

Analyst Briefing Notes

Budget Advisory Committee

January 13, 2006

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PART I: 2006 Operating Budget Overview

Table 1: 2006 Proposed Budget

	2005		2006 Proposed Operating Budget			Change 2006 Proposed from 2005 Budget		FY Incremental Outlook	
	2005 Approved Budget	2005 Proj Act.	2006 Proposed Base	2006 New Council Priorities	2006 Proposed Op. Bud.	\$	%	2007	2008
(In \$000s)	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	193,934.2	188,183.0	197,850.9	13,628.0	211,478.9	17,544.2	9.1	TBD	TBD
REVENUE	123,180.0	118,686.3	138,121.7	9,296.3	147,418.0	24,238.0	20.0	TBD	TBD
NET EXP.	70,754.2	69,496.7	59,729.2	4,331.7	64,060.9	(6,693.3)	(9.0)	TBD	TBD
Approved Positions	1,873.4	1,873.4	1,847.0	N/A	N/A	N/A	N/A	TBD	TBD
TARGET			N/A						
\$ Over / (Under) Program Target			N/A						
% Over / (Under) Program Target			N/A						

Note: Gross expenditures and revenues estimated based upon 65% Provincial cost-sharing.

Executive Summary

- The 2005 Projected year-end net expenditure of \$69.497 million is \$1.257 million below budget due to a backlog in filling staff positions pending the finalization of organizational restructuring within the Healthy Families and Healthy Living area. Also contributing to this under-expenditure is a general difficulty in recruiting professional positions and processing delays for RFQs and purchasing.
- The 2006 Proposed Budget for Public Health of \$64.061 million net is comprised of \$59.729 million net for Base funding and \$4.332 million net for New Council Priorities. The total 2006 Proposed Operating Budget represents a reduction of \$6.693 million of 9.0% from the 2005 Approved Budget, primarily due to Provincial cost-sharing increasing from 55% to 65% funding for eligible services.
- The 2006 Proposed Base Budget of \$59.729 million net is a \$11.025 million or 15.6% decrease from the 2005 Approved Budget, primarily the result of the Provincial cost-sharing formula changing from 55% to 65%. This increased revenue is offset by base budget pressures of \$2.604 million, which is mainly 2006 harmonization and wage settlement costs.
- The \$13.872 million new revenue in Public Health, generated from the change in Provincial cost-sharing, presents an opportunity to redirect the municipal share of funding to public health

related programs, as well as reinvest in direct Public Health services. The 2006 Proposed Budget redirects the net savings realized and proposes their reinvestment, as follows:

Public Health stability and reinvestment

- \$2.604 million to offset 2006 Base Budget pressures in Public Health;
- \$4.332 million to be reinvested in Public Health services, details of which the Board of Health will report back on;

Promotion of health and well-being through other City Programs

- \$0.100 million to offset one-time costs for the City to provide a Project Manager to support the Global AIDS Conference to be held in Toronto in 2006 (Tourism);
- \$0.913 million to offset strong neighborhoods community development work in the City's 13 vulnerable neighborhoods; (Social Development, Finance and Administration); and
- \$5.923 million to offset the provision of recreation services to children and youth in the City's vulnerable neighborhoods (Parks, Forestry, and Recreation)

Recommendations

It is recommended that:

- (1) The Public Health 2006 Proposed Operating Budget of \$211.479 million gross and \$64.061 million net be approved; and
- (2) The 2006 Proposed New/Enhances Services of \$4.332 million be approved subject to the Board of Health reporting to Budget Advisory Committee in January 2006 with:
 - (a) a priority list of New/Enhanced Services, that meet the \$4.332 million Proposed funding level, ensuring that priority be given to sustainability of existing services including facility state of good repair, quality assurance, and to service areas with compliance shortfalls in meeting Provincial mandates; and
 - (b) a total Proposed Budget by service area.

