



Meeting of the

## **FINANCE COMMITTEE**

Thursday, December 10, 2010, 3:30-5:00PM  
40 Worth Street, room 1519

### **MINUTES**

**Members Present:** Steve Hemraj (Chair), Marya Gilborn, Matthew Lesieur, Jan Carl Park, Allan Vergara

**Staff Present:** *NYCDOHMH:* JoAnn Hilger, David Klotz, Rosanna Volpe; *Public Health Solutions/HIVCS:* Gucci Kaloo, Peter Chea

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

Mr. Hemraj opened the meeting, followed by introductions. The minutes of the June 10, 2010 meeting were approved with the correction of one typo.

#### **II. FY 2009 MAI 4th Quarter (Close-out) Report**

Mr. Kaloo and Mr. Chea reported that underspending for the FY 2009 MAI grant year (period ended July 31, 2010) was a total of \$255,401 (3%). There is no restriction on the amount of carry-over allowed for MAI, but the grantee policy is to keep it under 8%. A carry-over request has been submitted to HRSA to reallocate the unspent dollars to ADAP, as per the Council's reprogramming plan.

A second modification to the spending plan was necessary to cover actual reimbursement for Care Coordination programs while reallocating underspending from other categories. The spending plan allocation for Medical Case Management was based on pro-rating the 12-month contract amounts for the 3-month period December 2009 through February 2010 rather than the actual value of reimbursement for the planned deliverables for the same period. The value of the deliverables exceeded the pro-rated budgets by \$219,200. Underspending from other service categories was reallocated to cover the \$219,200 needed in the Medical Case Management category.

Since moving to electronic billing, the State has reduced the time from receipt of request for reimbursement to payment which means that timing for reallocating funds to the State for ADAP and ADAP Plus is very limited and more than likely, not possible at close-out. The grantee and master contractor will work closely with the State around timing for shifting funds to ADAP and ADAP Plus. The grantee and master contractor will also work to identify potential underspending prior to closeout. The Council may also consider revising the reprogramming plan to add additional funds to the initial ADAP allocation above the "restoration" of the pools.

Ms. Hilger reported that \$18,000 in carry-over from FY 2008 was never received from HRSA, and that the request for it was re-submitted.

### **III. FY 2010 MAI 2nd Quarter Report (through Aug. 31, 2010)**

As of August 31, 2010, 97% of the MAI grant had been committed, leaving \$257,777 available for reprogramming. About half of the uncommitted amount is due to Maintenance in Care contracts ending on July 31, 2010. The rest is in Care Coordination, due to the termination of one contract and the difference between the value of the deliverables and the pro-rated MRA.

As of August 31, 2010, 73% of the grant was unspent. The report showed 100% under-spending in ADAP, but only because the State has not yet reported its spending which is expected in the December 2010 report. Also, Early Intervention Services and Housing Placement under-spending appear to be high only because the report includes one month (August 2010) of expenditures for these programs. Commitments for programs in these two categories are for the period August 1, 2010 to February 28, 2011. The next reports will have more accurate State figures, as well as data on how well Care Coordination programs are doing with enrollment, as some programs needed additional time to achieve full client enrollment.

### **IV. FY 2010 Base 2nd Quarter Report (through Aug. 31, 2010)**

As of August 31, 2010, 99% of base funds were committed, leaving \$874,909. The uncommitted amount in Mental Health Services is from contract terminations and take-downs. In Care Coordination, the funds represent a net uncommitment resulting from two contract terminations, the addition of three new contracts with August 1<sup>st</sup> start dates, and small enhancements to a couple of programs. The category will be fully committed for FY 2011 once the new contracts are annualized. \$8.6M of the \$9.8M in new funds from the increased award has been committed. Of the \$1.2M left, the majority comes from the Early Intervention (\$847K) category. Adjustments to programs in this category are currently underway. Once the adjustments are finalized, \$143K of \$847K is expected to be committed to contracts by adding a new payment point and adjusting projected service goals. Uncommitted funds in this category as well as funds available in other service categories will be re-programmed, as per the Council's reprogramming plan.

Year-to-date under-spending is 54% (compared to 52% at this time last year), which is on target. There have been some challenges with client enrollment in the Care Coordination programs, which are 67% under-spent. It is also incorrect to expect that programs in this category will spend 6/12<sup>th</sup> as of August since they are deliverables-based and the values and completion dates of the deliverables vary. There will be a presentation to the full Council on this category in the future. New programs that started in August account for the higher than average under-spending in the Tri-county region.

It was noted that the allowable maximum base under-spending has increased from 2% to 5%. Also, the State should be brought into the discussion during the FY 2011 scenario planning.

There was a discussion about the criteria that DOHMH and Public Health Solutions (PHS) use for enhancements to over-performing contracts. The criteria are applied uniformly across all categories, while mindful of the constraints of the 75% core services requirement and the 15% flexibility the Planning Council provides DOHMH and PHS for shifting funds between service

categories. There was a lack of clarity on whether the 15% cap on moving funds between categories applied only to increases, or to both increases and decreases. In the past, the 15% cap was only applied to increases to categories and not decreases. If it applies to decreases, then the Council needs to have a conversation on how that is operationalized, since the Council would have to vote every time there is significant underspending in a category, which will slow down the implementation of the reprogramming plan. It was noted that the 15% cap on increases has only been reached once (with Legal Services).

#### **V. New Business**

There was a discussion on how the Council fulfills the requirement to “assessment efficiency of the administrative mechanism”, and whether the spending reports submitted to the Finance Committee and reported to the full Council is sufficient. Council staff will look at how other EMAs approach this in advance of a Committee meeting in January. At that meeting, the Committee will also review a report from the grantee on the spending of the Council support budget through November 2010.

The next spending report will be available for a Committee meeting in February.

There being no further business, the meeting was adjourned.