

### U.S. Federal Funding for HIV/AIDS: The FY 2007 Budget Request

February 2006

The President's Fiscal Year (FY) 2007 federal budget request includes an estimated \$22.8 billion for domestic and global HIV/AIDS activities.<sup>1</sup> This represents an 8.3% increase (\$1.7 billion) over FY 2006 funding for HIV/AIDS of \$21.1 billion. Federal funding for HIV/AIDS has increased significantly over the course of the epidemic<sup>2</sup> (although it represents less than 1% of the overall federal budget). Approximately \$18.9 billion (83%) of the FY 2007 HIV/AIDS request is for domestic programs; \$3.9 billion (17%) is for global programs.<sup>3,4</sup> Congress will now consider the budget request and is expected to finalize spending levels in late 2006.

Federal funding for HIV/AIDS programs can be organized into five general categories: *care*; *cash and housing assistance*; *prevention*; *research*; and *global/international*. More than half (58%) of the FY 2007 request is for domestic care activities; 9% for domestic cash/housing assistance; 4% for domestic HIV prevention; 12% for research, not including international HIV research; and 17% for global, including international research (without research, it would account for 16%).

Federal funding is either *mandatory* or *discretionary*. Mandatory spending generally changes each year based on the cost of care and services for those eligible for and enrolled in these programs. It accounts for a little more than half of the HIV/AIDS budget request (53% or \$12.2 billion) and includes: Medicaid, Medicare, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), and the Federal Employees Health Benefits Plan (FEHB).<sup>5</sup> Mandatory spending has generally represented the majority of federal HIV/AIDS funding since 1995, largely due to increasing numbers of people living with HIV disease in the U.S. and growing treatment costs.<sup>2</sup>

Discretionary funding, determined annually by Congress, represents the remainder (47%) of the HIV/AIDS budget request and includes: all domestic prevention, research, housing and non-mandatory care programs; and all global funding.

Two main factors drive the FY 2007 budget increase of \$1.7 billion: growing mandatory spending estimates (an increase of \$826 million, or 47% of the increase); and increases in discretionary funding for global HIV/AIDS activities (an increase of \$720 million, or 41% of the increase<sup>4</sup>). As part of his budget request, the President proposed a new Domestic HIV/AIDS Initiative, totaling \$188 million and accounting for 11% of the budget increase.

#### The Domestic HIV/AIDS Budget

**Care:** The largest component of federal funding for HIV/AIDS is health care for people living with HIV/AIDS in the U.S., which totals \$13.2 billion in the FY 2007 budget request (58% of the total budget request and 70% of the domestic share). This represents an increase of 7% over FY 2006. Most care funding is for Medicaid and Medicare; these mandatory programs also account for almost all of the increase in the care budget. As part of the President's new Domestic HIV/AIDS Initiative, the Ryan White CARE Act, the largest discretionary HIV/AIDS grant program, is slated to receive an additional \$95 million, \$70 million of which will be for addressing the ongoing issue of state waiting lists for HIV medications and \$25 million for expanding outreach efforts through new HIV community action grants to faith and community-based organizations, and for technical assistance.

**Cash and Housing Assistance:** Cash and housing assistance represent \$2.1 billion, or 9% of the HIV/AIDS budget (11% of domestic programs). Overall funding for these programs increases by 2% in the request, which includes a slight increase for the Housing Opportunities for Persons with AIDS (HOPWA) Program.

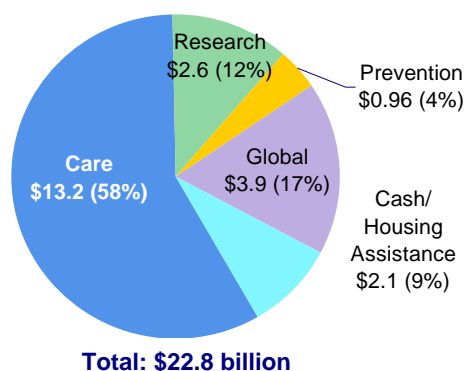
**Prevention:** Domestic HIV prevention totals \$956 million (4% of the budget request), including \$808 million at the Centers for Disease Control and Prevention. The request includes the first increase for prevention activities in several years (an increase of 10% across all agencies, and a 14% increase for the CDC's National Center for HIV, STD, and TB Prevention). The increase is due to the President's new Domestic HIV/AIDS Initiative, which channels an additional \$93 million to CDC for increased testing activities, particularly rapid testing, for those at high risk. Domestic prevention funding, as a share of federal funding for HIV/AIDS, has decreased over time.<sup>2</sup>

**Research:** Funding for HIV/AIDS research (\$2.6 billion) is reduced slightly (by .05%) in the request, including a reduction at the National Institutes of Health (NIH), which conducts the bulk of HIV research.

#### The Global HIV/AIDS Budget

Global HIV/AIDS programs, representing \$3.9 billion<sup>4,6</sup>, receive the greatest percent increase (22%) of any of the five budget categories. Funding for global HIV/AIDS has increased as a share of overall federal funding for HIV/AIDS over time.<sup>2</sup> All U.S. funding for global HIV/AIDS is part of PEPFAR, the President's five-year Emergency Plan for AIDS Relief. Most

**Figure 1: Federal Funding for HIV/AIDS by Category, FY 2007 Budget Request\***  
(US\$ Billions)



\*Categories may include funding across multiple agencies/programs; global category includes international HIV research at NIH.

is for bilateral programs (92% in FY 2007). The remaining 8% is for contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund), an independent, public-private multilateral institution which supports HIV/AIDS, TB, and malaria programs in developing countries. The \$300 million<sup>6</sup> requested for the Global Fund represents a decrease over last year's funding level. PEPFAR's Global HIV/AIDS Initiative (GAI) at the State Department gets the largest share of global HIV/AIDS funding in FY 2007 (71%), the bulk of which would be channeled to PEPFAR's 15 focus countries. PEPFAR also includes funding for TB. Combined funding for HIV/AIDS and TB through PEPFAR is approximately \$4.0 billion in FY 2007 (beginning in FY 2007, federal funding for malaria, which was once partially drawn into PEPFAR funding, is no longer accounted for within the PEPFAR total).

## References

<sup>1</sup> Unless otherwise noted, all data sources are listed below Table 1.

<sup>2</sup> Kaiser Family Foundation, *Trends in U.S. Government Funding for HIV/AIDS*, Fiscal Years 1981-2004.

<sup>3</sup> It is difficult to disaggregate federal funding for HIV/AIDS into discrete domestic and global categories, since some agencies do not report activities along these lines and certain activities may have application to both arenas. An example is international HIV research at NIH, which can be counted as either "research" or "global".

<sup>4</sup> Includes funding for international HIV research activities at NIH.

<sup>5</sup> Medicaid and Medicare data are estimates provided by the Centers for Medicare and Medicaid Services (CMS). CMS has not yet adjusted these estimates to account for implementation of the new Medicare Part D prescription drug benefit, which is expected to decrease Medicaid costs and increase Medicare costs. SSDI and SSI data are estimates from the Social Security Administration.

<sup>6</sup> Includes full contribution to the Global Fund, not just an estimated AIDS share.

