



STAFF REPORT ACTION REQUIRED

Toronto Public Health 2014 Operating Budget Request

Date:	October 22, 2013
To:	Board of Health
From:	Medical Officer of Health
Wards:	All
Reference Number:	

SUMMARY

This report outlines the Toronto Public Health (TPH) 2014 Operating Budget Request for consideration by the Board of Health.

The Toronto Public Health (TPH) 2014 Operating Budget Request totals \$246,003.8 thousand gross / \$51,170.8 thousand net. This request is \$2,316.1 thousand gross and \$750.9 thousand net above the 2013 Operating Budget. The net increase of \$750.9 thousand over the 2013 Approved Operating Budget is comprised primarily of base budget increases for the negotiated collective agreements and inflationary increases for Toronto Urban Health Fund and the Sexual Health Clinic contracts of \$708.3 thousand net; a reduction option of \$410.6 thousand net; and, new & enhanced services of \$453.2 thousand net.

RECOMMENDATIONS

The Medical Officer of Health recommends that:

1. City Council approve the Toronto Public Health 2014 Operating Budget Request of \$246,003.8 thousand gross / \$51,170.8 thousand net as summarized in Table 1, “Toronto Public Health 2014 Operating Budget Request”;
2. City Council approve the list of base budget adjustments as summarized in Table 2, “Overview of 2014 Operating Budget Request” of this report totaling an increase of \$1,958.6 thousand gross and \$708.3 thousand net;
3. City Council approve a 2014 Reduction Option of \$1,455.4 thousand gross and \$410.6 thousand net as outlined in Table 2, “Overview of 2014 Operating Budget Request”;

4. City Council approve a 2014 New and Enhanced Request of \$1,812.9 thousand gross and \$453.2 thousand net as outlined in Table 2, "Overview of 2014 Operating Budget Request";
5. City Council approve a total increase of \$1,771.5 thousand gross and net for the Student Nutrition Program as outlined in the September 30, 2013 Board of Health report, "Student Nutrition Program update on the First Year of the Five Year Plan and 2014 Operating Budget Request" as outlined in Table 3, "Other New & Enhanced Services";
6. City Council approve a one-time 2014 Pan-Am Games Request of \$70.0 thousand gross and \$0 net funded 100 percent by Health Canada for the Heat and Air Quality Mobile Application as outlined in Table 3, "Other New & Enhanced Services";
7. City Council approve a one-time 2014 Pan-Am Games Request of \$258.8 thousand gross and net and 2.0 positions for increased public health activities and planning in preparation of Pan-Am Games as outlined in Table 3, "Other New & Enhanced Services"; and
8. The Board of Health forward this report to the City's Budget Committee for its consideration during the 2014 budget process.

Financial Impact

The TPH 2014 Operating Budget Request totals \$246,003.8 thousand gross / \$51,170.8 thousand net. This request is \$2,316.1 thousand gross and \$750.9 thousand net (1.5 percent) above the 2013 Operating Budget. The requested increase is comprised of: base increases of \$1,958.6 thousand gross and \$708.3 thousand net; decreases of \$1,455.4 thousand gross and \$410.6 thousand net for a budget reduction option; and new and enhanced services request of \$1,812.9 thousand gross and \$453.2 thousand net. TPH has reviewed its services and expenses and where achievable absorbed expected inflation increases and reduced expenses in the 2014 budget request.

DECISION HISTORY

At its meeting of January 17, 2013, City Council approved a TPH 2013 Operating Budget of \$240,462.9 thousand gross / \$49,996.9 thousand net. During 2013, TPH received confirmation of additional 100 percent funding from Province of Ontario ministries and external sources in the amount of \$369.1 thousand gross and \$0 net for various public health programs. In addition, in-year budget adjustment of \$2,833.0 thousand gross and \$423.1 thousand net was made to reflect a the 2013 COLA, Re-Earnable and Union Lump Sum payment and economic factors for Toronto Urban Health Fund and Sexual Health Clinic Contracts.

