Trends in U.S. Government Funding for HIV/AIDS

Fiscal Years 1981 to 2004

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Overview

This policy brief provides an analysis of trends in US federal funding for HIV/AIDS since fiscal year (FY) 1981. Cumulatively through its FY 2004, the US government has invested approximately $150 billion for domestic and international HIV/AIDS programs.

Beginning with a few hundred thousand dollars in FY 1981, federal HIV/AIDS funding increased to $8 million only one year later, and then nearly doubled every year from FY 1982 to FY 1989. Since then, increases in federal funding for combating the epidemic have been more gradual. FY 2004 federal funding for HIV/AIDS is expected to total $18.5 billion, an increase of 11% over FY 2003. The President's budget request for FY 2005 includes $19.8 billion for HIV/AIDS, a proposed increase of 7%.

Federal funding for HIV/AIDS programs can be organized into five general funding categories: care (health and support services); cash and housing assistance; research; prevention; and global or international programs. The lines between these categories are not always distinct, however, as actual activities and programs may span across more than one category.

More than half (59%) of the $18.5 billion of funding for FY 2004 was for care activities, 9% for cash and housing assistance, 16% for research, 5% for prevention, and 10% for international.

Federal funding for HIV/AIDS includes both mandatory and discretionary funding. Mandatory, or "entitlement," funding includes the US health care financing programs, Medicaid and Medicare, and Social Security cash assistance programs.[1]

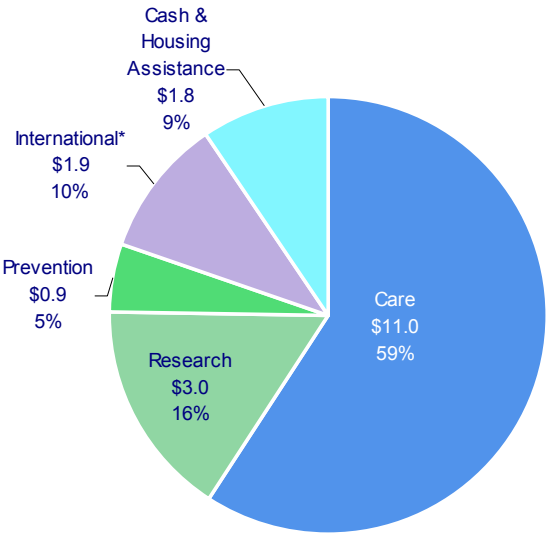
All other components of the federal HIV/AIDS budget—other care and treatment, prevention, housing assistance, research, and international activities—are discretionary programs for which Congress directly determines funding limits on an annual basis through appropriations legislation and accompanying report language; in some cases, Congress leaves it to the administering agencies to set specific budgets for HIV/AIDS programs.

Discretionary funding accounted for the majority of overall HIV/AIDS funding for the first 15 years of the epidemic, although mandatory funding rose at a faster rate over this period such that by FY 1995 it equaled discretionary funding. This acceleration in mandatory funding is largely because many people with HIV/AIDS become (or are already) low income and disabled and therefore qualify for the nation's health insurance entitlement programs. Since FY 1995, mandatory funding has generally represented the majority of federal HIV/AIDS funding (see Figure 2). In FY 2004, mandatory funding for HIV/AIDS was $9.8 billion, accounting for slightly more than half (53%) of total funding, while discretionary funding totaled $8.7 billion (47% of the total).

Two main factors drive the overall budget increase in FY 2004: growing mandatory funding for domestic care and cash assistance programs (an increase of $873 million over FY 2003); and growing discretionary funding for global HIV/AIDS activities (an increase of $715 million over FY 2003). Together they make up most (89%) of the $1.8 billion increase.

Most federal HIV/AIDS funding is dedicated to domestic activities (90% of the total $18.5

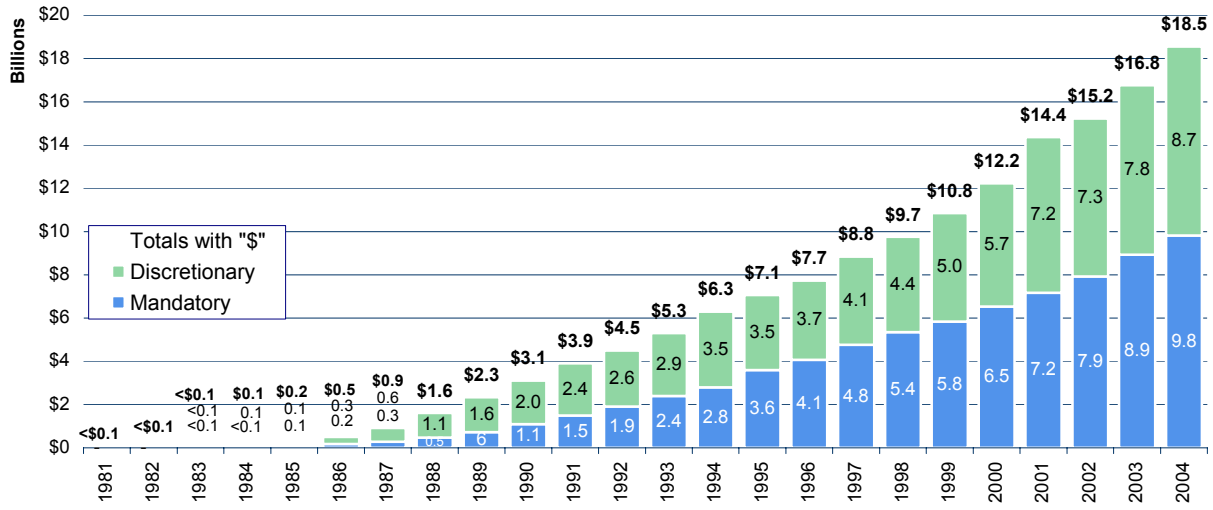
Figure 1: Federal Funding for HIV/AIDS by Category—FY 2004[2-8]
(US$ Billions)



Total: $18.5 billion

*Excluded from the International category is $334 million in international research funding ($323 million from NIH that is in the research category and $11 million from CDC that is in the prevention category).[2,9] If international research funding is shifted to the international category, it would total $2.3 billion and comprise 12% of the total.

