

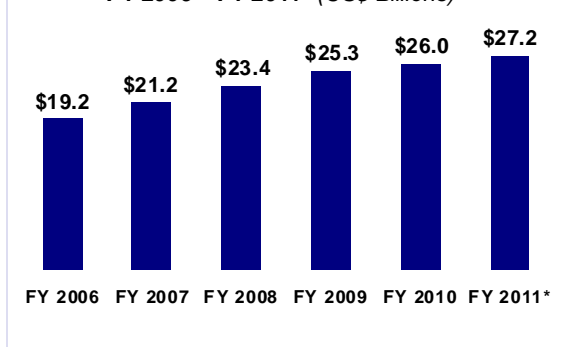
U.S. Federal Funding for HIV/AIDS: The President's FY 2011 Budget Request

February 2010

President Obama's Fiscal Year (FY) 2011 federal budget request, released on February 1, includes an estimated \$27.2 billion for combined domestic and global HIV/AIDS activities.¹ Domestic HIV/AIDS is funded at \$20.5 billion and global at \$6.7 billion.² The FY 2011 request represents a 4.6% increase (\$1.2 billion) over FY 2010, which totaled \$26 billion. Congress will now consider the request and is expected to finalize spending levels in late 2010. Detailed data for FY 2006-FY 2011 are provided in Tables 1-2.

Federal funding for HIV/AIDS has increased significantly over the course of the epidemic, including by \$8 billion (or 42%) since FY 2006 (see Figure 1). This growth has been driven primarily by increased spending on mandatory domestic care and treatment programs, as more people are living with HIV/AIDS in the U.S., and by increased funding to combat the global epidemic. Federal funding for HIV/AIDS, however, represents a small fraction (<1%) of the overall federal budget of the United States.

Figure 1: Federal Funding for HIV/AIDS, FY 2006 – FY 2011* (US\$ Billions)

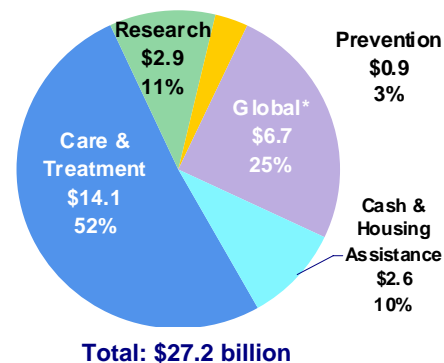


The federal HIV/AIDS budget is generally organized into five broad categories: *care*; *cash and housing assistance*; *prevention*; *research*; and *global/international*. The first four categories are for domestic programs only. About half (52%) of the FY 2011 request is for care and treatment programs in the U.S.; 10% is for domestic cash/housing assistance; 3% is for domestic HIV prevention; 11% is for domestic HIV research; and 25% is for the global epidemic, including funding for international research (See Figure 2).

Federal funding is either **mandatory** or **discretionary**. Discretionary funding levels are determined by Congress each year through the appropriations process. Mandatory spending, primarily for entitlement programs, is determined by eligibility rules and cost of services for those who are eligible, and is not dependent on annual Congressional appropriations (e.g., if more people are eligible and/or the cost of services goes up, mandatory spending will also increase). Mandatory spending accounts for \$12.9 billion, or 47%, of the budget request and

includes: Medicaid, Medicare, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), and the Federal Employees Health Benefits Plan (FEHB), programs which provide health coverage and cash assistance for people with HIV/AIDS.

Figure 2: Federal Funding for HIV/AIDS by Category, FY 2011 Budget Request* (US\$ Billions)



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

The remainder of the federal HIV/AIDS budget (\$14.3 billion or 53%) is discretionary, and is determined annually by Congress during the appropriations process. Of this, \$7.6 billion (28% of the overall AIDS budget request and 53% of the discretionary component of the request) is for domestic programs – prevention research, housing, and non-mandatory care programs (e.g., the Ryan White Program). The remainder of the discretionary budget, \$6.7 billion (25% of the overall request and 47% of the discretionary component), is for the global epidemic. The share of the discretionary budget allocated to global HIV/AIDS increased significantly between 2006 and 2009 but has remained fairly stable as a share since then (See Figure 3).

