



To: Nancy Fasano (via e-mail)

Date: May 2, 2005

Re: Comments on Section 317 Operations/Infrastructure Allocation Process Document

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We have discussed the 317 allocation process document on the AIM Finance Committee call and on the AIM General Membership call. I have also collected feedback via e-mail. I want to share with you our initial thoughts and suggest that we discuss a process for additional discussion on details.

AIM members appreciate the additional specifics. The proposed allocation method seems reasonable and similar to suggestions made by the Institute of Medicine.

Grantees need to have better understanding of how the allocation method would work. Where is data that CDC will use to calculate benchmarks coming from? How does it relate to population estimates submitted by states?

AIM members would like to see more details on how their allocations or sample allocations would change. Can we get some examples to see how the calculations would work? Can we get comparison numbers in awards to grantees for the current and past years and under this benchmarking scenario? Or for example, can you run through the process from A to Z with one or more sample grantees?

There is still strong concern about the lack of any type of "hold harmless" provision. We understand that it is impossible to hold grantees harmless without additional funding, and we know that overall funding levels are not predictable and may be cut. We also respect your commitment to institute changes over time. However, we need assurance in writing that adjustments to grantee awards will take place over time with some stability that can be calculated and shared ahead of time. We suggest adjustments of no more than 5 to 10% per year.

We don't really understand the concept of discretionary judgment by project officers (listed in #4). What percentage of the final allocation will be based on this discretionary judgment? We have concern about the predictability and defensibility of awards based on judgment. There is considerable variability in experience and judgment of project officers.

Finally, we would like to better understand the "base" portion of the allocation and the portion based on performance. Will there be a standard base allocation based on the number of FTEs calculated as needed by CDC -- or will the base be specific and unique to the staffing needs of each grantee? How will the performance allocation work?

Thanks for the opportunity to provide feedback. Perhaps we could schedule a call with the Finance Committee to "walk through" and discuss some samples. Let us know what you think. David and I have also encouraged AIM members to read through the document again and share any additional thoughts with us.