

TORONTO STAFF REPORT

February 9, 2004

To: Board of Health

From: Dr. Sheela V. Basrur, Medical Officer of Health

Subject: Consolidated Grants Budget – Toronto Public Health Grants Service Envelope

Purpose:

To provide information to the Board of Health regarding the 2004 budget request for grant programs under the consolidated grants budget reporting through the Board of Health.

Financial Implications and Impact Statement:

The 2004 Total Budget Request for the Consolidated Grants is \$47.458 million (gross)/\$42.875 million (net). The request comprises \$40.053 million (gross)/\$35.470 million (net), and New and Enhanced Service Requests of \$7.405 million (gross and net). The Consolidated Grants 2004 Budget Request includes service envelopes under the purview of various standing committees.

The 2004 Budget Request for the Grants Service Envelope under the purview of the Board of Health (AIDS Prevention, Drug Prevention and Student Nutrition programs) is \$6.553 million (gross and net). The request comprises \$4.105 million (gross and net) in the Base Budget and New and Enhanced Service Requests of \$2.448 million (gross and net). This includes a Student Nutrition (School Food) Program Enhancement Request as approved by the Board of Health in September 2003, economic factor adjustments and grant service harmonization requests (see Appendix 1).

An additional request of \$0.200 million for the Drug Prevention Grants Program was submitted in a report to the January 19, 2004 Board of Health and deferred to the February 23, 2004 Board of Health meeting to be considered as part of the Public Health Grants budget request for 2004.

The Total 2004 EMT Recommended Budget for the Consolidated Grants is \$39.316 million (gross)/\$34.733 million (net). It includes the Grants Service Envelope under the purview of the Board of Health of \$4.025 million (gross and net), or flat-lined to the 2003 Approved Budget.

The New and Enhanced Service requests included in the report, totalling \$2.538 million (gross and net) for the Student Nutrition (School Food) and Drug Prevention programs, are not included in the 2004 EMT Recommended Budget. In addition, EMT did not recommend the grants harmonization request or the full economic factor adjustment. If the Board of Health approves the recommendations in this report the total budget request would \$6.563 million (gross and net).

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

Recommendations:

It is recommended that:

- (1) the 2004 EMT Recommended Budget for the Grants Service Envelope under the purview of the Board of Health in the amount of \$4.025 million (gross and net) be approved;
- (2) the Board of Health approve the requested budget enhancement of \$2.338 million for the Student Nutrition (School Food) Program;
- (3) the Board of Health approve the requested budget enhancement of \$0.200 million for the Drug Prevention Grants Program as detailed in the January 19, 2004 report to the board;
- (4) this report be forwarded to the Budget Advisory Committee for consideration; and
- (5) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting on January 15, 2004, the Policy and Finance Committee considered the Mayor's report titled "Sub-Committees, Advisory Committees, Roundtables and other Bodies". Policy and Finance Committee approved the recommendation that the Grants Sub-Committee not be re-established and corporate policy issues concerning community investment programs be considered directly by the Policy and Finance Committee.

As a result, deputations regarding the Consolidated Grants Budget will be heard by the relevant Standing Committees. Departmental staff have prepared information reports for each standing committee outlining the 2004 budget request for the grant programs reporting through that committee. Standing Committee recommendations will be consolidated by the Corporate Grants Team (Commissioners of Economic Development, Culture and Tourism, Community and Neighbourhood Services, and the Chief Financial Officer) for discussion with the two Budget Advisory Committee (BAC) leads responsible for the Consolidated Grants Budget review. The BAC leads will provide direction to staff regarding the overall recommendations prior to review and consideration by the BAC.

Economic Factor Adjustment:

The Consolidated Grants Base Budget request for 2004 included an inflationary adjustment of \$702.5 thousand. Given the City's fiscal constraints, EMT recommended that the \$670.9 thousand in general inflation not be provided in the 2004 Recommended Budget, leaving only \$31.6 thousand related to the Occupancy Cost Grants for economic factor adjustments.

In 2002, Council provided funding of \$0.250 million for partial adjustment for the inflationary pressures. In 2003, no funding for economic factors was approved.

