



Meeting of the

**FINANCE COMMITTEE**

Wednesday, January 19, 2011, 4-6PM  
40 Worth Street, room 1502B

**MINUTES**

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

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

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**I. Welcome/Introductions**

Mr. Hemraj opened the meeting, followed by introductions. The minutes of the December 10, 2010 meeting were approved with no changes.

**II. Planning Council Support Budget Expenditure Report**

Ms. Volpe presented the expenditure report for the Planning Council support budget for March through November of the current fiscal year (FY 2011). The year's budgeted amount is \$927,050. Personnel expenditures are exactly on track (74%), but under-spending is expected in OTPS costs (currently about 50% spent). As part of the 10% overall administration costs, under-spending from the PC budget is first reallocated to cover any potential shortfall in the rest of the administration budget. Any under-spending in the overall administration budget then gets pooled with underspending from programs and is reallocated to services through the Council's reprogramming plan. Review of the non-Council support budget portion of the administration budget is not under the Council's purview.

There was discussion on how the PC support budget was derived, particularly OTPS costs. Mr. Park explained that he and his staff prepare a budget internally based on what they think it will cost to run the Council and its operations. It was noted that many costs borne by the grantee portion of the administrative budget benefits the Council and planning process, such as LTI, CHAIN, grantee staff that assists in planning and evaluation activities, etc.

Given the HRSA TA assessment report, which stated that the Council and grantee should negotiate the Council support budget, there was extensive discussion on the mechanism and timing for this to occur. There was a suggestion that the Memorandum of Understanding spell out the process. There was agreement that any negotiated budget would begin with the planning for FY 2012, and that any plan that is submitted for the application would have to be realistic,

based on fixed costs, rather than a wish list, since a decrease in the overall award would mean a decrease in the total administration budget.

Mr. Hemraj suggested that going forward the Council staff director and grantee develop an initial budget, which the Finance Committee would then have responsibility for reviewing and recommending to the Executive Committee and full Council (as a single line item in the overall spending plan). It was agreed that the Committee and grantee seek further assistance from HRSA on the actual methodology of negotiating a final budget.

There was discussion on whether it would be feasible for the Committee to recommend reprogramming items specific to underspending the Council support budget (e.g., special projects) and how a budget modification process would work. Assistance on this would also be obtained from HRSA. An outline of this discussion, with outstanding questions will be prepared for HRSA TA consultant Emily McKay. In the meanwhile, quarterly expenditure reports for the Council support budget will continue to be reviewed by the Committee.

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

Mr. Hemraj discussed the need for a more formal tool to fulfill the Ryan White legislation's requirement that planning councils "assess the efficiency of the administrative mechanism in rapidly disbursing Part A funds to areas of greatest need". It was noted that this mandate is not explained or elaborated in either the legislation or the HRSA Part A manual. Mr. Klotz, on request of the Committee, contacted a number of EMAs, including most of the largest in the country (LA, San Francisco, Chicago, Boston), and found that many were unable to answer the question of how their councils fulfill this mandate. Most that do fulfill the mandate do so in a manner similar to the NY EMA, through the receipt of quarterly spending reports from the grantee. New York is the only EMA that had a committee solely dedicated to this task. Two EMAs had written reports. Phoenix hired a consultant to conduct an extensive review that included surveys of Part A contractors on many aspects of the contracting process. The NY EMA conducted a similar survey in 2004, which our HRSA project officer deemed to be outside the scope of the Council's responsibilities. A Phoenix-style assessment would also be very expensive, given the vastly larger size of our EMA, and not feasible to do on an annual basis.

The Houston EMA had a checklist that formalizes, in a reader-friendly, usable format, the work that the Committee already does (reviewing the commitment and expenditure reports, etc.). It was agreed that the Committee will adapt this format for local use.

### **IV. Other Business**

Mr. Benadava asked about a report on the Care Coordination program. Spending and utilization date for this program, which began in December 2009, will be available for the annual priority setting and resource allocation process.

The next meeting will be held on Friday, March 11<sup>th</sup>, 3-5pm.

There being no further business, the meeting was adjourned.