



Report of the Commissioner of Finance
2024 to 2026 Budget – Community and Health Services

1. Recommendations

1. Committee of the Whole recommends the budget as submitted for Community and Health Services as follows:
 - a. The 2024 operating budget and 2025 to 2026 operating outlook as summarized in Appendix A.
 - b. The 2024 capital expenditures and Capital Spending Authority, as summarized in Appendix B, including a contribution from the Social Housing Development Reserve to fund 14th Avenue Box Grove, City of Markham, and 62 Bayview Parkway, Town of Newmarket, Community Housing Development projects.
 - c. That staff be directed to pursue Federal and Provincial capital funding for 14th Avenue Box Grove, City of Markham, and 62 Bayview Parkway, Town of Newmarket, Community Housing Development projects with any funding secured to replace the contribution from the Social Housing Development Reserve.
2. The recommended budget be consolidated by the Commissioner of Finance and Regional Treasurer for consideration by Council on December 21, 2023.

2. Purpose

This report provides a summary of the 2024 to 2026 Operating and 2024 Capital Budget for Community and Health Services for consideration by Committee of the Whole. Details of the budget can be found on page 115 of the [2024 to 2026 Budget Book](#) .

Key Points:

- The proposed budget enables Community and Health Services to provide critical human services to York Region residents every day and at every stage of life by protecting their health and well-being, supporting housing affordability and stability, improving access to health and social support services, and ensuring COVID-19 activities are sustained during the respiratory outbreak season, including vaccine administration to high-risk populations
- The 2024 proposed gross operating expenditures are \$1.04 billion, which is 33% of total Regional operating expenditures
- After non-tax revenues of \$753.5 million, the proposed net operating budget is \$283.3 million, or 20.0% of the Region's net expenditures, representing an increase of 3.80% from the 2023 budget
- The 2024 proposed capital budget is \$81.9 million, or 8.1% of the proposed total Regional capital expenditures, with proposed Capital Spending Authority of \$300.7 million
- In addition to the proposed operating budget and capital plan, Community and Health Services continues to advocate for senior government funding on a number of key community housing priority projects, presented in the table on page 122 of the Budget Book which provides a list of projects that are not included in the 2024 capital plan as funding commitments from senior levels of government are required

3. Background

Community and Health Services helps residents to be healthy, safe, engaged in community life, and contributing to the economy. As the extraordinary events of the pandemic underscored, its work touches the lives of residents every day and at every stage of life.

2023 Budget approved on February 23, 2023 included an operating outlook for 2024 to 2026

The 2023 Budget approved on February 23, 2023 included a 2024 to 2026 outlook with tax levy increases of 2.75%, 2.60% and 2.60%, respectively, and an additional Rapid Transit / Infrastructure Levy of 1% in each year to help fund the Yonge North Subway Extension and other critical infrastructure. This outlook reflected budget amounts for Regional departments and key service areas.

2024 Budget was tabled with Council on November 23, 2023

The [2024 Budget Directions](#) report established the timeline of tabling the 2024 to 2026 Budget in November 2023, with departmental reviews by Committee of the Whole on November 30 and December 7, and final approval by Council scheduled for December 21, 2023.

The proposed 2024 to 2026 Operating and 2024 Capital Budget was tabled with Council on November 23, 2023. It included a proposed tax levy increase of 2.75%. The tabled budget also included an additional Rapid Transit / Infrastructure Levy of 1%, which is consistent with funding requirements identified as part of the [2023 Regional Fiscal Strategy](#) report, [2024 Budget Directions](#) report, and the [2023 Fiscal Sustainability Update](#). The budget as tabled was received and referred to the meetings of Committee of the Whole for consideration and recommendation.

2024 Budget is the second year of the 2023-2026 Multi-year Budget covering the term of Council

The operating budget as presented includes the proposed 2024 budget and an outlook for 2025 to 2026. The outlook will be reviewed annually through the budget process. Each year Council will consider the proposed budget for the upcoming year and the outlook for the remaining years of Council's term.