The TPH 2013 Operating Budget including in-year budget adjustments is \$243,687.8 thousand gross and \$50,420.0 thousand net.

At its meeting of June 14, 2013, the Board of Health Budget Committee requested the Medical Officer of Health (MOH) to report to the Budget Committee on a TPH Budget for 2014 which will meet City guidelines including any service impacts; and to submit to the City's budget process an initial TPH Operating Budget for 2014 which will:

- a. Include service enhancements that are Council and/or Board directed;
- b. Provide for an increase in budgeted salary gapping; and
- c. Maximize provincial revenues for cost shared programs.

At its meeting of September 30, 2013, the Board of Health Budget Committee considered a verbal report on the TPH 2014 Planned Operating Budget presented by the Medical Officer of Health and recommended a 1.5 percent budget increase to TPH's 2014 Planned Operating Budget to the Board of Health.

ISSUE BACKGROUND

The TPH 2014 Operating Budget request assumes full provincial cost sharing at 75 percent for eligible programs, and an increase in this provincial funding of 1.6 percent for 2014 over the 2013 Operating Budget.

The City Manager issued guidelines and directions for the development of the 2014 Operating Budget to all City Divisions, Agencies, Boards and Commissions (ABCs). Included in these directions are the expectations that all 2014 City Programs and ABC Operating Budgets be equivalent to the 2013 Approved Net Operating Budget, resulting in a zero percent increase over the 2013 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. 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 entitled "Student Nutrition Program Expansion in High Needs Schools 2013-17" included a plan and proposed municipal investment to stabilize and expand the Toronto Student Nutrition Program over five years starting 2013/14 school year and, a recommended increase to the TPH 2013 Operating Budget. An increase of \$1,480.8 thousand gross and net was approved by City Council during the 2013 budget process.

At its meeting of April 7-10, 2013, City Council adopted a report on "Toronto Seniors Strategy" which included considerations for increasing access to dental services for vulnerable seniors. Given the City's current fiscal capacity, TPH is not requesting funding in the 2014 Operating Budget Request to implement recommendations pertaining to this initiative.

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. The development will involve consultation with diverse stakeholders such as Parks, Forestry and Recreation, TPH's Youth Health Action Network, Toronto Sports Council, sporting organizations and youth serving agencies. The communications plan will engage youth in the development of an extensive smoke-free social media component as well as a public service announcement
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.13>).

COMMENTS

The TPH 2014 Operating Budget Request totals \$246,003.8 thousand gross / \$51,170.8 thousand net. This request is \$2,316.1 thousand gross and \$750.9 thousand net (1.5 percent) above the 2013 Operating Budget and is summarized in Table 1 below.

Table 1 Toronto Public Health 2014 Operating Budget Request							
	2013 Budget	2014 Base	2014 Reductions	2014 New & Enhanced	2014 Request	Change from 2013 Budget	
(\$000s)	\$	\$	\$	\$	\$	\$	%
GROSS EXP.	243,687.7	1,958.6	(1,455.4)	1,812.9	246,003.8	2,316.1	1.0
REVENUE	193,267.7	1,250.3	(1,044.7)	1,359.7	194,833.0	1,565.2	0.8
NET EXP.	50,420.0	708.3	(410.6)	453.2	51,170.8	750.9	1.5
Positions	1,875.15	(13.13)	0.00	14.00	1,876.02	0.87	0.0

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 Option - Increase Gapping from 4.7 percent to 5.7 percent

As part of the 2014 Operating Budget TPH proposed a budget reduction of \$1,455.4 thousand gross and \$410.6 thousand net from an increase in gapping rate from 4.7 percent to 5.7 percent for cost shared programs and 100 percent City funded programs. Historically, TPH achieves a gapping percentage of approximately 6 percent during its normal course of business. The increase in the gapping rate will allow the savings to be directed to enhancing existing programs and will have no service impact.

