Appendix F

Allocation and Funding Principles: 2007/2008 Planning and Funding Process

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Minnesota Department of Health
Community HIV Health Education and Risk Reduction Projects

ALLOCATION AND FUNDING PRINCIPLES:
2007/2008 PLANNING AND FUNDING PROCESSES

Reprinted below for your background and understanding are the Allocation and Funding Principles first shared with CCCHAP, interested community members, current grantees and posted on the MDH web page on December 26, 2007.

Introduction

This is not the announcement for the availability of funding for HIV prevention programs; that announcement is expected in April 2008.

The following is a description of the allocation and funding principles that the Minnesota Department of Health (MDH) will use in the development of the 2008 Community HIV Prevention Request for Proposals (RFP) process, and for making subsequent funding decisions.

Funding for HIV prevention has not increased in recent years, and no future increases are expected. Consequently, as community and administrative costs increase, we continue to experience an actual net decrease in the amount of available funding for community programs. The rationale for these principles related to populations, allocations, and proposal funding is based on MDH experience with the current scope of activities.

The role of Minnesota's HIV prevention community planning group, the Community Cooperative Council on HIV/AIDS Prevention (CCCHAP), is to identify priority target populations in Minnesota that are at highest risk for HIV transmission or infection. The role of the MDH is to assign a funding allocation for HIV prevention programming to each of these populations and conduct a competitive RFP process to fund agencies that can be most successful in reaching these populations.

Please note that these target populations will be referred to as "target subpopulations" or "subpopulations" in this document.

Once again, this is not an announcement for the availability of funding for HIV prevention programs; that announcement is expected in April 2008.

Allocation and Funding Principles

Principle #1
Maximum Number of Target Populations

In order to most effectively prevent new HIV cases, resources will be allocated to adequately fund up to 11 target subpopulations.

Rationale: The current funding level supports reaching 11 target subpopulations, identified by CCCHAP in 2005, through 22 community programs at 19 agencies. Available state and federal funding is not expected to increase. Furthermore, community program costs and administrative costs will

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continue to increase. Therefore it is prudent to commit support for funding up to 11 subpopulations during the next funding cycle. This will help to ensure that the limited number of MDH-funded programs will be adequately funded to be effective in preventing new HIV cases.
If CCCHAP identifies fewer than 11 target subpopulations, the total available funding would be allocated among that number of subpopulations.

Principle #2
Allocation Assurances

The following assurances are based on 11 subpopulations.

a. Using the four (4) major population categories identified by CCCHAP in 2005 (HIV Positive, Men Who Have Sex With Men (MSM), High Risk Heterosexuals (HRH), and Injecting Drug Users (IDU)), one sub-population in each category is guaranteed to receive a funding allocation.
b. Up to seven (7) additional subpopulations, regardless of major population category, will also receive a funding allocation based on the CCCHAP's prioritization process.
c. Exception: A subpopulation might not receive an MDH funding allocation if funding from another source is available. This is described in Principle #6.

Principle #3
Need to Identify Discreet Subpopulations for Allocations

Specific funding allocations for subpopulations will be primarily based on surveillance data. This means that subpopulations identified by the CCCHAP must be:

a. based on factors that can be counted in the surveillance system, and
b. discreet, mutually exclusive populations.

Example of discreet, mutually exclusive subpopulations:
Adult male injecting drug users, age 24 through 39 is discreet, mutually exclusive from adult female injecting drug users 24 through 39, because the total number of each subpopulation does not include any of the other subpopulation; there is no overlap.

Principle #4
Minimum Allocation and Minimum/Maximum Project Budgets

Allocations: Projects
A minimum allocation of $78,000 will be made for each funded subpopulation *that has both a three (3) year incidence of greater than one per cent (1%) and a current prevalence of greater than one per cent (1%)*, in order to ensure a basic level of prevention services within these subpopulations.

Project Budgets
a. A minimum allowable budget for a project will be $39,000.
   - This is based on 0.5 FTE Program (50% of $78,000)
   - Applicants will have the flexibility to propose using funds in a way that makes sense for them; they don't have to propose a .50 FTE position.

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b. The maximum allowable budget for a project will be $156,000.
   - This is based on a 2.0 FTE program (2 times $78,000)
   - Applicants will have the flexibility to propose using funds in a way that makes sense for them; they don't have to propose a 2.0 FTE position.

Allocations: Health Communication/Public Information Services (HCPI)
An allocation of $20,000 will be made for each funded subpopulation that has both a three (3) year incidence of less than one per cent (1%) and a current prevalence of less than one per cent (1%) in order to ensure a basic level of health communication and public information (HCPI) projects within these subpopulations.

HCPI Budgets
One $20,000 award will be made in each of these funded subpopulations.

Principle #5
Un-awarded Funds (RFP)

Funding not awarded in a designated subpopulation through the RFP process will be handled in two steps:

a. The MDH internal review committee will consider proposals received for other subpopulations within the same major population category. The internal review committee will consider factors including, but not limited to:
   - the actual amount not awarded;
   - highly impacted groups within the subpopulations;
   - geographic coverage of interventions within the major population category; and
   - the continuum of interventions targeting the major population category.

b. If no qualified proposals within the same major population category are identified, MDH will determine how to use the remaining funds, with a priority to fund activities within the major target population. These possibilities include, but are not limited to:
   - HIV testing efforts
   - media efforts
   - addressing emerging trends

Principle #6
Reducing Duplication (RFP)

When making funding decisions, MDH will take into consideration how state and federal prevention funds managed by the STD and HIV Section fit into the broader state and federal funding for HIV prevention in Minnesota at both the subpopulation and agency levels in order to reduce duplication and therefore address as many needs as possible.

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a. Why would MDH eliminate a subpopulation and consequently the allocation for that subpopulation?
MDH might decide to not assign an allocation to a subpopulation and not include it in the RFP if $78,000 or more in non-MDH funds are supporting HIV prevention activities targeting that subpopulation. The MDH funds would most likely be allocated among the other subpopulations.

For example, MDH allocates/plans to allocate $78,000 per year to reach a given target subpopulation. If a Minnesota agency or agencies receive an award(s) that total $78,000 or more per year directly from a non-MDH entity(s) to reach this subpopulation, MDH would review the situation and might decide to not allocate funds in the RFP process for that subpopulation.

- MDH will be most likely to decide to not allocate funds when the non-MDH award results in a level of HIV prevention services for the subpopulation that is comparable to or greater than what MDH intended to allocate to that subpopulation.
- The above criteria will apply for prevention case management, individual, group, and outreach interventions. The above criteria might not apply for media and other health communication/public information activities.

b. When might MDH not fund an agency that proposes to reach a subpopulation?
MDH might decide to not fund an agency proposing to reach a specific subpopulation if non-MDH funds are supporting HIV prevention activities/interventions targeting that subpopulation. Instead, priority would be given to agencies successfully proposing to reach another subpopulation.

c. What would happen if an agency is awarded MDH funds, then later receives an award of non-MDH funds?
If an agency is awarded funding from MDH and subsequently receives non-MDH funding of $78,000 or more per year for the same target subpopulation anytime during the period of January 1, 2009 through December 31, 2012, the MDH award would be rescinded proportionately according to the difference between the remaining times in the funding periods. These MDH funds would then be handled according to Principle #5.

Principle #7
DEBI Interventions (RFP)

There is insufficient funding available to support the replication or large scale adaptation of the more expensive DEBI interventions (CDC's "Diffusion of Effective Behavioral Interventions"). An agency proposing one of the more expensive DEBIs must demonstrate that they have additional source(s) of funding that, in combination with MDH funding (if awarded), would allow them to replicate or adapt the intervention.

NOTE: Applicants proposing to use a combination of MDH and non-MDH funding to replicate a DEBI, or adapt a DEBI on a large scale, will be required to discuss their proposal with the Program Manager of the HERR Unit at the MDH.

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ALLOCATIONS

Allocation for HIV Positive Population: Eight percent (8%) of the total available funds will be allocated to the population of HIV positive individuals. The CDC requires that HIV positive individuals are prioritized as a target population. This proportion is the same as the current 2006-2008 allocation.

Allocation Formula: Allocations to all funded non-HIV positive subpopulations will be based on the incidence (number of new cases) within that population over the last 3 years (2005 - 2007) and the prevalence (number of living cases) in the most recent year (2007).

Example (data in example based on 2002-2004 incidence data and 2004 prevalence data):

Population	2002 – 2004 Incidence		2004 Prevalence		Average Incidence & Prevalence	Average after 8% HIV+ allocation	Proportion of Funding
	Cases	Percent	Cases	Percent			
African American HRH	48	5.45%	272	5.62%	5.54%	5.10%	5.10%
IDU All Races/Gender	55	6.33%	480	9.92%	8.12%	7.47%	7.47%
Note: allocations will be adjusted proportionately after applying minimum allocation							

Exception to Allocations Formula

A minimum of **$78,000** will be allocated to each of the funded non-HIV positive sub-populations, even if the allocations formula would indicate a lower allocation. Rationale: This is based on the current average cost for a program in Minnesota with 1.0 FTE program staff.

Clarification to Allocations Formula

Allocations to youth subpopulations will be calculated using incidence data for ages 13–29 to account for age at infection versus diagnosis. Youth subpopulations will still be defined as ages 13–24 for the purposes of prioritization and targeting interventions, per CDC definition.

Allocations for adult subpopulations will be calculated using incidence data for ages 30 and over. Adult subpopulations will still be defined as ages 25 and over for the purposes of prioritization and targeting interventions, per CDC definition.

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ALLOCATION AND FUNDING PRINCIPLES
SUMMARY OF
QUESTIONS AND RESPONSES

1. **How will emerging trends be considered and funded?**
   Emerging trends and a necessary and feasible response from MDH are not addressed in the Allocation and Funding Principles. The response to these trends will consider: a) what can currently funded programs do differently to address these trends and not significantly compromise their intervention work plans; b) whether the amount of funding that is available is sufficient to fund intervention work on a short term basis.

2. **Will MDH help agencies write their proposals in order to avoid duplication in Minnesota?**
   MDH staff will not assist agencies in writing their proposals. Staff will be available to answer questions about the RFP document, but only during the RFP application process.

3. **Will MDH conduct a questions and answers session at the time the RFP is announced?**
   Yes.

4. **Can agencies apply for funds for the same target subpopulation if they are receiving funding from a different source for a different intervention?**
   Principle #6 explains the criteria for award in this situation.

5. **Can an agency, according to the funding principles, apply for funds for the same target subpopulation if the intervention is distinctly different?**
   Principle #6 explains the criteria for award in this situation.

6. **How will MDH know if an agency is receiving HIV prevention funds from other sources?**
   The request for proposal document will include questions regarding an applicant’s current, expected and otherwise-applied-for HIV prevention funding. Non-MDH funding awards are also published on federal government agency websites.