



Meeting of the

FINANCE COMMITTEE

March 22, 2006, 11 am-12pm

By conference call

DRAFT MINUTES

Members in Attendance: Patrick McGovern, (Chair), Jason DeCuir, Sharen Duke, Maija Neville,

Staff in Attendance: Jan Park (DOHMH/OHAPCP), David Klotz (DOHMH/ OHAPCP), Darryl Wong (DOHMH/ OHAPCP), Merline Jean Casimir (DOHMH/Ryan White), Rachel Miller (MHRA/HIV CARE Services), Peter Chea (MHRA/HIV CARE Services),

I. FY 2005 Third Quarter Report

Mr. McGovern opened the meeting.

Ms. Miller presented the third quarter spending for FY 2005 (through November 30th). Overall, spending is excellent, even higher than last year at this point in time (36% unspent, compared to 40%). The spending chart distributed to the Committee shows anticipated carry-over from the previous year (FY 2004), which HRSA approved late in the year, and which is allocated to ADAP in the 4th quarter, as per the Planning Council's spending plan. (Although the report reflects commitments and expenditures only through the third quarter, MHRA did show the fourth-quarter allocation of carryover funds to the ADAP program.)

One hundred percent of FY funds were committed, which is an important measure. MHRA's 3rd quarter take downs, which were a big effort, produced very little, unlike last year. This indicates that contractors have gotten the message that if they do not spend their funds in a timely manner, they will be taken down. This helps account for the strong spending rate.

Ms. Duke initiated a discussion on the time frame for FY 2005 carry-over and possible changes in HRSA guidelines on the use of carry-over funds. There will not be a sense of the amount of carry-over until close-out reports are in at the end of March, but judging from the previous quarter's strong spending, not much is expected (about the same as last year). A preliminary number will be available in May. There has been discussion nationally about restricting EMAs' access to carry-over funds, but there has been no communication on the matter from HRSA. The restrictions have mainly been for EMAs with multi-year carry-over, which we do not have.

Mr. Park reported that there has been some discussion on giving discretion to the US Secretary of Health and Human Services to redirect carry-over as s/he sees fit (e.g., for disaster relief such as Hurricane Katrina, or to ADAPs with large waiting lists). The State is concerned and is adjusting their risk tolerance (i.e., reducing the amount ADAP is willing to be shorted at the beginning of year). The Council's Executive Committee will discuss tomorrow a request from the State for \$1 million more up front this year. The Council's reprogramming plan is for other unobligated funds. Mr. McGovern reported hearing

from Sen. Clinton's office that the carry-over issue will be limited to EMAs with multi-year carry-over, and so the State is possibly being overly cautious.

FY 2006 will be unusual because there are a lot of unobligated funds due to the terminated categories that were re-RFPed but will not start until March 2007. The Priority Setting & Resource Allocation Committee (PS&RA) is proposing one-time spending items to use the funds.

Ms. Casimir reported that Tri-county is spending at a comparable rate as the City.

Mr. Park reported that PS&RA is recommending using the increase in the FY 2006 MAI award to fund additional proposals from the active RFP for on-going funding.

Ms. Miller pointed out that the spending graphs show even more robust spending than last year, which from a spending perspective is great, particularly for MAI categories. The improvement in MAI spending is probably due to the maturation of those programs, as they know better how to project spending. Also, spending is more predictable due to MHRA's higher level of accountability (i.e., 3rd quarter take downs).

II. New Business

Ms. Miller reported that MHRA has not been able to release FY 2006 advances because the MHRA master contract with the City is still awaiting registration with the Comptroller's office. If it does not happen within the next few days, they will communicate with contractors. DOHMH is working at high levels with the Comptroller's office to expedite the process, but no disruption in service is foreseen. Funds can be released quickly, as soon as word is given.

The next meeting will be a face-to-face meeting on Wednesday, June 7, 3:30-5pm at 40 Worth St., room 1519.

There being no further business, the meeting was adjourned.