Figure 2: Discretionary and Mandatory Federal Funding for HIV/AIDS—FY1981-2004[2,3,7,8,10]
(US$ Billions)



billion in FY 2004). However, international activities represent an increasing percentage, growing from 2% in 1995 to 10% in FY 2004, not including international HIV research. With international research, this category rises to 12% of the total.

A substantial portion of federal HIV/AIDS funding (78% in FY 2004) is administered by the Department of Health and Human Services (HHS) and its sub-agencies. This proportion has remained relatively constant since 1995, when HHS comprised 74% of total federal funding for HIV/AIDS.

HIV/AIDS funding increased from $7.1 billion in FY 1995 to $18.5 billion in FY 2004, an increase of 162%. Funding for international programs grew by the largest percentage (1404%) while funding for prevention programs grew by the smallest percentage (46%). International funding has also grown as a percentage of total federal HIV/AIDS funding, from 2% in FY 1995 to 10% in FY 2004. Despite this growth, the prevention and international categories combined still represent a relatively small proportion of overall federal HIV/AIDS funding (15%).

Funding for HIV/AIDS care programs increased by 193% between FY 1995 and FY 2004, from $3.7 billion to $11.0 billion. Care funding represents an increasing percentage of total HIV/AIDS funding, growing from 53% of FY 1995 funding to 59% of FY 2004 funding.

Funding for cash and housing assistance programs to benefit people living with HIV/AIDS increased by more than 67% since FY 1995, from $1.1 billion in FY 1995 to $1.8 million in FY 2004. These programs represent a decreasing share of total HIV/AIDS funding, falling from 15% in FY 1995 to 9% in FY 2004.

Funding for HIV/AIDS research has grown in amount but has decreased as a percentage of overall HIV/AIDS funding. The budget for research nearly doubled between FY 1995 and FY 2004 (increasing from $1.5 billion to $3.0 billion). Research has declined as a share of total HIV/AIDS funding, falling from 21% of FY 1995 funding to 16% of FY 2004 funding.

Federal funding for HIV/AIDS prevention increased from $638 million in FY 1995 to $933 million in FY 2004, the smallest percentage increase (46%) of all funding categories. Prevention also represents a decreasing share of overall HIV/AIDS funding, declining from 9% in FY 1995 to 5% in FY 2004.

At both NIH and CDC, funding for domestic activities grew at substantially slower rates than did funding for international efforts.

Introduction

This policy brief analyzes trends in US federal funding for HIV/AIDS, focusing particularly on the period between FY 1995 and FY 2004, and is a companion document to the *Federal HIV/AIDS Spending: A Budget Chartbook* series.[10,11] Complementary information on international funding is also available from *U.S. Government Funding for HIV/AIDS in Resource Poor Settings.*[12]

Federal HIV/AIDS funding is generally divided into the following broad categories: care (health and support services); cash and housing assistance; research; prevention: and global or international. Actual programs and activities, however, may span more than one category; to the extent possible, data are presented using these categories unless otherwise noted.

There are two broad types of federal funding: mandatory and discretionary. With respect to HIV/AIDS, mandatory or "entitlement" funding includes the U.S. Medicaid, Medicare, Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs.[1] Mandatory funding generally changes each year (increases or decreases) based on the cost of delivering services to individuals who are eligible for and enrolled in these programs. HIV/AIDS-related funding levels presented for these programs are estimates developed by their administering agencies.

All other parts of the HIV/AIDS budget are discretionary programs for which Congress directly determines funding limits on an annual basis. Therefore, funding may not correspond to the number of people who need services or the actual costs of providing those services. Discretionary HIV/AIDS funding supports prevention, research, and some health care and related support service programs. In addition, all international HIV/AIDS funding comes through discretionary accounts.

Unless otherwise noted, data used in this report reflect either funds specifically designated ("earmarked") for HIV/AIDS in appropriations legislation or accompanying report language, or agency estimates.

In many cases, particularly with some of the international HIV/AIDS accounts, actual disbursement of funds ("outlays") from federal agencies to programs, contractors or beneficiaries may extend beyond the fiscal year in which they were budgeted or appropriated. Also, programs may receive support with funds remaining from previous fiscal years.

