Dr. Barbara Yaffe
Medical Officer of Health (Acting)
Toronto Public Health

277 Victoria Street
5th Floor
Toronto, Ontario
M5B 1W2

2004 BUDGET BRIEFING NOTE

2004 Public Health Operating Budget
Toronto Public Health – Gapping Report

Issue/Background:

This is in response to a request from the Chair of Budget Advisory Committee to provide a briefing note on analysis of gapping within each Division of Toronto Public Health, with as much detail as possible.

Key Point(s):

Public Health met its gapping target of 4.6% in 2002. This was achieved through the implementation of an internal freeze of both hiring new staff and internal transfers in the 4th quarter of 2002.

In 2003, Public Health achieved 10.10% gapping. PH achieved this level of gapping because of the impacts of the SARS outbreak and implementation of corporate hiring freeze effective September 2003. In addition $985.9 thousand was consciously gapped due to capped funding in programs funded 100% by the Ontario Ministry of Health. It is not expected that PH will be able to achieve this level of gapping in future years.

Appendices 'A' and 'B' attached outline the details of actual gapping achieved in 2002 and 2003 and selected service implications experienced due to high levels of gapping in 2003.

Date: March 9, 2004

Toronto Public Health

Actual Gapping Report

2002 and 2003

	2002			
	Budget	Actual	Over/ (Under)	% Over/ (Under)
Salaries and Benefits				
Gross	109,002,103.35	107,958,935.69	(1,043,167.66)	(0.96%)
* Strike Savings		809,900.00	809,900.00	
Total	109,002,103.35	108,768,835.69	(233,267.66)	(0.21%)

2002

- As at February 2003, Public Health experienced an overall under expenditure of $233.3 thousand in salaries and benefits. The gapping target of 4.6% was achieved through internal hiring freeze of new staff and internal transfers effective August 15, 2002.

- In 2002, Corporate Finance did not charge Public Health the Ministry's share (50%) of the strike savings because it was not recoverable from the Ministry of Health.

2003

- The gapping achieved in 2003 is not comparable or indicative of a normal year because of the following reasons:

1. The SARS outbreak greatly impacted TPH's recruitment plan in the 2nd quarter as managers had to focus their resources in responding to the emergency situation. This exacerbated the already high level of vacancies experienced in the 1st quarter as a result of the hiring freeze imposed in the last five months of 2002. The catch-up initiative to reverse the service level backlog resulting from the SARS outbreak did not gain the desired momentum in the area of recruitment during the 3rd and 4th quarters as programs required more time than expected to normalize operations.

2. The SARS outbreak also affected the implementation of the capital projects such as the Toronto Community Health Information System (also known as Community Nursing Customer Management System) as resources were redirected to responding to the SARS emergency. The operating budget impact of TCHIS was under spent by $1,340.8 thousand.

3. Effective September 2003, the Corporation imposed a hiring freeze to both internal and external recruitment. Only essential positions were given approval for hiring. Public Health has estimated $1.2m in savings from implementation of the hiring freeze in 2003.

4. There was also a conscious effort to gap in the amount of approximately $985.9 thousand for the Healthy Babies Healthy Children (HBHC) program to address the capping of provincial funding to 2002 levels.

5. Another significant reason for the variance is the Enhanced West Nile Virus (WNv) Prevention and Control Program. Salaries and benefits are under spent by $602.3 thousand as approval for TPH's funding request was not obtained until the middle of the WNv season. This resulted in delays in the recruitment of key staff.