



Meeting of the

FINANCE COMMITTEE

June 6, 2007, 3:30-4:15pm
40 Worth Street, room 1502B

MINUTES

Members in Attendance: Patrick McGovern (Chair), Orbit Clanton, Jason DeCuir, Sharen Duke, Alvin Perry

Staff in Attendance: David Klotz, Jan Carl Park, Darryl Wong, Nina Rothschild (DOHMH/ OHAPCP); Jo Ann Hilger (DOHMH/Ryan White Services); Rachel Miller, Gucci Kaloo (MHRA/HIV Care Services)

I. FY 2006 Close-out Report

After introductions, the minutes of the March 7, 2007 conference call were approved with no changes.

Ms. Miller and Mr. Kaloo presented the FY 2006 close-out report, which showed record spending. All 100% of the grant was committed, in spite of over 30 new contracts and a \$2.5 million increase in the overall award. At the end of the year, only 2.15% of the grant was under-spent (2.12% for NYC programs); better than last year's underspending rate of 2.25%. This was mainly due to contractors' seriousness in spending, the State's flexibility in their use of Part A (Title I) dollars, and the efforts of HIV Care Services staff. Steps taken that resulted in record spending included: permanent take-downs of chronic under-spenders (less this year than previously), one-time take-down during the year because of underspending, and the State's ability to absorb \$500,000 in reprogrammed funds for ADAP at the end of the year.

Areas with over 5% under-spending included: Hepatitis C Screening and Treatment (this category will be folded into Outpatient Medical Care in the next re-bid); Geographically Targeted Mental Health Programs (a recently re-bid category); and Treatment Adherence (which had late starting contracts due to the increase in MAI funding at the beginning of the year).

Ms. Hilger reported that HRSA still has not issued any interpretation of the reauthorized CARE Act's requirement to have less than 2% under-spending or risk losing the supplemental award. They are in the process of creating a policy to clarify this.

II. FY 2007 Award

Ms. Hilger reported that the EMA received its notice of the supplemental formula grant award on May 23rd, giving the EMA a total base award of \$108.5 million (a reduction of 7% from FY 2006). The MAI award will be issued in August. The EMA applied for the maximum allowable grant of \$10.75 million, which is \$1.2 million less than FY 2006's MAI grant. Also, since MAI funds are not available from March through July, there will be an automatic reduction of 5 months of MAI funds, meaning that the total FY 2007 award may be \$13.3 million (11%) less than FY 2006. MAI funds are not retroactive and will be annualized starting August 1st, and thus on a different fiscal year than the base grant.

The grantee and MHRA are currently working on implementing the spending scenario approved by the Council in March, which is a proportionate across-the-board cut based on rank, as determined by the Priority Setting tool. The guidelines for implementing the reduction will be presented to the Executive Committee and full Council as soon as they are finalized.

There being no further business, the meeting was adjourned.