Funding by the federal government as an employer providing health insurance to its employees with HIV/AIDS is also included in this report and is part of mandatory funding. In FY 2004, health insurance costs for federal employees living with HIV/AIDS totaled $343 million.[3]

Funding from state and local governments is not included here, though it represents an important component of public sector funding for HIV/AIDS. For example, in FY 2004, the state share of Medicaid funding for HIV/AIDS was estimated to be $4.3 billion while Federal funding was $5.4 billion.[3,4] Similarly, Congress designated $639 million in FY 2002 for the AIDS Drug Assistance Program, a component of the Ryan White CARE Act that supports states to provide medicines to needy patients; states provided an additional $160 million.[13]

No adjustments have been made for inflation, although it may be a significant factor in understanding the impact of funding increases. For example, the consumer price index for medical care increased 35% from 1995 to 2003.[14] Similarly, no adjustments are made to reflect the growing number of persons living with HIV/AIDS, although in the US the estimated number of people living with AIDS at the end of 2002 was almost twice that of 1995.[15,16]

Analysis of Federal Funding for HIV/AIDS

From FY 1981 through FY 2004, the US government invested over $150 billion in combating the HIV/AIDS epidemic.[2-4,7,8,10,11,17] Federal funding for HIV/AIDS began in 1981, the first year the epidemic was officially recognized, with the appropriation of several hundred thousand dollars for research. Since then, funding for HIV/AIDS has increased significantly. In FY 2004, federal funding for HIV/AIDS activities totaled $18.5 billion.[3,5,7,8,17] For FY 2005, the President requested $19.8 billion in his budget proposal to Congress.[18] (See Figure 1 above.)

Funding through both mandatory and discretionary programs has increased over time, reflecting growth in the number of people living with HIV/AIDS and the costs of providing them with care and other services.

Discretionary HIV/AIDS funding accounted for the majority of overall HIV/AIDS funding for the first 15 years of the epidemic, although mandatory funding rose at a faster rate over this period such that by FY 1995 it equaled discretionary funding. This acceleration in mandatory funding is largely because many people with HIV/AIDS become (or were already) low income and disabled and therefore qualify for the nation's health insurance entitlement programs.[19]

Since FY 1995, mandatory funding has generally represented the majority of federal HIV/AIDS funding (see Figure 2). In FY 2004, mandatory funding for HIV/AIDS was $9.8 billion, accounting for slightly more than half (53%) of total funding, while discretionary funding totaled $8.7 billion, 47% of the total.[3,4,7,8,17] (See Figure 2.)

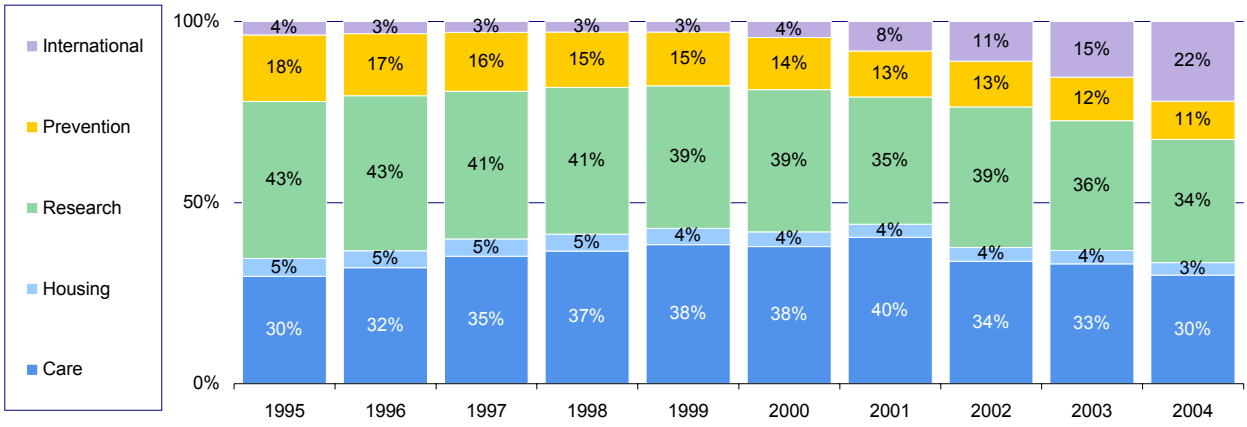
Comparable data on mandatory funding for other diseases are generally not available, although analyses indicate that funding by Medicaid and Medicare for cancer and diabetes, for example, is significantly higher than for HIV/AIDS.[24]

Current Funding

In fiscal year 2003, total estimated federal funding for HIV/AIDS is $18.5 billion, an 11% percent increase over FY 2003.[2,3,7,8,10,17] At this level, federal funding for HIV/AIDS represents less than one percent of the total US government's $2.3 trillion budget for FY2004.[25]

Most federal funding for HIV/AIDS is dedicated to domestic activities (90% in FY 2004), and most (78%) is administered by the Department of Health and Human Services (HHS) and its subsidiary agencies. More than half (59%) is devoted to care, 9% for cash and housing assistance, 16% for research, 5% for prevention, and 10% for international programs excluding international research (see Figure 1).

Figure 3: Federal Discretionary HIV/AIDS Funding by Category as Percentage of Total Federal Discretionary HIV/AIDS Funding—FY 1995-2004[2-5,7,10-12,17,20-23]



Note: Not included in the International category is $334 million in international research funding ($323 million from NIH that is in the research category and $11 million from CDC that is in the prevention category).[2,9]

Trends in Funding by Category

Federal funding for HIV/AIDS has increased over time, rising from $7.1 billion in FY 1995 to $18.5 billion in FY 2004, an increase of 162%.

Funding for international programs grew by the largest percentage (1404%) while funding for prevention grew by the smallest percentage (46%).[3,7,8] International funding has also grown as a percentage of total federal HIV/AIDS funding, from 2% in FY 1995 to 10% in FY 2004. Despite this growth, the prevention and international categories combined still represent a relatively small proportion of overall federal HIV/AIDS funding (15%).