For the 2024 to 2026 budget, Council is asked to approve the 2024 proposed operating budget and endorse the 2025 to 2026 outlook.

Multi-year commitments for capital projects are proposed as part of the budget process

Many capital projects span several years of planning, design and construction, requiring spending authority beyond the current budget year.

Capital Spending Authority is requested for 2024 capital expenditures and for projects with contractual and other clear or certain multi-year commitments. As in previous years, Council is asked to approve the proposed 2024 capital expenditures and associated funding sources, as well as the multi-year Capital Spending Authority and associated funding sources.

4. Analysis

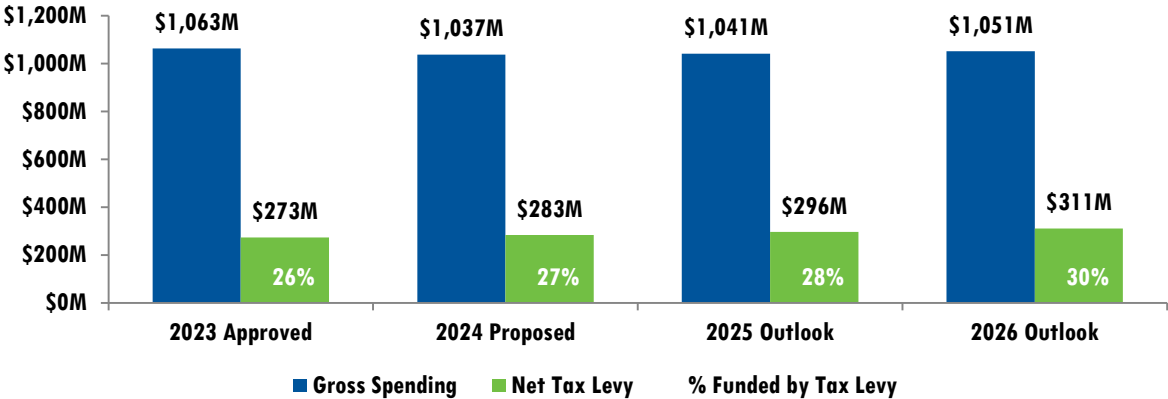
Operating Budget - Approval of 2024 gross expenditures of \$1.04 billion and net expenditures of \$283.3 million is requested

The budget includes gross operating expenditures (i.e., total budget), and net expenditures, which correspond to the portion of the budget paid by the tax levy. Non-tax revenues fund the difference. For Community and Health Services, non-tax revenues primarily reflect grants and subsidies from senior orders of government. Other non-tax revenue sources include reserves, other fees and charges (e.g., Long-Term Care resident fees), and recoveries from third parties.

The 2024 proposed gross operating expenditures for Community and Health Services are \$1.04 billion, or 33.0% of total Regional expenditures. The proposed 2024 net expenditures of \$283.3 million are 20.0% of the total, representing an increase of 3.80% from 2023 budget. The tax levy funds 27.3 % of Community and Health Services' 2024 gross expenditures, as shown in Figure 1 on the next page.

The 2024 Budget includes \$12.8 million in annual spending for the Supporting Critical Social Infrastructure initiative approved by Council on February 23, 2023. Initially this spending was to be funded through the Pandemic Management and Recovery Reserve (PMRR) while sustainable funding options could be reviewed, however progress has already been made to reduce the need for draws annually. Through increased senior government funding for Homelessness Prevention Programs, and a review of budget allocations and assumptions, \$8.8 million of the \$12.8 million is now accommodated within the base budget in 2024, with the remaining \$4 million balance funded through the PMRR. Currently, the proposed budget includes draws for this initiative of \$3.9 million in 2025 and \$1.9 million in 2026, as Community and Health Services continues to evaluate other options to phase in sustainable funding for the remaining balances.

