	
Total 100% funded	4,781,700		4,781,700	-
Other revenue	336,211		276,014	(60,197)
Total	\$ 16,046,768		\$ 16,067,904	\$ 21,136

Note: Transitional funding is 100% Ministry funded and is meant to support the new cost-shared formula of 70% provincial funding and 30% municipal funding, this is one-time funding that has been allocated for 2020 and for 2021 calendar years. At this time it is expected this one-time funding will not be extended beyond 2021 and municipalities will need to pick up the increase going into 2022. For this report the Ministry is funding 70% provincial for base programs and 7.63% for one-time transitional funding leaving 22.37% of mandatory cost shared program expenses to be covered by Municipal levies.

The proposed 2021 total cost-shared mandatory program revenues represent an increase of .74% or \$81,333. Of this, \$56,933 is the requested provincial cost, and \$24,400 will be the transitional 100% one-time funding from the province.

The requested increase represents a new Public Health Inspector (PHI) position. NWHU currently has eight (8) Public Health Inspectors within our catchment area who support our 19 Municipalities. The rationale for this request is due to the increased workload for PHIs - work has increased due to demands, pressures and requirements over the past couple of years in the field. In 2020, due to the retirement of the Environmental Technician, a PHI backfilled the workload. This proved to be more efficient and a better use of time because of the shared duties between these roles. The goal is to continue to support a .50 FTE within our Part 8 program, which is 100% funded by the program. This means that there will be a .50 FTE gap in the staffing complement within the mandatory program portfolio. If we are successful in securing the position it will be used to cover the gap from the PHI moving to Part 8, and to support the increased workload in mandatory program. This includes additional support in vulnerable population facilities and continued support for infection control procedures.

Other revenue has decreased in 2021 by (\$60,197). This is due to expected program activity reductions in 2021 due to our COVID-19 response, vaccine delivery and immunization, which in turn will mean reducing services in our Sexual Health, Vaccine, Food Handler, Safe Water, and Dental programs, all of which generate income.

Mandatory and 100% Funded Ministry of Health Proposed Budget by Program and Other Income