Certain 100 percent provincially funded programs are gapped at various rates to stay within provincial funding allocations. Since the Province does not provide for annual cost of living increases, every year programs must reduce budgets by increasing gapping rates or reducing expenditure budgets. There is no provision for gapping in Salary and Benefits for Capital projects.

The overall gapping target change for TPH including 100 percent provincially funded and capital programs will be from 4.1 to 5.1 percent.

Maximize Provincial Funding

The Board of Health Budget Committee requested the Medical Officer of Health to prepare a 2014 Operating Budget which maximizes provincial funding and improves compliance with Ontario Public Health Standards. The 2014 budget request includes three new and enhanced cost shared services: Preventing Childhood Obesity, Sexually Transmitted Infection (STI) Prevention and Falls Prevention. Below is a brief description of each request

The 2014 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 \$168,066.2 thousand gross / \$41,933.8 thousand net expenditures, which is an increase from the 2013 Operating Budget of \$4,072.4 thousand gross and \$1,020.4 thousand net expenditures, mainly related to negotiated compensation costs and new and enhanced proposals meant to maximize Provincial funding

The provincial funding formula will continue at 75 percent in 2014. 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 2013, the Ministry of Health and Long-Term Care (MOHLTC) offered increases of up to 2 percent over the 2012 approved funding level to Ontario Boards of Health to meet the Ontario Public Health Standards. The City of Toronto received the total amount of available allocation of \$2,434.6 thousand or 2.0 percent

In accordance with the direction of the BOH Budget Committee, the MOH recommendations for the TPH 2014 Operating Budget maximize the potential provincial revenue of \$1,968.6 thousand or 1.6 percent increase over 2013 approved funding level.

The 2014 budget request includes three new and enhanced cost shared services: Preventing Childhood Obesity, Sexually Transmitted Infection (STI) Prevention and Falls Prevention. Below is a brief description of each request.

- **Preventing Childhood Obesity** – \$928.8 thousand gross and \$232.2 thousand net and 6 positions – Rising levels of childhood and adult obesity are a serious health problem that can lead to chronic diseases and diminished productivity. Improvements will be made to healthy eating and physical activity levels in school-age children and their families through the following strategies:
 1. Implementing healthy eating /physical activity education & skill development activities.
 2. Providing physical activity programs (new initiatives, and increased access to existing local sports and recreation for children and parents).
 3. Increasing access to healthy foods and food security in these specific neighbourhoods.
 4. Developing local public education "media" to reinforce messages provided by Peer Leaders and TPH staff.

- **Enhancements to STI Prevention** – \$571.2 thousand gross and \$142.8 thousand net and 6 positions – Public Health is mandated to ensure that cases of sexually transmitted infections (STIs) receive appropriate treatment, counseling, contact notification and follow-up.

The caseload per public health nurse is currently 511 cases, as compared with a provincial average of approximately 200 cases. TPH is unable to meet the timelines and standards for follow-up as set out in the Ontario Public Health Standards

This enhancement will allow the staff to do more timely and comprehensive follow-up on priority cases and more outreach and education with health care providers, particularly in two areas identified with high rates of STIs: Weston and West Hill, and meet Accountability Agreement Indicator goals for gonorrhoea cases.

- **Falls Prevention** - \$312.9 thousand gross and \$78.2 thousand net and 2 positions – Seniors falls prevention was highlighted as a priority need in the Toronto Seniors Strategy which was approved by City Council in early May 2013.

Current demand for education programs for falls prevention from seniors, caregivers and service providers is growing. In 2012, 6 workshops for service providers were provided reaching 180 service providers. In 2013, 8 workshops have been implemented in the first 4 months reaching 240 service providers with many more service providers on waiting lists for future workshops. More seniors are requesting information on falls prevention and attending workshops.

Data shows that for every \$1.00 spent on falls prevention, the Ontario Health Care system will save \$7.00. Prevention strategies have demonstrated the ability to reduce the incidence of falls among seniors by 20% or more.

