

Analyst Briefing Notes

Budget Committee Review

(March 26, 2007)

2007 OPERATING BUDGET

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2007 OPERATING BUDGET**Executive Summary**

- Toronto Public Health (TPH) showed a favourable preliminary year-end actual net expenditure variance of \$4.473 million or 7.0% of the 2006 Approved budget. The favourable net expenditure variance is primarily the result of two factors: under-spending of \$2.784 million in new and enhanced services to offset the shortfall in provincial funding due to the 5% growth limit over the 2005 base subsidy announced by the Province in March 2006; and, under-spending of \$1.8 million in other cost-shared programs to offset potential net pressure arising from the uncertainty of receiving the provincial share of 65% for cost of living adjustment (COLA) and harmonization costs. The final Provincial approval of the 2006 base subsidy was approved in January 2007 which confirmed the 5% growth increase over the 2005 base subsidy, and full cost sharing for COLA and harmonization.
 - The under-expenditure is not expected to continue into 2007. The Program reduced its 2007 Base Budget by \$8.003 million gross and \$2.784 million net for new and enhanced services that were not implemented or partially implemented in 2006 due to the 5% provincial cap. For 2007, based on the direction from the Province that the expenditure growth is again limited to a maximum of 5%, the increase for mandatory cost-shared programs is within the 5% limit, resulting in net provincial subsidy of \$13.485 million coming to the City in 2007.
- The 3-Year Operating Budget supports TPH's key strategic direction of promoting the health of all communities and individuals, who live, work and visit Toronto, according to the directions and health priorities established by the Board of Health and the Province of Ontario. Core public health programs and services provided by TPH are targeted at disease prevention, health promotion and health inspection.
 - The 2007 Recommended Operating Budget reflects the last year of a three-year phased increase (from 65% to 75% in 2007) in Provincial cost sharing for public health programs. TPH will be facing a major challenge in future years as there will be no further increases in base provincial revenues to offset base pressures and that TPH will be now be subject to the City's affordability guideline of a "0%" budget increase in 2008 and 2009.
- The 2007 Recommended Operating Budget of \$50.343 million net is comprised of \$50.085 million in base funding and \$0.258 million for 3 Enhanced Service Priorities. As a result of the net residual revenues of \$13.485 million arising from the Provincial cost-share increasing from 65% to 75% funding for eligible services, the 2007 Recommended Operating Budget is 21.1% below the 2006 Approved Budget.

Table 1: 2007 Recommended Budget

(In \$000s)	2006		2007 Recommended Operating Budget			Change - 2007 Recommended from 2006 Approved Budget		FY Incremental Outlook	
	2006 Appvd. Budget	2006 Projected Actual	2007 Base	2007 New /Enhanced	2007 Operating Budget	\$	%	2008	2009
	\$	\$	\$	\$	\$			\$	\$
GROSS EXP.	211,898.4	197,854.6	207,399.3	3,052.6	210,451.9	(1,446.5)	(0.7)	6,374.8	2,611.1
REVENUE	148,070.6	138,500.0	157,314.3	2,794.9	160,109.2	12,038.6	8.1	4,596.7	1,835.9
NET EXP.	63,827.8	59,354.6	50,085.0	257.7	50,342.7	(13,485.1)	(21.1)	1,778.1	775.2
Approved Positions	2,137.6	1,827.0	1,927.5	47.0	1,974.5	(163.1)	(7.6)		
TARGET*			N/A		N/A				
\$ Over / (Under) Program Target									
% Over / (Under) Program Target									

*TPH does not have a net target due to the increase in Provincial cost sharing from 65% to 75%.

- The 2007 Recommended Base Budget incorporates the provincial cap of 5 percent growth in gross expenditures of \$6.818 million for cost-shared programs over the 2006 approved base funding, consistent with the Ministry of Health and Long Term Care’s commitment to strengthen the resource base for mandatory public health services.
 - 2007 key cost drivers consist of COLA, merit and step increases of \$6.784 million; annualized impact of new and enhanced services implemented in 2006 of \$3.498 million; and operating impact of two capital projects of \$0.380 million, the Integrated Public Health Information System (IPHIS) and Animal Services on-line Licensing. These pressures are offset by the reduction of new and enhanced services due to the provincial expenditure constraint of 5% (\$8.003 million); reversal of funding for programs that are non-recurring in 2007 (\$3.662 million); and the reduction of 25.5 temporary staff for capital projects no longer required in 2007 (\$2.565 million).
- A net reduction of 163.1 staff positions included in the 2007 Recommended Operating Budget is due to a decrease of 25.5 temporary positions no longer required for completed capital projects, 6.5 temporary positions for 100% externally funded health services programs that are non-recurring services in 2007, a decrease of 178.1 positions for new/enhanced services not required due to the 5% cap in funding, offset by an increase of 15 positions for 3 recommended Enhanced Service Priorities and 32 positions required for the 2007 Capital Budget.
- The recommended 3 Enhanced Service Priorities, cost-shared at 75% with the Province, will result in an increase of \$1.031 million gross and \$0.258 million net with an associated staff increase of 15 positions and an annualized net impact of \$0.083 million net in 2008. These service priorities will enhance comprehensive health services and parent group education programs in schools (especially in high-needs schools) and provide additional staff to handle and communicate an appropriate public response in case of large infectious disease outbreaks such as SARS and Legionnaires Disease.

- *Public Health Services: Schools and Youth* will result in an improved ratio of 1 Public Health Nurse (PHN) to 35 schools from the current ratio of 1 PHN to 40 schools. This will allow each PHN liaison to work more intensively with a higher number of schools, with a priority on high-needs schools.
- *Communicable Disease Control Compliance* will help reduce the Hepatitis B and C backlog by 50% and will enable the annual inspection of 450 day nurseries which are high risk (day nurseries with diapered children) representing 50% of all day nurseries. TPH staff will also have the skills to be redeployed in the case of a communicable disease emergency and provide the capacity for ongoing response to outbreaks.
- *Parenting Education for High Risk Neighbourhoods* will provide an additional 24 Incredible Years group for 260 parents per year, an additional 36 Nobody’s Perfect groups for 540 parents and expand the pilot of Make the Connection by an additional 25 groups for 250 parents.
- The Board of Health (BOH), at its meeting on September 14, 2006 and January 29, 2007, adopted the recommendations in the reports from the Medical Officer of Health., entitled “Toronto Public Health – 2007 Operating Budget Submission” and “Revised Toronto Public Health 2007 Operating Budget”, respectively. These recommendations included 7 New and Enhanced Service Priorities that are 100% City funded (totaling \$1.408 million gross and net), however, these services are not included in the 2007 Recommended Operating Budget.

