



Meeting of the

FINANCE COMMITTEE

Thursday, March 13, 2014, 3:00-4:10PM
DOHMH, 2 Gotham Center, Long Island City, NY

MINUTES

Members Present: Daniel Pichinson (Chair), Marya Gilborn, Amber Casey (for Graham Harriman), David Martin, Jan Carl Park, Dorella Walters

Other Planning Council Member Present: Randall Bruce

Staff Present: *NYCDOHMH:* David Klotz, Merline Jean-Casimir; *Public Health Solutions:* Gucci Kaloo, Peter Chea; *WCDOH:* Tom Petro

I. Welcome/Introductions

Mr. Pichinson opened the meeting, followed by introductions. The minutes of the November 19, 2013 meeting were approved with one change to clarify the timing of the reports.

II. FY 2013 Planning Council Support Budget Third Quarter Report

Ms. Jean-Casimir presented the FY 2013 third quarter spending report on the Planning Council budget. Overall, spending is at 77%, just slightly over the 75% target. A small amount needed to be budgeted for local travel for staff who attended Tri-county meetings. Space rental was over-spent and will have to be budgeted for in the current year to account for meetings outside of DOHMH. The DOHMH administrative fee was increased, but the Master Contractor fee was under-spent, balancing out.

After the final FY 2014 award is known the Council leadership will negotiate a new budget with the grantee for presentation to the Committee. Personnel costs are projected to increase due to an increase in the fringe rate and expected collective bargaining agreements, but this amount is not negotiable.

III. FY 2013 Base and MAI 3rd Quarter Commitment and Expenditure Reports

Mr. Kaloo gave an overview of the FY 2013 Base and MAI third quarter commitment and expenditure reports (commitments are current as of last week; expenditures are current as of the end of the third quarter). 99% of the Base and 100% of the MAI awards were committed. 100% of the base award is expected to be committed by close-out. Expenditures are on target at 35% for base and 38% for MAI. These numbers are skewed by the lag in reporting from ADAP/ADAP+. Without ADAP/ADAP+ factored in, spending rates would be above the 75% targets for the 3rd quarter (e.g., 78% in base).

Some contractors are over-spent due to the fact that they were spending at the beginning of the year based on the previous year's amounts due to the late notification of the award. Overall, the grantee and master contractor expect virtually the entire award to be spent by close-out.

A spending analysis was conducted in January 2014 which resulted in 30 contracts being taken down totaling \$1.28M. These funds have not been reprogrammed as of yet and is being reserved for enhancement to over-performing contracts during the closeout process. The grantee will use an objective process for determining enhancements to over-performing contracts. The upfront reduction of \$2.78M to ADAP has been restored plus an additional \$403K of MAI funds, mostly from the 2012 carryover, was added to ADAP Plus.

Mr. Pichinson suggested that the Council, in its reprogramming plan, consider directing the grantee to enhance programs that are achieving better outcomes (primary care status measures). Enhancements based on outcomes are difficult because of timing issues (the analysis would not be possible in the allotted timeframe). Also, since payments are made based on service units delivered, it would be difficult to pay based on outcomes. However, the Council could consider giving the grantee broad guidance that when enhancing programs, giving priority to those who are achieving better client outcomes. Another possibility would be to consider priority rank of categories.

Mr. Chea provided details of the Base and MAI reports. Details include:

- High under-spending in ADAP/ADAP Plus is due to traditionally late reporting from the State. All funds are expected to be spent by close-out.
- 14 new Housing contracts started March 1st and old contracts closed out on Feb. 28.
- \$1,052,147 in EIS funds was uncommitted due to take-downs and available for reprogramming.
- The State expects to spend 98% of the Quality management allocation.
- Contractors who spend above their targets and are reaching their maximum amounts before the end of the year continue to provide services with the hope that they will receive enhancements to reimburse a portion of the additional services.

Mr. Petro reported on the Tri-county third quarter commitment and expenditure report. There are uncommitted funds from two contracts with Westchester County Medical center that still have not been executed (one in EIS, one in Oral Health) due to their need to be approved by County boards. Uncommitted funds were returned to the City for reprogramming to ADAP. Under-spending is at a reported 53%, which is on target, as reporting in Tri-county lags by two months. This is comparable to the previous year. Also, the \$530K in FY 2012 carry-over, which was going to be used to fill the deficit from the cut in the FY 2013 award, is not needed due to the termination of four contracts that did not comply with audit requirements. The funds instead went into the general reprogramming fund for ADAP.

Ms. Casey reported that the format of future reports will change due to the administrative change of all MAI funds being expended in NYC. This is only a reporting and administrative change. There will be no change in services or clients served. The change reduces the reporting burden for both Tri-county and the City.

It was reported that HRSA is on track to make the final awards possibly in the next few weeks. NYC has not received a call, as other EMAs have, warning of a reduction in the award, which is a good sign.

There being no further business, the meeting was adjourned.