Congressional Research Service
Informing the legislative debate since 1914

U.S. Global Health Priorities: USAID's Global Health FY2003 Budget

March 18, 2003

Congressional Research Service
https://crsreports.congress.gov
RL31433

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

SUMMARY

RL31433

March 18, 2003

Tiaji Salaam-Blyther
Analyst in Foreign Affairs

U.S. Global Health Priorities: USAID's Global Health FY2003 Budget

Global health has become a major focus of the U.S. foreign assistance program. Congressional proponents of more health assistance have successfully increased appropriations above Administration requests in recent years. Some have challenged the Administration's FY2003 budget proposal during the foreign operations debate, particularly the manner in which the Administration proposed the United States Agency for International Development (USAID) allocate its funds. It requested a $36 million increase in FY2003 for global health programs. It proposed that more than 40% of the global health budget be spent on HIV/AIDS activities, up substantially from the previous fiscal year. USAID emphasized that HIV/AIDS affects all sectors of societies, and thus it is a priority in global health. Some in Congress have expressed concern about the consequences of spending a significant portion of global health funds on HIV/AIDS, and suggested that more money be spent on other programs, namely infectious diseases and child survival. As Congress debated funding levels for FY2003 global health activities it discussed several issues including: global health funding versus other development assistance programs, and increasing funding to HIV/AIDS at the expense of other global health programs. This report will be updated as needed.

Most Recent Developments

On February 12, 2003, Congress passed the Consolidated Appropriations Resolutions, 2003, P.L.108-7. The bill includes funding for USAID global health activities at the following levels:

Table 1. Child Survival and Health (CSH) Programs Fund

Program	Account	Funding Level
Child Survival & Maternal Health	Child Survival and Health Fund *of which Polio*	$ 324,000,000 *-$27,500,000*
Vulnerable Children	Child Survival and Health Fund	$ 27,000,000
Bilateral HIV/AIDS Program	Child Survival and Health Fund *- including Microbicides* *- including Vaccine Fund* *- including International* AIDS Vaccine Initiative *- including International Mother & Child HIV Prevention Initiative*	$ 591,500,000 *- $18,000,000* *- $60,000,000* *- $10,500,000* *- $100,000,000*
Other Infectious Diseases	Child Survival and Health Fund	$ 155,500,000
Family Planning/Reproductive Health	Child Survival and Health Fund	$ 368,500,000
UNICEF	Child Survival and Health Fund	$ 120,000,000
Global Fund to Fight AIDS, Tuberculosis and Malaria	Child Survival and Health Fund	$ 250,000,000
GRAND TOTAL	**Child Survival and Health Fund**	**$1,836,500,000**

HIV/AIDS Activities

The omnibus bill appropriates a total of $800 million for USAID HIV/AIDS activities. However, the $591.5 million listed above is allocated for the Child Survival and Health (CSH) Programs Fund. Another $38.5 million is provided through other USAID-managed or co-managed accounts, and $170 million is reserved for the Global ATM Fund and UN agencies. P.L. 108-7 reserves an additional $100 million for the Global Fund through the Labor, HHS, and Education Appropriation, bringing the total United States contribution to the Global Fund to date to $725 million.

Other Infectious Diseases

Congress reserves a total of $120 million for tuberculosis assistance in the FY2003 omnibus appropriations bill. Of this amount, $65 million is funded through the CSH account, $15 from other bilateral accounts and $40 million through the Global Fund contribution. A total of $115 million is appropriated for malaria assistance, with $65 million directed to the CSH account, $7.5 million designated to other bilateral accounts and $42.5 million through the Global Fund contribution.

Family Planning/Reproductive Health

A total of $446.5 million is made available for family planning/reproductive health from all accounts, with $368.5 million reserved for the CSH account.

Background

The Administration gave priority to HIV/AIDS in its budget request for USAID programs. In its FY2003 global health budget proposal it dedicated more than 40% of its funding to HIV/AIDS activities, while decreasing spending in most of the other health programs. Some Members of Congress expressed concern that reserving a significant portion of the global health budget for HIV/AIDS activities without increasing overall global health funding would have left other health programs without enough funds. Meanwhile, USAID maintained that in practice the increase in the overall global health budget was more important than the program in which the funding changes occurred.[1] Additionally, it asserted that its integrative approach would minimize the impact of the lower budget allocations on the other health programs. This report examines U.S. global health funding trends since 1999, reviews issues surrounding USAID's decision to funnel much of its money into HIV/AIDS activities, and analyzes current global health spending priorities.