Recommendations

The City Manager and Chief Financial Officer recommend that:

- (1) the 2007 Recommended Operating Budget for Toronto Public Health of \$210,452 million gross and \$50.343 million net, comprised of the following services, be approved:

<u>Service:</u>	<u>Gross</u> <u>(\$000s)</u>	<u>Net</u> <u>(\$000s)</u>
Office of the MOH	588.5	147.1
Public Health Policy & Planning	11,656.8	2,894.9
Healthy Families	52,433.5	6,363.5
Communicable Disease	38,308.9	8,111.3
Healthy Environments	33,305.8	13,802.3
Healthy Living	32,407.8	8,419.7
Dental / Oral Health	19,295.6	7,756.7
Finance & Administration	22,455.0	2,847.2
	<hr/>	<hr/>
Total Program Budget	<u>210,451.9</u>	<u>50,342.7</u>

Section A: 2006 Budget Variance Analysis

Table 2: 2006 Budget Variance Review

(In \$000s)	2005 Actuals	2006 Approved Budget	2006 Projected Actuals*	2006 Appvd. Budget vs Projected Actuals Variance	
	\$	\$	\$	\$	% Unspent
GROSS EXP.	184,360.2	211,898.4	197,854.6	14,043.8	6.6
REVENUES	117,442.0	148,070.6	138,500.0	9,570.6	6.5
NET EXP.	66,918.2	63,827.8	59,354.6	4,473.2	7.0
Approved Positions	1,868.7	2,137.6	1,827.0	310.6	14.5

*Projected Actual based on the Preliminary Year-End Operating Variance Report

2006 Experience

Based on the preliminary year-end variance report, TPH's 2006 year-end expenditure is \$59.355 million net, resulting in a favourable net variance of \$4.473 million or 7.0% under the 2006 Approved Budget. The net under expenditure consists of the following:

- Under spending of \$2.784 million in new and enhanced services approved in 2006 is due to the 5% Provincial cap, and therefore returned to the City.

In March 2006, The Ministry of Health and Long Term Care (MOHLTC) announced a five percent growth limitation in the province-wide funding envelope for public health. In response to this expenditure constraint, TPH controlled spending based on the 5% growth limitation and deferred implementation of many new and enhanced services approved in the 2006 Operating Budget. (TPH's 2006 Approved Budget included an increase of 11.3% for new and enhanced services for provincially cost-shared programs which exceeded the growth limit of 5%.)

- Under spending in other cost-shared programs of \$1.8 million to offset potential net pressure due to the uncertainty of receiving provincial funding for COLA and harmonization.

In August 2006, TPH received approval of a 2006 grant for the cost shared mandatory budget that excluded increases for COLA and harmonization in the amount of \$2.8 million gross and \$1.8 million subsidy. TPH staff negotiated with MOHLTC staff to ensure provincial funding of 65% is applied to these costs as assumed in the budget. Because of the uncertainty of receiving this funding, TPH limited spending in other cost-shared programs to offset a potential shortfall in provincial subsidy of \$1.8 million. In January 2007, MOHLTC approved base funding for 2006 cost-shared programs which included full cost sharing of COLA and harmonization costs.

- Offset by over spending to fund the IPHIS Capital project - (\$0.538 million)

Included in the 2006 Approved Budget is a contribution from the operating budget to fund the capital project of \$0.538 million, representing 65% of the Provincial share of the IPHIS Capital Project of \$0.827 million. TPH later received confirmation that this project was not eligible for Provincial cost-sharing. This gap was funded from savings within the 2006 Approved Budget.

Impact of 2006 Operating Variance on 2007 Recommended Budget

The Program reduced its 2007 Base Budget by \$8.003 million gross and \$2.784 million net for new and enhanced services that were not implemented or partially implemented in 2006 based on the 5% provincial cap. For 2007, based on the direction from the Province that the expenditure growth is again limited to a maximum of 5%, the increase for mandatory cost-shared programs is within the 5% limit, resulting in net provincial subsidy of \$13.485 million coming to the City in 2007.

Section B: 2007 Operating Budget Overview

3-Year Operating Budget Overview

The vision of Toronto Public Health is to make Toronto the healthiest city possible, where all people enjoy the highest achievable level of health.

The 3-Year Operating Budget is directed towards fulfilling this vision by promoting the health of all communities and individuals, who live, work and visit Toronto, according to the strategic directions and health priorities established by the Board of Health and the Mandatory Health Programs and Service Guidelines (MHPSG) issued by the Ministry of Health and Long Term Care.

The 3-Year Operating Budget supports TPH's core public health programs and services including:

- *Communicable Disease Control* programs which consist of activities that reduce the occurrence and transmission of infectious diseases and promote health behaviours and environments to reduce the burden of infectious diseases.
- *Healthy Families* provides services that promote and support healthy behaviours and environments, healthy birth outcomes, and readiness to parent for people in their reproductive years, promote the physical, cognitive, communicative, and psychosocial development of children and support effective parenting.
- *Healthy Environment Services* ensure the safety of food and beverages in restaurants and processing plants, investigates diseases transmitted from animals to people and community concerns relating to environmental health.
- *Healthy Living* provides services, in partnership with schools, workplaces, neighbourhoods and community organizations, which support the adoption of behaviours that reduce the risk of chronic disease, and assist communities in addressing a variety of issues such as mental health, substance abuse and injuries, etc.
- *Dental and Oral Health Services* include activities that provide treatment, screening and preventive services to children, adolescents, seniors and pre-natal TPH clients as well as community education with a focus on preventing early childhood tooth decay.

