

Nancy Matthews  
Executive Director,  
Social Development, Finance & Administration

City Hall  
100 Queen Street West  
14th Floor, East Tower  
Toronto, Ontario M5H 2N2

Tel: 416 392-5207  
Fax: 416 392-8403  
jnmatthew@toronto.ca  
www.toronto.ca

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## **2006 BUDGET BRIEFING NOTE – Proposed Allocation of Enhanced Provincial Funding for Public Health**

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### **Purpose:**

To summarize the proposed allocation of the enhanced provincial funding for public health in the City's 2006 operating budget. Also, this Briefing Note responds to Budget Advisory Committee request that "the City Manager and the Chief Financial Officer to report to the Budget Advisory Committee meeting on February 3, 2006, on the possibility of using funding from other budget areas such as the Safe Neighbourhoods Initiative to fund the shortfall in the Library Budget so as to avoid the loss of Library services."

### **Background:**

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 2006, the Provincial funding increase will be 55% to 65%, resulting in a \$13.9 million increase in funding to the Public Health Program.

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 the 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 in Toronto Public Health as follows:

- \$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 through the budget process.

With respect to directing 50% of the net savings towards City programs that generally promote health and well-being, it is proposed that:

- \$0.100 million be allocated 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 be allocated to initiatives in Social Development Finance and Administration Division that contribute to community well-being and enhanced public safety as follows:
  - \$0.426 to expand Neighbourhood Action community development support in the City's 13 priority neighbourhoods
  - \$0.312 to establish a community crisis response team to intervene when a violent incident results in crisis or trauma in a neighbourhood or community
  - \$0.175 to develop a youth outreach program for young people at-risk of involvement or involved with gangs.
- \$5.923 million to offset the provision of recreation services to children and youth in the City's vulnerable neighbourhoods including:
  - \$1.9 million for programming in priority centres in the 13 priority neighbourhoods
  - \$1.5 million for programming in non-priority centres in the 13 priority neighbourhoods
  - \$2.1 million to implement the Youth Outreach Strategy
  - \$0.401 broadly allocated to Priority Centres

In summary, the increase funding from Public Health has been fully allocated. If \$1.769 million were re-directed to assist Toronto Public Library in meeting its 2% target, a corresponding reduction in one or all of the above programs would be required to avoid creating a further budget pressure.

Contact: Nancy Matthews  
Executive Director, Social Development, Finance & Administration  
416-392-5207

Josie Lavita  
Director, Financial Planning  
416-392-4229