Grants Service Harmonization:

At its meeting on June 7, 8 & 9, 2000, Council adopted the Policy & Finance Report No. 7 Clause No. 9. The report recommends a 3-year plan to eliminate geographic and historic inequities across the City by providing \$500,000 each year, starting in 2000, to the Consolidated Grants budget.

Council provided \$500,000 in 2000; however, no funding was provided in 2001 and 2002. In 2003, Council approved additional funding for AIDS Prevention (\$0.135 million) and Toronto Arts Council grants programs (\$0.200 million) for a total of \$0.335 million.

The 2004 budget request includes \$500,000 for grants service harmonization. In view of the fact that the amount was determined in 2000, and that Council had since approved additional funding to some grant programs, it is recommended that program staff be directed to re-evaluate and determine the appropriate amount required for grants service harmonization in time for the 2005 budget process.

Comments:

Grants Service Envelopes Reporting to the Board of Health:

The Consolidated Grants Budget is composed of nine service envelopes, one of which reports to the Board of Health. The 2004 EMT recommended Consolidated Grants Budget included the service envelope budget for Public Health as \$4.025 million (gross and net). This service envelope includes three grants programs: AIDS Prevention, Drug Prevention Program and the Student Nutrition (School Food) Program.

AIDS Prevention:

AIDS Prevention grants are a key component of Toronto Public Health's comprehensive strategy for the prevention of HIV/AIDS. These grants support strategic, targeted community education programs to influence behaviours and situations that put people at risk of acquiring HIV. The integration of grants with City-delivered programs helps ensure responsiveness to emerging public health diseases and timely access to community expertise in local organizations.

The AIDS Prevention Grants Program is an open grants program that provides project funding. In 2003, the 57 proposals received by the review panel reflected diverse target groups and a variety of educational interventions and delivery models. This is the fifth year that eligibility was expanded across the amalgamated City, with approximately 23 of the applications proposing to provide services city wide. Forty-five proposals were from groups that are currently funded and 12 proposals were new this year. These organizations submitted requests for a total of \$2,184,444.36, and a total of 52 projects were recommended for funding. The 2003 AIDS Prevention budget was \$1,363,800.00 and represented 3.9% of the Net Consolidated Grants Budget.

Drug Prevention Program:

The Drug Prevention grants mandate is to build community capacity for local youth initiatives in drug prevention. Drug Prevention Grants are part of a comprehensive strategy on substance abuse prevention. The integration of grants with City delivered programs helps ensure responsiveness to emerging public health trends and timely access to community expertise in local organizations.

The Drug Prevention Program is an open grants program that provides project funding. In 2003 the Drug Prevention Grants Program received 75 applications requesting \$1,532,512 in funding. From the approved budget of \$661,500.00, 51 projects were funded. The 2003 Drug Prevention Grants budget was \$661,500.00 and represented 1.9% of the Net Consolidated Grants Budget.

Student Nutrition (School Food) Program:

The Student Nutrition (School Food) Program subsidies support 287 community-based breakfast, snack and lunch programs serving 67,000 children in schools and community sites. The funding provided by the City of Toronto has increased since 1998 in response to growing community need and to support programs in meeting minimum nutritional standards. The approved budgets for the past four years were: \$1.551 million (2000); \$1.792 million (2001); \$1.955 million (2002); and \$1.999 million (2003). Currently, the City provides 20.8% of the total costs of these programs, the Province provides 15%, and the balance is funded by a combination of parental contributions, private donations and community fundraising. The 2003 Student Nutrition (School Food) Program budget was \$1,999,300.00 and represented 5.8% of the Net Consolidated Grants Budget.

New and Enhanced Budget Service Requests:

The 2004 EMT Recommended Budget includes flatline budget levels for all grant programs reporting to the Board of Health.

There is one New and Enhanced Service request in the Student Nutrition (School Food) Program, within the Public Health envelope referred by the Board of Health at its meeting in September 2003 to the 2004 Budget Process. Due to the City's fiscal constraints, EMT did not recommend this request; therefore, there are no New or Enhanced Service requests contained in the 2004 EMT recommended budget.

There is an additional Enhanced Service request that was submitted on Council's request to the January 19, 2004 Board of Health for the Drug Prevention Program. This report was deferred until the February 23, 2004 Board of Health to be considered as part of the Public Health Grants 2004 budget request. EMT did not review this request. The enhancement requests for Public Health grants are discussed below.