The program will provide one-on-one support to seniors in their home to incorporate exercises into their normal daily routines, and look for ways to increase home safety, manage medications and promote healthy eating to minimize the seniors' risks for falls. The intent of the falls prevention program is to reduce the number of seniors that fall and reduce emergency room visits by seniors as a result of falls.

Table 2 – Overview of 2014 Operating Budget Request categorizes, the changes included in the TPH 2014 Operating Budget Request in accordance with the City's budget guidelines.

Table 2

Overview of the 2014 Operating Budget Request				
	Summary of 2014 Operating Budget Request			
	Approved Positions	Gross Expenditures	Revenues	Net
(\$000s)		\$	\$	\$
2013 Council Appr. Operating Budget as at January 17, 2013	1,875.2	240,462.9	190,466.0	49,996.9
In-year approvals and technical adjustments	0.0	3,224.8	2,801.7	423.1
2013 Operating Budget	1,875.2	243,687.7	193,267.7	50,420.0
Reversal of Non Recurring items	(11.5)	(2,866.6)	(2,597.7)	(268.9)
Step, Progression Pay, COLA, Benefits Gapping	0.0	4,971.0	3,840.6	1,130.4
Other Base Changes	0.0	(209.2)	(30.7)	(178.5)
Economic Factors - Toronto Urban Health Fund, SH Clinic Service Contracts	0.0	101.2	75.9	25.3
Salaries & Benefits Related to Capital Projects	(1.6)	(37.8)	(37.8)	0.0
PART 1: 2014 Base Budget Request	1,862.0	245,646.2	194,518.0	51,128.2
Over (Under) 2013 Operating Budget	(13.1)	1,958.6	1,250.3	708.3
% Over (Under) 2013 Final Budget	(0.7)	0.8	0.6	1.4
Requested Reduction Options - Increase Gapping Rate from 4.7% to 5.7%	0.0	(1,455.4)	(1,044.7)	(410.6)
PART 2: 2014 Request Including Reduction Options	1,862.0	244,190.9	193,473.3	50,717.6
Falls Prevention	2.0	312.9	234.7	78.2
Preventing Childhood Obesity	6.0	928.8	696.6	232.2
Enhancements to STI Prevention	6.0	571.2	428.4	142.8
Sub Total New & Enhanced	14.0	1,812.9	1,359.7	453.2
PART 3: 2014 Request Including New & Enhanced	1,876.0	246,003.8	194,833.0	51,170.8
Over (Under) 2013 Operating Budget	0.9	2,316.1	1,565.2	750.9
% Over (Under) 2013 Operating Budget	0.0	1.0	0.8	1.5

Other New and Enhanced Services

In addition to the request for a TPH 2014 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 to plan for the 2015 Pan-Am Games that will be hosted in the Greater Toronto and Hamilton Area. Below is a brief description of each request which is summarized in Table 3.

- **Pan Am – Heat and Air Quality Mobile Application** \$70.0 thousand gross and \$0 net in 2014 and \$80.0 thousand gross and \$0 net in 2015

This project is 100 percent funded by Health Canada for \$70.0 thousand in 2014 and \$80.0 thousand in 2015 and includes a proposal for development of mobile phone applications to send individuals health-based information for individual decision-making. Included in this proposal is a feasibility study, "app" proto-type, pilot testing, roll-out/promotion and evaluation/legacy. Extreme heat and air pollution pose a risk to the health and well-being of Torontonians. Having access to weather information and accurate advice in a timely and appropriate manner is a cornerstone for reducing health risk from heat and air pollution for specific populations and vulnerable groups.

This project is being developed in collaboration with Health Canada and Environment Canada. They will provide the underlying data, including ongoing operational data and maintenance of the app. This app will also be used by other cities/regions involved the Pan Am games. The App will ensure privacy and confidentiality requirements are met.