Service Delivery - Challenges and Issues

- A first draft of a new Ontario Public Health Standards was released on February 19, 2007, for review and feedback from local Boards of Health and Health Units, including the City of Toronto as a funder and municipal stakeholder. The final public health standards are expected to be finalized for Ministerial approval in May/June 2007. TPH does not expect dramatic changes to the services that they deliver, however, current strategies, program services and project priorities will still need to be re-evaluated in relation to the proposed new Ontario Public Health Standards, with particular attention to meeting the needs of Toronto's diverse population and reducing health inequalities.

- Toronto Public Health continues to face issues to reduce health disparities and to maintain an effective and efficient public health infrastructure:
 - *Communicable Disease Control Services*: Several communicable diseases continue to disproportionately affect vulnerable population of the City. TPH plans to further reduce incidence of vaccine preventable disease and control of infectious disease and infection control through the following:
 - provide Hepatitis B and Meningitis C vaccine to approximately 28,000 grade 7 students and influenza vaccine to 40,000 clients through the Vaccine Preventable Diseases (VPD) program;
 - provide comprehensive assessment, counseling, referral and partner notification for approximately 9,500 cases of sexually transmitted infections annually through the Sexually Transmitted Infection (STI) Case Management program;
 - distribute safe drug use supplies (525,000 needles) to drug users in Toronto through the Needle Exchange program; and,
 - provide 178.5 hours of sexual health services (STI testing and free treatment, supply low cost birth control and pregnancy testing) in Sexual Health Clinics across the city, and visit approximately 59,000 clients.

The recommended Enhanced Service Priority, Communicable Disease Control Compliance, with an increase of 6 staff positions (\$0.457 million gross and \$0.114.3 million net) will reduce the backlog of 950 reports of clients infected with Hepatitis B and C by approximately 50% and enable annual inspection of 450 licensed day nurseries.

- *Healthy Families (HF) Services* promotes early childhood growth and development and parenting capacity for families with children 0-6, provide teen prenatal and postnatal counseling (including nutrition and breastfeeding support), and offer parenting programs and referrals to community resources. With current resources, TPH has limited capacity to expand parenting education in priority neighbourhoods and increase screen tests for children with hearing, speech or language problems. The limited resources also make it difficult to integrate planning and service delivery with other City initiatives such as Best Start Network and Best Generation Yet Initiatives. HF Services plans to provide the following services in 2007:
 - reach over 4,000 individuals with appropriate Peer Nutrition educational assessment and counseling workshops in priority neighbourhoods;
 - provide hearing loss screening, under the Infant Hearing Program, to a targeted 42,000 newborn infants with a projected 95% reach;
 - provide an appropriate range of Preschool Speech and Language services to 8,000 children with an identified speech and language disorder; and,
 - provide targeted services to 4,000 nutritionally at risk pregnant women.

The recommended Enhanced Service Priority, Parenting Education for High Risk Neighbourhoods, with an increase of 5 staff positions (\$0.312 million gross and \$0.078 million net), will enable TPH to increase parenting group education programs by 85 per year, in addition to the 197 group programs that TPH currently delivers.

- *Healthy Environment Services* ensures the safety of food and beverages in restaurants and processing plants, investigate diseases transmitted from animals to people, including rabies

and West Nile virus, and animal control. Challenges facing TPH in this area are: enforcing the requirements of the “Interim Guidance Document for the Environmental Grow Ops and Illegal Drug Laboratories”; implementing the heat response protocol in the summer months; responding to food recalls while trying to maintain mandated inspection frequencies; and, controlling the spread of West Nile virus. In 2007, TPH plans to accomplish the following:

- ensure compliance with mandated inspection frequencies by conducting approximately 32,000 high, medium and low risk inspections;
 - increase the number of trained and certified food handlers in high risk premises by 12,000; and,
 - reduce the number of mosquito breeding sites by treating 200,000 storm sewers and other sites.
- *Health Living Services* include developing programs, services and policies designed to promote health lifestyle choices including healthy eating, physical activity and smoking cessation, preventing injuries, reducing substance abuse and promoting health living for youth. Key major issues identified are: the need to work comprehensively in more schools by increasing the ratio of Public health Nurse School Liaison (current ratio of 1:40), more collaborative work with youths under the umbrella of the Toronto Drug Strategy, and expand support to workplaces as a venue for health promotion. Major activities planned for 2007 are:
- respond to 7,500 calls for Healthy Living services and 976 referrals for service to schools through PHN liaison services;
 - support 212 school health committees (Toronto Schools on the Move, Health Action Teams and others) and provide health promotion service to 147 workplaces.

The recommended Enhanced Service Priority, Public Health Services: Schools and Youth, with an increase of 4 positions (\$0.262 million gross and \$0.065 million net) will increase the current ratio of 1 Public Health Nurse (PHN) to 40 schools, to a ratio of 1:35.

- *Dental and Oral Health Services* provide basic dental treatment (teeth and gums examination, x-rays, fillings, extractions, root canal treatment, dentures and partial dentures), education and preventive services for at risk children living in low-income families as well as low-income seniors. Currently, the adult population’s (18-65 years of age) are not eligible for free dental services under the TPH dental program. A new eligibility system for treatment services across the City of Toronto is being planned however; this may contribute to an increased demand on THP dental services that may not be addressed with the current resources. The Dental and Oral Services’ major activities for 2007 include the following:
- provide 22,000 preventive services in public health clinics to children and seniors,;
 - provide basic dental treatment to 325,100 clients in targeted groups;
 - screen 636 schools and 218,000 children in public schools; and,
 - provide oral health education to 24,000 people.
- The 2007 Recommended Operating Budget reflects the last year of a three-year phased increase (from 65% to 75% in 2007) in Provincial cost sharing for public health programs. TPH will be facing a major challenge in future years as there will be no further increases in base provincial revenues to offset base pressures and that TPH will be now be subject to the City’s affordability guideline of a “0%” budget increase in 2008 and 2009.