2021 Cost Shared Program Distribution	Other Rev	Base	Base - Other rev subtotal (H-G)	Territory allocation (I*J2)	Sub Total (I-J)	Municipal (K x .30)	Provincial (K x .70)	Base @100%
				18.120%				
FDP	-	658,963	658,963	119,404	539,559	161,868	377,691	658,963
CHILD	-	446,710	446,710	80,944	365,766	109,730	256,036	446,710
Dent non mand	4,000	13,505	9,505	1,722	7,783	2,335	5,448	17,288
Oral Assess	-	166,884	166,884	30,239	136,644	40,993	95,651	166,884
Sch Dent	-	96,917	96,917	17,561	79,356	23,807	55,549	96,917
Foundation	-	842,099	842,099	152,588	689,511	206,853	482,658	842,099
Communications	-	483,338	483,338	87,581	395,757	118,727	277,030	483,338
Food Safety (includes Enhanced FS)	10,000	270,773	260,773	47,252	213,521	64,056	149,464	260,773
Hlth Hazard	-	85,774	85,774	15,542	70,232	21,069	49,162	85,774
Infection Contrl	-	448,386	448,386	81,248	367,139	110,142	256,997	448,386
Injury	-	310,455	310,455	56,254	254,201	76,260	177,941	310,455
Rabies	-	49,553	49,553	8,979	40,574	12,172	28,402	49,553
Repro	-	245,523	245,523	44,489	201,034	60,310	140,724	245,523
Sx Hlth	13,500	1,188,680	1,175,180	212,943	962,237	288,671	673,566	1,175,180
Safe Water	3,000	252,173	249,173	45,150	204,023	61,207	142,816	249,173
TB	-	128,969	128,969	23,369	105,600	31,680	73,920	128,969
Imm Mon	-	155,815	155,815	28,234	127,582	38,275	89,307	155,815
Vacc Admin	-	322,776	283,176	51,312	231,865	69,559	162,305	283,176
UIIP-HPV	39,600	-	-	-	-	-	-	-
Imm Child	-	172,953	172,953	31,339	141,614	42,484	99,130	172,953
Com Imm	-	306,522	306,522	55,542	250,980	75,294	175,686	306,522
Vac Mgmt	-	145,962	145,962	26,448	119,514	35,854	83,660	145,962
Vision	-	21,188	21,188	3,839	17,349	5,205	12,144	21,188
sub total	70,100	6,813,919	6,743,819	1,221,980	5,521,839	1,656,552	3,865,287	6,751,602
Admin	168,606	4,196,727	4,028,121	730,020	3,298,102	989,430	2,308,671	4,028,121
sub total	238,706	11,010,647	10,771,941	1,952,000	8,819,941	2,645,982	6,173,959	10,779,723
Diabetes	-	214,000	214,000	38,777	175,223	52,567	122,656	214,000
Enhanced Safe Water	-	15,603	15,603	2,827	12,776	3,833	8,943	15,603
E-Harm Reduction	-	242,603	242,603	43,960	198,643	59,593	139,050	242,603
HSO	43,005	803,400	760,395	137,784	622,611	186,783	435,828	760,395
Infectious Diseases Control Initiative	-	152,967	152,967	27,718	125,250	37,575	87,675	152,967