- **Pan Am – Smoke Free Ontario (SFO)** \$35.0 thousand gross and \$0 net in 2014 and \$50.7 thousand gross and \$0 net in 2015

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 includes a recommendation for funding \$35.0 thousand in 2014 and \$50.7 thousand in 2015 for TPH staff to develop a communication / Marketing Plan which will be approved by the partnership that will facilitate communication between the partners and the Pan / Parapan Am Organizing Committee. The development of this plan will involve consultation with diverse stakeholders such as Parks, Forestry and Recreation, TPH's Youth Health Action Network, Toronto Sports Council, sporting organizations and youth serving agencies. The services of an external communications agency will be needed to consult with and develop the plan and signage design. The communications plan will engage youth in the development of an extensive social media component as well as a public service announcement (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.13>).

- **Pan-Am Games – 2014:** \$258.8 thousand gross and net: 2 positions and \$542.9 thousand gross and net and 4.5 positions in 2015:

City funds in the amount of \$258.8 thousand in 2014 and \$542.9 thousand in 2015 are required for increased public health activities and planning in preparation for the 2014 games including training, planning comparable disease, surveillance development, federal/provincial/territorial liaison, and resource coordination.

Planning is required to successfully support a large scale sporting event such as Pan Am in order to plan for and mitigate public health risks and protect and promote the health of residents and visitors.

- **Student Nutrition 2014 Annual Adjustment and Economic Factors:** \$1,771.5 thousand gross and net:

A report to the Board of Health on September 30, 2013 entitled " Student Nutrition Program Update on the First Year of the Five-Year Plan and 2014 Operating Budget Request " included requests for program stabilization and service enhancements in-line with year 2 of a 5-year plan totaling \$1,557.3 thousand gross and net to bring greater stability to existing student nutrition programs and provide an opportunity to expand student nutrition programs into 27 additional schools which have identified a need in their student population for a program.

The stabilization component will be directed to 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.

The report also requests funding for increases in cost of food for \$214.1 thousand gross and net to cover the increased cost of food for existing student nutrition programs. This report was forwarded to the City's Budget Committee for its consideration during the 2014 Operating Budget process.

Student nutrition programs contribute to positive health, learning and behavioural benefits for nutritionally at risk children and youth.

Table 3

Other New & Enhanced Services				
	Approved Positions	Gross Expenditures	Revenues	Net
(\$000s)		\$	\$	\$
<i>Pan - Am - Funded One-time</i>				
Pan Am Games - Heat and Air Quality Mobile Application	0.0	70.0	70.0	0.0
Pan Am Games - Smoke Free Ontario (SFO) Coordination	0.0	35.0	35.0	0.0
<i>Pan - Am - Unfunded One-time</i>				
Pan-Am Games - 2014 Planning	2.0	258.8	0.0	258.8
Student Nutrition Program (SNP) to 27 additional schools	0.0	394.3	0.0	394.3
SNP increased investment in current program	0.0	1,163.1	0.0	1,163.1
SNP - 2014 Economic Increase for Cost of Food	0.0	214.1	0.0	214.1
Total Student Nutrition Program	0.0	1,771.5	0.0	1,771.5
Total Other New & Enhanced	2.0	2,134.3	105.0	2,029.3

Budget Impact on Toronto Taxpayers

The Province of Ontario provides funding for 71.4 percent of the TPH gross operating budget with 20.8 percent contributed from the City and the remaining 7.8 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 \$18.11 in property taxes.

The increase in 2013 is the result of the expansion of the Student Nutrition Program and salary and inflationary increases. The total net impact of these programs in 2013 was \$750.9 thousand, or a municipal property tax cost per resident of \$0.74.

Table 4										
Toronto Public Health										
Municipal Cost per Person for Public Health Services										
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Rec
26.74	25.38	21.59	16.07	16.50	16.85	16.99	17.22	17.10	17.84	18.11

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Further details of the TPH 2014 Operating Budget are included in Attachment 1 to this report.

CONTACT

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SIGNATURE

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ATTACHMENT

Appendix 1 - Toronto Public Health 2014 Operating Budget Request