

HIV Health and Human Services Planning Council

Meeting of the

FINANCE COMMITTEE

April 7, 2004, 3-4:30pm
40 Worth Street, Room 1519

MINUTES

Members in attendance: Steve Hemraj (Chair), Robert Orbit Clanton, Terry Troia, Bobby Watts, Maija Neville

Members Absent: Sharen Duke, Daliah Heller, Jason DeCuir, Terri Smith-Caronia, Fatima Prioleau, Fredrick Wilson

Staff In Attendance: David Klotz (OAPC), Merline Casimir (DOHMH/Ryan White), Rachel Miller (MHRA/HIV CARE Services)

I. Meeting Opening/Financial Report

Mr. Watts opened the meeting, followed by introductions. Review of the meeting notes from the February 4, 2004 meeting was deferred.

Ms. Miller informed the Committee that MHRA expects to complete the FY 2003 closeout by the end of May, in time for the next Committee meeting. Ms. Miller then presented graphs showing current unaudited spending, which show that spending is at a higher level than the previous two years. The final carry-over amount for FY 2003 will likely be below 5%, but the number will not be known until final closeout is completed. A very high number of contracts are coming in at 100% spent.

In response to questions from the Committee, Ms. Miller said that the percentage of spending on ADAP was as of the most recently amended contract amount, and that the spike in under-spending for Housing Enhancements was probably due to reporting, but Ms. Miller will check and get back to the Committee.

The Committee agreed that it will receive the spending graphs by e-mail on a monthly basis, and will have full spending reports quarterly (in writing every other meeting).

II. Assessment of the Administrative Mechanism

Mr. Klotz reported that the Ad-hoc Committee recommended that the principal vehicle for assessing the administrative mechanism should continue to be the Finance Committee. The Committee receives fiscal updates from the grantee on spending rates by service category, analyzes that data, and identifies areas of under-spending. The Committee should update its schedule of fiscal reports in collaboration with the grantee and master contractors. The Committee should submit a report to the Executive Committee by the August meeting on the grantee's performance in rapidly disbursing Title I funds according to the priorities and allocations set by the Council. This will fulfill the CARE Act's basic legislative requirement on the assessment of the administrative mechanism.

In addition the fulfilling the above mandate, the Ad-hoc Committee thinks that it is important to identify potential problems in the procurement and contracting process that may impact the planning and delivery of Title I services. To do this, the committee developed a survey instrument to accomplish this goal. The survey will be implemented by the Office of AIDS Policy Coordination in time for the results to be analyzed by the EC and included in the application. The Ad-hoc Committee decided not to ask extensive questions about the contract negotiation, execution and monitoring processes because these are not related to the assessment of the administrative mechanism as HRSA defines it. Also, MHRA undertakes its own survey of contractors on these issues. These recommendations will be implemented immediately as a collaborative effort of the Planning Council and grantee.

There were questions about the timing of the survey and the overlap with MHRA's own survey. It was agreed that the survey was succinct enough that any overlap was not of concern.

Mr. Klotz then discussed the timeline for reprogramming. Workgroups will consider ideas for one-time use of unspent funds (carry-over and accruals) for submission to a joint P&E/EC meeting on May 13th. Accruals will be higher this year than last due to a number of new contracts starting after the beginning of the fiscal year. Mr. Watts stressed that it important to have a prioritized list in place early to maximize spending, as the EMA is being intensely watched due it our large increase in award. Ms. Miller responded to questions on how MHRA maximizes spending by doing budget modifications and take-downs during the year.

It was agreed that the Committee, as part of the assessment of the administrative mechanism, will also get information on the amount of under-spending from un-executed contracts/enhancement and from contracts turned back by providers.

IV. Finance Committee By-laws

Mr. Watts suggested adding as a Committee function to educate the Council and community on Title I-related fiscal matters. Mr. Hemraj reported that the By-laws Task Force is looking at the issues of co-chairs and appointments for all committees and workgroups. He asked for ideas on changes to the Committee's by-laws. The Committee will have an opportunity to review draft changes to its by-laws made by the Task Force.

There was discussion on reviewing the Title I funds used for grant administration. Mr. Watts discussed that the Committee and Council should know more about how DOHMH uses its portion of these funds. They currently report to HRSA on their expenditures. The Committee asked how this information will be used and that HRSA has made it clear that it is not in the Council's purview. It was decided that the Committee will request a general description of how these funds are used for informational purposes.

The next meeting will be held on June 2nd, 3-5pm at 40 Worth St., rm. 1519. The meeting was adjourned.

Note: Concerning the housing enhancements contracts, MHRA confirms that the peaks and valleys in the spending are due to the fact that a number of them report quarterly, not monthly. Many of their contracts (which MHRA inherited from HRA last year) are very small (under \$50,000) and some of the agencies complained about the administrative burden of monthly reporting. Given their size, MHRA approved this schedule. Spending approaches the projection line on the graph when they submit their reports, and ebbs during the middle of the quarter.