



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 24, 2002

S. 2525

United States Leadership Against HIV/AIDS, Tuberculosis, and Malaria Act of 2002

As ordered reported by the Senate Committee on Foreign Relations on June 13, 2002

SUMMARY

S. 2525 would require the President to develop a comprehensive strategy for the prevention, treatment, and monitoring of acquired immune deficiency syndrome (AIDS) caused by the human immunodeficiency virus (HIV) and would authorize appropriations in 2003 and 2004 to fund those efforts. Specifically, the bill would authorize appropriations for contributions to the Global Fund to Fight AIDS, Tuberculosis, and Malaria and to various international vaccine funds. It would authorize funding for bilateral assistance programs to prevent, treat, and monitor HIV/AIDS, tuberculosis, and malaria and for assistance to the families and children of persons affected by those diseases. Assuming appropriation of the authorized amounts, CBO estimates implementing S. 2525 would cost \$256 million in 2003 and almost \$4.5 billion over the 2003-2007 period. The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

S. 2525 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 2525 is shown in Table 1. The estimate assumes that the bill will be enacted by September 30, 2002, and the authorized amounts will be appropriated each year. The costs of this legislation fall within budget functions 150 (international affairs) and 050 (defense).

TABLE 1. BUDGETARY IMPACT OF S. 2525 (By fiscal year, in millions of dollars)

| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|------|-------|-------|-------|------|------|
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| Spending Under Current Law for HIV/AIDS and other Infectious Diseases | | | | | | |
| Budget Authority ^a | 785 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 646 | 461 | 170 | 79 | 37 | 17 |
| Proposed Changes | | | | | | |
| Authorization Level | 0 | 2,172 | 2,576 | 0 | 0 | 0 |
| Estimated Outlays | 0 | 256 | 1,478 | 1,789 | 655 | 303 |
| Spending Under S. 2525 for HIV/AIDS and other Infectious Diseases | | | | | | |
| Authorization Level ^a | 785 | 2,172 | 2,576 | 0 | 0 | 0 |
| Estimated Outlays | 646 | 717 | 1,648 | 1,868 | 692 | 320 |

a. The 2002 level is the amount appropriated for that year.

BASIS OF ESTIMATE

S. 2525 would identify three diseases—HIV/AIDS, tuberculosis, and malaria—as being of particular concern to the United States and would require the President to develop a comprehensive strategy to combat these diseases on a global basis. It would establish the position of Coordinator of U.S. Government Activities to Combat HIV/AIDS with the responsibility to oversee and to coordinate U.S. programs with those of other countries and international organizations. The bill would require numerous reports to the Congress, and it would permit a portion of the authorized amounts to be used for administrative expenses.

Table 2 shows the amounts specifically authorized by the bill. CBO estimates that spending for bilateral assistance programs and for contributions to the international vaccine funds will follow historical patterns for similar programs. The Global Fund to Fight AIDS, Tuberculosis, and Malaria is just starting operations, having approved its first grants in April 2002. CBO estimates that disbursements to the fund will proceed relatively slowly with disbursements tied to the fund's payments to grant recipients to preclude the fund from building up idle cash balances.

TABLE 2. SPECIFIC AUTHORIZATIONS IN S. 2525 (By fiscal year, in millions of dollars)

| | 2003 | 2004 |
|--|-----------|-----------|
| Contribution to the Global Fund to Fight Aids, Tuberculosis, and Malaria | 1,000 | 1,200 |
| Contributions to International Vaccine Funds: | | |
| Global Alliance for Vaccines and Immunizations | 60 | 70 |
| AIDS Vaccine Initiatives | 12 | 15 |
| Malaria Vaccine Initiative | 5 | 6 |
| Bilateral Assistance Programs | | |
| Assistance to Combat HIV/AIDS | 800 | 900 |
| Assistance to Combat Tuberculosis | 150 | 200 |
| Assistance to Combat Malaria | 70 | 80 |
| Department of Defense HIV/AIDS Prevention Assistance | 50 | 55 |
| Pilot Program to Place Health Professionals Overseas | 10 | 20 |
| Pilot Programs to Assist Children and Families | <u>15</u> | <u>30</u> |
| Total Authorization Level | 2,172 | 2,576 |

Title III would urge the Secretary of Treasury to negotiate an agreement with other bilateral and multilateral creditors to provide debt relief to highly indebted poor countries (HIPC) on terms more generous than the enhanced HIPC initiative agreed to in 1999. The cost of this more generous debt relief would be borne by other creditors because current law only authorizes the United States to cancel its bilateral debt to HIPC countries. The bill would not authorize funds for any United States' contribution to multilateral creditors for the cost of debt reduction that the U.S. government would be asking them to bear. CBO has no basis for estimating whether or not such negotiations would be successfully concluded.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 2525 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on the budgets of state, local, or tribal governments.

ESTIMATE PREPARED BY:

Federal Costs: Joseph C. Whitehill

Impact on State, Local, and Tribal Governments: Greg Waring

Impact on the Private Sector: Paige Piper/Bach

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis