



Meeting of the

## **FINANCE COMMITTEE**

Monday, July 9, 2012, 3:10-5:00PM  
CitiWide Harm Reduction, 226 E. 144<sup>th</sup> Street, Bronx, NY

### **MINUTES**

**Members Present:** Robert Cordero (Chair), Kim Atkins, Matthew Lesieur, Jan Carl Park, Dorella Walters

**Staff Present:** *NYCDOHMH:* David Klotz, Graham Harriman, Merline Jean-Casimir (by phone), Carlos Sanchez (by phone), Anna Thomas; *Public Health Solutions:* Rachel Miller, Gucci Kaloo, Peter Chea

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#### **I. Welcome/Introductions**

Mr. Cordero opened the meeting, followed by introductions. The minutes of the April 3, 2012 meeting were approved with no change.

#### **II. Planning Council Support Budget**

Ms. Jean-Casimir presented the FY 2011 4th quarter close-out report for the Planning Council support budget. The Council budget of \$846,477 was overspent by \$3,692 (less than 1%). Highlights of the report were:

- Personnel funds were under-spent by 2% due to the City's not engaging in collective bargaining.
- Leases were under-spent by 41% due to DOHMH moving to 2 Gotham, where copiers, etc. are included.
- Only 6% of the subscriptions line was spent due to no Congressional Quarterly.
- Audio-visual was over-spent by \$14,083 (19%) due to the use of push-to-talk mics.
- Nutritional snacks were reported to be over-spent by \$5,527 (42%), but this amount is being contested with DOHMH Fiscal; Ms. Jean-Casimir reported that there is documentation that the actual amount should be lower.
- The master contractor fee was higher than budgeted, as it fluctuates depending on expenditures.

It was noted that the amounts were adjusted for the FY 2012 budget. Ms. Jean-Casimir also reported on the FY 2012 first quarter expenditures, which are in line with the budget for the year.

### **III. FY 2011 MAI and Base Close-out Report**

Mr. Kaloo gave an overview of the FY 2011 Base and MAI close-out commitment and expenditure reports. It was a good year overall for spending, with a carry-over of \$505,146 (0.45%) in base and \$388,552 (3.92%) in MAI. While the base amount was higher than last year, it was still an exceptionally high spending rate, especially for a year with many new contracts. For MAI, while there is no legislative cap on the amount of under-spending, the amount is well within the EMA's self-imposed target of 8% maximum. There were 51 new programs in 4 service categories; traditionally, when there are new contracts, under-spending is 25-30%, but this year the grantee performed far better than that in those categories. Details of the reports were presented, including all modifications to the spending plan (uncommitted, take-downs and enhancements). Highlights of the base report are:

- The 24-Hour Drop-in Center for HIV+ Prison Releasees under-spent by almost 11%. This category was taken down for FY 2012.
- Some programs in Care Coordination (CC) were enhanced for over-performing, but overall the category was taken down significantly due to changes in the reimbursement structure. Although the \$2.6M take-down was one-time, these programs have been right-sized (in both directions) for the current year (FY 2012), and are now all fully enrolled. Further analysis of compliance with required service minimums – imposed in December 2011 – will take place later this month, with possible permanent reductions to follow. In the meantime programs that are not providing required services are not being paid.
- There was some discussion of the effect of Health Homes on the supply of RW-eligible CC clients, but like with Mental Health and Harm Reduction under expanded Medicaid, the effects are not likely to be known for at least a year.
- Uncommitted funds in Mental Health and Harm Reduction are from one contract terminated in each category. Even with terminations, aggregate MH under-spending was less than 1% and HRR over-spent by 2.5% due to enhancements for over-performing contracts.
- Housing had some under-spending in each component of the category (mostly in Housing Placement Assistance). The new Housing guidance, which will be implemented next year when the program is re-bid, stresses short-term assistance. The three components (Emergency Rental Assistance, Transitional Housing, Housing Placement Assistance) will be broken out in future spending reports.
- Food and Nutrition contracts only under-spent by 3%, which is very low considering that these were new contracts.
- Supportive Counseling was the only category that came up against the 15% cap on enhancements for over-performing contracts. The current Reprogramming Plan allows for categories to be enhanced above the 15% with approval from the Executive Committee (EC). However, the compressed timeline in which to close out all contracts and report back to HRSA does not allow for the additional step of making a request to the EC and wait for their approval. There was a suggestion from a Committee member to remove the 15% cap from future Reprogramming Plans.
- Outpatient Medical Care (“Bridge Care”), which is one relatively small contract, under-spent by 64%, the second year in a row of large under-spending. The grantee and Public

Health Solutions are conducting an analysis of this program, which is integrated programmatically with CC but considered as a separate category for reporting purposes.

Highlights of the MAI report are:

- Under-spending in Care Coordination was 23%, mostly due to one-time take-downs, mainly from hospital-based programs. There was a discussion of the rules for MAI, which have been changed regarding minority-based/staffed agencies and capacity-building and now regard the service site and targeted population. The Council allows for funding proposals out of rank order to ensure locally-based services.
- Early Intervention programs were under-spent by 28% due to implementation of new contracts and under-spending from programs that ended September 2011. A portion of the 28% included funds that remained uncommitted during 2011 because of the late execution of contracts due to the late receipt of the grant award. These dollars have been fully committed to programs in Year 2012.
- Housing Placement Assistance was enhanced for over-performing by 4%.

Mr. Chea presented the comparison of modifications to the spending plan allocations from FY 2010 and 2011 for both Base and MAI.

The Tri-county under-spending was 3.79% (Base) and 4.31% (MAI). Tom Petro will send a written close-out report by category to the committee and a representative from Westchester DOH will be present at future meetings to present on the Tri-county portion of the budget.

#### **IV. Assessment of the Administrative Mechanism**

Mr. Cordero and Ms. Miller reviewed a table developed to more formally track the assessment of the administrative mechanism, based on the Council/grantee MOU and the HRSA Part A Primer. Four major items are tracked:

1. *Executed contracts and renewals* – how quickly has funding been committed and contracts executed by service category as per the Council’s spending plan. Tracked through the quarterly commitment and expenditure reports.
2. *Procurement* – has the grantee communicated to the Council the results of the procurement process. Tracked through presentations and new contractor lists distributed at Council meetings.
3. *Subcontractor payments* – are subcontractors paid in a timely manner. Tracked through the results of DOHMH and WCDOH semi-annual site visit tool and fiscal review.
4. *Spending* – were there unspent funds and were they re-allocated based on the Council’s reprogramming plan. Tracked through the quarterly commitment and expenditure reports.

The Council should be made aware of when RFPs are posted. Also, if contracts are signed late it will show up as uncommitted funds, but the funds are in fact committed. Sometimes this is due to subcontractor delays (e.g., HHC). With renewals, there is no disruption in payment. With new contracts, funds spent are paid back after contract execution.

Mr. Klotz will add a final column on the chart with results/findings of the assessment for Mr. Cordero's review. This will be distributed for approval at the next EC and Council meetings and will strengthen the Council's fulfillment of this mandated activity.

#### **V. Other Business**

Mr. Harriman reported that the EMA is still waiting for formal notification of the revised HRSA monitoring standard on rent and utilities as program expenses. Mr. Park reported that the only appropriation bill still in the House of Representatives is the health and human services bill, so no final numbers for FY 2013 Ryan White are known yet.

There being no further business, the meeting was adjourned.