PART II: BASE BUDGET

Section A: 2005 Budget Variance Analysis

Table 2: 2005 Budget Variance Review

	2004 Actuals	2005 Approved Budget	2005 Projected Actuals*	2005 Approved vs Projected Actuals Variance	
(In \$000s)	\$	\$	\$	\$	% Unspent
GROSS EXP.	171,375.5	193,934.2	188,183.0	5,751.2	3.0
REVENUES	102,873.7	123,180.0	118,686.3	4,493.7	3.6
NET EXP.	68,501.8	70,754.2	69,496.7	1,257.5	1.8
Approved Positions	1,819.0	1,873.4	1,873.4	0.0	0.0

*Projected Actual expenditures to year-end based on revised 3rd Quarter Variance Report

2005 Experience

- As of September 30, 2005, the projected year-end actual expenditures are \$69.497 million net. This represents an under-expenditure of \$1.257 million, consisting of:
 - \$0.7 million mainly due to lower payroll costs during the first half of the year; and
 - \$0.6 million related to processing delays in purchase of service and RFQ processes.
- The lower payroll costs resulted from a delay in recruiting for positions arising from the Healthy Families and Healthy Living re-organization and challenges in recruiting for the professional positions. Temporary support for Human Resources has been added to accelerate the hiring process.
- An examination of actual payroll costs as of YTD September 30, 2005, shows an approximate under-expenditure of \$3.4 million gross or 3.7% in salary costs, versus \$4.9 million in gapping for the entire year. The under-expenditure will be further reduced by cost-sharing.
- The impact of these human resource delays is a reduced level of service delivery in programs, such as Dental Services and Communicable Diseases, and delays in implementation of systems support for the TB program.
- Processing of purchases, has also impacted spending and delivery of services. Public Health has increased their focus on the completion, processing and follow-up of outstanding purchase of service requisitions, RFPs and RFQs with City staff and hold ongoing monthly meetings with City Facilities to monitor the status of facility maintenance projects.

- As a result of under-expenditures in cost-shared programs, the matching grants and subsidies are projected to be under-achieved by \$4.5 million for year-end.

Impact of 2005 Operating Variance on 2006 Proposed Budget

- The under-expenditure is not expected to continue into 2006. Given that the reorganization of the Healthy Families and Healthy Living units has been completed and temporary staff have been hired to accelerate the hiring process, it is proposed that Public Health will be able to “hire-up” to 2006 Proposed Base Budget levels. Also, on-going monthly meetings with City Facilities staff to monitor the status of facility maintenance projects and follow-up on outstanding purchase of service requisitions and RFP/RFQs by health service professionals, should eliminate the processing delays.

Section B: 2006 Proposed Base Budget

Table 3: 2006 Proposed Base Budget

	2005 Approved Budget	2006 Requested Base	2006 Proposed Base	Change 2006 Proposed Base v. 2005 Approved Budget		FY Incremental Outlook	
						2007	2008
(In \$000s)	\$	\$	\$	\$	%	\$	\$
GROSS EXP.	193,934.2	197,475.6	197,850.9	3,916.7	2.0	0.0	0.0
REVENUE	123,180.0	137,988.9	138,121.7	14,941.7	12.1	0.0	0.0
NET EXP.	70,754.2	59,486.7	59,729.2	(11,025.0)	(15.6)	0.0	0.0
Approved Positions	1,873.4	1844,0	1,847.0	(26.4)	(1.4)	0.0	0.0
NET TARGET			N/A				
\$ Over / (Under) Program Target			N/A				
% Over / (Under) Program Target			N/A				

2006 Proposed Base Budget

- The 2006 Proposed Base Budget of \$59.729 million net represents a \$11.025 million or 15.6% decrease from the 2005 Approved Budget, as a result of Provincial cost-sharing increasing from 55% to 65%, offset by base budget pressures of \$2.604 million, due mainly to wage settlement cost increases.
- Public Health does not have a 2006 Target, as the change in Provincial cost-sharing does not result in a meaningful comparison. However, excluding the change in cost-sharing, Public Health’s Base Request would be \$73.358 million or \$1.189 million over the 2% Target over the 2005 Approved Budget mainly due to Cost of Living Adjustmetns (COLA).