Figure 1
2024 Gross and Net Operating Expenditures



Major driver(s) for the increase in Community and Health Services’ proposed 2024 operating budget include population growth, demographic changes, and legislative initiatives

Community and Health Services’ proposed 2024 net budget is \$283.3 million, an increase of 3.80% from the previous budget.

The department’s proposed 2024 net budget is higher than the 2023 budget due to the implementation of the Council approved 2021 to 2031 Paramedic Services Master Plan to address projected increase in 911 call volume and achieve response time targets as the Region’s population grows, mandated reforms to Long-Term Care including increasing hours of direct nursing and personal support care for residents, resources required to deliver mandated programs as required by Ontario Public Health Standards, and inflationary pressures.

The percentage increase in the proposed Community and Health Services budget does not reflect any offset from assessment growth revenue, as assessment growth is applied to reduce the overall Regional tax levy, rather than apportioned to individual departments.

Funding from senior governments represents 68.4% of the department's 2024 budget

In 2024, Community and Health Services expects to receive \$709.8 million in senior government funding. The majority of funding is for Social Services, reflecting \$536.5 million or 75.6% of overall funding, allocated between Integrated Childhood Services (\$382.5 million or 53.9%), Social Assistance (\$119.9 million or 16.9%), and Homelessness Community Programs (\$33.9 million or 4.8%). Funding is also received for Public Health with \$66.5 million or 9.3% of overall funding, Paramedic Services receiving \$59.5 million (8.4%), Long-term Care and Seniors Services with \$22.9 million (3.2%), and Housing Services accounting for \$21.9 million (3.0%).

In 2024, senior government funding is expected to decrease by \$37.2 million over the prior year. This is largely driven by decreases for Public Health (\$48.3 million) and Long-term Care (\$4.5 million) primarily relating to the end of extraordinary COVID-19 funding. This decrease is partially offset by increases to Social Services (\$6.1 million), Paramedic Services (\$5.6 million), and Housing Services (\$3.5 million).

Funding and cost sharing assumptions for outer years are based largely on existing confirmations of annual funding, which results in 2025 and 2026 levels held relatively flat. This is due to challenges with forecasting future senior government funding, owing to uncertainty surrounding future funding initiatives or program eligibility, or whether individual grant applications or requested amounts will ultimately be approved each year.

Ongoing costs related to COVID-19 recovery are expected to be funded by the Region as senior government funding winds down

The COVID-19 pandemic had major impacts on York Region in 2020 to 2023, however related impacts and costs are expected to decline significantly in 2024-2026. Remaining impacts in 2024 include continued temporary staffing and ancillary costs to support Public Health's vaccination and general activities, and in Long-Term Care for enhanced cleaning and personal protective equipment needs that are becoming a part of a new normal. While Community and Health Services is budgeting for these costs to be covered by the Region, York Region will continue to advocate for reimbursement from senior government sources.

Further funding to support asylum seekers is not included in 2024 budget, but would be addressed through internal departmental budget reallocations if needed