NEP	-	82,100	82,100	14,877	67,223	20,167	47,056	82,100
Nursing Initiative	-	-	-	-	-	-	-	-
CNO	-	122,637	122,637	22,222	100,415	30,125	70,291	122,637
ICPN	-	102,205	102,205	18,520	83,685	25,106	58,580	102,205
COP	-	170,670	170,670	30,925	139,744	41,923	97,821	170,670
SFO Strategy	-	-	-	-	-	-	-	-
SFO Prosecution	-	-	-	-	-	-	-	-
SFO Enforcement	-	233,962	233,962	42,394	191,568	57,470	134,097	233,962
SFO Coordination	-	118,751	118,751	21,518	97,234	29,170	68,063	118,751
SFO Youth	-	79,669	79,669	14,436	65,233	19,570	45,663	79,669
E-Cigarettes	-	-	-	-	-	-	-	-
SDWS	2,000	294,904	292,904	53,074	239,830	71,949	167,881	292,904
VBD	-	86,484	86,484	15,671	70,813	21,244	49,569	86,484
sub total	45,005	2,719,954	2,674,949	484,701	2,190,248	657,075	1,533,174	2,674,949
total	283,711	13,730,601	13,446,890	2,436,700	11,010,189	3,303,057	7,707,133	13,446,890
100% Funded								
Unorg Indigenous Partnerships		1,448,600	1,448,600					
Unorg NFVP	(12,082)	592,018	604,100					
QOSCP	4,385	296,685	292,300					
sub total 100% funded	(7,697)	2,337,303	2,345,000					
Total Budget	276,014	16,067,904	15,791,890					

The chart above shows the breakdown by Program for the 2021 Ministry of Health budget. The breakdown for Municipalities is \$3,303,057, which will be reduced by \$840,622 due to the Ministry of Health transitional funding.

Ministry of Health Mandatory and 100% Funded by Expenditure

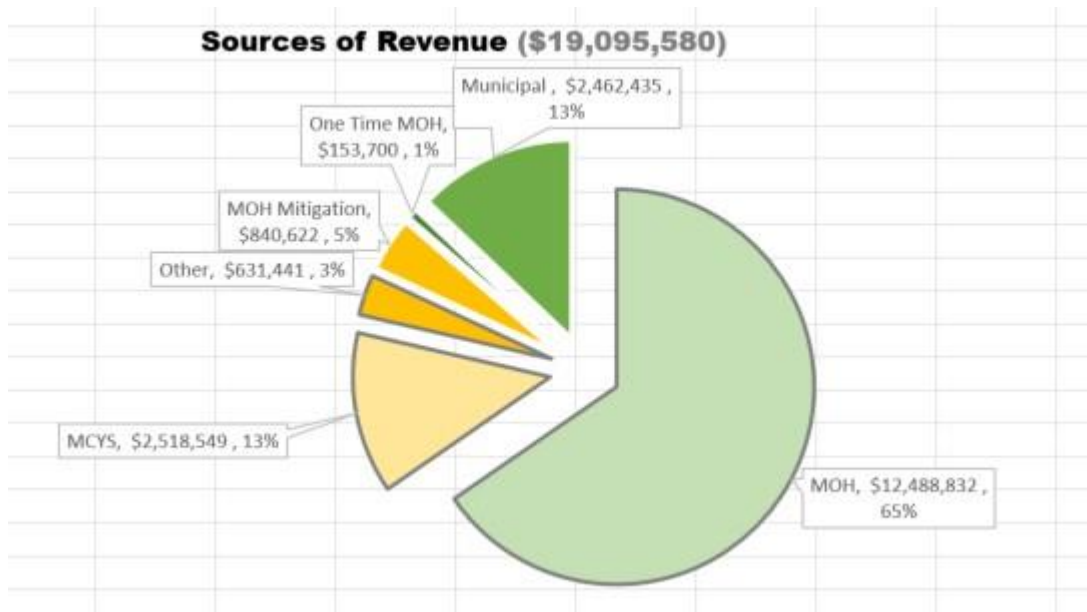
2021 Ministry of Health				
	Cost Shared			
	Programs	100%	Total	%
Expenditures				
Employee Salaries and Wages	8,473,248	628,669	9,101,917	56.65%
Employee Benefits	2,101,539	146,765	2,248,304	13.99%
Staff Training	112,836	15,000	127,836	0.80%
Board/Volunteer Training and Recognition	41,500	-	41,500	0.26%
Travel	263,555	49,038	312,593	1.95%
Building Occupancy	1,389,322	2,666	1,391,988	8.66%
Office Expenses, Printing, Postage	91,733	-	91,732	0.57%
Material, Supplies	432,388	116,430	548,818	3.42%
Office Equipment	44,590	-	44,590	0.28%
Professional and Purchased Services	410,845	1,378,485	1,789,330	11.14%
Communication Costs	161,901	-	161,901	1.01%
Other Operating	53,625	250	53,875	0.34%
Information and Information Technology Equipment	153,519	-	153,519	0.96%
TOTAL EXPENDITURES:	13,730,601	2,337,303	16,067,904	100.00%