2006 Key Cost Drivers

The key cost drivers for Public Health’s 2006 Base Budget are:

- Annualization of harmonization costs and 2006 wage settlement costs totalling \$4.614 million gross and \$1.961 million net and annualizations of 2005 approved programs amounting to \$0.613 million.
- Increased provincial funding made available from the Ministry of Health and Long Term Care (MOHLTC) by their June 2004 commitment to strengthen the resource base with increased provincial cost sharing to 75% by 2007. During 2006, provincial cost-sharing will increase from 55% to 65%. This translates into a base revenue increase of \$13.9 million for Toronto Public Health in 2006.

**Table 4: Summary of Proposed Base Budget Changes
From 2005 Approved Budget**

	Summary of 2006 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2007	2008
(\$000's)		\$	\$	\$	\$	\$
2005 Approved Operating Budget	1,868.4	187,858.5	118,620.1	69,238.4	0.0	0.0
In-year approvals and technical adjustments	5.0	6,075.7	4,559.9	1,515.8		
2005 Approved Operating Budget	1,873.4	193,934.2	123,180.0	70,754.2	0.0	0.0
Annualizations	(31.4)	(2,988.2)	(2,845.3)	(142.9)		
Economic factors	0.0	5,662.0	3,335.7	2,326.3		
Adjusted Base Budget	1,842.0	196,608.0	123,670.4	72,937.6	0.0	0.0
Other base changes	2.0	867.6	446.9	420.7		
Base revenue changes	0.0	0.0	13,871.6	(13,871.6)		
2006 Base Budget Request	1,844.0	197,475.6	137,988.9	59,486.7	0.0	0.0
Recommended Base Adjustments:						
Other base changes	3.0	375.3	132.8	242.5		
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Proposed Base Adjustments	3.0	375.3	132.8	242.5	0.0	0.0
2006 Proposed Base Budget	1,847.0	197,850.9	138,121.7	59,729.2	0.0	0.0
2006 Program Operating Target	N/A	N/A	N/A	N/A		
% Over (Under) Program Target	N/A	N/A	N/A	N/A		
% Over (Under) 2005 Approved Budget	(1.4)	2.0	12.1	(15.6)		

Section C: 2006 Base Budget Issues

Key Issues / Recommendations

Other Base Budget Changes

During the 2006 Operating Review Process, two inter-departmental transfers totaling \$0.375 million gross, \$0.243 million net, were identified for Public Health, as follows:

1. Transfer of Lease Payment from Facilities and Real Estate (\$71.5 thousand net)

During 2005, Public Health facilities relocated from 55 Town Centre to 1530 Markham Road. During 2005, lease payments were absorbed by the Facilities and Real Estate Program. For the 2006 Operating Budget, funding of \$204.3 thousand gross will be transferred from Facilities and Real Estate to Public Health, to cover the lease expenses for the City-owned property of 1530 Markham Road. This realignment of expenses will allow Public Health to apply Provincial cost-sharing of \$132.8 thousand to the costs.

2. Transfer of Dead Animal Pick-Up from Transportation (\$171.0 thousand net)

Prior to amalgamation, dead animal pick-up services were performed by Animal Services in some sections of the City and by Transportation Services in other parts of the City.

As part of consolidating these services, effective January 1, 2006, the dead animal pick-up service will be centralized within Animal Services in Public Health. Discussions between Transportation Services and Public Health, have resulted in a proposed transfer of \$171.0 thousand, consisting of:

- \$167.4 thousand for three truck drivers; and
- \$3.6 thousand for fleet maintenance and fuel.

In addition, Transportation will provide the transfer of one new vehicle, equipped as specified by Animal Services, by the end of April 2006.

Provincial Cost-Sharing Increase (\$13.9 million net)

In 2004, the Province announced a three year plan, starting in 2005, to strengthen the resource base for public health by annually increasing the provincial cost sharing formula up to 75% by 2007.

