

TORONTO STAFF REPORT

April 25, 2003

To: Board of Health
From: Dr. Sheela V. Basrur, Medical Officer of Health
Subject: Reduction of the Toronto Public Health 2003 Operating Budget

Purpose:

The purpose of this report is to seek approval for a technical amendment to the Toronto Public Health 2003 Operating Budget.

Financial Implications and Impact Statement:

Toronto Public Health has been advised by the Ministry of Health and Long Term Care (MOHLTC) that the 2003 funding (100%) for the Healthy Babies Healthy Children program, Preschool Speech and Language Services, the Infant Hearing Program and the Early Childhood Development Initiatives will be maintained at 2002 levels.

Cost increases related to new collective agreements, staff harmonization, merit and cost of living will not be funded by MOHLTC. Therefore, a reduction in the 2003 Toronto Public Health Operating Budget of \$985,840 gross (\$0 net) will be required, with a corresponding reduction in the level of service provided in the Healthy Babies Healthy Children program.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the Board of Health forward this report to the Policy and Finance Committee for approval of a reduction of the Toronto Public Health 2003 Operating budget in the amount of \$985,842 gross, \$0 net; and

- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Ministry of Health and Long Term Care provides Toronto Public Health with 100% funding for a number of programs. This includes ongoing funding for the Healthy Babies Healthy Children program, Toronto Preschool Speech and Language Services, and the Infant Hearing Program. It also includes multi-year grants for four Early Childhood Development initiatives: the Perinatal and Child Health Survey, the Healthy Pregnancy and Child Development project, the Family Abuse and Injury Prevention project, and the High Risk Pregnant Women project.

Comments:

As part of municipal budget preparations for the 2003 Public Health Operating Budget, projections were made regarding collective agreement, cost of living, and harmonization adjustments that increased salary and benefit costs in these 100% funded programs/initiatives. As such, revenues were projected accordingly. This 2003 Operating Budget was approved by City Council on February 24-28, 2003.

The timing of municipal budget preparation and approval does not coincide with provincial budget preparation and approval. Consequently, the municipal budget was approved prior to 2003 funding announcements by the MOHLTC. Toronto Public Health has since been advised that provincial 2003 funding levels for the Healthy Babies Healthy Children program, the Preschool Speech and Language program, the Infant Hearing Program and the Early Childhood Development initiatives will be maintained at 2002 levels. This means that revenue projections that were approved in the municipal 2003 Toronto Public Health Operating budget were overstated by \$985,842 gross (\$0 net).

Funding for the Healthy Babies Healthy Children program falls \$778,000 short of projections. This will require that 15.0 Public Health Nurse and/or Family Home Visitor positions be gapped. The impact that this will have on service delivery is currently being assessed. Funding for Preschool Speech and Language Services is \$10,900 less than projected. It will be possible to absorb this shortfall through a reduction in training and printing costs. Infant Hearing Program revenues will be \$19,100 less than projected. However, because revenue projections for this new program were based on full implementation and implementation in the hospitals has been delayed, the revenue shortfall will be manageable this year. The remainder of the shortfall is related to the Early Childhood Development grants which will be absorbed through adjustments to non-salary expenses.

Conclusions:

Revenue for the 100% Ministry of Health and Long Term Care funded programs was projected and approved by City Council to accommodate merit, cost of living and harmonization salary increments. However, the Ministry of Health and Long Term Care 2003 funding announcements, received after City Council approval of the municipal budget, does not allow for these increments. Consequently, a reduction of the Toronto Public Health 2003 Operating Budget by \$985,842 gross (\$0 net) is required.

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