The chart above shows the proposed 2021 Ministry of Health budget expenditures and shows line by line expenditures under each cost shared and 100% funded programs.

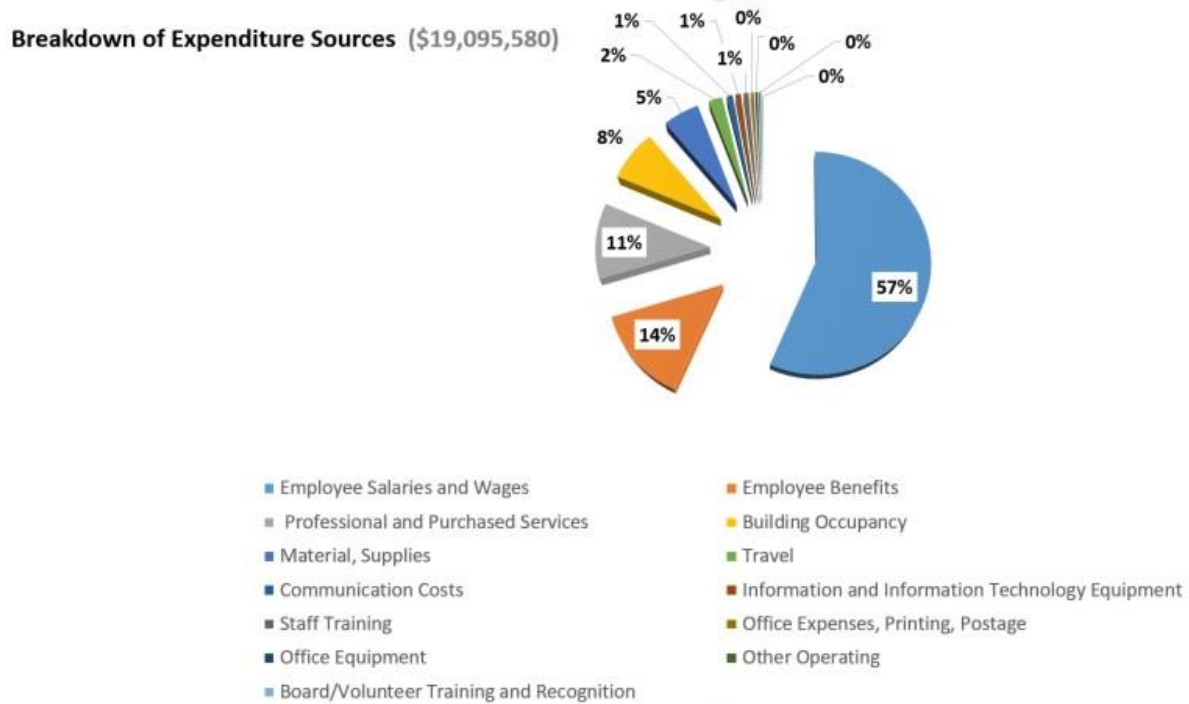
Multiple Budgets Summary

2021 Various Budgets						
Expenditure	One Time		MCYS	OTHER	TOTAL	%
	MOH	MOH				
Employee Salaries and Wages	9,101,917	16,000	1,535,075	164,032	10,817,025	56.66%
Employee Benefits	2,248,304	1,500	323,773	40,866	2,614,442	13.70%
Staff Training	127,836		11,500	1,000	140,336	0.73%
Board/Volunteer Training and Recognition	41,500		-	-	41,500	0.22%
Travel	312,593		47,527	18,696	378,816	2.00%
Building Occupancy	1,391,988		32,044	12,000	1,436,032	7.52%
Office Expenses, Printing, Postage	91,732		250	550	92,532	0.48%
Material, Supplies	548,818	120,000	258,020	86,583	1,013,421	5.25%
Office Equipment	44,590	16,200	1,200	8,000	69,990	0.37%
Professional and Purchased Services	1,789,330		301,860	22,500	2,113,690	11.09%
Communication Costs	161,901		7,300	600	169,801	0.89%
Other Operating	53,875		-	600	54,475	0.29%
Information and Information Technology Equipment	153,519		-	-	153,519	0.80%
TOTAL EXPENDITURES:	16,067,904	153,700	2,518,549	355,427	19,095,580	100.00%
REVENUE						
Other Revenue	(276,014)			(355,427)	(631,441)	3.31%
Ministry Grants	(10,052,132)	(153,700)	(2,518,549)		(12,724,381)	66.64%
Unorganized Territory Grant	(2,436,700)				(2,436,700)	12.76%
Transitional funding One time MOH	(840,622)				(840,622)	4.40%
Municipal Share (Levy)	(2,462,435)				(2,462,435)	12.90%
TOTAL REVENUE	(16,067,904.00)	(153,700)	(2,518,549)	(355,427)	(19,095,580)	100.00%
Surpluses/Deficit	-	-	-	-	-	

The chart above shows 2021 budget proposals for the Ministry of Health, Ministry of Health One-Time requests, MCCSS, and other income, and is broken down by expenditure and revenue for each budget segment.



The graph above shows the revenue sources with dollar and percent values for each source.



The graph above shows the expenditure allocations for total expenditures from all funding allocations. 0% represent totals that are less than 1%.

Municipal Levy