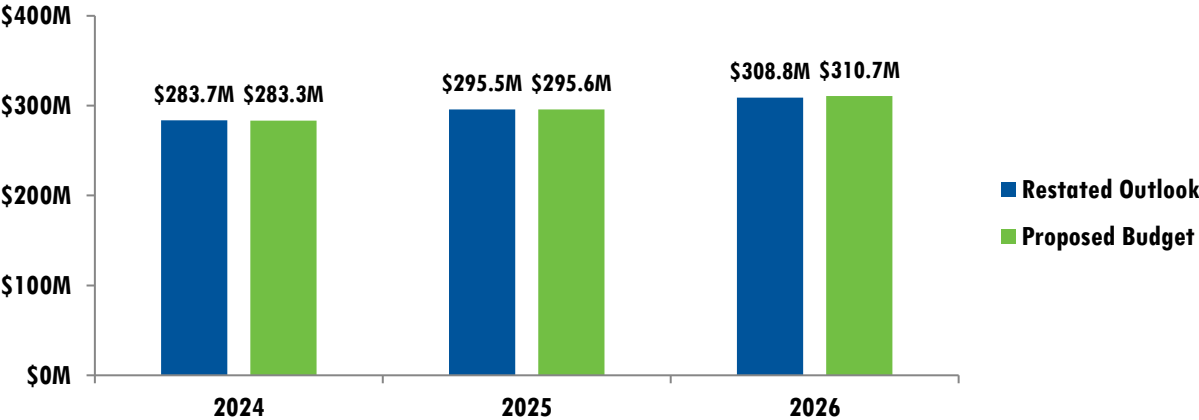
York Region, like other municipalities across Ontario is experiencing an influx of asylum seekers. This is putting pressure on the emergency and transitional housing system, which is already at capacity, and straining other social services and supports both in York Region and throughout the GTHA. In response, on [September 28, 2023](#), Regional Council authorized \$4.3 million within the approved Community and Health Services budget to support interim accommodations and wrap-around supports for asylum seekers in York Region until March 31, 2024. The 2024 budget does not

include a request for additional funds to respond to this ongoing situation. If needed, Community and Health Services would continue to fund any subsequent pressures through reallocation of existing budget resources, where possible. The situation will continue to be monitored through the mid-year reporting process, and if costs are extra-ordinary, Community and Health Services may seek budgetary increases using contingency funds later in the year. The Region has reached out to the Federal Government for funding to help offset these expenditures.

Proposed Community and Health Services 2024 operating budget is lower than outlook

As illustrated in Figure 2 below, the proposed Community and Health Services 2024 net budget is \$0.4 million lower than the outlook, while the 2025 net budget remains unchanged and the net budget for 2026 is \$2 million higher than outlook.

Figure 2
2024 Proposed Net Budget Compared to Outlook



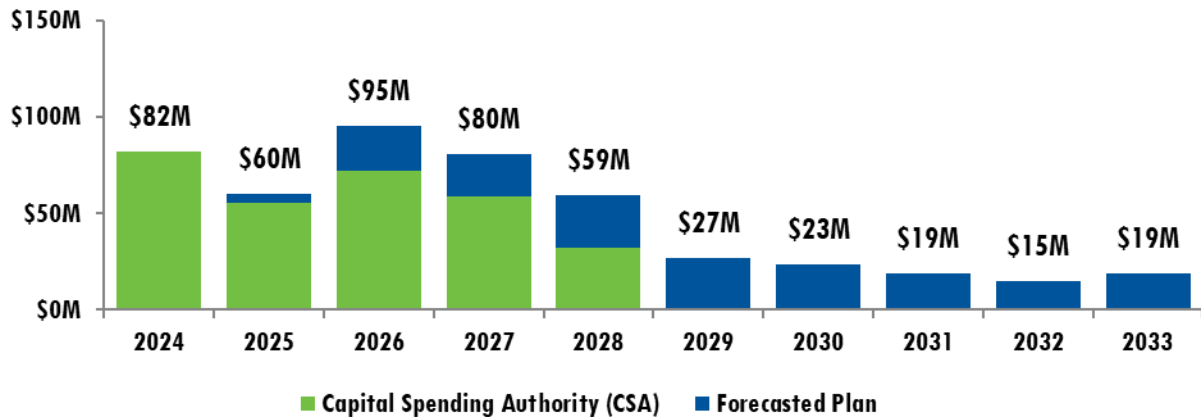
The department’s proposed 2024 net budget is below outlook primarily as a result of increased provincial funding in areas such as homelessness prevention and land ambulance grants, and adjustments to department salary savings targets.

Capital Budget - Approval of 2024 capital expenditures of \$81.9 million and Capital Spending Authority of \$300.7 million is requested

Community and Health Services’ capital budget enables infrastructure projects to support growth and renewal of housing facilities, paramedic stations, vehicles and equipment, and long-term care equipment and technology.