Section C: 2007 Recommended Base Budget

Table 3: 2007 Recommended Base Budget

(In \$000s)	2006 Appvd. Budget \$	2007 Recommended Base \$	Change 2007 Recommended Base v. 2006 Appvd. Budget		FY Incremental Outlook	
			\$	%	2008 \$	2009 \$
GROSS EXP.	211,898.4	207,399.3	(4,499.1)	(2.1)	6,044.3	2,611.1
REVENUE	148,070.6	157,314.3	9,243.7	6.2	4,348.8	1,835.9
NET EXP.	63,827.8	50,085.0	(13,742.8)	(21.5)	1,695.5	775.2
Approved Positions	2,137.6	1,927.5	(210.1)	(9.8)		
NET TARGET						
\$ Over / (Under) Program Target						
% Over / (Under) Program Target						

*TPH does not have a net target due to the increase in Provincial cost sharing from 65% to 75%.

2007 Recommended Base Budget

The 2007 Recommended Base Budget of \$50.085 million net results in net Provincial subsidy of \$13.743 million bringing the 2007 Recommended Base Budget to 21.5% below the 2006 Approved Budget, mainly as a result of the 10% increase in Provincial cost sharing from 65% to 75% of eligible services in 2007 and the 5% expenditure limit imposed by the province.

The reduction in gross expenditures of \$4.499 million is primarily attributed to the impact of new and enhanced services that were reduced due to the provincial expenditure growth constraint of 5% on the 2006 base funding for cost-shared programs, offset by base pressures such as COLA, merit and step increases, and annualization of services that were implemented in 2006.

The reduction of 210.1 positions is due to the following: a decrease of 178.1 positions associated with the new/enhanced services that were not implemented or partially implemented in 2006; the 25.5 temporary positions no longer required for completed capital projects, and 6.5 temporary positions for one-time 100% externally funded health services programs that are non-recurring in 2007.

2007 Key Cost Drivers

The key cost drivers for Public Health’s 2007 base budget are:

- cost of providing current service levels requires \$4.151 million for COLA and \$2.378 million for merit and step increases;

- operating impact of two capital projects, IPHIS and Animal Services on-line Licensing of \$0.380 million; and,
- annualized impact of new and enhanced services implemented in 2006 of \$3.498 million consisting of the following: 15 provincially cost-shared new and enhanced programs (\$2.311 million gross and \$0.626 million net); 2 enhanced programs funded from user fees (\$0.840 gross and \$0.0 net); and, 5 100% City funded services (\$0.346 million gross and net). See table below.

Annualization of New and Enhanced Service Priorities Implemented in 2006:		
Service Description	GROSS	NET
Mandatory cost-shared Programs:		
1 Management of Web Based Health Information	325.0	81.2
2 Facilities and space management	79.6	19.9
3 Corporate Data Centre TCHIS Support	187.5	46.9
4 Integrating Access and Equity into TPH Services	180.9	45.2
5 Strengthen business effectiveness and controls	134.7	33.7
6 Healthy Families, Healthy Living & Dental QA	555.7	138.9
7 Infection Control in Day Nurseries and Personal Services Settings	69.8	17.4
8 Sexual Health Clinics	31.0	7.7
9 Infection Control Support for City Institutions	51.7	12.9
10 Prevention of Infections in Injection Drug Users - Mandated	37.4	9.3
11 Pandemic Influenza Preparedness	105.8	26.4
12 Healthy Eating in Schools	52.9	13.2
13 Public Health Services in Schools	176.1	44.0
14 Workplace Health Promotion	259.1	64.8
15 Prevention of Infections in Injection Drug Users - City	64.0	64.0
Sub-total	2,311.2	625.5
Funded from User Fees:		
16 Mandatory Certification of Food Handlers	310.5	0.0
17 Dog and Cat Licensing Strategy	530.0	0.0
Sub-total	840.5	0.0
100% City Funded Programs:		
1 Community Crisis Response & Recovery	59.8	59.8
2 Heat Alert Outreach to Vulnerable Adults	(9.0)	(9.0)
3 One on One Youth Mentoring	39.4	39.4
4 Comprehensive Drug Strategy	123.3	123.3
5 Support for Youth in Priority Neighbourhoods	132.5	132.5
Sub-total	346.0	346.0
TOTAL	3,497.7	971.5

These base pressures are offset by:

- the reduction of 29 New and Enhanced Services approved in 2006 that were not implemented or partially implemented due to the provincial expenditure growth constraint of 5% over the 2005 base funding (\$8.003 million gross and \$2.784 million net). These services are listed below.

2006 Approved New and Enhanced Services Not Implemented / Partially Implemented due to the 5% Provincial cap		
Service Description	Gross	Net
Operating Impact of Capital:		
1 iPHIS	195.4	68.4
<i>Subtotal of Operating Impact of Capital</i>	195.4	68.4
Other Mandatory Services:		
2 Corporate Data Centre TCHIS Support	284.3	99.5
3 Telephone Counselling & Services Access	216.0	75.6
4 Facilities State of Good Repair - Mandated	239.0	83.7
5 Health Hazard and Tobacco Programs Quality Assurance	91.7	32.1
6 Healthy Families, Healthy Living & Dental QA	395.3	138.4
7 Clinical Support for Staff Working with High Risk Clients	281.6	98.6
8 City Food and Hunger Initiatives	167.5	58.6
9 Substance Abuse Prevention-Youth, Young Adults	294.7	103.1
10 Streets to Homes Initiatives	51.1	17.9
11 Enhancing Parent Skills and Child Development	369.7	129.4
12 Teen Prenatal and Parenting Program	243.9	85.4
13 Dental Health Services for Perinatal Women in Shelters	83.5	29.2
14 Infection Control in Day Nurseries and Personal Services Settings	142.3	49.8
15 Sexual Health Clinics	818.6	269.0
16 Day Nursery Immunization Program	370.3	129.6
17 Infection Control Support for City Institutions	31.1	10.9
18 Prevention of Infections in Injection Drug Users - Mandated	97.6	34.2
19 Pandemic Influenza Preparedness	418.2	146.4
20 Preventing Transmission of Sexually Transmitted Infections	178.8	62.6
21 Food Safety Requirements	738.4	258.4
22 Health Impact Assessment	326.4	114.3
23 Children's Dental Health Services	266.5	93.3
24 Reducing Low Birth Weight	238.2	83.4
25 Healthy Eating in Schools	322.3	112.8
26 Physical Activity Promotion for Children and Families	404.1	141.4
27 Public Health Services in Schools	254.7	89.1
28 STI Prevention in Youth	365.4	127.9
29 Cancer Screening Promotion	116.8	40.9
TOTAL	8,003.4	2,783.7

