



TORONTO STAFF REPORT

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To: Board of Health

From: Dr. Barbara Yaffe, Acting Medical Officer of Health

Subject: Toronto Public Health - Operating Budget Variance Report as of April 30, 2004

Purpose:

To apprise the Board of Health of Toronto Public Health's operating budget variance as of April 30, 2004.

Financial Implications and Impact Statement:

For year-to-date April 2004, Public Health's gross expenditure is under-spent by \$873.8 thousand or 1.9%. Revenues are under-achieved by \$352.0 thousand or 1.3%. In terms of net expenditure, Public Health is under-spent by \$521.8 thousand or 2.8%. It is expected that by year end there will be no net variance.

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

Recommendation:

It is recommended that this report be received for information.

Background:

The approved 2004 Public Health operating budget is \$182,671.7 thousand (gross) and \$73,379.0 thousand (net).

Comments:

The Corporate Operating Budget Variance Report as of April 30, 2004 is attached to this report.

(1) Gross Expenditures

Public Health experienced an overall underspending of \$873.5 thousand or 1.9% as of April 30, 2004. This is attributed mainly to the net impact of the following:

- (a) underspending in salaries and benefits in the amount of \$2,554.3 thousand due to the late approval of the budget by the City Council and the hiring freeze imposed by the Corporation to generate savings, resulting in recruitment delays; and
- (b) overspending in services and rents in the amount of \$2,033.7 thousand due to the early start in the implementation of some programs with partner agencies.

The balance of the variance is in underspending in interdepartmental charges, materials and supplies, and overspending in equipment.

It is expected that by year end there will be no net variance.

(2) Revenues

Revenue is under-achieved by \$352.0 thousand due to the following factors:

- (a) over-achievement in grants and subsidies in the amount of approximately \$1,790.0 thousand as most of the programs with partner agencies that had an early implementation are 100% provincially funded.
- (b) under-achievement in Interdepartmental Recoveries of \$585.6 thousand, 86% of which relates to Ontario Works dental programs which are funded at 100%; and
- (c) fees, service charges and other revenues of approximately \$825.0 thousand. Of this amount, \$513.0 thousand is related to capital projects, and \$175.0 thousand to Animal Services.

(3) Healthy Babies Healthy Children (HBHC) Capped Funding

The capped funding in 100% Provincially funded HBHC Program resulted in a total estimated shortfall of \$1,741.7 thousand. The Province has provided \$1,388.3 thousand in additional funding in 2004 with the following breakdown:

- (a) one time funding of \$954.1 thousand; and

(b) base funding of \$434.3 thousand. This leaves a funding shortfall of \$353.0 thousand. There are continuing discussions with the Province for additional funding for HBHC. Until such time that the funding subsidy is finalized, about five positions related to the shortfall will be gapped.

(4) Communicable Disease Liaison Unit (CDLU) Funding

City Council's budget approval for CDLU is subject to 100% provincial funding. In its May 12, 2004 memorandum, the Province has indicated its commitment to continue the current funding arrangement at 100% provincial subsidy for CDLU staff.

(5) Cost-Shared Programs

Public Health has submitted a request in the amount of \$66,584.0 thousand (including one-time request of \$2,715.8 thousand for our approved Capital budget) to the Ministry of Health and Long-Term Care (MOHLTC) for the funding of cost-shared programs in 2004. This represents an increase of \$5,684.0 thousand or 9.3% over the 2003 approved cost-shared funding. Approval for this request is not expected until the fourth quarter of 2004.

The Provincial Government has made announcements for a phased increase in provincial funding from 50% to 75% in 2007. However, no written confirmation has been made available to date. There is indication that cost-shared funding will be increased from 50% to 55% in 2005.

Conclusion:

As of April 30, 2004, Toronto Public Health's budget is underspent by \$521.8 thousand (2.8%) and revenues are underachieved by \$352.0 thousand (1.3%). It is expected that by year end there will be no net variance.

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Dr. Barbara Yaffe
Acting Medical Officer of Health

Attachments:

Appendix 1: Public Health Operating Budget Variance Report as of April 2004



**OPERATING VARIANCE SUBMISSION
FOR THE PERIOD ENDED APRIL 30, 2004**

OVERVIEW

PROGRAM Toronto Public Health

YEAR-TO-DATE AT APRIL 30, 2004

("ACTUAL" is Adjusted Actual from

Accrual Worksheet - Schedule 4)

Gross Expenditure:

	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000's)	(\$000's)	(\$000's)	%
Consulting Costs	0.0	0.0	0.0	0.0%
Utility Costs (cost elements 2215, 2220, 2230, 2250)	90.0	98.6	(8.6)	(8.7%)
Other Expenditures	44,554.0	45,419.2	(865.2)	(1.9%)
Total Gross Expenditure	44,644.0	45,517.8	(873.8)	(1.9%)
Revenue	26,487.0	26,839.0	(352.0)	(1.3%)
NET EXPENDITURE	18,157.0	18,678.8	(521.8)	(2.8%)

Approved Positions at April 30, 2004:

	APPROVED POSITIONS	CHANGE TO APPROVED POSITIONS		
Permanent / Full Time	1,566.8	0.0	1,566.8	0.0%
Permanent / Part Time	111.4	0.0	111.4	0.0%
Temp / Seasonal / Casual Full Time	123.8	0.0	123.8	0.0%
Temp / Seasonal / Casual Part Time	13.5	0.0	13.5	0.0%
Total	1,815.5	0.0	1,815.5	0.0%

PROJECTIONS TO YEAR-END

Gross Expenditure:

	ACTUAL	BUDGET	VARIANCE OVER/(UNDER)	
	(\$000's)	(\$000's)	(\$000's)	%
Consulting Costs	0.0	0.0	0.0	0.0%
Utility Costs (cost elements 2215, 2220, 2230, 2250)	310.7	310.7	0.0	0.0%
Other Expenditures	182,361.0	182,361.0	0.0	0.0%
Total Gross Expenditure	182,671.7	182,671.7	0.0	0.0%
Revenue	109,292.7	109,292.7	0.0	0.0%
NET EXPENDITURE	73,379.0	73,379.0	0.0	0.0%