As shown on the next page in Figure 3, the 2024 proposed capital expenditures are \$81.9 million or 8.1% of the total Regional capital expenditures. Proposed Capital Spending Authority is \$300.7 million or 4.9% of the Region’s total Capital Spending Authority.

**Figure 3
Ten-Year Capital Plan and Capital Spending Authority (CSA)**



Appendix B summarizes the proposed 2024 capital expenditures and Capital Spending Authority by program group and shows the associated funding sources. Details on the individual projects are available in the 2024 to 2026 Budget Book starting on page 289.

Proposed capital plan includes \$177.2 million to construct two community housing projects that require Regional contribution until senior government funding is secured

Community and Health Services proposed capital plan includes \$177.2 million for two community housing sites: 14th Avenue, Box Grove, City of Markham and 62 Bayview Parkway, Town of Newmarket. The budget includes a contribution from the Social Housing Development Reserve to construct these projects. Once additional funding from senior levels of government is secured, it will replace funds contributed from the Social Housing Development Reserve for these projects. Together, the two community housing sites would add 400 new units over the next 10-years.

To date, the projects have 7% in confirmed external funding through the Ontario Priority Housing Initiative (OPHI) and Canada-Ontario Community Housing Initiative (COCHI), and plan to temporarily use Regional sources as the Region continues to advocate for funding opportunities. As outlined in the memo to Committee of the Whole entitled "[Revised Capital Approach to Building New Community Housing](#)" dated November 9, 2023, recent changes to Federal and Provincial funding programs require projects to be in construction to attract funding. The Region has been successful in accessing federal funding for the Unionville Commons project in the City of Markham and the Town of Whitchurch-Stouffville community housing project.

\$303.8 million in priority projects pending senior government funding commitments are not included in the proposed capital plan

Community and Health Services has identified the need to invest \$303.8 million over the next 10-years to continue reaching its goal of community housing. Construction dollars for these six housing sites are not included in the Region’s 10-year capital plan at this time, as they require funding

commitments from senior levels of government and are subject to the Region's Fiscal capacity considerations. Further detail can be found in the Capital Appendix on page 331 of the Budget Book.

Proposed budget supports the Strategic Plan

The budget for Community and Health Services supports the delivery of the *2023 to 2027 Strategic Plan* priorities under Vision's Areas of Focus of Healthy Communities and Good Government.

More information on alignment between the Strategic Plan and the budget is provided in the [2024 to 2026 Budget Book](#).

5. Financial Considerations

The proposed 2024 net operating budget for Community and Health Services totals \$283.3 million, which represents a 3.80% increase before assessment growth revenue, as summarized in Appendix A.

The proposed 2024 capital budget of \$81.9 million and Capital Spending Authority of \$300.7 million are summarized in Appendix B, including an initial contribution from the Social Housing Development Reserve to fund 14th Avenue Box Grove and 62 Bayview Parkway Community Housing Development projects, until additional funding from senior levels of government can be secured.

6. Local Impact

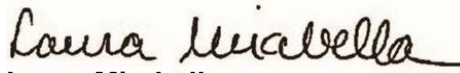
The Region's budget supports a wide range of public services that support and benefit residents and local economies. The Region works with its local municipal partners to develop many Regional programs and services. Local needs and impacts are an important consideration in delivering effective and efficient services for a growing population.

7. Conclusion

This report sets out the proposed operating and capital budgets for Community and Health Services. To facilitate completion of the budget process, it is recommended that the Committee's recommendations be forwarded to Council for consideration on December 21, 2023.

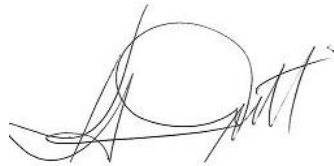
For more information on this report, please contact Kelly Strueby, Director, Office of the Budget at 1-877-464-9675 ext. 71611. Accessible formats or communication supports are available upon request.

