

July 17, 2019

To the Municipal Councils of the County of Simcoe, District of Muskoka, City of Orillia and City of Barrie:

Re: Impact of provincially directed change in the funding of public health units on the municipal levies anticipated for 2020

The Board of Health for the Simcoe Muskoka District Health Unit (SMDHU) anticipates a substantial increase in the levies for our obligated municipalities in 2020 based on the contents of the 2019 provincial budget. The provincial budget indicates that the proportion of funding for public health units from municipalities increases to 30% of all programs directed by the Ministry of Health and Long-Term Care (MOHLTC) (excluding the new dental program for low income seniors, also cited within the provincial budget). Formerly municipalities were to provide 25% of the funding for only some of the programs, with the remainder to be 100% provincially funded. This change was to take place effective April 1, 2019, however, on May 27 the Premier announced that the funding shift is postponed to 2020.

Based on the assumption that the shift in funding will commence on January 1, 2020, and also based on the provision of provincial transition funding for the first quarter of 2020, in order to maintain the full complement of public health programs and services the overall levy for the obligated municipalities would need to increase by 33.21% in 2020 over 2019. Based on these assumptions, the total levy is forecasted to equal \$10.8 million in 2020, up from \$8.2 million in 2019. The allocation of this levy among our four obligated municipalities is based on a combination of population size and property assessment data from MPAC. The levies of our obligated municipalities in recent years and projected 2020 are provided in the attachment to this letter.

The Board acknowledges that this is a substantial increase in its levy, and thus the Board believes it is important for the municipal councils to be informed of this at this time, well before the year end. It is also important to note that we may experience unanticipated changes in the parameters that drive this increase, as we await more detailed information from the provincial government.

The public health system is going through momentous change based on the direction of the provincial government, changing the boundaries of local health units as we move from 35 health units to 10 regional public health entities on April 1, 2020. According to information verbally communicated to SMDHU senior management by MOHLTC staff, on that date the public health unit operations in Muskoka will join with those of six other health units in northeastern Ontario, and the public health operations in Simcoe County, Barrie and Orillia will join with those in York Region; provincial staff did indicate that the province is open to consultation on these proposed boundary changes. As previously communicated, the Board of Health is advocating that the entirety of our operations remain intact as we join with those in York Region. We have been told by MOHLTC staff that we will not know their final

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decision on the boundaries until they have completed changes to the Health Protection and Promotion Act, anticipated for late 2019 or early 2020.

Regardless of the provincial decision on our boundaries, Ministry staff have verbally communicated that they anticipate that the operational changes to local health units will take longer, up to three years. As such, the Board of Health will be developing a 2020 budget for the entirety of the year (despite the fact that the SMDHU Board of Health will be replaced on April 1, 2020 by the new regional boards of health). As such our levy projection for 2020 is based on the assumption that operationally and financially SMDHU will remain intact for 2020.

With our communities, we prevent disease and injury, and promote and protect health for all in Simcoe Muskoka. Public health programs and services are inherently cost effective, reducing health care costs, and are essential for the wellbeing of our citizens. As such, the Board is advocating that the public health units continue to fulfill all of the programming within the Ontario Public Health Standards. The Board also recognizes that the changes to public health will result in a substantial increase in cost for our municipal funders; as such, the Board is advocating that this funding change take place much more gradually over five years starting in 2021. However, by providing our councils now with our projection of the funding increase in 2020 we hope to better prepare our obligated municipalities for the year to come.

The Board is prepared to engage in further communication on this matter with our municipalities, with our point of contact being Dr. Charles Gardner, Medical Officer of Health and Chief Executive Officer for SMDHU.

Sincerely,

ORIGINAL Signed By:

Anita Dubeau
Chair, Board of Health

Att. (1)

Levies for the SMDHU Obligated Municipalities

	Levy			
	Projected 2020*	2019	2018	2017
District of Muskoka	\$1,855,768	\$1,393,154	\$1,409,504	\$1,416,126
Simcoe County	6,175,685	4,636,182	4,446,750	4,332,367
City of Barrie	2,318,479	1,740,518	1,757,211	1,715,313
City of Orillia	528,709	396,910	393,409	386,069
Total	\$10,878,641	\$8,166,763	\$8,006,874	\$7,849,876

	% Change in Levy			
	Projected 2020*	2019	2018	2017
District of Muskoka	33.21%	-1.16%	-0.47%	-0.58%
Simcoe County	33.21%	4.26%	2.64%	2.03%
City of Barrie	33.21%	-0.95%	2.44%	3.82%
City of Orillia	33.21%	0.89%	1.90%	3.44%

*** 2020 levy projection is a 33% increase from 2019 and does not account for changes in MPAC population or property assessment data**