- Reversal of funding for programs completed in 2006 that are non-recurring services in 2007:
 - 100% externally funded health services programs such as Healthy Pregnancy & Child Development, Tuberculosis Air Quality Guidelines and Site Assessment (\$3.662 million gross / \$0.482 million net, with associated staff decrease of 6.5 positions)

- 25.5 temporary staff positions for capital projects no longer required as the projects were completed in 2006 (\$2.565 million gross, funded from capital)

2008 and 2009 Outlook: Net Incremental Impact:

The net incremental impact of \$1.696 million in 2008 represents mainly COLA, merit and step increases, annualized impact of the 3 recommended Enhanced Service Priorities, and the operating impact of one capital project (Healthy Families / Healthy Living (HF/HL) Mandatory Management Reporting), with the assumption that the Province will continue to cost share 75% of all eligible public health services.

The 2009 net increase of \$0.775 million includes merit and step increases, and the operating impact of the Public Health Information Protection Act (PHIPA) capital project. It does not include a provision for COLA, as the increase is subject to future negotiations.

Operating Impact of Capital:

The 2007 Approved Capital Budget will increase the Program’s Operating Budget in the amount of \$0.404 million in 2008 - 2011, as a result of four approved capital projects.

Operating Impact of the 2007 Approved Capital Budget

Project Name	2007		2008		2009		2010		2011		TOTAL	
	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position	\$000s	Position
PH Surveillance and Mgmt System		-		-		-	188.6	8.0	4.1	-	192.7	8.0
PHIPA System Compliance		-		-	0.7	-		-		-	0.7	-
HF/HL Mandatory Management Reporting		-	66.6	-		-		-		-	66.6	-
Dental Strategy and Implementation		-		-		-		-	143.9	1.0	143.9	1.0
Total Request (Net)		-	66.6	-	0.7	-	188.6	8.0	148.0	1.0	403.9	9.0

Two information and technology (IT) projects will be completed by 2009 and these systems will have operating net costs of \$66.6 thousand in 2008 and \$0.7 thousand in 2009 for ongoing computer hardware and software maintenance costs including network security, server and software licensing. The operating requirements identified for 2008 will need to be assessed during the 2008 budget process as TPH will be subject to a budget target of “0%” increase and that there will be no incremental provincial revenues coming to the City in 2008 to offset base pressures.

Two other IT projects will be completed in 2010 and 2011 with a total net operating impact of \$0.337 million and an increase of 9 staff positions. The increase of 8 new positions for the Public Health Surveillance and Management System project in 2010 was estimated based on TPH’s previous experience with the IPHIS project completed in 2005.

Section D: 2007 Recommended Service Priorities

Table 4: Summary of 2007 New / Enhanced Service Priorities (In \$000s)

Priority	Description	2007 Recommended		Rec. New Positions	Net Incremental Impact	
		Gross Exp.	Net Exp.		2008	2009
		\$	\$	#	\$	\$
(a) Enhanced Service Priorities - Council Approved:						
(b) Enhanced Service Priorities - Program Initiated:						
	Public Health Services: School and Youth	261.6	65.4	4.0	24.2	-
	Communicable Disease Control Compliance	457.3	114.3	6.0	30.0	-
	Parenting Education for High Risk Neighbourhoods	312.1	78.0	5.0	28.4	-
Sub-Total Enhanced Services		1,031.0	257.7	15.0	82.6	0.0
(a) New Service Priorities - Council Approved:						
(b) New Service Priorities - Program Initiated:						
Sub-Total New Service Priorities		0.0	0.0	0.0	0.0	0.0
Funded from Capital						
	Positions required for the 2007 Capital Budget	2,021.6	0.0	32.0		
Total Recommended New / Enhanced Service Priorities		3,052.6	257.7	47.0	82.6	0.0

2007 Recommended Service Priorities

The 2007 Recommended Operating Budget includes \$1.031 million gross and \$0.258 million net to fund the three recommended Enhanced Service Priorities that are provincially cost-shared at 75%. Also included are 32 additional positions that are funded from Capital, to develop capital projects included in the 2007 Approved Capital Budget.

Enhanced Service Priorities - Program Initiated:

Public Health Services: Schools and Youth (\$0.262 million gross and \$0.065 million net, 4 staff positions)

- TPH has been using a Comprehensive School Health model (CSH) that emphasizes collaboration between schools, families and community since 2000. This approach is effective in developing a supportive environment both within the school and the community to promote health behaviours among children and youth.
- TPH staff are the first point of services and ensure access to all health programs and activities and facilitate co-ordination between schools, families & community in promoting positive, healthy behaviour in youth.

- A school Health Benchmarking report reviewing 10 health units across Ontario using CSH indicates an average of 1 PHN to 15 schools. TPH falls below this ratio as current resources results to 1 PHN to about 40 schools (1:40). The increase of 4 staff position will improve the ratio to 1:35 with a priority on high-need schools.
- The increase of 4 staff positions is in addition to the current complement of 34 staff positions.

Communicable Disease Control Compliance (\$0.457 million gross / \$0.114 million net: 6 staff positions)

- Large infectious disease outbreaks which have occurred within the City of Toronto over the past years including SARS and Legionnaires Disease have demonstrated the importance of having sufficient numbers of trained/experienced managers and staff available to maintain an appropriate public health response.
- Large outbreaks quickly drain program resources from other program activities and overburden existing managers and staff resulting in huge back logs of disease case investigations, particularly Hepatitis B and C as well as infection control activities/inspections in licensed day nurseries (DN).
- The increase of 6 staff positions (in addition to the current staff complement of 3) will help reduce the Hepatitis B and C backlog by 50% and will enable the annual inspection of 450 day nurseries which are high risk (day nurseries with diapered children) representing 50% of all day nurseries. TPH staff will also have the skills to be redeployed in the case of a communicable disease emergency and provide the capacity for ongoing response to outbreaks.

