JO MIHEVC
COUNCILLOR | WARD 21 | ST. PAUL'S WEST

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November 22, 2016

Councillor Gary Crawford
Chair, Budget Committee
City of Toronto
c/o Jennifer Forkes
10th floor, West Tower, City Hall
100 Queen Street West
Toronto, ON M5H 2N2

Dear Councillor Crawford,

Re: Toronto Public Health 2017 Operating Budget Request:

At the Board of Health meeting on October 31, 2016, Board of Health members deliberated on the Toronto Public Health 2017 Operating Budget Request and recommended a budget that does not meet the 2.6 percent reduction target for the 2017 budget as directed by City Council earlier this year. A motion was also adopted requesting me, as Chair of the Board of Health, to submit a letter to the Budget Committee explaining that the board was unable to meet the 2.6 percent budget cut as this reduction would have negative consequences on the health of Torontonians.

As you are aware, on July 12, 2016, City Council directed a budget reduction target of 2.6 percent net below the 2016 approved net operating budgets for all city programs, agencies, Toronto Community Housing Corporation and Accountability Offices. For Toronto Public Health (TPH), this target is in addition to the reductions required to absorb a 1.9 percent increase in the base budget primarily due to negotiated salaries and benefits therefore requiring a total reduction of 4.5 percent net in order to achieve the city's reduction target.

Public health services provided by TPH as outlined in the Ontario Public Health Standards (OPHS) under the Health Protection and Promotion Act include 100 percent provincial funded programs and 75 percent provincial cost shared mandated programs. Every $1 of city funds invested in cost shared programs is matched by $3 of provincial funding. While this allows TPH to leverage $1 of city investments in cost shared services into $4 of public health service, this also means that any $1 reduction in city funding results in a total $4 financial and related service reduction due to the loss of $3 in provincial funding. Therefore, meeting the City's net reduction target results in significantly (4x) higher public health service reductions if cost-shared programs are used to achieve these net City savings.



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In addition, the Ontario Ministry of Health and Long Term Care implemented a new equity funding formula in 2016 for its 36 public health units to address increasing population growth, health needs and local equity gaps for residents with higher needs. Toronto Public Health was identified by the Province as one of eight public health units in 2015 and one of ten public health units in 2016 that are under-funded.

In 2015 and 2016, the Province approved increases in cost shared funding for TPH of 2.6 percent and 1.3 percent respectively. The City approved an increase of only 1.3 percent in 2015 (vs 2.6 percent by the Province) and 0.6 percent in 2016 (vs. 1.3 percent by the Province) for its 25 percent share of the funding. For 2016, this results in a surplus of over $0.750 million in approved provincial funding which cannot be accepted and a shortfall in mandatory public health services required to address population growth, health needs and increasing equity gaps in the city.

In addition, TPH manages two fully City funded programs on behalf of Council – the Student Nutrition Program and the City's dental program for low-income children, youth and seniors who are not eligible for dental care from any other government funded program.

On July 14, 2016, the Board of Health Budget Committee directed that the 2017 Toronto Public Health (TPH) Operating Budget include:

- Efficiencies identified by the Medical Officer of Health;
- Identify the impact of a 2.6% net reduction on public health services;
- Identify opportunities to reallocate savings in provincial cost-shared funding to services not meeting provincial mandated standards.

The TPH 2017 Operating Budget initial submission to the City early in August met the 2.6 percent reduction target and included a reduction of $5,695.3 thousand gross/$2,633.3 thousand net from the 2016 Approved Budget. The reduction options identified were through Efficiency Changes, and Minor and Major Service Changes that require staffing reductions of 60.2 full-time equivalent (FTE) positions. Since then, the Board of Health Budget Committee and Board of Health deliberated and determined that such a reduction would have negative consequences on the health of Torontonians.

Therefore, at its meeting on October 31, 2016 the BOH recommended a public health budget of $241,378.1 thousand gross/$58,910.7 thousand net with a reduction of 0.02% from the TPH 2016 approved net operating budget.

These recommendations were a result of deliberations at prior meetings of the Board of Health Budget Committee during September and October. The Board of Health seriously considered the fiscal pressures faced by the City as well as its mandate to provide for the delivery of public health programs and services that adequately meet the growing needs in Toronto to prevent the spread of disease and the promotion and protection of the health of the people of Toronto.

Sincerely,



Councillor Joe Mihevc
Chair – Board of Health