
MEMORANDUM

BRC-C 2-2021

Subject: Associate Medical Officer of Health Recruitment – Financial Implications

Date: January 14, 2021

To: Budget Review Committee of the Whole

From: Melanie Steele, Associate Director, Reporting & Analysis

The purpose of this memo is to provide supplemental information to CAO 25-2020 on the financial implications related to the recruitment of an additional permanent Associate Medical Officer of Health (AMOH) as part of 2021 budget. A gross cost of \$247,000 for salary and benefits for this new position was included in the proposed 2021 budget. Proposed funding for this position in the 2021 budget include \$125,000 sustainable levy funding from growth and \$122,000 from one-time reserve transfers/safe restart funding. Notwithstanding the aforementioned 2021 budget figure, the amount required from the levy to sustain this position into future budget years could range from \$45,400 to \$267,000 depending on recruitment strategy required and Ministry approval/funding for position. Once known, staff would incorporate all funding and adjust future budgets accordingly. For 2021, the difference between budgeted amounts and actuals will be reconciled in year.

In order to ensure competitive salaries are available for the recruitment of AMOH's, the province has established what it considers appropriate salary ranges for the role. As of April 1 2020, the Ministry range for an AMOH is \$227,439 to \$259,930 base salary plus benefits. The Region's range for AMOH positions is between \$128,660 and \$151,370 base salary plus benefits. The province has established a top up program for eligible positions whereby municipalities can apply to be reimbursed 100% of the salary and benefit difference between the Region's salary range and the Ministry's range.

Under normal circumstances the Region would attempt to recruit a candidate at the Region's salary range and notify them they would be entitled to provincial top-up upon Ministry approval. The Region will attempt the same recruitment strategy now to minimize the financial risk of having to cover the top-up amount, but given this is a net new position and recruitment is expected to be difficult this may not be feasible to secure a suitable candidate.

The following table outlines the total estimated cost for an AMOH position and how it would be funded under normal circumstances which assumes:

- The Ministry approved the position for top-up (which is done via application)
- Salary range remain at 2020 levels and we use bottom of Ministry and Region range
- Our share of base salary/benefits can be accommodated within our 70/30 cost shared model.

Table 1: AMOH cost estimate under normal circumstances

	Total cost estimate	Province	Region
Base salary	\$228,000	\$189,600	\$38,400
Benefits (approx. 17%)*	39,000	32,000	7,000
Total**	\$267,000	221,600	\$45,400
		Provincial funding includes: <ul style="list-style-type: none"> • \$117,000 from top-up program • \$104,600 from 70% cost sharing 	

* Benefits for non union staff in the 2021 budget are approximately 22% on average. Given the higher salary range for this position and some benefits being fixed, 17% is the estimate for this role.

** This amount is slightly higher then the \$247,000 included in the 2021 budget.

Due to ongoing support for the pandemic, the Region's proposed 2021 public health budget exceeds our normal base funding formula of 70% Ministry Funded and 30% Levy funded. While it is likely that additional public health funding will be made available in 2021 (such as the public health funding recently provided for 2020), at the time of budget preparations amounts and permanency of this funding has not yet been announced. Additionally any permanent changes to the public health model and services levels after the pandemic are also unknown.

The Region's budget strategy was to ensure all temporary COVID related costs above our normal funding formula are funded from reserves/safe restart funding to not burden taxpayers with tax increases of a temporary nature. Since this position is being requested on a permanent basis due to recruitment challenges, staff felt it was prudent to ensure some permanent funding be put in place given the uncertainty around Ministry approval of the position/top-up and our ability to accommodate the position within our future cost shared program envelop on a permanent basis.

As a result of the above considerations, the 2021 budget includes the new permanent AMOH position as part of the Pandemic Division Business case at a total estimated cost of \$247,000 being funded 50% from one-time reserve/safe restart and 50% from growth. While there are still many unknowns around the future public health services, this approach helps ensure some permanent funding is in place to accommodate this permanent position if either the top-up or accommodating the position within cost our cost shared program envelop does not occur.

Respectfully submitted and signed by

Melanie Steele, MBA CPA CA
Associate Director, Reporting & Analysis