Northwestern Health Unit uses MPAC's population numbers to calculate the municipal levies, which is the current and historical practice. Every four years, NWHU receives an *Ontario Population Report* for each of the 19 obligated municipalities. This report outlines the region, the county/municipality, and the total population for each municipality in our region. The last report was received at the end of 2018 and was used to determine 2019, 2020, 2021 levies, and will be used to determine the 2022 municipal levies. The report is refreshed every 4 years, and will be used to determine 2023 municipal levy amounts.

Below is the chart for 2021 Municipal levies. For 2021, Municipal levies will not change. This is due to the provincial 100% one-time transitional funding allocation by the MOH. NWHU has been granted up to \$872,800 to use to reduce the impact of the revised cost-shared formula (70% provincial and 30% Municipal) for 2021.

Northwestern Health Unit					
2021 Annual Cost-shared Mandatory Budget - Municipal Obligation					
Municipality Name	MPAC Population 2018	% Equivalent	Annual Obligation 2021	Monthly Payment 2021	
City of Dryden	5,775	14.77%	\$ 363,780.98	\$ 30,315.08	
City of Kenora	11,078	28.34%	\$ 697,829.55	\$ 58,152.46	
Municipality of Machin	715	1.83%	\$ 45,039.55	\$ 3,753.30	
Municipality of Red Lake	2,747	7.03%	\$ 173,040.06	\$ 14,420.01	
Town of Fort Frances	6,000	15.35%	\$ 377,954.26	\$ 31,496.19	
Town of Rainy River	620	1.59%	\$ 39,055.27	\$ 3,254.61	
Town of Sioux Lookout	3,455	8.84%	\$ 217,638.66	\$ 18,136.56	
Township of Alberton	752	1.92%	\$ 47,370.27	\$ 3,947.52	
Township of Atikokan	2,227	5.70%	\$ 140,284.02	\$ 11,690.34	
Township of Chapple	494	1.26%	\$ 31,118.23	\$ 2,593.19	
Township of Dawson	397	1.02%	\$ 25,007.97	\$ 2,084.00	
Township of Ear falls	719	1.84%	\$ 45,291.52	\$ 3,774.29	
Township of Emo	996	2.55%	\$ 62,740.41	\$ 5,228.37	
Township of Ignace	942	2.41%	\$ 59,338.82	\$ 4,944.90	
Township of La Vallee	788	2.02%	\$ 49,637.99	\$ 4,136.50	
Township of Lake of the Woods	233	0.60%	\$ 14,677.22	\$ 1,223.10	
Township of Morley	380	0.97%	\$ 23,937.10	\$ 1,994.76	
Township of Pickle Lake	268	0.69%	\$ 16,881.96	\$ 1,406.83	
Township of Sioux Narrows-Nestor Falls	505	1.29%	\$ 31,811.15	\$ 2,650.93	
Total Population and Total Municipal Levy	39,091	100.00%	\$2,462,435.00	\$ 205,202.92	
Population is based on most recent enumeration, conducted under Section 15 of the Assessment Act.					

