



Meeting of the

FINANCE COMMITTEE

March 27, 2008, 3-4PM

CONFERENCE CALL

MINUTES

Members in Attendance: Edward Telzak, M.D. (Chair), Sharen Duke, Roberta Greengold, Matthew Lesieur

Staff in Attendance: Jo Ann Hilger, Jan Carl Park, David Klotz, Nina Rothschild, Anthony Santella, DrPH, Darryl Wong. PHS: Gucci Kaloo, Rachel Miller, Peter Chea

I. Welcome/Introductions

Ed Telzak opened the meeting, followed by introductions. The focus of the discussion was on MAI spending for the two quarters from August 2007 - January 2008, based on material furnished by PHS and approved by NYCDOHMH (2nd quarter MAI Report and Spending Graphs (monthly spending and unspent funds)).

II. MAI Second Quarter Expenditures

Of the \$9,347,777 committed across five service categories, i.e., ADAP Plus, Maintenance in Care, the 24 Hour Drop In center for HIV+ Prison Releasees, Treatment Adherence, Early Intervention Services and Housing Placement, \$9,064,872 is currently committed. The un-committed balance of \$ 282,905 falls in two service categories: (1) ADAP Plus - \$158,261 and (2) Maintenance In Care - \$124,779. ADAP Plus dollars will not be committed this year and the \$124,779 resulted from contract negotiations less than the original award.

Cumulative expenditures through the 2nd quarter, \$2,686,535, show a 29.6% spending rate, or a 71.4% of committed funds being unspent, compared to the same time period for Year 16 during which 67% of the funds were unspent. This may in part due to 50% of the MAI portfolio being new contracts and fee for service performance-based, over a 5 month period, compared to the previous year during which contracts.

Committee members made the following comments:

- Ms. Duke voiced her concern that there was no spending from the \$500,000 committed to the Drop-In Center. In response, it was reported that the sole contractor has had a protracted contract negotiation period and a delayed contract execution. No reports have yet been submitted.
- Tri-County region has reported no spending against the commitment of \$476,737. Dr. Telzak noted that, in general, most spending occurred during the 2nd quarter (August 2007 through January 2008) which is actually a representation of cumulative spending by contractors. He would like to see month by month spending charts.

- Mr. Park added that since there is no re-programming plan for the uncommitted funds, the Priority Setting/Resource Allocation (PSRA) Committee will decide what to do with the unspent funds, i.e., contract takedowns and/or enhancements. Mr. Kaloo echoed that the Planning Council needs to develop its Re-programming exercise. Ms. Hilger commented that we can consolidate other available funds.
- In response to Ms. Duke's query about moving MAI funds into base funding, the committee was reminded that the funds must stay in MAI. However, Ms. Hilger noted that in the 07 Spending Plan, unspent Housing funds went to fund HOPWA programs, with the remainder transferred to ADAP. The entire amount of \$282,905 in current un-committed funds is available for re-programming.
- Ms. Duke requested that service families, i.e., types of services, be included under the broader service categories in which underspending is occurring, in order to better understand what services are actually being delivered. Mr. Lesieur asked if there are any discernible trends in the social service categories, which might indicate underlying challenges in the provision of such services. Ms. Miller responded that with respect to the Early Intervention Services category, fewer HIV+ individuals are being identified than originally anticipated.
- Mr. Telzak suggested that at the end of the 2nd quarter, we should begin thinking about contract takedowns. He also voiced his concern that it is unclear if there enough programs performing at high enough levels to spend down additional funds which will be made available funds to the Maintenance in Care category. Additionally, at the next Finance Committee meeting in May 2008, there is concern that there will not be any new quarterly data for the period from February – April 2008, since financial reports are not due back to PHS until thirty (30) days after the close of the reporting period. Ideally, he would like such information to be arrayed next to that of the 2nd quarter in order to see comparative spending. Mr. Kaloo and Mr. Park reminded the group that by the May meeting, in addition to the two previous quarters, February and March 2008 spending data will also be available, representing 8 months of spending, or 67% of commitments. Mr. Park responded that we do expect an increase in spending rates, at which point we would be well-advised to start identifying contracts to be taken down or enhanced.
- Mr. Telzak reminded the Committee that there must be a distinction between new contractors which are still ramping up their services and spending, as opposed to contracts with 7-8 months of operational experience who will not be fully spending down their awards. Given that contractors should be performing and spending at 1/12 of their total award, on a monthly basis, the question was posed as to when PHS will begin identifying candidates for contract take-downs. Ms. Miller responded that the spending reports are monthly aggregate reports; when the re-programming plan is developed by the PSRA Committee, decisions can be reached as to which service categories funds should be re-allocated to and which contracts can be enhanced.
- At the May meeting, it was requested that there be close-out reports of the FY 2007 Base funding, as well as information pertaining to 1st Quarter Base spending. Ms. Duke requested that NYCDOHMH disseminate this information in advance of the next PSRA meeting to further inform their decision-making process.

There being no further business, the meeting was adjourned.