Recommended by:



Laura Mirabella

Commissioner of Finance and Regional Treasurer



Katherine Chislett

Commissioner of Community and Health Services



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

November 15, 2023

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Appendix A – Operating Budget

Appendix B – Capital Budget

2024-2026 Operating Budget for Community & Health Services

(in \$000s)	Page No.	2023 Budget		2024 Proposed		Change	2025 Outlook		2026 Outlook	
		Gross	Net	Gross	Net	Net %	Gross	Net	Gross	Net
Public Health	126	146,005	30,736	105,865	31,783	3.41%	96,475	33,661	98,141	35,205
Paramedic Services	129	108,201	52,433	114,574	53,520	2.07%	122,107	57,083	128,214	61,079
Long Term Care/Seniors' Services	132	55,320	22,066	51,578	22,818	3.41%	52,865	23,629	54,328	24,724
Social Assistance	135	123,456	11,770	132,672	11,821	0.43%	132,908	12,272	135,495	12,663
Homelessness Community Programs	136	42,312	13,329	48,474	14,318	7.41%	49,235	15,006	49,925	15,696
Children's Services	139	419,194	26,609	408,146	24,217	(8.99%)	408,764	24,808	409,280	25,297
Housing Services	142	119,558	73,936	124,740	78,527	6.21%	126,593	81,240	121,989	87,279
Strategies and Partnerships	146	20,202	14,542	21,146	16,683	14.72%	21,608	17,004	21,801	17,224
Integrated Business Services	150	28,633	27,542	29,656	29,656	7.68%	30,891	30,891	31,543	31,543
Total¹		1,062,881	272,963	1,036,850	283,342	3.80%	1,041,446	295,595	1,050,715	310,710

¹ Numbers may not add due to rounding

² The percentage change in the proposed budget does not reflect any offset from assessment growth revenue

³ Summary of the consolidated Operating Budget for York Region can be found on the table on pages 44-45 in the 2024-26 Budget Book

2024 Capital Expenditures and Capital Spending Authority (CSA) for Community & Health Services

Public Health	Page No.	2024 \$000s	Total CSA \$000s
Program Expenditures:			
Public Health	126	332	2,519
Funding Sources:			
Program Specific & Gen. Capital Reserves	126	332	2,519
Total Funding Sources		332	2,519

Paramedic Services	Page No.	2024 \$000s	Total CSA \$000s
Program Expenditures:			
Paramedic Services	129	46,992	70,448
Funding Sources:			
Development Charges	129	25,076	32,776
Asset Replacement Reserve	129	13,860	29,615
Debt Reduction Reserve	129	7,080	7,080
Grants & Subsidies	129	142	142
Other Recoveries	129	834	834
Total Funding Sources		46,992	70,448

Long-Term Care/Seniors' Services	Page No.	2024 \$000s	Total CSA \$000s
Program Expenditures:			
Long-Term Care/Seniors' Services	132	10,704	13,523
Funding Sources:			
Development Charges	132	48	48
Asset Replacement Reserve	132	8,359	11,178
Grants & Subsidies	132	2,297	2,297
Total Funding Sources		10,704	13,523

Housing Services	Page No.	2024 \$000s	Total CSA \$000s
Program Expenditures:			
Housing Services	142	23,904	214,161
Funding Sources:			
Asset Replacement Reserve	142	2,926	20,210
Debt Reduction Reserve	142	-	27,009
Program Specific & Gen. Capital Reserves	142	1,635	141,332
Grants & Subsidies	142	19,343	25,610
Total Funding Sources		23,904	214,161

¹ Summary of the consolidated Capital Budget for York Region can be found on the table on pages 56-57 in the 2024-26 Budget Book

² The proposed capital plan for Housing Services does not include \$303.8 million for priority projects that require senior government funding commitments