Parenting Education for High Risk Neighbourhoods (\$0.312 million gross and \$0.078 million net, 5 staff positions)

- TPH's goal is to establish a harmonized, comprehensive range of parent programs that meet the needs of parents and children in high risk neighbourhoods throughout the City.
- The recommended enhanced service completes the harmonization of early parenting groups by moving the implementation of Make the Connection new parent program beyond the pilot phase and expand the number of Nobody's Perfect and Incredible Years parent group programs. This enhanced service priority will increase TPH's capacity to more effectively target these programs in high risk neighbourhoods.
- TPH currently delivers two evidence-based parent group education programs called Nobody's Perfect and Incredible Years and a variety of parent support programs for new parents for a total of 197 parent groups per year. Each of these programs utilizes skill building activities such as group discussion, videotaping, role playing and problem solving strategies to enhance parent skills and child development. The additional staff will provide an additional 24 Incredible Years group for 260 parents per year, an additional 36 Nobody's Perfect groups for 540 parents and expand the pilot of Make the Connection by an additional 25 groups for 250 parents
- The increase of 5 staff positions is in addition to the current complement of 34 staff positions.

Issues for Discussion

2008 and 2009 Outlook Issues

It should be noted that starting in 2008, there will be no incremental provincial subsidies to the Provincial base funding for mandatory cost-shared public health services. Any annualized impact of new and enhanced service priorities recommended in 2007 and other base pressures are subject to a budget target of “0%” increase in 2008 and 2009.

Operating Efficiencies generated from the Approved Capital Budget:

As part of the 2002 Capital Budget approval, Public Health committed operating efficiencies related to two capital projects to repay the associated capital and financing costs over a number of years. The 2007 Recommended Operating Budget includes the repayment of \$0.330 million towards the South Regional Animal Centre project costs and \$0.819 million towards the Toronto Community Health Information System costs.

Issues Referred to 2007 Operating Budget Process

The Board of Health recommended that these reports be forwarded to the Budget Committee for consideration during the 2007 budget process.

BOH Meeting	Report Title / New / Enhance Service Description	2007 Recommended			2007 BOH Recommended			Net Incremental Impact	
		Gross Exp.	Net Exp.	New Positions	Gross Exp.	Net Exp.	New Positions	2008	2009
		\$	\$	#	\$	\$	#	\$	\$
September 14, 2006	Toronto Public Health - 2007 Operating Budget Submission								
	1 Public Health Services: School and Youth	261.6	65.4	4.0	261.6	65.4	4.0	24.2	
	2 Communicable Disease Control Compliance	457.3	114.3	6.0	457.3	114.3	6.0	30.0	
	3 Parenting Education for High Risk Neighbourhoods	312.1	78.0	5.0	312.1	78.0	5.0	28.4	
	4 Health Component of Clean Air Action Plan				100.2	100.2	1.0	40.2	
	5 Food and Community Development for Youth				146.1	146.1	2.0	58.4	
	6 Toronto Drug Strategy - Neighbourhood Support				84.2	84.2	1.0	30.6	
	Sub-Total	1,031.0	257.7	15.0	1,361.5	588.2	19.0	211.8	
January 29, 2007	Revised Toronto Public Health 2007 Operating Budget*								
	7 Enforcement of Animal By-laws in Parks				374.0	374.0	12.0	(374.0)	
	8 Senior Dental services in Long Term Care Facilities				268.9	268.9	5.0	66.6	
	9 Expansion of Toronto Dental Services Program				334.7	334.7	5.0	108.2	
	10 Urban Heat Island Effect				100.2	100.2	1.0	39.9	
	Sub-Total	0.0	0.0	0.0	1,077.8	1,077.8	23.0	(159.3)	
	TOTAL New and Enhanced Service Priorities	1,031.0	257.7	15.0	2,439.3	1,666.0	42.0	52.5	
January 29, 2007	Secondment of Toronto Public Health Employee to the University of Toronto*								
	11 Backfilling cost for 1 staff seconded to the University of Toronto <i>(Adopted by City Council on February 5, 6, 7 and 8, 2007)</i>	114.6	0.0		114.6	0.0			
February 26, 2007	Toronto Public Health 2007 Operating Budget Adjustments*								
	12 Confirmation of funding not included in 2007 Recommended Budget	(111.2)	(76.8)	2.0	(111.2)	(76.8)			
	13 Unspent 2006 funds for 100% Funded Programs to be continued to 2007:								
	TB Air Quality Guidelines	109.2	0.0		109.2	0.0			
	Building Physically Active Communities	55.0	0.0		55.0	0.0			
	Animal Services Donations	17.6	0.0		17.6	0.0			
	20/20 Clean Air	13.1	0.0		13.1	0.0			
	Health Promotion Environmental Protection Grant	13.2	0.0		13.2	0.0			
	Hepatitis C Prevention	8.2	0.0		8.2	0.0			
	Taking Action on Chlamydia	8.1	0.0		8.1	0.0			
	I-TRACK:Surveillance of Risk Behaviours among Drug Users	5.0	0.0		5.0	0.0			
	14 Backfilling cost for 4 staff seconded to various Provincial Ministries	56.5	0.0		56.5	0.0			
	TOTAL Budget Adjustments	289.3	(76.8)	2.0	289.3	(76.8)	0.0	0.0	

Requests not included in previous reports.

