



Meeting of the

FINANCE COMMITTEE

Monday, July 18, 2011, 3:00-4:45PM
Public Health Solutions, 40 Worth Street

MINUTES

Members Present: Steve Hemraj (Chair), Kim Atkins, Marya Gilborn, Jan Carl Park, Allan Vergara
Staff Present: *NYCDOHMH:* David Klotz, Rosanna Volpe, Merline Jean-Casimir; *Public Health Solutions:* Gucci Kaloo, Peter Chea

I. Welcome/Introductions

Mr. Hemraj opened the meeting, followed by introductions. The minutes of the May 24, 2011 meeting were approved with no changes.

II. Planning Council Support Budget

Mr. Hemraj reported that he, Mr. Park and Matthew Lesieur will meet on July 26th with grantee representatives to negotiate the final FY 2011 Council support budget. Ms. Volpe reported that the NYC Office of Management and Budget has set the personnel fringe rate for the City fiscal year (July 2011 – June 2012) at 46% (compared with 30% last year). This pays for health insurance, pension, workers compensation, social security, unemployment insurance and an MTA tax.

The increase in fringe costs means an additional \$35,000 is needed in the personnel line of the budget. The proposed OTPS remains the same and is the only portion of the budget that is open for negotiation. With the increase in the award, more is available for grantee administration, but much of that increase will be absorbed by the increase in the fringe, as all staff paid through grantee administration is also subject to the increase.

Ms. Volpe reviewed the FY 2011 first quarter expenditures in the Council support budget. Mr. Park noted that the report is missing a line item for a summer intern, budgeted at \$5,200. Although the first quarter report is not indicative of the year's spending, Mr. Park said that he wanted the Finance Committee to receive the report so that the Council could have more influence on the reprogramming of unspent Council support funds.

III. FY 2010 MAI and Base Close-out Report

Mr. Chea reported that for FY 2010, the MAI portion of the grant committed 100% of its funds

and had \$63,305 (1%) in under-spending, which is way below the 8% target. \$52,824 of the under-spending was in NYC Early Intervention Services, and \$10,479 was in Tri-county. Mr. Chea reviewed the take-downs and enhancements over the course of the year to the MAI service categories. The largest take-down was in Care Coordination, and the largest enhancement in ADAP Plus. Some categories have a mix of take-downs and enhancements because of the different performance of contracts within the category. The bulk of reprogrammed MAI funds (\$1,003,549) went to ADAP Plus.

There was a discussion of the Housing Placement category, which is one MAI contract that received a \$33,820 enhancement. This was the maximum that the program could absorb. With changes in HASA services around brokers' fees and security deposits, there might be a more intensive need for this service. DOHMH is currently conducting an analysis of need.

In response to a question from Mr. Park, Mr. Kaloo explained that objective criteria are used to do enhancements, based on well-defined criteria (high spending, projected clients/units of service met, etc.). Funds are reprogrammed within a category first, then the possibility of moving funds to a different service category are considered.

Mr. Chea reviewed the base FY 2010 close-out report. Out of a total grant of \$112,471,603, 100% was committed and only \$177,243 (0.16%) unspent. Almost all the under-spending was in Tri-county. Only \$507 in NYC program dollars was unspent. This is a new record low under-spending. The grantee was aggressive with enhancing ADAP upfront during the year, and so there was less available for enhancing the rest of the portfolio, but with the increased award, those service categories all received significant increases near the beginning of the year. Other highlights of the ensuing discussion included:

- Cost-based categories include ADAP/ADAP+, Home Care, all but four Housing programs, and two Mental Health and Harm Reduction programs. Some contracts when starting out (e.g., Care Coordination) are deliverable-based, then move to performance-based reimbursement.
- The amount of money spent on food in Food & Nutrition programs can be derived, but it is a relatively small share of the programs' budgets. Staff costs are the largest share for all program budgets. It is also difficult to track the amount used to transportation across all service categories.
- A large portion of the service category increase to Care Coordination that was not committed in FY 2010 was due to three new contracts that started part way into the year.
- If there is a multi-year history of under-spending, then the grantee does permanent take-downs. Both DOHMH and Public Health Solutions provide technical assistance to programs that are under-performing.
- Public Health Solutions is currently examining areas for potential increases for FY 2011, including funding live proposals from the most recent RFP. The initial FY 2011 spending plan presented to PSRA will have ADAP at its full allocation and the remaining service categories adjusted to their FY 2010 carrying cost. The PSRA will then consider how to apply the increase in the award, based on the priority ranking scores, with input from the grantee on program performance.

The Committee voted to authorize the Council co-chairs to sign the letter for the FY 2012 application attesting that the Council, through the activities of the Finance Committee and its reports to the full Council, had fulfilled the requirement to assessment efficiency of the administrative mechanism in rapidly disbursing Part A funds to areas of greatest need according to the Council's plan. The Committee will look at the possibility of a more formal tool, such as a checklist, in the future.

IV. Other Business

Mr. Hemraj announced that he has been accepted into graduate school and with his additional duties will not be able to continue as Finance Officer after October.

There being no further business, the meeting was adjourned.