The Chart above shows the MPAC population, % equivalent, and annual municipal obligation.

The graph below shows the Municipality and the respective levy % equivalent for each.

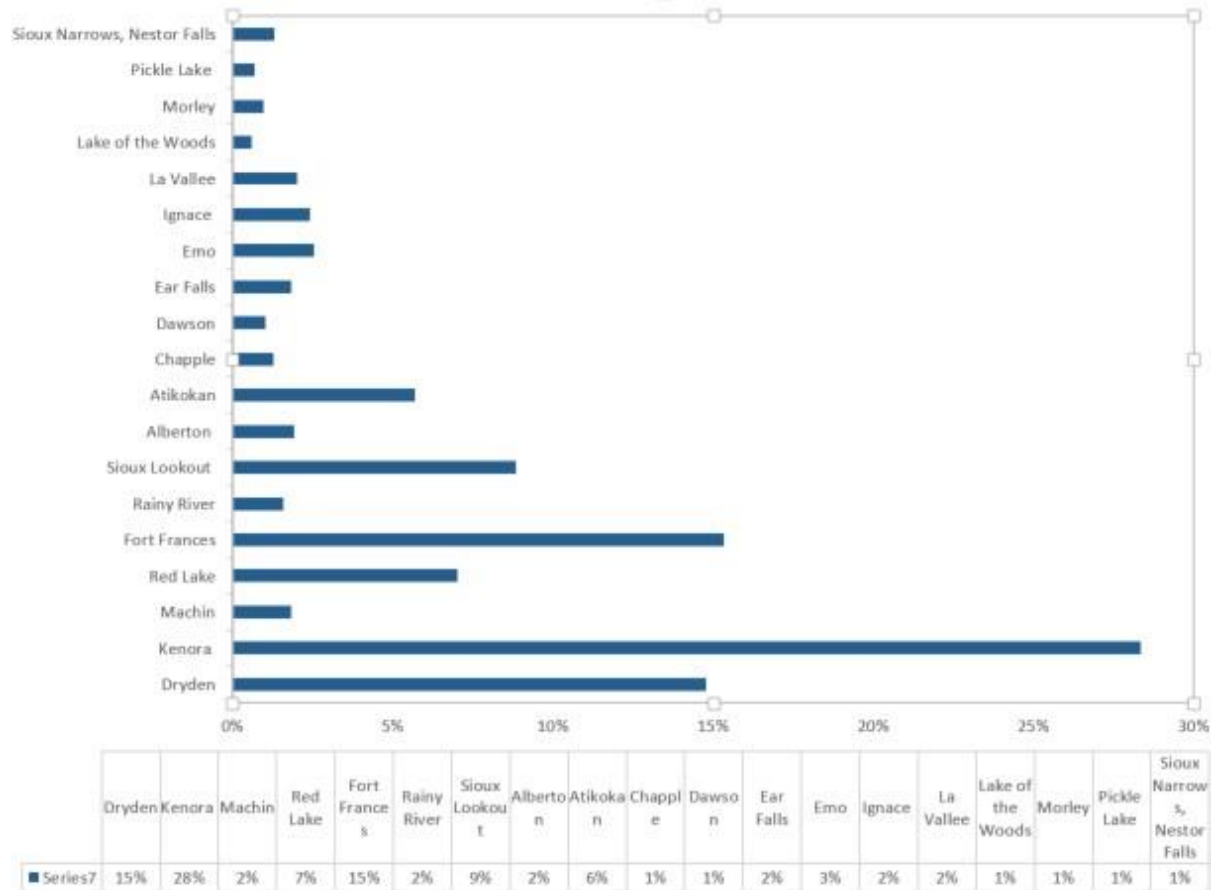
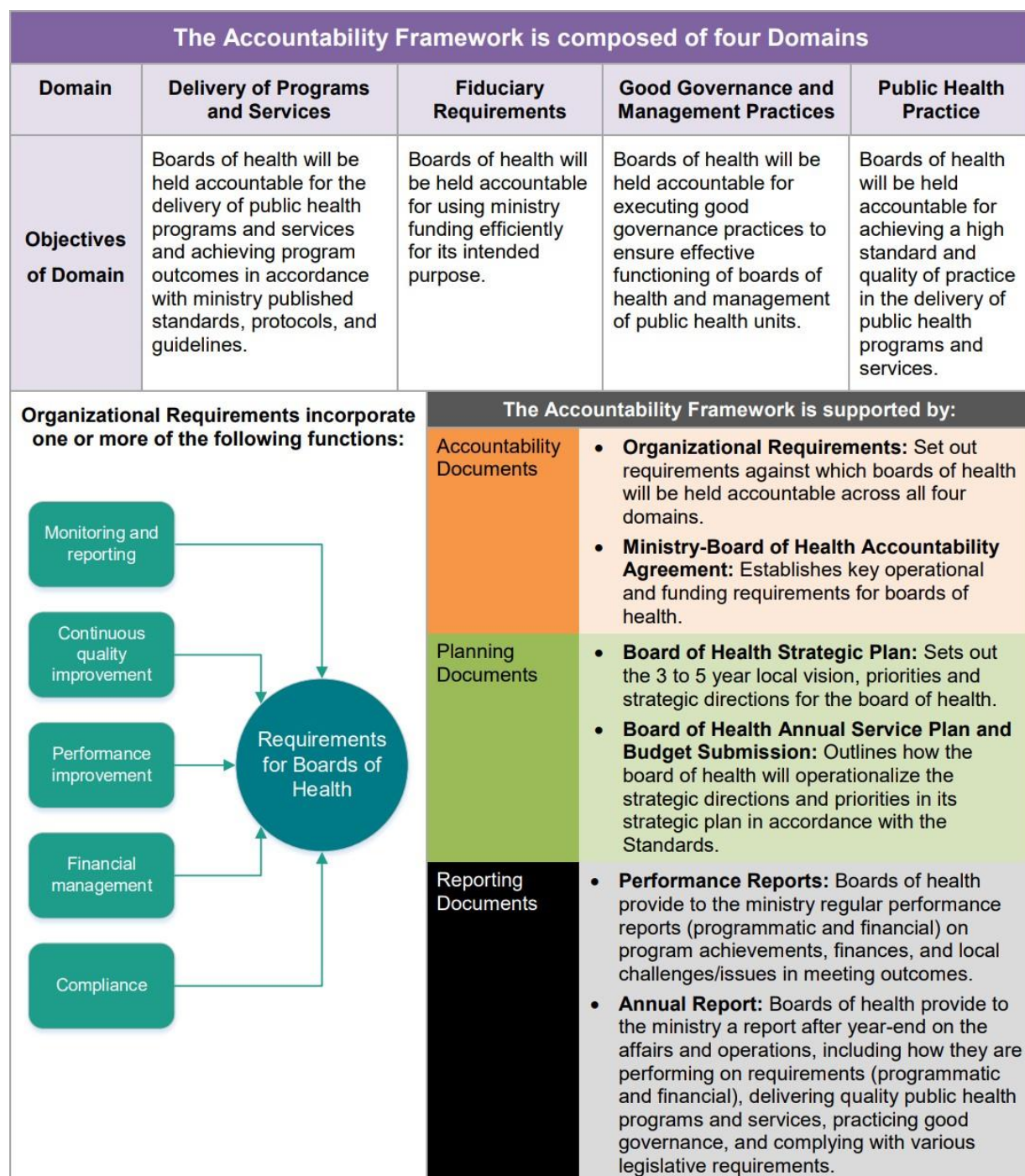


Figure 1



Recommendation: That the Budget Report be received, and that the Board of Health approve the Ministry of Health Budget at \$16,067,904.