The Board of Health (BOH), at its meeting on September 14, 2006, January 29, 2007, and February 26, 2007, adopted the recommendations in the reports (listed in the table on the previous page) submitted by the Medical Officer of Health. These recommendations included the following:

- BOH recommended 10 Enhanced Service requests totaling \$2.439 million gross and \$1.666 million net, with an increase of 42 staff positions. These 2007 Enhanced service requests are classified into two categories:
 - Service Enhancements – 75% Provincially Funded (\$1.031 million gross / \$0.258 million net, 15 staff positions, with a 2008 annualized impact of \$0.083 million net), includes proposed services that will enhance the current level of service offered on provincially mandated programs. *These services are recommended and are within the 5 expenditure growth limit imposed by the Province.*
 - Service Enhancements – 100% City Funded (\$1.408 million gross and net, 27 staff positions, with a net reversal of \$0.031 million in 2008), includes services that are Council initiatives not mandated or funded by the Province. *These service priorities are not recommended due to affordability constraints.*
- BOH recommended a number of budget adjustments to Toronto Public Health’s 2007 Operating Budget which results in an increase of \$0.289 million gross and a decrease of \$0.077 million net. These adjustments are included in the 2007 Recommended Operating Budget:
 - Final Provincial approval of the 2006 base funding grant was received in January 2007. Budget adjustments are required to reflect confirmed funding levels for 2007 (a net reduction of \$0.111 million gross and \$0.077 million net, but a net increase of 2 staff positions that is 100% Provincially funded);
 - In 2006, 100% funded programs experienced delayed spending as a result of delayed confirmation of funding eligibility and issues regarding contract timelines. These programs will continue to 2007 (an increase of \$0.229 million gross and \$0.0 net); and,
 - As has been past practice, TPH will recover 100% of the cost of salaries and benefits associated with 5 seconded staff (an increase of \$0.171 million gross and \$0.0 net).

BOH Recommended /Enhanced Service Priorities (100% City Funded) Not Included in the 2007 Recommended Operating Budget:

Health Component of Clean Air Action Plan, (\$0.100 million in 2007 and \$0.040 million in 2008; 1 Staff Position)

- A report entitled “2006 Draft Clean Air Action Plan – Proposed Action” was considered by Policy and Finance Committee on June 27, 2006 and adopted by City Council. The recommendation included in this report from the Roundtable of the Environment that “the City make resources available to Toronto Public Health to add a staff person to their complement to work on air quality measures:” was referred to Budget Committee for consideration as part of the 2007 Operating Budget.
- The City’s draft Clean Air Action Plan – Proposed Action called for the establishment of a centralized unit to coordinate work on air quality and climate change issues including improved data collection and management to better understand local air quality and health impacts, and increase the City’s ability to monitor, evaluate and report on improvement measures.

- This new centralized unit will rely on TPH staff to address health concerns associated with climate change and air pollution. TPH will not be able to provide the necessary service level without the addition of 1 staff position. The plan is currently being reviewed by the Executive Environment Team and City Divisions and a final Clean Air Action Plan is targeted for completion in the first half of 2007.
- It is recommended that TPH review the possibility of re-allocating an existing vacant position for this purpose.

Food and Community Development for Youth (\$0.146 million in 2007 and \$0.058 million in 2008; 2 Staff Positions)

- Food-based programs (community gardens, community kitchens, etc.) provide excellent opportunities for modeling behaviour change and experiential learning.
- Food is an effective vehicle to bring youth from diverse backgrounds together to learn to cope, use conflict resolution methods, improve social skills, promote job readiness, and learn lifelong health and fitness habits. Engagement of “at risk” youth in priority neighbourhoods by food programs will promote these behavioural changes.
- The request for 2 additional staff positions will ensure continued support from community gardening, farmers' markets, snack/meal or cooking programs, and food-based community economic development.

Toronto Drug Strategy – Neighbourhood Support (\$0.084 million in 2007 and \$0.031 million in 2008; 1 Staff Position)

- In January 2004, the City of Toronto began a two-year process to develop a comprehensive municipal drug strategy based on the four key areas of prevention, treatment, harm reduction and enforcement.
- In February 2004, Toronto Council approved the membership of a five-member Council Reference Group to oversee the initiative. TPH led the development of the strategy on behalf of the City of Toronto in partnership with a wide range of stakeholders including the Toronto Police Service and the Centre for Addiction and Mental Health, school board officials, community-based service providers, etc.
- The strategy includes over 60 recommendations for action. The key recommendation requests that a Toronto Drug Implementation Committee be established to facilitate intersectoral collaboration oversee implementation of the strategy’s recommendations and ensure a strong foundation for moving forward on substance use issues in Toronto.
- The Toronto Drug Strategy was approved by City Council in December 14 and 16, 2005.
- The increase of 1 staff position, a dedicated Community Development Officer (CDO) is required for the effective implementation of the Toronto Drug Strategy whose key responsibility is to provide support at a local/neighbourhood level. The CDO will work with diverse groups and stakeholders to identify local needs and promote actions to reduce the negative impact of substance use.
- It is recommended that an existing vacant position in TPH be re-allocated for this purpose.

Enforcement of Animal By-laws in Parks (\$0.374 million in 2007 and a reversal of \$0.374 million in 2008; 12 Staff Positions)

- The Medical Officer of Health was directed by the Board of Health Budget Advisory Subcommittee to submit a recommended budget for improved Animal Services enforcement in City parks for inclusion in the 2007 Operating Budget.
 - Currently, Animal Services does not have sufficient field enforcement staff to enforce animal related by-laws in parks other than the occasional response to non-emergency situations from Parks Patrols.
 - On average, there are currently 12 Animal Care and Control Officers (ACCOs) available to provide field service response across four regions per day seven days per week. Field service calls are responded to in priority with imminent threats to the health and safety of the community and rescue of sick/injured animals considered high priorities while routine parks patrols are considered low priority. High service demands results in low priority calls responded to last, sometimes weeks later. TPH received approximately 65,444 calls from the main Toronto Animal Services (TAS) line in 2006, of which 29,262 were dispatched to field officers. This number does not include calls received directly at the Regional Animal Centres.
 - The increase of 12 temporary ACCOs, dedicated to enforcing animal related by-laws from May to September, will allow TAS to have one staff available daily, seven days per week in each of the four regions to respond to parks related complaints and set up ongoing surveillance in many of these instances. Having a repetitive presence in the park serves a two fold purpose, it reduces or eliminates the non-compliance behaviours and prevents many from occurring. The additional staff will increase TPH's profile in City parks by up to 2,400 visits annually.
 - Future year cost may eventually be funded from increased revenues realized from the Dog and Cat Licensing Strategy.
- A program review is currently underway for Toronto Animal Services (TAS) as part of the City's management and accountability framework. The scope of the review includes: assessing the appropriate organizational placement within the City's administrative structure to provide the best service delivery to both internal and external clients; reviewing client satisfaction and customer awareness (an RFP for a customer survey is currently being prepared); and, evaluating the best method of providing the public with cost effective wildlife-related services, and the implications of changing its current service delivery process.