In 2005, Provincial funding increased from 50% to 55%, providing Public Health with a revenue increase of \$6.3 million. In 2006, the Provincial funding increase will be 55% to 65%, resulting in a \$13.9 million increase in funding to the Public Health Program. In 2007, cost-sharing will

increase from 65% to 75%, with a potential for a maximum \$17.4 million increase in Provincial funding, if all of Public Health's requested new/enhanced services were approved.

This increased revenue presents an opportunity to redirect the municipal share of funding to public health related programs, as well as reinvest in direct Public Health services. Given the City's overall financial pressures, it also provides an opportunity to redirect 50% net savings realized from the increased Provincial funding to City Programs that generally promote health and well-being especially in our vulnerable neighbourhoods. The 2006 Proposed Budget redirects the net savings realized and proposes their reinvestment as follows:

Public Health stability and reinvestment

- \$2.604 million to offset 2006 Base Budget pressures in Public Health;
- \$4.332 million to be reinvested in Public Health services, details of which the Board of Health will report back on;

Promotion of health and well-being through other City Programs

- \$0.100 million to offset one-time costs for the City to provide a Project Manager to support the Global AIDS Conference to be held in Toronto in 2006 (Tourism);
- \$0.913 million to offset strong neighborhoods community development work in the City's 13 vulnerable neighborhoods (Social Development, Finance and Administration); and
- \$5.923 million to offset the provision of recreation services to children and youth in the City's vulnerable neighborhoods (Parks, Forestry, and Recreation).

3 Year Operating Budget Overview

Public Health's 2006 Proposed Budget is prepared consistent with Council's priority to strengthen at-risk neighborhoods and Council direction to "make prevention the cornerstone for environmental and health protection."

As defined by the Mandatory Health Programs and Service Guidelines issued by the Ministry of Health and Long Term Care, core public health programs and services are directed at disease prevention, health promotion and health inspection.

The continued Provincial investment increase in Public Health for 2006 and 2007, will assist in adding resources to establish a stable public health infrastructure. In 2006, the second year of the three-year Provincial action plan, the incremental increase of \$13.871 million in provincial funding, will address sustainability and quality assurance of existing programs, compliance with Provincial mandates and provide for new/enhanced programming. The major portion of program changes will occur during 2006, as the 2007 cost-sharing increase from 65% to 75% will need to first address annualizations of approved 2006 programs before any new services are added. Any new/enhanced service requests approved during 2007 will need to be evaluated within the context of no further provincial cost-sharing increases in 2008 and beyond and would could result in budget pressures for 2008.

Service Level, Delivery or Gap Issues

Public Health’s capacity to spend is summarized in the following table.

Public Health Year-End Net Expenditures
(\$ in millions)

	Budget	Actual	Variance	
			\$	%
2003	69.651	66.203	3.448	5.0
2004	72.927	68.501	4.425	6.1
2005 Projected	69.161	67.888	1.272	1.8

Reviewing the previous years’ expenditure patterns, Public Health has consistently under-spent its budget. As of the September 30, 2005 Operating Variance report, Public Health is projecting year-end under expenditures of \$1.3 million, net of the harmonization and COLA adjustments. As reported in the variance report, a backlog of staffing requests has created challenges in meeting service delivery plans.

In the 2005 Approved Budget, \$7.8 million was approved for New / Enhanced Programs, with spending to begin May 2005. As of September 30, 2005, approximately 75% of the positions were filled, resulting in an estimated under-expenditure as of September 30, 2005 of \$0.396 million.

In 2006, the Proposed Operating Budget includes \$4.332 million for new/enhanced Programs, with annualized impacts into the 2007 Operating Budget. The annualized costs for new/enhanced services are unquantifiable until the Board of Health’s prioritization of services,. However, it is expected that annualizations for the 2006 Proposed New/Enhanced Service Requests will be accommodated within the 2007 Provincial cost-sharing increase to 75%.

Issues Referred to 2006 Operating Budget Process

None.