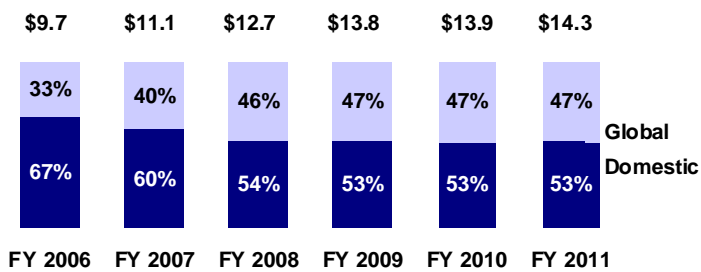
The Domestic HIV/AIDS Budget

Care: The largest component of the federal AIDS budget is health care for people living with HIV/AIDS in the U.S., which totals \$14.1 billion in the FY 2011 request (52% of the total and 69% of the domestic share). This represents a 7% increase over FY 2010, primarily due to increased mandatory spending for Medicaid and Medicare. The Ryan White Program, the largest HIV-specific discretionary grant program in the U.S. and third largest source of funding for HIV care, is funded at \$2.3 billion in the budget, a \$39.5 million increase over FY 2010. The increase would be used to expand access to care, particularly for medications through the AIDS Drug Assistance Program (ADAP) which receives \$855 million in the request (a \$20 million increase). Additional resources are also provided to other parts of the Ryan White program, including resources

to reduce HIV-related health disparities in communities of color.

Cash and Housing Assistance: Cash and housing assistance total \$2.6 billion, or 10% of the FY HIV/AIDS 2011 budget request. This 3% increase over FY 2010 is due to increased mandatory spending estimates for cash assistance through the SSI and SSDI programs which provide support to people with HIV who are disabled. Housing assistance, through HOPWA, the Housing Opportunities for Persons with AIDS Program, a discretionary program, receives \$340 million in the request, a \$5 million increase.

Figure 3: Discretionary Funding for HIV/AIDS, Domestic & Global Shares, FY 2006-FY 2011*
(USD \$Billions)



Prevention: Domestic HIV prevention represents the smallest category of the HIV/AIDS budget (3%). The FY 2011 request includes \$947.7 million for HIV prevention, which represents a \$36 million increase over FY 2010. The increase will be used for several activities including the launch of a multi-year HIV prevention initiative targeting gay and bisexual men and to enhance HIV surveillance among at risk populations. Most prevention funding is provided to the Centers for Disease Control and Prevention's (CDC) National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention (NCHHSTP), which receives \$758.5 million in the budget request, a 4% increase for the Center.

Research: The budget request includes \$2.9 billion (11% of the budget) for domestic HIV research, a 3% increase over FY 2010. The National Institutes of Health (NIH), which carries out almost all of the domestic HIV research of the federal government, receives \$2.7 billion (additional amounts are used for international HIV research, attributed to the global category).

Minority AIDS Initiative

The budget request also includes funding for the Minority AIDS Initiative (MAI), a federal initiative created in 1998 in response to growing concern about the impact of HIV/AIDS on racial and ethnic minorities in the United States. The MAI provides funding across several agencies and programs within the Department of Health and Human Services (and these amounts are reflected in the domestic care and prevention totals above), and is funded at \$428.5 million in the request, a 2% increase over FY 2010 levels.

The Global HIV/AIDS Budget

The U.S. government first provided funding to address the global HIV/AIDS epidemic in 1986. Since then, funding for global HIV/AIDS has risen significantly and grown as a share of the HIV/AIDS budget, although recent increases have been much less. The FY 2011 budget request includes \$6.7 billion for global HIV/AIDS, a 2% increase over FY 2010, and represents a quarter of the budget request for HIV/AIDS. All U.S. funding for global HIV/AIDS is part of PEPFAR, the President's Emergency Plan for AIDS Relief, first authorized in FY 2003 and reauthorized in FY 2008.³

\$5.1 billion of the request is for bilateral activities in PEPFAR-supported countries and \$119 million is for contributions to UNAIDS, the International AIDS Vaccine Initiative, and Microbicides; an additional \$471 million is for international research. The request also includes \$1 billion for the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), a 5% decrease from FY 2010 funding levels. The Global Fund is an independent, public-private, multilateral institution which finances HIV/AIDS, TB, and malaria programs in low and middle income countries. The U.S. was its first contributor when the Global Fund was created and is the largest single donor today. Contributions to the Global Fund are made by the U.S. and other donors without specifying disease allocations, and in turn are distributed by the Global Fund based on a review of country proposals for the three diseases. To date, 61% of the funding distributed by the Global Fund has supported HIV programs (14% has been allocated to TB and 25% to malaria).⁴ If this distribution is applied to U.S. Global Fund contributions to determine an estimated HIV/AIDS share, the FY 2011 request would be approximately \$610 million.