Two main factors drive the overall budget increase in FY 2004: growing mandatory funding for domestic care and cash assistance programs (an increase of $873 million over FY 2003); and growing discretionary funding for global HIV/AIDS activities (an increase of $715 million over FY 2003). Together they make up most (89%) of the $1.8 billion increase.

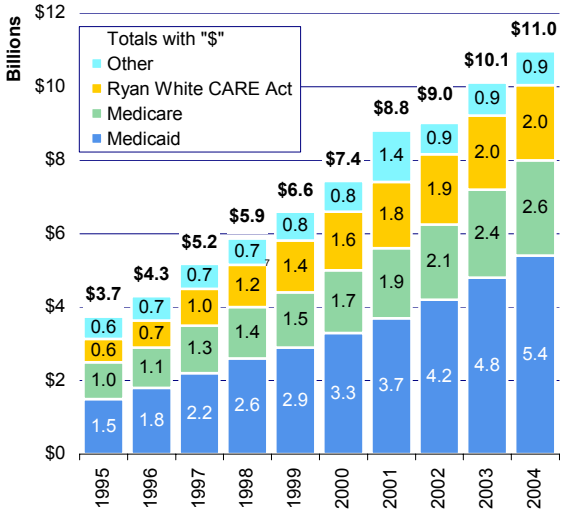
Care

The greatest amount of federal resources for HIV/AIDS is channeled into domestic health care for people living with HIV/AIDS. (Funding for care provided to persons living with HIV/AIDS in resource poor countries is included in the international section of this paper.)

Federal funding for HIV/AIDS care is expected to total $11.0 in FY 2004, mostly through the Medicaid and Medicare entitlement programs and through the Ryan White CARE Act; combined, these three programs accounted for $10.0 billion, representing 92% of total HIV/AIDS care funding in FY 2004 (see Figure 4).[4,7,17,22] Other care funding in FY 2004 was provided through the Department of Veterans Affairs ($359 million), and the Federal Employee Health Benefits (FEHB) program ($343 million).[3,7,8]

Federal funding for HIV/AIDS care increased gradually until the introduction of newer, more expensive therapies, drops in death rates, and increasing numbers of people living with HIV/AIDS resulted in sharper funding increases. A study of Medicaid spending for antiretrovirals found that it increased significantly between 1991 and 1998, particularly after the introduction of protease inhibitors and highly-active antiretroviral therapy (HAART).[26] Similarly, spending on drugs by the AIDS Drug Assistance Program

Figure 4: Federal Funding for HIV/AIDS Care—FY 1995-2004[2-4,7,8,10,11,17,20]
(US$ Billions)



(ADAP) of the CARE Act has also increased significantly since the introduction of HAART. Drug expenditures by ADAPs increased by 370% between 1996 and 2002, mostly for antiretroviral therapies (86% in 2002).[13]

For the period FY 1995 to FY 2004, HIV/AIDS care funding nearly tripled, rising from $3.7 billion to $11.0 billion (193%). Still, during that same time period, care funding increased slightly as a percentage of total HIV/AIDS funding, rising from 53% of total funding in FY 1995 to 59% in FY 2004.

Funding for mandatory care programs (primarily Medicaid and Medicare) increased at a faster rate between FY 1995 and FY 2004 than funding for discretionary care programs (208% versus 155%). Mandatory funding for care represented 76% of total care funding in FY 2004 and 45% of overall funding in that year. (See Figure 2.)

In FY 2004, the federal share of Medicaid accounted for the federal government's single largest expenditure to address the HIV/AIDS epidemic, comprising more than a quarter (29%) of the total federal HIV/AIDS funding and nearly half (49%) of care funding.[3] This does not include Medicaid funding by the states, which provide matching dollars (estimated at $4.3 billion in FY 2004[4]). Federal Medicaid funding for HIV/AIDS care has increased steadily since the start of the epidemic, rising from $10 million in FY 1983 to $1.5 billion in FY 1995 and $5.4 in FY 2004 (see Table 1.)[4]

Table 1: Federal Funding for HIV/AIDS Care through Medicaid and Medicare—FY 1995–2004[4]
(US$ Billions)

	Medicaid	Medicare	Total	% Change
1995	$1.5	$1.0	$2.5	
1996	1.8	1.1	2.9	16%
1997	2.2	1.3	3.5	21%
1998	2.6	1.4	4.0	14%
1999	2.9	1.5	4.4	10%
2000	3.3	1.7	5.0	14%
2001	3.7	1.9	5.6	12%
2002	4.2	2.1	6.3	12%
2003	4.8	2.4	7.2	15%
2004	5.4	2.6	8.0	11%
Total	**$32.4**	**$17.0**	**$49.4**	
Change	+260%	+160%	+220%	

Table 2: Federal Funding for HIV/AIDS Care through the Ryan White CARE Act—FY 1995-2004[3,7,8,10,11,17,27]
(US$ Millions)

	Ryan White CARE Act	% Change
1995	$633	
1996	739	17%
1997	996	35%
1998	1,150	15%
1999	1,411	23%
2000	1,594	13%
2001	1,808	13%
2002	1,910	6%
2003	2,018	6%
2004	2,045	1%
Total	**$14,304**	
Change	+223%	

Table 3: Federal Funding for HIV/AIDS Cash and Housing Assistance Programs —FY 1995–2004[3,4,7,8,17]
(US$ Millions)

	SSI	SSDI	HOPWA	Total
1995	$250	$634	$171	$1,055
1996	$250	$688	$171	$1,109
1997	$275	$742	$196	$1,213
1998	$305	$792	$204	$1,301
1999	$330	$836	$225	$1,391
2000	$370	$884	$232	$1,486
2001	$340	$939	$257	$1,536
2002	$385	$987	$277	$1,649
2003	$395	$1,019	$290	$1,704
2004	$415	$1,050	$295	$1,760
Total	**$3,315**	**$8,571**	**$2,318**	**$14,204**
Change	+66%	+66%	+73%	+67%

Medicare accounts for the second-largest share of the federal HIV/AIDS budget, constituting 14% of total funding and 24% of care funding in FY 2004. Medicare funding for HIV/AIDS has increased steadily every year, rising from $5 million in FY 1985 to $1.0 billion in FY 1995 and to $2.6 billion in FY 2004 (see Table 1).[4,7,8] As a percentage of total HIV/AIDS care funding, Medicare has fallen slightly from 27% in FY 1995 to 24% in FY 2004.

The Ryan White CARE Act, administered by the Health Resources and Services Administration (HRSA), is the largest discretionary program for HIV/AIDS care. In FY 2004, CARE Act funding was 11% of total federal HIV/AIDS funding and 19% of care funding.[3,7,8] Federal funding for the CARE Act more than tripled from FY1995 to FY 2004, rising from $633 million to $2.0 billion, an increase of 223%.[3,7,10] As a percentage of the overall category of care, CARE Act funding increased only slightly from 17% in FY 1995 to 19% in FY 2004.

Most of the growth in the CARE Act is due to increases for the AIDS Drug Assistance Program (ADAP), a component of the CARE Act that helps states provide HIV-related prescription drugs to those living with HIV without adequate insurance coverage. From FY 1996 to FY 2004, federal ADAP funding increased from $52 million to $749 million, accounting for over half of CARE Act increases during that period.[3,7,8,22,27] This does not include significant voluntary contributions made from other components of the CARE Act and by states, many of which supplement federal funding for ADAP.[13]

Relative to HRSA's overall budget, its funding for HIV/AIDS through the CARE Act and other HIV/AIDS programs has increased at a faster rate. From FY 1995 to FY 2004, HRSA's budget grew 102%, from $3.0 billion to $6.1 billion. During that same period, its HIV/AIDS funding increased 210%, from $661 million to $2.1 billion. It also increased as a share of the agency's overall budget: in FY 1995, HIV/AIDS funding represented 22% of HRSA's budget while in FY 2004 it represented 34%.

Cash and Housing Assistance

Programs that provide cash disability and housing assistance to people living with HIV/AIDS accounted for 9% of total federal HIV/AIDS funding in FY 2004. Cash assistance programs are the Social Security Disability In-

surance (SSDI) and Supplemental Security Income (SSI) programs, administered by the Social Security Administration; the major housing assistance program is Housing Opportunities for Persons with AIDS (HOPWA), administered by the Department of Housing and Urban Development (HUD). SSDI and SSI are mandatory funding programs; HOPWA is a discretionary program. (Other HUD programs serving low-income and disabled persons also provide assistance to people with HIV/AIDS but are not included in this report because HIV/AIDS-specific data are unavailable.)

Combined funding for these three programs to assist people with HIV/AIDS has increased steadily, rising from $1.1 billion in FY 1995 to $1.8 billion in FY 2004, an increase of 67% (see Table 3).[3,7] Funding for SSI and SSDI increased by 66% in that time period, while funding for HOPWA increased by 73%.[3] Together, these programs represent a decreasing share of overall federal HIV/AIDS funding, falling from 15% in FY 1995 to 9% in FY 2004.[3,7,8,17]