Outstanding Issues from 2005 and Prior Years

None

Appendix A
Summary of Service Level Adjustments

PART III: NEW COUNCIL PRIORITIES

Section D: 2006 Proposed New Council Priorities

Table 5: Summary of 2006 Proposed New Council Priorities (\$000)

Council Priority	Description	Total 2006 New Requests		2006 Not Proposed		2006 Proposed Council Priorities		Proposed New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$	#	\$	\$
Council Priorities:										
	Sub-Total Council Priorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Items Referred to 2006 Operating Budget:										
	Sub-Total Referred	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Program Requests:										
<u>Operating Impact of Capital</u>										
	NP-N001A iPHIS Compl. With Legislated Stds.	414.4	145.0							
<u>Maintenance / Sustainability of Services</u>										
	NP-N0050A Mgmt. Web Based Health Info									
	NP-N0055A Program staffing support									
	NP-N0056A Facilities /space mgmt									
	NP-N0028A Corp. Data Ctre TCHIS Support	284.3	99.5							
	NP-N0035A Telephone Counselling/Serv	216.0	75.6							
	NP- N0052A Facilities State Good Repair	586.0	430.7							
	Sub-Total Maintenance / Sustainability Serv	1,086.3	605.8	0.0	0.0					
<u>Quality Assurance / Risk Management</u>										
	NP-N0045A Integrating Access/Equity									
	NP-N0047A Timely Info for Prof. Practice									
	NP-N0048A Mgr. Support Prog. Planning									
	NP-N0058A Strengthen bus. Effectiveness									
	NP-N00517 Health Hazard/Tobacco Program	132.7	46.4							
	NP-N0023A Healthy Families, Health Living	638.9	223.6							
	NP-N0026A Mgmt Tools for Reporting	995.5	348.4							
	NP-N0030A Clinical Suppt. for Staff with High Risk Clients	364.6	127.6							
	Sub-Total Quality Assurance / Risk Mgmt	2,131.7	746.1	0.0	0.0					
<u>Service Enhancement - 65% Prov. Fund</u>										
<u>Priority Neighborhoods</u>										
	NP-N0037A City Food and Hunger Initiatives	272.4	95.3							
	NP-N0038A TO's Compreh. Drug Strategy	249.5	87.3							
	NP-N0039A Substance Abuse Prevention	294.7	103.1							
	NP-N0042A Comm. Crisis Response/Recovery	302.3	105.8							
	NP-N0051A Streets to Homes Initiatives	148.6	52.0							
	NP-N0054A Parent /Youth Peer Support	204.5	71.6							
	TBD One on One Youth Mentoring	71.9	25.2							
	TBD Support for Youth Priority Neighborhoods	632.4	221.3							
	NP-N0029A Enhanc. Parent Skills/Child Dev	250.5	87.7							
	NP-N0025A Teen Prenatal/Parenting Prog	243.9	85.4							
	NP-N0059A Dental Health Serv. Perinatal Women	83.5	29.2							
	Sub-Total Priority Neighborhoods	2,754.2	963.9	0.0	0.0					
<u>Communicable Diseases</u>										
	NP-N0003A Infection Control for PSS and DN	361.9	126.7							
	NP-N0011A Sexual Health Clinics	1,148.2	351.9							
	NP-N0004A Day Nursery Immunization	267.6	93.6							
	NP-N0005A Hepatitis B / Hepatitis C Prevention	275.2	96.3							
	NP-N0007A Infection Control Support	161.9	56.7							
	NP-N0009A Infection Prev. in Injection Drug Users	207.4	114.2							
	NP-N0010A Pandemic Influenza Preparedness	760.8	266.3							
	NP-N0012A Prev. Transmission Sexually Trans	258.3	90.4							
	Sub-Total Communicable Diseases	3,441.3	1,196.1	0.0	0.0					