*Congress also provides funding for bilateral TB programs through PEPFAR, although these amounts are not included in the totals presented here (with TB, total PEPFAR funding in the FY 2011 request is approximately \$7 billion). PEPFAR legislation also authorizes bilateral funding for malaria but those amounts are counted as part of the President's Malaria Initiative (PMI).

Table 1: Federal Funding for HIV/AIDS by Category, FY 2006-FY 2011* (US \$Billions)

Category	2006	2007	2008	2009	2010	2011*
Care/Treatment	\$10.3	\$11.0	\$11.7	\$12.4	\$13.2	\$14.1
Cash/Housing	\$2.1	\$2.2	\$2.3	\$2.5	\$2.5	\$2.6
Prevention	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9	\$0.9
Research	\$2.6	\$2.7	\$2.7	\$3.0	\$2.8	\$2.9
Global	\$3.2	\$4.4	\$5.9	\$6.5	\$6.6	\$6.7
Total	\$19.2	\$21.2	\$23.4	\$25.3	\$26.0	\$27.2

References

¹ Unless otherwise noted, all data sources are listed below Table 2.
² 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" but is generally attributed to the global category.
³ P.L. 108-25, May 27, 2003; P.L. 110-293, July 30, 2008.
⁴ See: www.theglobalfund.org.