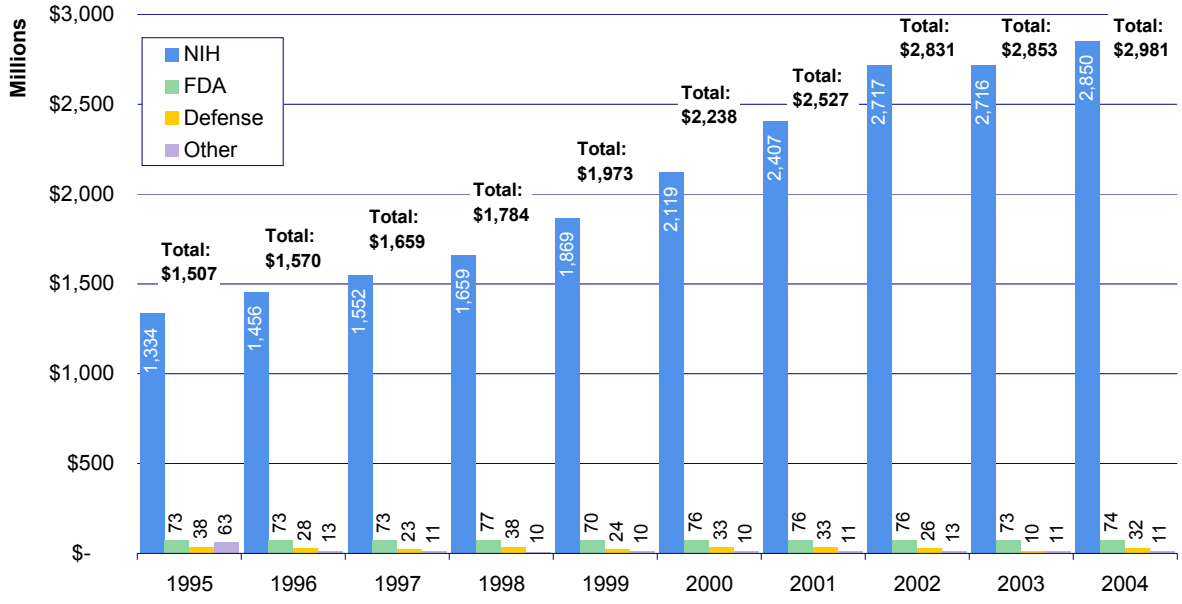
Research

In FY 2004, federal funding for domestic and international HIV/AIDS research is expected to total $3.0 billion across US government agencies, comprising 16% of total federal funding for HIV/AIDS.[5] Research refers to a range of biomedical, epidemiological, behavioral, health services and social science research activities. Agencies involved in HIV/AIDS research activities include the National Institutes of Health, Department of Veterans Affairs, Federal Drug Administration, Department of Defense, Centers for Disease Control and Prevention, Agency for Healthcare Research and Quality, and Indian Health Service.[5]

From FY 1995 to FY 2004, federal HIV/AIDS research funding increased by 97%, from $1.5 billion to $3.0 billion.[3,5,7,9,23,28] For the same period, funding for research programs as a share of total federal HIV/AIDS funding declined from 21% in FY 1995 to 16% in FY 2004; as a percentage of total discretionary HIV/AIDS funding, research funding declined from 43% to 34% in that same period.[3,5-9,11,23,28] (See Figure 5.)

With a FY 2004 HIV/AIDS budget of $2.9 billion[5,29], NIH administers almost all (96%) federal HIV/AIDS research funding. Its HIV/AIDS funding increased from $1.3 billion in FY 1995 (114%). NIH's HIV/AIDS research funding also includes international research projects, with funding growing from $47 million in FY 1995 to $323 million in FY 2004, an increase of 606%.[2,9,28] (CDC also supports a relatively small amount of prevention-related international research, which is included within the prevention category.)

Figure 5: Federal Funding for HIV/AIDS Research—FY 1995-2004[2-5,7-11,17,20,28,29]
(US$ Millions)



The pace of growth of HIV/AIDS research funding at the NIH has not kept pace with the agency's overall budget. While overall funding for NIH increased by 149% from FY 1995 to FY 2004, from $11 billion to $28 billion, its funding for HIV/AIDS research increased by 114%. In addition, HIV/AIDS research as a share of the overall NIH budget declined slightly from 12% in FY 1995 to 10% in FY 2004.[3,7-9,25,28,30-36]

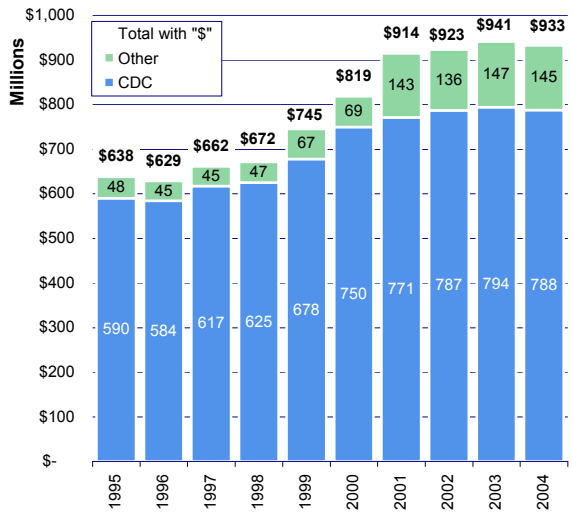
Prevention

Federal funding for HIV/AIDS prevention activities accounted for approximately 5% of total HIV/AIDS funding in FY 2004 and 11% of total discretionary funding.[3,7,8] Prevention programs provide information, education, counseling and risk reduction instruction to at-risk persons in order to reduce HIV transmissions and risk.[11] Funding for HIV prevention in resource poor countries is separately accounted for in the international section of this report.

Agencies involved in US prevention activities include the Centers for Disease Control and Prevention (CDC), Indian Health Service, Substance Abuse and Mental Health Services Administration, HRSA, and the Departments of Defense, Veterans Affairs, and Justice.

The amount of federal dollars allocated to prevention activities rose from $638 million in FY 1995 to $933 million in FY 2004, an increase of $295 million or 46%, the smallest percentage

Figure 6: Federal Funding for HIV/AIDS Prevention—FY 1995-2004[3,7,8,10,11,37]
(US$ Millions)



increase of all funding categories.[3,7,8] As a percentage of total federal HIV/AIDS funding, prevention declined, from 9% in FY 1995 to 5% in FY 2004; as a percentage of total discretionary HIV/AIDS funding, prevention declined from 18% in to 11% over that same period.

Most HIV/AIDS prevention funding is provided through the CDC. From FY 1995 to FY 2004, CDC's funding for HIV prevention increased by 34%, from $590 million to $788 million (see Figure 6).[3,7,8] (Included within its prevention funding is support for international research, estimated to total $11 million in FY 2004.[2])

Despite its growth, CDC's HIV/AIDS prevention budget represents a decreasing share of overall HIV/AIDS prevention funding, declining from 92% in FY 1995 to 84% in FY 2004.

Relative to the overall CDC budget, funding for HIV/AIDS prevention has grown at a slower pace. While CDC's funding increased 120% from $2.1 billion to $4.6 billion from FY 1995 to FY 2004, its HIV/AIDS prevention funding increased by 34%, from $590 million to $788 million. In addition, HIV/AIDS prevention represented a decreased share of CDC's overall budget, declining from 28% in FY 1995 to 17% in FY 2004.

