



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

Fiscal Years 1981 to 2004

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March 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 fund-

ing 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)



*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.