**Table 1: Federal Funding for HIV/AIDS: FY 2005 - FY 2007<sup>1</sup>**

Program/Account USD in millions	FY 2005	FY 2006	FY 2007 Budget Request	Change FY 2006-FY 2007	
				\$	%
<b>Domestic Programs &amp; Research</b>					
Ryan White CARE Act <sup>2</sup>	\$2,073.3	\$2,062.5	\$2,158 <sup>3</sup>	\$95.5	4.6%
ADAP (non-add)	787.5	789.5	789.5	0	0
CDC Domestic Prevention (& Research)	731.7	719.7	807.7 <sup>4</sup>	88.0	12.2
NCHSTP (non-add)	662.3	651.1	739.6 <sup>4</sup>	88.5	13.6
International research (non-add)	14	0	0	0	--
National Institutes of Health	2,920.5	2,903.7	2,888.5	-15.2	-0.5
International research (non-add)	370	371	368	-3.0	-0.8
Substance Abuse & Mental Health Services Admin (SAMHSA)	173	172	172	0	0
Department of Veterans Affairs (VA)	445	457	473	16.0	3.5
Housing Opportunities for Persons with AIDS (HOPWA)	282	286.1	300.1	14.0	4.9
Other discretionary <sup>5</sup>	280	279	279	0	0
<i>Subtotal discretionary (w/o international research)</i>	<i>\$6,535.5</i>	<i>\$6,509.0</i>	<i>\$6,710.3</i>	<i>201.3</i>	<i>3.1</i>
Medicaid (federal only) <sup>6</sup>	5,700	6,300	6,800	500.0	7.9
Medicare <sup>6</sup>	2,900	3,200	3,500	300.0	9.4
Social Security Disability Insurance (SSDI)	1,249.7	1,293.1	1,334.3	41.2	3.2
Supplemental Security Income (SSI) <sup>7</sup>	450	450	435	-15.0	-3.3
Federal Employees Health Benefits (FEHB) Plan <sup>8</sup>	370	100	100	0	0
<i>Subtotal mandatory</i>	<i>10,669.7</i>	<i>11,343.1</i>	<i>12,169.3</i>	<i>826.2</i>	<i>7.3</i>
<b>Subtotal Domestic (w/o international research)</b>	<b>\$17,205.2</b>	<b>\$17,852.1</b>	<b>\$18,879.6</b>	<b>\$1,027.5</b>	<b>5.8%</b>
<b>Global Programs &amp; Research</b>					
USAID bilateral (Child Survival & Health Fund)	\$347.2	\$346.5	\$325.0	-\$21.5	-6.2%
USAID other bilateral economic assistance	37.5	27.3	30.0	2.7	9.8
State Department Global AIDS Initiative (GAI)	1,373.9	1,777.0	2,794.0	1,017.0	57.2
Foreign Military Financing	2	1.98	1.6	-0.4	-19.2
CDC Global AIDS Program (GAP)	123.8	122.6	121.9	-0.7	-0.6
Department of Defense (DoD)	7.5	5.2	0	-5.2	-100.0
Department of Labor (DOL)	2.0	0	0	0.0	--
Department of Agriculture - Food Aid	24.8	24.8	0	-24.8	-100.0
<i>Subtotal bilateral prevention, care, treatment</i>	<i>1,918.7</i>	<i>2,305.4</i>	<i>3,272.5</i>	<i>967.1</i>	<i>41.9</i>
Global Fund <sup>9,10</sup>	347.2	544.5	300.0	-244.5	-44.9
Global Fund – USAID (non-add)	248.0	247.5	100.0	-147.5	-59.6
Global Fund – GAI (non-add)	--	198.0	100.0	-98.0	-49.5
Global Fund – NIH (non-add)	99.2	99.0	100.0	1.0	1.0
<i>Subtotal bilateral prevention, care, treatment &amp; Global Fund</i>	<i>2,265.9</i>	<i>2,849.9</i>	<i>3,572.5</i>	<i>722.6</i>	<i>25.4</i>
NIH international HIV research	370.0	371.0	368.0	-3.0	-0.8
CDC international HIV research	14.0	0	0	0.0	--
<b>Subtotal Global (w/ international research)</b>	<b>\$2,649.9</b>	<b>\$3,220.9</b>	<b>\$3,940.5</b>	<b>\$719.6</b>	<b>22.3%</b>
<b>TOTAL HIV/AIDS</b>	<b>\$19,855.1</b>	<b>\$21,073.0</b>	<b>\$22,820.1</b>	<b>\$1,747.1</b>	<b>8.3%</b>

**NOTES:** 1. Some data preliminary only; data are rounded and adjusted to reflect across-the-board rescissions to discretionary programs as required by appropriations bills. 2. Includes \$25 million for Special Projects of National Significance (SPNS). 3. Includes \$95 million as part of President's new Domestic HIV/AIDS Initiative. 4. Includes \$93 million as part of President's new Domestic HIV/AIDS Initiative. 5. Other domestic funding at: DHHS Office of the Secretary, Health Resources and Services Administration, Food and Drug Administration, Indian Health Service, Agency for Healthcare Research and Quality; Departments of Defense, Justice, and Labor. 6. CMS has not yet adjusted estimates to account for implementation of Medicare Part D. 7. SSI decrease from FY 2006 to FY 2007 reflects end of year payment schedule, not necessarily decrease in payments. 8. FEHB decrease from FY 2005 to FY 2006 reflects change in estimation method by OPM. 9. Global Fund grants support country projects that address HIV/AIDS, Tuberculosis, & Malaria; approximately 56% of grants awarded to date have been for HIV/AIDS. Figures used here are not adjusted to represent an estimated HIV/AIDS share. 10. \$87.8 million of Global Fund's FY 2004 appropriation was carried over to FY 2005 per P.L. 108-25 (limits U.S. contributions to the Global Fund to no more than 33% of the Fund's total funding received). Figures above reflect actual appropriation, not adjusted amounts due to the carry-over.

**SOURCES:** FY 2005 & FY 2006 Consolidated Appropriations Bills and Conference Reports; FY 2007 Budget of the United States; Office of Management and Budget; DHHS and State Department FY 2007 Budget in Brief Documents; DHHS, Office of Budget, NIH, and CDC; Social Security Administration; U.S. Office of the Global AIDS Coordinator; Congressional Research Service; DATA—Debt, AIDS, Trade, Africa.

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