International

US federal funding to support international HIV/AIDS programs increased from $127 million in FY 1995 to $1.9 billion in FY 2004, a 1404% increase, the largest of any category of HIV/AIDS funding (see Figure 7).[2,3,7-9,21,28] As a percentage of overall HIV/AIDS funding, international funding grew from 2% to 10% from FY 1995 to FY 2004; as a percentage of discretionary funding, international HIV/AIDS grew from 4% to 22% in that same period. The most substantial funding increases for international HIV/AIDS programs have come in the last three to four years.

Additional funds were also invested in international research activities by the NIH and the CDC (included in the research and prevention categories respectively). NIH and CDC estimate that in FY 2004, their international research funding totaled $334 million.[2,9] If international research funding from NIH and CDC is added to other international funding amounts, the total for FY 2004 is $2.3 billion or 12% of total federal HIV/AIDS funding.

There are an increasing number of federal international HIV/AIDS initiatives and programs. Key agencies involved include the US Agency for International Development (USAID); NIH; CDC; the Departments of Agriculture, Defense, and Labor; and the Peace Corps. In addition, the US has become a significant contributor to the Global Fund to Fight AIDS, Tuberculosis, and Malaria (the Global Fund). These contributions have been made through the accounts of USAID and NIH.

In FY 2004, USAID's funding for international HIV/AIDS totaled $549 million (excluding contributions to the Global Fund made through USAID).[7,8,17] This was nearly a four-fold (358%) increase from FY 1995's funding of $120 million.[2] However, it was a 12% decrease from the FY 2003 funding level of $626 million.[17]

USAID provides the largest share of international HIV/AIDS funding though that share has been declining. In FY 2004, USAID funding for international HIV/AIDS was less than one-third (29%) of total US government funding in this category, whereas in FY 1995 its provided almost all (94%) funding.[2,7,8] Most recently, from FY 2003 to FY 2004, USAID's share of federal international HIV/AIDS funding dropped from 52% to 29%.

This decline was largely because of first-time funding for the newly-established Office of the Global AIDS Coordinator at the State Department, which received $488 million in FY 2004.[7,8] This office, which oversees the President's Emergency Plan for AIDS Relief (PEPFAR), is expected to receive an increasing share of U.S. international HIV/AIDS funding.[18,25] In addition to funds under its direct control, the Coordinator also has broad authority to program or transfer international HIV/AIDS funding from other departments.[38]

CDC provided $292 million for international HIV/AIDS in FY 2004, including $149 million for the International Mother and Child HIV Prevention Initiative.[2,7,8,17,37] An additional $11 million for international research was also provided by CDC in FY 2004 (this amount is included within the prevention category). CDC's $292 million was 15% of total FY 2004 international HIV/AIDS funding, a share that has remained relatively constant since FY 2000, when CDC received its first significant funding for international HIV/AIDS support.[2,10]

The rate of growth for international HIV/AIDS funding at CDC has been significantly faster than its domestic HIV prevention budget. CDC's international HIV/AIDS funding increased 534% from FY 2000 to FY 2004, while its domestic funding increased by only 6% during that same period.

NIH provided $323 million of funding for international research in FY 2004. NIH funding has increased by 583% over its FY 1995 funding level of $47 million (this amount is included in the research category).[2]

International HIV/AIDS funding has become an increasing share of the total HIV/AIDS budg-

Table 4: Federal Funding for International HIV/AIDS by Agency—FY 2000–2004[2,7-9,17,28]
(US$ millions)

	2000	2001	2002	2003	2004
USAID	200	330	435	626	549
Global Fund*	0	100	175	348	547
CDC-GAP	46	105	144	183	292
DoD	1	10	14	7	4
Labor	0	10	9	10	10
USDA	0	25	25	25	25
Coordinator					488
Other	6	6	0	2	1
Total	**$253**	**$585**	**$802**	**$1,200**	**$1,916**
Totals including International Research					
CDC**	11	11	11	11	11
NIH**	112	160	218	279	323
Total	**$375**	**$756**	**$1,031**	**$1,490**	**$2,250**
Change		+101%	+36%	+45%	+51%

*US contributions to the Global Fund are provided through accounts at USAID and NIH, and support grants HIV/AIDS, tuberculosis and malaria (see Table 5).
**CDC's funding for international research is included in the prevention category. NIH's international research is included in the research category.

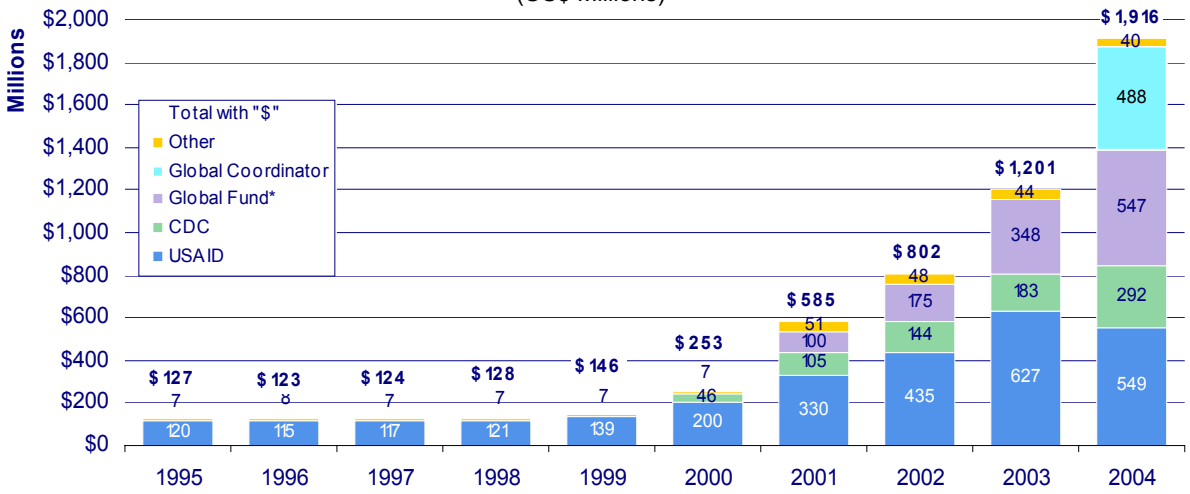
Table 5: US Contributions to the Global Fund, With Adjustment for Non-HIV/AIDS Portion*—FY 2001–2004[2,9,17,25,28]
(US$ Millions)