Council Priority	Description	Total 2006 New Requests		2006 Not Proposed		2006 Proposed Council Priorities		Proposed New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.	Gross Exp.	Net Exp.	Gross Exp.	Net Exp.		2007	2008
		\$	\$	\$	\$	\$	\$		#	\$
	<u>Health Hazard Reduction</u>									
	NP-N0018A Food Safety Requirements	1,001.7	350.6							
	NP-N0019A Home Food Safety Education	435.6	152.5							
	NP-N0044A Envir. Health Hazard Investigation	428.9	150.1							
	NP-N0046A Health Impact Assessment	384.0	134.4							
	NP-N0043A Heat Alert Outreach to Vulner. Adults	171.7	60.1							
	Sub-Total Health Hazard Reduction	2,421.9	847.7	0.0	0.0					
	<u>Children & Youth</u>									
	NP-N0016A Children's Dental Health Services	266.5	93.3							
	NP-N0024A Reducing Low Birth Weight	351.2	122.9							
	NP-N0031A Screen. Child Development Prob.	274.8	96.2							
	NP-N0033A Healthy Eating in Schools	569.4	199.3							
	NP-N0036A Physical Activity Promotion	643.1	225.1							
	NP-N0040A Public Health Services in Schools	589.3	206.3							
	NP-N0041A STI Prevention in Youth	630.3	220.6							
	Sub-Total Children & Youth	3,324.6	1,163.7	0.0	0.0					
	<u>Chronic Disease Prevention</u>									
	NP-N0032A Cancer Screening Promotion	273.1	95.6							
	NP-N0034A Workplace Health Promotion	180.4	63.1							
	Sub-Total Chronic Disease Prevention	453.5	158.7	0.0	0.0					
	<u>Service Enhancement - Fully City Funded</u>									
	NP-N0014A Mobile Dental Services for Srs.	190.6	190.6	190.6	190.6	0.0	0.0			
	NP-N0020A Dang. Dogs Legislation Implem.	529.5	529.5							
	Sub-Total Service Enhancement - Fully City	720.1	720.1	190.6	190.6					
	Sub-Total Service Enhancement Requests	13,115.6	5,050.2	190.6	190.6	0.0	0.0	TBD	TBD	TBD
	<u>Proposed New/ Enhanced Funding Envelope</u>			548.7	527.9	12,376.3	4,331.7			
	<u>New Requests Not Included in Submission</u>									
	Dog and Cat Licensing Strategy	550.0	0.0			550.0	0.0	7.0	0.0	0.0
	Mandatory Certification of Food Handlers	486.0	0.0			486.0	0.0	6.0	0.0	0.0
	Tuberculosis Air Quality Guidelines and Site Assessment	215.7	0.0			215.7	0.0	0.0	0.0	0.0
	Migratory Bird Brochure	25.0	25.0					0.0	0.0	0.0
	Total New Council Priorities	18,024.7	6,572.1	739.3	718.5	13,628.0	4,331.7	TBD	TBD	TBD
Council Priority		6 - Ensure housing is affordable 7 - Get the powers and funded needed for Toronto to succeed 8 - Improve the planning process 9 - Increase public involvement in civic affairs 10 - N/A								
1 - Improve Public Service										
2 - Make Progress on the Waterfront										
3 - Improve Business Climate										
4 - Make Toronto a clean and beautiful city										
5 - Strengthen our at-risk neighbourhoods										

Note: Proposed Gross Expenditures have been estimated based upon 65% Provincial cost-sharing.

Key Issues / Recommendations

2006 New Program Requests

Public Health’s increased revenues present an opportunity to redirect the municipal share of funding to public health related programs in other City Programs (Tourism, Social Development, Finance and Administration, and Parks, Forestry and Recreation), as well as to reinvest in direct Public Health services.

It is also proposed that Public Health use their \$6.935 million share, to address \$2.604 million in 2006 Base Budget pressures and a funding envelope of \$4.332 million for New/Enhanced Service Requests.

For 2006, Public Health has submitted 49 unprioritized, business cases for New/Enhanced Services, totaling \$16.747 million gross, \$6.547 million net. These are broken down as follows:

**2006 Public Health Business Cases
(\$ in 000's)**

Type of Request	2006		2007	2008
	Gross	Net	Incremental Net	Incremental Net
New Services	4,494.3	1,573.0	839.5	(202.3)
Enhanced Services	12,253.5	4,974.1	2,704.3	0.0
Total	16,747.8	6,547.1	3,543.8	(202.3)

The 2007 estimated impact for these requests is \$3.6 million net.

