



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

July 5, 2001

**H.R. 2069
Global Access to HIV/AIDS Prevention, Awareness, Education, and
Treatment Act of 2001**

*As ordered reported by the House Committee on International Relations
on June 27, 2001*

SUMMARY

H.R. 2069 would authorize programs for the prevention, treatment, and monitoring of acquired immune deficiency syndrome (AIDS) caused by the human immunodeficiency virus (HIV) in sub-Saharan Africa and other developing countries. Specifically, the bill would authorize appropriations for bilateral assistance programs, for the purchase of medicines, and for contributions to a global fund or other multilateral efforts to prevent, treat, and monitor HIV/AIDS. It would establish a Global Health Advisory Board to assist the President and other federal officials in administering international health programs and an interagency task force for coordinating federal efforts related to fighting HIV/AIDS in foreign countries. Assuming the appropriation of the authorized amounts, CBO estimates implementing H.R. 2069 would cost \$81 million in 2002 and \$1.2 billion over the 2002-2006 period. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 2069 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2069 is shown in the following table. The costs of this legislation fall within budget function 150 (international affairs).

	By Fiscal Year, in Millions of Dollars					
	2001	2002	2003	2004	2005	2006

SPENDING SUBJECT TO APPROPRIATION

Spending Under Current Law for
International HIV/AIDS Programs

Budget Authority ^a	340	0	0	0	0	0
Estimated Outlays	178	241	84	44	27	19

Proposed Changes

Authorization Level	0	1,360	0	0	0	0
Estimated Outlays	0	81	442	322	231	138

Spending Under H.R. 1646 for
International HIV/AIDS Programs

Authorization Level ^a	340	1,360	0	0	0	0
Estimated Outlays	178	322	526	366	258	157

a. The 2001 level is the amount appropriated for that year.

BASIS OF ESTIMATE

H.R. 2069 would authorize the appropriation in 2002 of \$560 million for bilateral assistance programs and associated administrative expenses, \$50 million for the purchase of medicines, and \$750 million for a contribution to a global fund or other multilateral efforts to prevent, treat, and monitor HIV/AIDS. The bill would limit spending for administrative expenses from bilateral assistance to 6 percent of the amount made available in 2002. CBO assumes that the authorized amounts would be appropriated by October 1, 2001. CBO estimates outlays for bilateral assistance, administrative expenses, and the purchase of medicine would follow historical spending patterns and total \$66 million in 2002 and \$560 million over the 2002-2006 period.

Negotiations for the creation of a global HIV/AIDS fund are just beginning. Until negotiations are complete, CBO has no information on how this fund might operate. For the purpose of this estimate, CBO assumed the following:

- The schedule for beginning operation of the fund in 2002 will experience delays.

- Administration expenses would be paid out of contributions with some start-up costs paid in 2002.
- The contribution to the global fund would be in the form of a letter-of-credit drawn upon as needed for the timely disbursement of grants.
- The typical grant would cover a number of years with grant disbursements beginning in 2003 and drawn over a 3- to 4-year period.

CBO estimates that outlays from the contribution to a global HIV/AIDS fund would be \$15 million in 2002 and \$654 million over the 2002-2006 period, assuming appropriation of the authorized amounts.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 2069 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Joseph C. Whitehill

Impact on State, Local, and Tribal Governments: Elyse Goldman

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis