



STAFF REPORT ACTION REQUIRED

Toronto Public Health 2015 Operating Budget Request

Date:	November 7, 2014
To:	Board of Health Board of Health Budget Committee
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report outlines the Toronto Public Health (TPH) 2015 Operating Budget Request for consideration by the Board of Health. The TPH 2015 Operating Budget Request totals \$250,816.4 thousand gross / \$55,626.1 thousand net. This request is \$3,255.6 thousand gross and \$643.9 thousand net above the 2014 Operating Budget. The net increase of \$643.9 thousand over the 2014 Operating Budget is comprised primarily of: base budget increases for the negotiated collective agreement, and non-payroll economic factors increases of \$840.1 thousand net; reduction options of \$313.2 thousand net; and, new & enhanced services of \$117.0 thousand net.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. City Council approve the Toronto Public Health 2015 Operating Budget Request of \$250,816.4 thousand gross / \$55,626.1 thousand net as summarized in Table 1, “Toronto Public Health 2015 Operating Budget Request”;
2. City Council approve the list of base budget adjustments as summarized in Table 2, “Overview of 2015 Operating Budget Request” of this report totaling an increase of \$2,907.5 thousand gross and \$840.1 thousand net;
3. City Council approve a 2015 Reduction Options of \$120.0 thousand gross and \$313.2 thousand net as outlined in Table 2, “Overview of 2015 Operating Budget Request”;
4. City Council approve a 2015 New and Enhanced Request of \$468.1 thousand gross and \$117.0 thousand net as outlined in Table 2, “Overview of 2015 Operating Budget Request”;

5. City Council approve a total increase of \$1,901.1 thousand gross and net for the Student Nutrition Program as outlined in the August 18, 2014 Board of Health report, "Student Nutrition Program: Five-Year Plan Status Update and 2015 Operating Budget Request" as outlined in Table 3, "Other New & Enhanced Services" of this report;
6. City Council approve 2015 Pan / Parapan Am Games request for Tobacco Free Games and the request for Planning and Operations for \$118.7 thousand gross and \$0 net and 0.42 positions funded by reserves and sundry revenues as outlined in Table 3, "Other New & Enhanced Services" of this report; and
7. The Board of Health forward this report to the City's Budget Committee for its consideration during the 2015 budget process.

Financial Impact

The Toronto Public Health (TPH) 2015 Operating Budget Request totals \$250,816.4 thousand gross / \$55,626.1 thousand net. This request is \$3,255.6 thousand gross and \$643.9 thousand net above the 2014 Operating Budget. The net increase of \$643.9 thousand over the 2014 Operating Budget is comprised primarily of: base budget increases for the negotiated collective agreement, and non-payroll economic factors increases of \$840.1 thousand net; reduction options of \$313.2 thousand net; and, new & enhanced services of \$117.0 thousand net. TPH has reviewed its services and expenses and where achievable absorbed expected inflation increases and reduced expenses in the 2015 budget request.

DECISION HISTORY

At its meeting of January 30, 2014, City Council approved a TPH 2014 Operating Budget of \$246,258.6 thousand gross / \$52,764.2 thousand net.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1>

During 2014, TPH received confirmation of additional 100 percent funding from Province of Ontario ministries and external sources in the amount of \$1,302.2 thousand gross and \$0 net for various public health programs. In addition, a technical adjustment of a reduction in revenue and an increase in net budget of \$2,218.0 thousand was made from the Non Program account. The Non Program budget was decreased by \$2,218.0 thousand gross and net for a \$0 net impact on the overall City's budget.

The TPH 2014 Operating Budget including in-year budget adjustments is \$247,560.9 thousand gross and \$54,982.2 thousand net.

At its meeting of June 11, 2014, the Board of Health Budget Committee requested the Medical Officer of Health to submit to the City's budget process an initial 2015 Toronto Public Health Operating Budget request, with amendments presented by the Medical Officer of Health and presented in the (June 11, 2014) revised 2015 Budget Request for Consideration, which will:

- a. Include the 2015 base budget request;
- b. Include the Low Income Dental Integration savings;

- c. Include the enhancements recommended by the Board of Health to the Student Nutrition Program;
- d. Include the three new and enhanced services requested by the Board of Health Budget Committee (to help address health impacts from climate change, enhance the Toronto Urban Health Fund and initiate compliance with education and promotion requirements for the Day Nursery Immunization Program);
- e. Maximize provincial revenues; and
- f. Maintain gapping targets in 2015 at the same percentage as in 2014
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.HU10.1>

At its meeting of July 16, 2013 City Council approved a report on "Toronto Pan/Parapan Games Host City Showcase Program and Major Special Events Reserve Fund" which included a recommendation for funding \$35.0 thousand in 2014 and \$50.7 thousand in 2015 for TPH staff to develop a smoke-free communication / education plan.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.13>

A report to the Board of Health on August 18, 2014 entitled " Student Nutrition Program: Five-Year Plan Status Update and 2015 Operating Budget Request" included requests for program stabilization and service enhancements in-line with year 3 of the 5-year plan.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.HL33.2>

At its meeting of August 25 to August 28, 2014 City Council requested that TPH add 1.0 FTE as a Community Health Officer (CHO) in the Oakwood and Vaughan community to support existing residents and the residents of Cornerstone Shelter in the 2015 Operating Budget (item 6b).
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.CD31.7>

ISSUE BACKGROUND

The TPH 2015 Operating Budget request assumes full provincial cost sharing at 75 percent for eligible programs, and an increase in the provincial funding of 1.95 percent for 2015 over the 2014 Operating Budget.

The City Manager issued guidelines and directions for the development of the 2015 Operating Budget to all City Divisions, Agencies, Boards and Commissions (ABCs). Included in these directions are the expectations that all 2015 City Programs and ABC Operating Budgets be equivalent to the 2014 Approved Net Operating Budget, resulting in a zero percent increase over the 2014 Net Budget.

Public health services include programs that receive provincial funding for 100 percent of the cost and those that receive provincial funding for 75 percent of the cost (cost-shared) which leverage \$3 of provincial funding for every \$1 of City investment in public health.

COMMENTS

The TPH 2014 Operating Budget Request totals \$250,816.4 thousand gross / \$55,626.1 thousand net. This request is \$3,255.6 thousand gross and \$643.9 thousand net (1.2 percent) above the 2014 Operating Budget and is summarized in Table 1 below.

Table 1 Toronto Public Health 2015 Operating Budget Request							
	2014 Budget	2015 Base	2015 Reductions	2015 New & Enhanced	2015 Request	Change from 2014 Budget	
(\$000s)	\$	\$	\$	\$	\$	\$	%
GROSS EXP.	247,560.9	2,907.5	(120.0)	468.1	250,816.4	3,255.6	1.3
REVENUE	192,578.6	2,067.4	193.2	351.1	195,190.3	2,611.7	1.4
NET EXP.	54,982.2	840.1	(313.2)	117.0	55,626.1	643.9	1.2
Positions	1,877.03	(11.48)	0.00	4.50	1,870.05	(6.98)	(0.4)

The statutory responsibilities, mandate and authority of the Toronto Board of Health, and through the Board, Toronto Public Health, are set out in the Ontario Health Promotion and Protection Act (HPPA).

The program requirements and expectations of the Board of Health are set out in the Ontario Public Health Standards, authorized by regulation under the HPPA.

Budget Reduction Options

As part of the 2015 Operating Budget, TPH proposed budget reductions of \$120.0 thousand gross and \$313.2 thousand net from the following sources:

- An increase in revenue and a decrease in net of \$283.2 thousand resulting in the transfer of cost shared dental programs to 100% Provincially funded integrated Low Income Dental Program (LIDP).
- A decrease of \$120.0 thousand gross and \$30.0 thousand net in payroll and non payroll expenditure budget.

Maximize Provincial Funding

The Board of Health Budget Committee requested the Medical Officer of Health to prepare a 2015 Operating Budget which maximizes provincial funding and improves compliance with Ontario Public Health Standards.

The 2015 Operating Budget request for the provincial mandatory cost shared programs, including both the provincial share of 75 percent and the City's share of 25 percent, is \$170,294.7 thousand gross / \$42,573.7 thousand net expenditures, which is an increase from the 2014 Operating Budget of \$3,251.4 thousand gross and \$812.9 thousand net expenditures, mainly related to negotiated compensation costs, and new and enhanced services meant to maximize Provincial funding.

The provincial funding formula will continue at 75 percent in 2015. The cost sharing formula of 75:25 means that funding for every \$4 of public health services requires only \$1 of investment by the City. Conversely, a reduction of \$1 to the net City funded budget would require a \$4 cut in provincial cost-shared programs.

In accordance with the direction of the BOH Budget Committee, the MOH recommendations for the TPH 2015 Operating Budget maximize the potential provincial revenue of \$2,438.6 thousand or 1.95 percent increase over 2014 requested funding level.

The 2015 budget request includes three new and enhanced cost shared services: Toronto Urban Health Fund, Reducing Health Impacts from Climate Change and Day Nursery Immunization program. Below is a brief description of each request.

- **Toronto Urban Health Fund** – \$150.0 thousand gross and \$37.5 thousand net – This proposal addresses Economic Vitality and Social Development through facilitating workforce development in community agencies and youth service agencies with a particular emphasis in developing youth employment opportunities and enhancing the well being of youth and newcomer populations in Neighbourhood Improvement Areas and contributing to meeting the objectives of the Strong Neighbourhood Strategy.

The 2014 allocations process resulted in 9 projects with merit requesting funding in the amount of \$527.7 thousand that could not be funded due to insufficient available budget. In addition, 3 projects had a budget shortfall of \$73.4 thousand and could not be funded at total requested amount due to insufficient funds available for appeals. Four projects totalling \$177,302 targeting high risk youth, including two aboriginal led projects, were close to being funded if additional support were provided to the agencies.

- **Reducing Health Impacts from Climate Change** – \$125.6 thousand gross and \$31.4 thousand net and 1 position – This proposal supports the City's Strategic Actions on supporting environmental sustainability; improving emergency response/prevention and strengthening intergovernmental relationships. It will enhance protection and prevention of health risks associated with Climate Change; increase awareness and public participation in mitigation and adaptation efforts and support partnerships with federal and provincial health agencies on climate change issues.

This business case proposes the development and co-ordination of measures to prevent or reduce adverse health impacts associated with climate change through policy research and implementation, intergovernmental advocacy and strategic planning. Key initiatives include development of a climate change/extreme weather adaptation plan for TPH; a corporate Cold Weather Plan; a health vulnerability and adaptive capacity assessment; and policy and regulatory opportunities such as development of a provincial heat and cold alert system. New resources will support resiliency in local communities through engagement and awareness of the potential impacts of climate change and related preventative activities.

- **Day Nursery Immunization** – \$192.4 thousand gross and \$48.1 thousand net and 2 positions – This request will enhance services offered to the day nurseries by meeting specific requirements from the Immunization Management protocols. With the addition of 2 nurses to its staff complement, the program would be able to address several of the basic requirements under the Immunization Management Protocol as follows:

1. Provide annual immunization recommendations;
2. Ensure recommendations are at a minimum according to provincial immunization schedule;

3. Provide immunization resources to Day Nurseries to give to parents; and
4. Provide annual education sessions for operators;

Immunization is a vital preventative measure that has eliminated many communicable diseases and continues to enhance the City's quality of life. Children attending day nurseries represent a vulnerable population who are just receiving their primary series and spend considerable time in a closed environment where communicable diseases can spread rapidly.

Currently the Vaccine Preventable Diseases (VPD) program is unable to assess the immunization status of children in day nurseries as required by the Ontario Public Health Standards (OPHS). There are approximately 900 day nurseries with a student population of 40,000 in the City of Toronto. Under the OPHS, Immunization Management Protocol, the Board of Health is required to assess the immunization status of children in licensed day nurseries.

- At its meeting of August 25 to August 28, 2014 City Council requested that TPH add 1.0 FTE as a Community Health Officer (CHO) in the Oakwood and Vaughan community to support existing residents and the residents of Cornerstone Shelter in the 2015 Operating Budget. While many communities in Toronto would benefit from an enhancement of public health services, the priorities for 2015 enhancement are reflected in the Medical Officer of Health's recommendations for the 2015 Operating Budget request as outlined in this report.

Table 2 – Overview of 2015 Operating Budget Request categorizes, the changes included in the TPH 2015 Operating Budget Request in accordance with the City's budget guidelines.

Table 2

Overview of the 2015 Operating Budget Request						
	Summary of 2015 Operating Budget Request					
	Approved Positions	Gross Expenditures	Revenues	Net	Net	Cumulative Net
(\$000s)		\$	\$	\$	%	%
2014 Council Appr. Operating Budget as at January 30, 2014	1,874.38	246,258.6	193,494.4	52,764.2		
In-year approvals and technical adjustments	2.65	1,302.2	(915.8)	2,218.0		
2014 Operating Budget	1,877.03	247,560.9	192,578.6	54,982.2		
Step, Progression Pay, COLA, Benefits Gapping	0.00	2,758.3	2,083.5	674.7	1.23	1.23
Salaries & Benefits Related to Capital Projects	(10.40)	(678.4)	(678.4)	0.0	0.00	1.23
Economic Factors - Non Payroll	0.00	211.3	161.0	50.3	0.09	1.32
IDC / IDR	0.00	194.3	205.3	(10.9)	(0.02)	1.30
Annualization of 2014 New / Enhanced	0.00	532.7	399.5	133.2	0.24	1.54
100% Funded Program Adjustments	0.00	(123.6)	(123.6)	0.0	0.00	1.54
User Fees	0.00	12.9	20.2	(7.3)	(0.01)	1.53
PART 1: 2015 Base Budget Request	1,866.63	250,468.3	194,646.0	55,822.3	1.53	1.53
Over (Under) 2014 Operating Budget	(10.40)	2,907.5	2,067.4	840.1	1.53	1.53
% Over (Under) 2014 Final Budget	(0.55)	1.2	1.1	1.5	1.53	1.53
Change funding for LIDP from Cost Shared to 100%	0.00	0.0	283.2	(283.2)	(0.52)	1.01
Salary & Non Salary Efficiencies	0.00	(120.0)	(90.0)	(30.0)	(0.05)	0.96
2015 Reduction Options	0.00	(120.0)	193.2	(313.2)	(0.57)	0.96
PART 2: 2015 Request Including Reduction Options	1,866.63	250,348.3	194,839.2	55,509.1	0.96	0.96
Toronto Urban Health Fund	0.00	150.0	112.5	37.5	0.07	1.03
Reducing Health Impacts from Climate Change	1.00	125.6	94.2	31.4	0.06	1.08
Day Nursery Immunization	2.00	192.4	144.3	48.1	0.09	1.17
2015 New & Enhanced	3.00	468.1	351.1	117.0	0.21	1.17
PART 3: 2015 Request Including New & Enhanced	1,869.63	250,816.4	195,190.3	55,626.1	1.17	1.17
Over (Under) 2014 Operating Budget	(7.40)	3,255.6	2,611.7	643.9	1.17	1.17
% Over (Under) 2014 Operating Budget	(0.39)	1.3	1.4	1.2	1.17	1.17

Other New and Enhanced Services

In addition to the request for a TPH 2015 Operating Budget increase that supports on-going mandated Ontario Public Health Services, the Medical Officer of Health is recommending that Council approve increases to funding for the City's Student Nutrition Program and funding for one-time expenditures required by TPH for the planning and operations of 2015 Pan-Am Games that will be hosted in the Greater Toronto and Hamilton Area. Below is a brief description of each request and is illustrated in Table 3.

- **Pan/Parapan Am Games for TPH**

Funding in the amount of \$406.7 thousand gross and \$0 net for 2015 is required for increased public health activities for operations during the Pan Am and Parapan Am Games taking place in Toronto and the Greater Golden Horseshoe in July and August 2015. This will be the largest multi-sport event ever held in Canada, with over 10,000 athletes and officials, 20,000 volunteers and as many as 250,000 visitors expected to attend. Operating funds will support enhanced critical services that include communicable disease control, environmental health inspection, program coordination and liaison with the federal and provincial governments, Games organizers and health system partners.

Like other City divisions and agencies with significant operational roles in the Games, TPH's 2015 Games budget request of \$406.7 thousand gross and \$0 net covers the following three areas:

1. Games planning - \$125.6 thousand gross and net which represents the annualized cost of 0.92 temporary positions hired by TPH in 2014 for activities leading up to the Games.
2. Games operations - \$205.9 thousand gross and net for Games operations, which will support 1.50 FTEs for communicable disease control, health inspection and program coordination, and standby resources for disease control and crisis support. It is anticipated that these activities will be recovered from the provincial government through a Municipal Services Agreement (MSA) between the City of Toronto and the provincial Pan Am/Parapan Am Games Secretariat.
3. Host City Showcase Programs - \$75.2 thousand gross and \$0 net for the Host City Showcase Program Tobacco-Free Games, which includes a carryover of \$24.5 thousand from 2014. TPH's Tobacco-Free Games initiative was one of 16 community legacy programs approved by City Council at its meeting on July 16, 2013 as part of a Host City Showcase Program, and is funded under a new Major Special Events Reserve Fund.

The funding provided \$35.0 thousand in 2014 and \$50.7 thousand in 2015 for TPH staff to develop a smoke-free communication /education plan. Due to unforeseen delay in policy approval, carry forward amount of \$24.5 thousand gross and \$0 net from 2014 allocation is included in TPH's 2015 budget request which will be used for development of signs and marketing materials.

- **Student Nutrition 2015 Annual Adjustment and Economic Factors: \$1,901.1 thousand gross and net:**

City Council at its meeting of July 11-13, 2012 requested the Medical Officer of Health to report to the Board of Health, as part of the 2013 budget process, on a plan to increase the City's investment in a Student Nutrition Program funding partnership model with a view to fully phase-in the municipal share of the program within a three to five year horizon and to consider as part of the annual operating budget process, an annual increase to the City's investment in SNPs equal to the annual amount of food inflation reported by the Nutrition Food Basket survey.

A report to the Board of Health on August 18, 2014 entitled " Student Nutrition Program: Five-Year Plan Status Update and 2015 Operating Budget Request" included requests for program stabilization and service enhancements in-line with year 3 of a 5-year plan. It included:

- 1) An increase of \$963.7 thousand gross and net to the existing student nutrition programs to increase the City's investment rate to 16% of total program costs from 14% in 2014, providing a stronger funding base for existing programs
- 2) A request for an additional net increase of \$555.5 thousand gross and net to extend municipal funding for 27 new student nutrition programs to open in publically funded schools in higher need communities in 2015
- 3) A request for increases in cost of food for \$381.9 thousand gross and net to cover the increased cost of food for existing student nutrition programs

The stabilization component will be directed to the existing student nutrition programs to provide more core funding to increase the number of breakfasts served. The expansion component proposes an enhancement request to provide municipal funding to 27 schools in higher need areas that currently do not offer a student nutrition program but have identified a need in their student population to start a new breakfast / morning meal program.

Table 3

Other New & Enhanced Services				
	Approved Positions	Gross Expenditures	Revenues	Net
(\$000s)		\$	\$	\$
<i>Pan / Parapan Am Games - Funded</i>				
Pan / Parapan Am Games - Tobacco Free Games 2014 (Reversal)	0.00	(35.0)	(35.0)	0.0
Pan / Parapan Am Games - Tobacco Free Games 2015 (Addition)	0.00	75.2	75.2	0.0
Pan / Parapan Am Games - 2014 (Reversal)	(2.00)	(253.0)	(253.0)	0.0
Pan / Parapan Am Games - 2015 Planning	0.92	125.6	125.6	0.0
Pan / Parapan Am Games - 2015 Operations	1.50	205.9	205.9	0.0
Total Pan / Parapan Am Games	0.42	118.7	118.7	0.0
Student Nutrition Program (SNP) - 2014 Cost of Food	0.00	381.9	0.0	381.9
SNP Increase Financial Stability of Currently Funded Programs	0.00	963.7	0.0	963.7
SNP Year 3 - Expand to Schools	0.00	555.5	0.0	555.5
Total Student Nutrition Program	0.00	1,901.1	0.0	1,901.1
Total Other New & Enhanced Services	0.42	2,019.8	118.7	1,901.1

Budget Impact on Toronto Taxpayers

The Province of Ontario provides funding for 71.1 percent of the TPH gross operating budget with 22.2 percent contributed from the City and the remaining 6.7 percent from user fees and other levels of government or external partners. The cost sharing formula of 75:25 means that every \$4 of public health services requires only \$1 of investment by the City.

The table below shows the annual cost of public health services per Toronto resident since 2004. The shift in the provincial formula starting in 2005 from 50 percent to 75 percent funding for cost-shared programs has allowed the City to move significant property tax dollars from public health into other City programs. The 2014 Operating Budget request includes \$20.0 million less in municipal funding than in 2004. The 2014 Operating Budget request would cost each Toronto resident \$21.15 in property taxes.

The increase in 2014 is the result of the expansion of the City funded Student Nutrition Program and increases in salary economic factors and a technical adjustment of net increase of \$2,218 thousand from the Non Program Account. The total net impact of these adjustments in 2014 was \$4,575.7 thousand, or a municipal property tax cost per resident of \$1.76.

Table 4 Toronto Public Health											
Municipal Cost per Person for Public Health Services											
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Rec
26.74	25.38	21.59	16.07	16.50	16.85	16.99	17.22	18.43	19.39	21.15	21.39

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Further details of the TPH 2015 Operating Budget are included in Attachment 1 to this report.

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SIGNATURE

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ATTACHMENT

Attachment 1 - Toronto Public Health 2015 Operating Budget Request