	2001	2002	2003	2004**
USAID	$100	$50	$248	$398
NIH	0	125	99	149
Totals	**$100**	**$175**	**$348**	**$547**
% Change	n/a	75%	99%	57%
Less non-HIV/AIDS*	(40)	(70)	(139)	(219)
Totals	**$60**	**$105**	**$209**	**$328**

* Total contributions reduced by 40%, the proportion of Global Fund grants made through 2003 supporting malaria and TB programs[39]
** FY 2004 figures reflect the President's budget proposal and are under consideration by Congress.

Figure 7: Federal Funding for International HIV/AIDS*—FY 1995-2004 (Excluding International Research)[2,9,17,28]

(US$ Millions)



*Global Fund grants made to date support programs for HIV/AIDS (60%) and for tuberculosis and malaria (40%).[39] See Table 5.

ets for both CDC and NIH. For CDC, its share has increased from 6% to 27% from FY 2000 to FY 2004. For NIH, its international HIV/AIDS research funding has grown from 3% to 11% of its total HIV/AIDS budget in that same period.

Contributions to the Global Fund, a new international organization that became operational in January 2002, have become an increasing channel for US international HIV/AIDS funding. In FY 2004, the Global Fund had the third-highest share of US international HIV/AIDS funding, with 29% of the total. The first US contribution came from FY 2001 funds with $100 million provided through USAID.[2,40] Additional contributions were made in fiscal years 2002 thru 2004 with funds from both USAID and NIH. In aggregate, the US has contributed a total of $1.2 billion to the Global Fund through FY 2004.

Global Fund grants made to date support programs for HIV/AIDS (60%) and for tuberculosis and malaria (40%).[39] Applying this proportion to the $1.2 billion total contributed by the US, $702 million (60%) went to fund grants for HIV/AIDS and $468 million (40%) for tuberculosis and malaria.[39] (See Table 5.)

Funding for international HIV/AIDS has also been provided by the Departments of Agriculture (USDA), Defense, and Labor, though combined they provided less than 5% of US funding for international HIV/AIDS in FY 2004.

The Minority HIV/AIDS Initiative

Some federal HIV/AIDS activities span multiple funding categories, such as the Minority HIV/AIDS Initiative (MAI). The MAI is a multi-agency effort, administered by HHS, which supports enhanced prevention, care and research funding to address the disproportionate impact of HIV/AIDS on racial and ethnic minority populations in the US. The initiative includes funds

Table 6: Federal Funding for the Minority HIV/AIDS Initiative—FY 1999–2004[3,5,7,8,41-43]

(US$ Millions)

	1999	2000	2001	2002	2003	2004
HRSA	24	74	110	124	130	130
CDC	48	61	88	96	103	103
NIH	8	9	7	5	5	0
SAMHSA*	26	48	92	105	111	110
OMH*	10	10	10	10	11	11
Women's Health*	0	0	0	1	1	1
Office of Secretary**	50	50	50	50	50	50
Total	**$166**	**$251**	**$358**	**$391**	**$411**	**$404**

*SAMHSA is the Substance Abuse and Mental Health Services Administration. OMH is the Office of Minority Health. Women's Health is the Office of Women's Health.
**For the "Minority Communities Fund" under the direct control of the Office of the Secretary of HHS but distributed to sub-agencies and offices for contracting and administration purposes.
Note: All these agencies and offices are within the Department of Health and Human Services.

identified within the budgets of several federal agencies within HHS, as well as funding to the "Minority Communities Fund" under the direct control of the Office of the Secretary of HHS but distributed to sub-agencies and offices for contracting and administration purposes.

For FY 1999, its first year, MAI funding totaled $166 million. In FY 2004, MAI funding is estimated to total $404 million for prevention, care, research and other activities across several agencies within the Department of Health and Human Services, a decrease of $7 million (2%) over FY 2003's funding total of $411 million (see Table 6).[3,7,8,41] MAI supplements other care, prevention, and support programs that also serve racial and ethnic minorities.

Conclusion

Federal funding for HIV/AIDS has increased every year since the epidemic was first identified, reaching an estimated $18.5 billion in FY 2004. The President's FY 2005 budget request for HIV/AIDS is $19.8 billion, a 7% increase. Within that budget request, domestic programs would receive an increase of $802 million (5%) and international funding would receive an additional $420 million (22%), excluding international research.[5,18] As with recent years, most of the increase in the President's budget request is driven by growing mandatory funding for domestic care and cash assistance programs and growing funding for discretionary international programs.[44]

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