Student Nutrition (School Food) Program Enhancement Request:

The Board of Health requested at its June 16, 2003 meeting that staff report on the municipal funding required to meet the needs of this program. A report from the Medical Officer of Health entitled "Meeting the Student Nutrition Needs of Toronto's Children and Youth" was endorsed by the Board of Health on September 23, 2003. This report detailed the needs and associated costs for the Student Nutrition (School Food) Program and recommended a net increase of \$2.338 million to the Student Nutrition (School Food) Program.

The request for additional funding of \$2.338 million is to (a) cover food costs and restore the municipal contribution to 24% (\$1.421 million); (b) provide a higher contribution rate for the 10% of programs in highest needs locations (\$0.733 million); and (c) provide higher municipal core funding for 33 nutrition programs serving youths (\$0.185 million).

Sustainable core funding reflective of current actual costs is essential for nutrition programs for all children and youth in Toronto. Our children face unprecedented health risks through inadequate nutrition and the growing rates of obesity, which are most prevalent in low-income families. Student nutrition programs enhance consumption of vegetables, fruit, whole grains and milk products, thus helping to ensure adequate nutrient intake, while reducing future risk of chronic diseases, such as cardiovascular disease, osteoporosis and some types of cancer.

The 2003 Approved Budget for the Student Nutrition (School Food) Program was \$1,999,300. The request for an additional funding of \$2,338,038 in 2004, which would bring the total municipal contribution to \$4,337,338, was not recommended by EMT.

Drug Prevention Program Enhancement Request:

At its meeting on June 24, 25 and 26, 2003 Council adopted the Board of Health Report No. 4 Clause No. 4. The report requests the Medical Officer of Health to submit a report through the Board of Health Budget Subcommittee that details the unmet needs and the budget required for the 2004 Drug Prevention Grants.

Based on the Drug Prevention Grants mandate and funding criteria, an additional \$200,000.00 would be required to better address the unmet local needs. With an additional \$200,000.00 annually, investments in high needs, under-served communities will be enhanced. Based on last year's applications, the additional budget would allow for approximately 15 new projects to be funded. Services would include ethnocultural outreach; community partnerships; youth leadership projects; advocacy and project evaluation.

A report was submitted to the January 19, 2004 Board of Health detailing the unmet needs and proposed budget enhancement of \$200,000.00. This report was deferred until the February 23, 2004 Board of Health to be considered as part of the Public Health Grants budget request for 2004. The 2003 Approved Budget for the Drug Prevention Program was \$661,500. The request for an additional funding of \$200,000 would bring the total funding for the Drug Prevention Program to \$861,500.

Conclusions:

One service envelope within the Consolidated Grants Budget reports to the Board of Health. This service envelope includes three grants programs: AIDS Prevention, Drug Prevention Program and the Student Nutrition (School Food) Program. Deputations concerning this service envelope will be heard by the Board of Health during the 2004 Operating Budget process.

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List of Attachments:

Appendix 1: Service Envelope for Public Health

Appendix 2: 2004 Budget Request by Service

Appendix 3: 2004 Budget Request by Program

Appendix 1

SERVICE: PUBLIC HEALTH

Description: The Public Health Service Envelope includes three grants programs that provide project funding, AIDS Prevention, Drug Prevention Program and the School Food Program.

Budget Summary:

	2004 Net Budget Request <u> </u> \$000s	2004 EMT Recomm. Net Budget <u> </u> \$000s
2003 Approved Net Budget	4,024.6	4,024.6
Economic Factors	<u>80.5</u>	<u>0.0</u>
2004 Adjusted Base	<u>4,105.1</u>	<u>4,024.6</u>
 New & Enhanced Service Requests:		
Grants Service Harmonization	110.1	0.0
 <u>Council/Committee Directed: Referred for Consideration</u>		
1. Student Nutrition Program	2,338.0	0.0
	<u> </u>	<u> </u>
Total New/Enhanced Service Requests	<u>2,448.1</u>	<u>0.0</u>
 Total 2004 Net Budget	 <u>6,553.2</u>	 <u>4,024.6</u>