Table 2: Federal Funding for HIV/AIDS, FY 2006 - FY 2011^{1,2}

Program/Account (USD \$ Millions)	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011*	Change FY 2010-FY 2011	
							\$	%
Domestic Programs & Research							\$	%
Ryan White Program ³	\$2,061.3	\$2,137.8	\$2,166.8	\$2,238.4	\$2,290.9	\$2,330.4	\$39.5	1.7%
<i>ADAP (non-add)</i>	\$789.0	\$789.5	\$794.4	\$815.0	\$835.0	\$855.0	\$20.0	2.4%
CDC Domestic Prevention (& Research)	\$715.7	\$758.3	\$732.1	\$731.9	\$768.0	\$798.5	\$30.6	4.0%
<i>NCHHSTP (non-add)</i>	\$651.7	\$695.5	\$691.9	\$691.9	\$728.0	\$758.5	\$30.6	4.2%
National Institutes of Health (domestic only)	\$2,528.9	\$2,544.1	\$2,516.7	\$2,870.6	\$2,631.4	\$2,713.7	\$82.3	3.1%
Substance Abuse & Mental Health Serv Admin (SAMHSA)	\$171.9	\$171.5	\$172.1	\$178.2	\$178.5	\$178.3	(\$0.2)	-0.1%
Department of Veterans Affairs (VA)	\$468.0	\$505.0	\$639.0	\$701.0	\$801.0	\$913.0	\$112.0	14.0%
Housing Opportunities for Persons with AIDS (HOPWA)	\$286.1	\$286.1	\$300.1	\$310.0	\$335.0	\$340.0	\$5.0	1.5%
<i>Minority HIV/AIDS Initiative (non-add)</i>	\$399.8	\$399.8	\$401.0	\$410.6	\$421.3	\$428.5	\$7.2	1.7%
Other discretionary ⁴	\$281.1	\$279.4	\$285.5	\$290.6	\$301.6	\$306.0	\$4.5	1.5%
<i>Subtotal discretionary</i>	\$6,513.0	\$6,682.2	\$6,812.3	\$7,320.6	\$7,306.3	\$7,580.0	\$273.7	3.7%
Medicaid (federal only)	\$3,600.0	\$3,900.0	\$4,100.0	\$4,400.0	\$4,700.0	\$5,100.0	\$400.0	8.5%
Medicare	\$3,900.0	\$4,200.0	\$4,500.0	\$4,800.0	\$5,100.0	\$5,400.0	\$300.0	5.9%
Social Security Disability Insurance (SSDI)	\$1,412.1	\$1,491.4	\$1,557.2	\$1,659.2	\$1,700.0	\$1,711.9	\$11.9	0.7%
Supplemental Security Income (SSI)	\$435.0	\$410.0	\$465.0	\$485.0	\$505.0	\$565.0	\$60.0	11.9%
Federal Employees Health Benefits (FEHB) Plan	\$100.0	\$107.0	\$114.0	\$123.0	\$143.0	\$154.0	\$11.0	7.7%
<i>Subtotal mandatory</i>	\$9,447.1	\$10,108.4	\$10,736.2	\$11,467.2	\$12,148.0	\$12,930.9	\$782.9	6.4%
Subtotal Domestic	\$15,960.1	\$16,790.6	\$17,548.5	\$18,787.8	\$19,454.3	\$20,510.9	\$1,056.6	5.4%
Global Programs & Research							\$	%
USAID (through GHCS Fund)	\$346.5	\$325.0	\$347.2	\$350.0	\$350.0	\$350.0	\$0.0	0.0%
USAID (other)	\$27.3	\$20.9	\$24.7	\$0.0	\$0.0	\$0.0	\$0.0	--
State Department Global AIDS Initiative (GAI)	\$1,777.1	\$2,869.0	\$4,116.4	\$4,559.0	\$4,609.0	\$4,800.0	\$191.0	4.1%
Foreign Military Financing	\$2.0	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	--
CDC Global AIDS Program (GAP)	\$122.6	\$121.0	\$118.9	\$118.9	\$119.0	\$118.1	(\$0.9)	-0.7%
Department of Defense (DoD)	\$5.2	\$0.0	\$9.0	\$8.0	\$10.0	\$0.0	(\$10.0)	-100.0%
<i>Subtotal prevention, care, treatment⁵</i>	\$2,280.7	\$3,337.5	\$4,616.2	\$5,035.9	\$5,088.0	\$5,268.1	\$180.1	3.5%
Global Fund ⁶	\$544.5	\$724.0	\$840.3	\$1,000.0	\$1,050.0	\$1,000.0	(\$50.0)	-4.8%
<i>Global Fund – USAID (non-add)</i>	\$247.5	\$247.5	\$0.0	\$100.0	\$0.0	\$0.0	\$0.0	--
<i>Global Fund – GAI (non-add)</i>	\$198.0	\$377.5	\$545.5	\$600.0	\$750.0	\$700.0	(\$50.0)	-6.7%
<i>Global Fund – NIH (non-add)</i>	\$99.0	\$99.0	\$294.8	\$300.0	\$300.0	\$300.0	\$0.0	0.0%
<i>Subtotal prevention, care, treatment & Global Fund</i>	\$2,825.2	\$4,061.5	\$5,456.5	\$6,035.9	\$6,138.0	\$6,268.1	\$130.1	2.1%
NIH international HIV research	\$373.0	\$361.7	\$411.7	\$467.4	\$454.2	\$470.6	\$16.5	3.6%
Subtotal Global	\$3,198.2	\$4,423.2	\$5,868.1	\$6,503.3	\$6,592.1	\$6,738.7	\$146.6	2.2%
TOTAL	\$19,158.3	\$21,213.8	\$23,416.6	\$25,291.1	\$26,046.5	\$27,249.6	\$1,203.1	4.6%

NOTES: (1) Data are rounded and adjusted to reflect across-the-board rescissions to discretionary programs as required by appropriations bills in some years and some data are still considered preliminary. (2) FY 2009 includes funding from the American Recovery and Reinvestment Act of 2009 (ARRA). (3) Ryan White totals include \$25 million for Special Projects of National Significance (SPNS). (4) "Other domestic funding" includes amounts at: DHHS Office of the Secretary; Health Resources and Services Administration; Food and Drug Administration; Indian Health Service; Agency for Healthcare Research and Quality; and the Departments of Defense, Justice, and Labor. (5) Includes funding for UNAIDS, the International AIDS Vaccine Initiative, and Microbicides. (6) Global Fund grants support country projects to fight HIV/AIDS, tuberculosis, and malaria; approximately 61% of grants awarded to date have been for HIV/AIDS. Figures used here are not adjusted to represent an estimated HIV/AIDS share unless noted.

SOURCES: Kaiser Family Foundation analysis of data from: FY 2011 Budget of the United States and Congressional Budget Justifications; Congressional Appropriations Bills and Conference Reports; White House Fact Sheet, Federal Budget Fiscal Year 2011, Fighting the HIV/AIDS Epidemic, February 2010; Office of Management and Budget, personal communication, February 2010; Social Security Administration, personal communication, February 2010; Centers for Medicare and Medicaid Services, personal communication, May 2009; Congressional Research Service.