In summary, the review of these requests identifies:

- Operating Impacts of Capital - One request of \$0.414 million gross, \$0.145 million net is for the operating costs associated with the Integrated Public Health Information System (iPHIS) capital project;
- Maintenance / Sustainability of Service Projects – Six projects totaling \$1.086 million gross, \$0.606 million net, which include funding for management of web-based health information, corporate data centre TCHIS support, telephone counseling and service access, on-going state of good repair operating items as identified in the 2006 facilities audit, and facilities/space management and program staffing support.
- Quality Assurance / Risk Management – Eight projects totaling \$2.132 million gross, \$0.746 million net, including two transfers of capital project requests to the Operating Budget, the establishment of a quality assurance office for the Healthy Families, Healthy Living and Community Dental Services Unit as identified by the City Auditor and support for program planning, performance measures and accountability reporting.

- New / Service Enhancement – Thirty-four business cases totaling, \$13.116 million gross, \$5.050 million net, for service enhancement throughout most service areas, with requests being either 65% provincially funded or fully City funded.
- As identified in the 2006 Capital Budget Process, Public Health has incorporated three IT projects into the 2006 Operating Budget, for potential Provincial cost-shared funding and to be funded through “service efficiencies from the base budget.” These projects are:
 - Management Tools for Reporting (known as Adaptive Data Capture Reporting in the 2006 Capital Budget);
 - Timely Information for Professional Practice (known as E-Learning in the 2006 Capital Budget); and
 - Management of Web Based Health Information (known as TPH Web Site Enhanced Communication in the 2006 Capital Budget).
- Of the total requests, seven projects are proposed to be funded from “service efficiencies from the base budget,” with \$0.0 net cost in 2006. The 2007 operating impact for these projects is \$1.050 million gross and \$0.263 million net.
- Six of the New/Service Enhancement requests totaling \$2.685 million gross, \$1.284 million net, address areas of compliance shortfalls with Provincial mandates or address recent Provincial legislation. These requests include:
 - Infection Control for Personal Service Settings and Day Nurseries (\$0.127 million net)
 - Day Nursery Immunization Program (\$0.094 million net)
 - Sexually Transmitted Infections (\$0.090 million net)
 - Food Safety Requirements (\$0.351 million net)
 - Children’s Dental Health Services (\$0.093 million net)
 - Dangerous Dogs Legislation Implementation (DOLA) (\$0.530 million net)

It is recommended that the Board of Health report to Budget Advisory Committee in January 2006 with: a priority list of New/Enhanced Services, that meet the \$4.332 million Proposed funding level, ensuring that priority be given to sustainability of existing services including facility state of good repair, quality assurance, and to service areas with compliance shortfalls in meeting Provincial mandates; and a total Proposed Budget by service area.

Additionally, it is proposed that funding for the Mobile Dental Services for Institutionalized Seniors request be deferred until 2007, as this item was recommended for funding through 2007 operating savings recognized from the establishment of a dental clinic in the North York Civic Centre, as approved in the 2006 Capital Budget.

*New Requests Not Included in Submission***Dog and Cat Licensing (\$0.550 million gross, \$0.0 net)**

During November 2005, the Board of Health and the Policy and Finance Committee recommended the Dog and Cat Licensing Strategy and the addition of \$0.550 million gross, \$0.0 net to Public Health's 2006 Operating Budget for its implementation.

This strategy includes a multi-year implementation plan to encourage voluntary compliance with animal-related by-laws. It is estimated that over 200,000 dogs and a greater number of cats, reside within the City of Toronto, requiring registration or licensing. At present, only about 28,000 or 12.7% of animals within the City, actually have valid licenses. During 2006, the plan will provide dedicated resources to support implementation, including marketing and public education for animal licensing and will promote registration and improve the license renewal process through the development of an on-line license application and renewal system being funded through the 2006 Capital Budget.

It is anticipated that in 2006, license revenues will increase by \$0.550 million, enough to fully offset the 2006 implementation costs, resulting in a \$0.0 net operating cost. On-going annual operating costs for this strategy will be subject to future year budget processes and reviews.

