



Meeting of the

FINANCE COMMITTEE

Monday, July 20, 2015, 3:10-4:20PM
DOHMH, Long Island City

MINUTES

Members Present: Daniel Pichinson (Chair), Amber Casey, Marya Gilborn, Steve Hemraj, Matthew Lesieur, David Martin

Other 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 a moment of silence. The minutes of the February 9, 2015 meeting were approved with no changes.

II. FY 2014 Planning Council Support Budget Fourth Quarter Closeout Reports

Ms. Jean-Casimir reported that 94% of the PC support budget was spent in FY 2014. Some under-spending was due to staff being paid for time detailed to the Ebola response. The space rental line was under-spent due to a large number of meetings held at DOHMH. \$50,000 was reprogrammed in the third quarter, which reduced the total under-spending at close-out.

III. FY 2014 Base and MAI Fourth Quarter Closeout Reports

Mr. Kaloo gave an overview and *Mr. Chea* provided details of the FY 2014 Base and MAI fourth quarter closeout reports. All funds were committed for the year. In the Base portion of the grant, 99% was spent (leaving \$1,075,490 for carry-over), far under the allowable 5% of formula funds. In the MAI portion of the grant 98.23% was spent (leaving \$173,606), far below the Finance Committee's recommended limit of 8% under-spending. Due to the EMA receiving a partial award of only 30% of the previous year's formula grant, the grantee was only able to commit 3-4 months of funds at the beginning of the year. The full award (with a slight increase from the previous year) finally arrived in July, and so providers had been cautious with spending. Funds were re-programmed according to the Council's plan, restoring funds to the to the Early Intervention Services (EIS) programs to account for commitments made to the EIS contracts that were equal to pro-rated 5 months of the original contract MRAs. Contracts in the EIS category were either ending or reduced due to the large reduction to the category. Because of the late notification of the award, the Council did not want to apply the reduction to the programs retroactively.

During January/February Public Health Solutions (PHS) conducted a takedown analysis which resulted in 49 contract reductions totaling \$2.275M. During the closeout process, 39 additional contract takedowns totaling \$1.623M, and 63 contracts were enhanced by \$3.16M. In all, 87% of all contracts were adjusted during the year.

It was noted that the final close-out numbers for administration and quality management (QM) are not final. Under-spending in administration and QM was due to staff vacancies. In particular, City rules would not allow the HIV Bureau to hire a QM staff position, as they were not able to commit a full year's salary due to the partial award.

In the MAI portion of the grant, the uncommitted funds were mostly in EIS. This was due to the fact that all of the PC's EIS reduction was taken entirely from the Base award. Under-spending occurred in the Housing category, which had all newly awarded contracts; under-spending during a new program's start-up year is typical. All uncommitted funds were successfully re-programmed during the year. The largest percentage of under-spending in MAI was in the Transitional Care Coordination, due to one program's relocation, which affected their performance numbers, and in NYC Administration due to staff vacancies.

In the Base portion of the grant, there was higher than average under-spending in Housing Placement Assistance due to the historically low vacancy rate in the City, which made it more difficult to make placements in affordable units. The grantee is working to right-size those contracts. There was over \$6M in reprogramming in the Base portfolio. The large amount available for re-programming was mainly due to three reasons: 1) newly re-bid contracts in three categories (Non-Medical Case Management for Incarcerated, NMCM for General Populations, and Health Education) where the categories from the RFP were fully funded but programs not begun until FY 2015, 2) the large reduction in EIS, and 3) \$500K in carry-over from FY 2013. Enhancement for Supportive Counseling and Legal were capped at 15% as per the Council's reprogramming plan.

There was a discussion about creating a mechanism for the grantee to bring proposed enhancements over the 15% cap back to the Council (timing is critical because PHS generally needs 4-5 weeks to complete the closeout process and prepare final spending reports). There was a consensus that PSRA should discuss specifying when enhancements can be made over the cap in the original reprogramming plan (e.g., if a category has a history of reaching the 15% cap).

Mr. Petro reported that 100% of Tri-county (TC) funds were committed and 98% spent as of the end of the fourth quarter. There was larger than usual under-spending in Medical Transportation due to an enhancement to the program based on previous year's trends that did not continue into FY 2014. It was noted that TC programs are all cost-based, but that when they are re-bid, most will become performance-based. While details of the transition are not known yet, the grantee and whoever manages the contracts will work to ensure no interruption of service coverage.

IV. Assessment of the Administrative Mechanism

Mr. Klotz explained that the checklist is a snapshot of the Finance Committee's oversight of grantee spending over the course of the year and summarizes the findings as reported to the Committee in several key areas.

Ms. Casey reviewed the findings:

- *Executed Contracts/Renewals:* Sub-contracts were executed on a timely basis, even with the partial award. Contracts were adjusted to the increase in the full award on a timely basis. Uncommitted funds were reprogrammed on a one-time basis as per the Council's plan.
- *Procurement:* There were no new contracts in FY 2014. An RFP for Supportive Counseling, Non-Medical Case Management and Health Education was released in FY 2014 for contracts in FY 2015 (contracts were executed on a timely basis for FY 2015).
- *Sub-contractor Payments:* Sub-contractors were paid in a timely manner (within 30-60 days of a receipt of a complete and accurate expenditure report). This was confirmed by site visits from the master contractors.
- *Spending:* As reported during the year through quarterly reports, FY 2014 expenditures continued at a high rate.

The Committee requested that information be included in the first section on the expected turn-around time to execute contracts after the receipt of a signed contract package. Also, the assessment's questions should be more specific in the future so that this information is automatically included.

V. FY 2014 Carry-over Plan

Mr. Klotz and *Ms. Casey* explained that the PSRA usually approves a final carry-over plan, but that the close-out came too late for the final PSRA meeting, and so this will be brought directly to the Executive Committee for a vote.

The FY 2014 carry-over plan requests that HRSA allow the EMA to use in FY 2015 \$1,274,011 in unobligated funds (representing 1.79% of the Part A Base formula funding and 1.77% of MAI formula funding). All but \$95,010 would go to ADAP/ADAP+ (as per the estimated carry-over request approved by the Council in December). The remaining \$95,010 from the Tri-county region will be used in that region for Medical Transportation. The carry-over is typically approved by HRSA in the late fall.

There being no further business, the meeting was adjourned.