Senior Dental Services in Long Term Care Facilities (\$0.269 million in 2007 and \$0.67 million in 2008; 5 staff positions)

- Harmonization of mobile dental services will enable seniors living in Long Term Care facilities across the City to receive Toronto Public Health dental services annually. TPH is currently unable to provide annual assessments and basic dental services (examining teeth and gums, x-rays, fillings, preventive services (including cleaning, scaling, topical fluoride, sealants), extractions, root canal treatment, dentures and partial dentures) in some of these facilities, so that some seniors get inadequate TPH support.
- The increase of 5 positions to implement this service will complete the harmonization of the mobile dental program for seniors living in Long Term Care facilities.

Expansion of Toronto Dental Services Program (\$0.335 million in 2007 and \$0.108 million in 2008; 5 staff positions)

- There are currently 3 community partnerships (Parkdale Partners for Oral Health, Evergreen Youth Centre and the Scarborough Urban Health Outreach Clinic) that use a volunteer dentist model (volunteer dentists, paid dental assistants and donated supplies) to provide dental care to high needs communities - street youth and low income adults. These residents are not eligible for dental services under the TPH Dental Program.
- The current operation does not provide consistent basic dental services (examinations, radiographs, fillings, cleanings, extractions, dentures and root canals) as evidenced by the limited hours of operation. As an example, one clinic is open only 1 Saturday per month.
- The increase of 5 positions which includes 2 Dentists, 2 Dental Assistants and 1 Dental Clerk (two teams) will support the current volunteer dental initiatives and will provide dental treatment to approximately 2,400 different patients/year (street youth and low income adults). Residents would be able to access these services in three different locations in the City - Scarborough, Parkdale and the downtown area, that will be open a total of 7 days/week from 8am to 4pm, similar to existing TPH dental clinics under the TPH Dental Program.

Urban Heat Island Effect replaced Car Free Day Promotion (\$0.100 million in 2007 and \$0.040 million in 2008; 1 staff position)

- Due to the urban island heat effect, Toronto experiences temperatures several degrees higher than the surrounding region. Current rates of heat-related mortality and illness will increase even further with climate-related warming unless effective adaptive actions are identified and implemented.
- TPH does not have a health expert dedicated to climate change issues and relies on limited external grants, in partnership with other agencies, to assess and address health impacts of climate change in the City of Toronto.
- This enhanced service request will provide funding to develop a strategic research, evaluation, policy analysis and public education program aimed at assessing, mitigating and preventing the adverse impacts of climate change on health in Toronto. The addition of a dedicated health expert on climate change will enable TPH to enhance strategic partnerships with policy advisors at the municipal, provincial and federal level, with academic researchers, and with non-governmental organizations (NGOs) active in policy and public outreach. By shaping policies and regulations governing climate change, TPH will be a key catalyst in protecting the public's health from climate change-related illness and premature mortality.

Outstanding Issues from 2006 and Prior Years

There are no outstanding issues from 2006 and prior years.

Appendix 1
Summary of Recommended Base Budget Changes
From 2006 Approved Budget

(In \$000s)	Summary of 2007 Base Budget Adjustments				Net Incremental Outlook	
	Approved Positions	Gross Expenditures	Revenues	Net	2008	2009
		\$	\$	\$	\$	\$
2006 Council Approved Operating Budget	2,122.6	210,572.0	146,646.1	63,925.9	0.0	0.0
In-year approvals and technical adjustments	15.0	1,327.1	1,424.5	(97.4)		
Corporate adjustments	0.0	(0.7)	0.0	(0.7)		
2006 Approved Operating Budget	2,137.6	211,898.4	148,070.6	63,827.8	0.0	0.0
Prior year impacts	(212.1)	(8,541.6)	(7,884.6)	(657.0)	818.5	775.2
Zero base items		(799.9)	(568.8)	(231.1)		
Economic factors		4,405.8	3,151.3	1,254.5	877.0	
Adjusted Base Budget	1,925.5	206,962.7	142,768.5	64,194.2	1,695.5	775.2
Other base changes	2.0	436.6	715.2	(278.6)		
Base revenue changes			13,830.6	(13,830.6)		
Recommended Service Level Adjustments:						
Service efficiencies						
Revenue adjustments						
Minor service impact						
Major service impact						
Total Recommended Base Adjustments	2.0	436.6	14,545.8	(14,109.2)	0.0	0.0
2007 Recommended Base Budget	1,927.5	207,399.3	157,314.3	50,085.0	1,695.5	775.2
2007 Program Operating Target						
% Over (Under) Program Target						
% Over (Under) 2006 Appvd. Budget						

Appendix 3
Summary of 2007 Recommended New / Enhanced Service Priorities

Appendix 4

Inflows / Outflows to / from Reserves & Reserve Funds
(In \$000s)

Reserve / Reserve Fund Name	Reserve / Reserve Fund Number	Balance as of December 2006 \$000s	Proposed Withdrawals (-) / Contributions (+)		
			2007	2008	2009
			\$000s	\$000s	\$000s
Vehicle and Equipment Reserve Contribution To Reserve	XQ1101		93.0	TBD	TBD
Balance by Year-end		271.8	364.8	364.8	364.8
PH Efficiency Reserve Fund re: Animal Shelter Contribution To Reserve Projected withdrawal	XR1108		330.0 (330.0)	250.0 (250.0)	0.0 0.0
Balance by Year-end		666.1	666.1	666.1	666.1
IT Equipment Reserve Contribution To Reserve Projected withdrawal	XQ1508		1,386.9	1,386.9	1,386.9 (5,547.6)
Balance by Year-end		1,386.9	2,773.8	4,160.7	0.0
TOTAL - RESERVES		2,324.8	3,804.7	5,191.6	1,030.9