If in 2006, the forecasted revenues do not materialize, the projected year-end shortfall will be reported to the Board of Health and the Budget Advisory Committee, and the shortfall will be funded from under-spending within Public Health's 2006 Operating Budget.

Given that the implementation of this strategy is self-supporting through revenue generation and any shortfalls are to be funded from within Public Health's 2006 Operating Budget, funding of \$0.550 million gross, \$0.0 net is proposed.

Mandatory Certification of Food Handlers (\$0.486 million gross, \$0.0 net)

In October 2000, Council adopted the Board of Health, Report 7 Clause 1, "Amendments to Licensing By-Law 574-2000 as it Relates to Food Premises," calling for an implementation strategy for mandatory food handler training and certification, to reduce the potential for foodborne illness. At the October 24, 2005 Board of Health meeting, this strategy was approved.

Effective June 1, 2006, implementation of the mandatory certification of food handlers will be phased in over the course of five years. The recommended approach provides for all costs pertaining to the certification program to be recovered through the proposed registration, examination and other fees, with no net budget impact to Public Health's 2006 Operating budget and beyond.

The 2006 costs include \$0.030 million in one-time funding for furniture and equipment and \$0.456 million for operating expenditures for implementation of the certification process. The total 2006 cost of \$0.486 million will be fully recovered by \$0.486 million in registration and fee revenues.

If the proposed revenue levels do not materialize, any projected year-end funding shortfall will be reported to the Board of Health and the Budget Advisory Committee, and the shortfall will be funded from underspending within Public Health's 2006 Operating Budget.

Given that this strategy is fully self supporting with any shortfalls to be funded within Public Health's 2006 Operating Budget, funding of \$0.486 million gross, \$0.0 net is proposed.

Tuberculosis Air Quality Guidelines and Site Assessment (\$0.216 million gross, \$0.0 net)

At the November 28, 2005 meeting, the Board of Health approved receipt of one-time funding from the Ministry of Health and Long-Term care to develop tuberculosis air quality guidelines for Toronto shelters, to assess a sample of Toronto shelters against the guidelines, to estimate the potential implementation costs, and to develop an implementation guide for shelter operators. These tools will provide Public Health and Shelter, Support and Housing Administration the ability to reduce the spread of tuberculosis within Toronto's homeless and under-housed populations.

The impact to the 2006 Operating Budget is an addition of \$0.216 million gross, offset by increased provincial funding of \$0.216 million, resulting in a \$0.0 net impact.

Given that this is one-time funding initiative with \$0.0 net impact to the City, it is proposed for inclusion within 2006 Operating Budget.

Migratory Bird Brochure - Request Transferred from Planning (\$0.025 million gross and net)

At its April 12, 13, and 14, 2005 meeting, City Council adopted motions for the preparation of migratory bird friendly policies and practices to be applied to new buildings, City-owned buildings and existing buildings, in order to reduce bird collision deaths by at least 50 per cent. In response to this, City Planning will be reporting to the Planning and Transportation Committee on January 9, 2005 and will include a proposal to implement an annual campaign known as "Lights Out Toronto" to promote public awareness of migratory birds in the City and the danger that buildings and lighting pose to the birds. As a part of the funding of this campaign, it is being recommended that funding of \$25.0 thousand be provided in Public Health's budget, for the purposes of developing public education / information material related to migratory bird awareness.

Funding for this program has not been included in the 2006 Proposed Budget for Public Health pending the report to Planning and Transportation Committee.

Issues Referred to the 2006 Operating Budget

The following report will be before Council:

- Report from Board of Health titled "Pandemic Influenza Plan for the City of Toronto"
Introduction of the first version of the Pandemic Influenza Plan for the City of Toronto. Endorsement of the Plan would require funding of the New Service Request – Pandemic Influenza Preparedness as presented in the Public Health Operating Submission, of \$0.761 million gross, \$0.266 million net.

Appendix B

Summary of Council Priority Services and New Service Requests