Global health activities have become a major component of U.S. foreign aid, partially due to growing concern among some policy makers that health could significantly impact economic growth, national security, and political stability in many parts of the world. According to a 2000 CIA report, *The Global Infectious Disease Threat and Its Implications for the United States*, the persistent infectious disease burden is likely to increase the risk of economic decay, social fragmentation, and political destabilization in the hardest hit countries in the developing and former communist worlds.[2] The report further indicates that the economic costs of infectious diseases, especially HIV/AIDS and malaria, are already significant and will take a heavy toll on productivity, profitability, and foreign investment, possibly reducing GDP by as much as 20% or more by 2010 in some sub-Saharan African countries.[3]

Infectious diseases could significantly affect not only those abroad, but also Americans at home. According to the CIA report, over the last 30 years, twenty well known diseases, including TB, malaria and cholera, have reemerged or spread geographically, often in more virulent and drug-resistant forms. Furthermore, at least 30 previously unknown incurable diseases have emerged since the 1970s. Although infectious diseases do not pose as great of a threat to American security as they do for other countries they could still have a significant impact. Many infectious diseases, most recently, the West Nile virus, originate outside U.S. borders and are introduced by international travelers, immigrants, returning U.S. military personnel, or imported animals and foodstuffs. The CIA report predicts that the most dangerous known infectious diseases likely to threaten the United States over the next two decades will be HIV/AIDS, hepatitis C, TB, and new, more lethal variants of influenza.[4]

---

[1] U.S. House of Representatives Subcommittee on Foreign Operations Hearing, March 13, 2002, p.6.

[2] The Global Infectious Disease Threat and Its Implications for the United States http://www.cia.gov/cia/publications/nie/report/nie99-17d.html.

[3] Ibid.

[4] Ibid.

U.S. health programs, for many years, have included programs that aim to thwart the spread of infectious diseases, address the disastrous effects of HIV/AIDS, and bolster the crumbling health infrastructures of many developing countries. Members of Congress have become increasingly aware of the potential dangers of the spread of infectious diseases. Consequently, the priority placed on global health funding within the broad scope of foreign aid has increased significantly since the mid 1990s. Congress has been especially supportive, and in many cases the initiator, of increased health spending.

USAID is the U.S. agency primarily responsible for implementing international health programs. The global health pillar, one of USAID's four program pillars, covers a range of health programs and resources whose funding came from preexisting accounts that funded child survival and disease activities. Those accounts are:

- Child Survival and Health Programs Fund (CSH)
- Economic Support Fund (ESF)
- Assistance for Eastern Europe and the Baltic States (AEEB)
- Assistance for the Independent States of the Former Soviet Union (FSU)
- P.L. 480 Title II Food Aid (PL 480)

Table 2 shows the funding levels of USAID global health programs since 1999. As the table illustrates, while the global health program is funded through a number of sources most program activities are financed through the Child Survival and Health Programs Fund (CSH). Nearly 90% of the global health budget comes from the CSH account. CSH is the most significant part of the global health budget, and consistently receives bicameral and bipartisan support in Congress.

Table 2. USAID Global Health Programs

(in millions of dollars) **Child Survival and Health Fund**	**Enacted FY1999**	**Enacted FY2000**	**Enacted FY2001**	**Enacted FY2002**	**Estimate FY2003**
Child Survival & Maternal Health	312[a]	280	295	320	324
Vulnerable Children	-	-	15	25	27
HIV/AIDS	135	175	404	445	591.5[b]
Global Fund[c]	-	-	*100*[d]	*50*	*250*[e]
Other Infectious Diseases	50	62	124	155	155.5
Family Planning & Reproductive Health	335	328	376	369	368.5
UNICEF	105	110	110	120	(120)
Subtotal	**937**	**955**	**1,324**	**1,434**	**1,836.5**
ESF, FSA, AEEB, PL 480	**FY1999**	**FY2000**	**FY2001**	**FY2002**	**FY2003**[a]
Child Survival & Maternal Health	91	187	66	63	60
Vulnerable Children	-	-	7	7	-
HIV/AIDS	4	21	28	40	38.5
Other Infectious Diseases	14	8	16	13	22.5
Family Planning and Reproductive Health	46	45	48	78	15
UNICEF	-	-	-	-	-
Subtotal	**155**	**261**	**165**	**201**	**136**

(in millions of dollars) **Child Survival and Health Fund**	**Enacted FY1999**	**Enacted FY2000**	**Enacted FY2001**	**Enacted FY2002**	**Estimate FY2003**
All Accounts	**FY1999**	**FY2000**	**FY2001**	**FY2002**	**FY2003[a]**
Child Survival & Maternal Health	403	467	361	383	384
Vulnerable Children	-	-	22	32	27
HIV/AIDS	139	196	433	485	800[f]
Global Fund	-	-	*100*	*50*	*250*
Other Infectious Diseases	64	70	140	168	178
Family Planning and Reproductive Health	381	372	424	447	383.5
UNICEF	105	110	110	120	-120
GRAND TOTAL	**1092**	**1216**	**1489**	**1635**	**1972.5**

Source: USAID Budget Office, April 15, 2002.

[a] Includes $50 million supplemental.

[b] FY2003 includes $100 million for the International Mother and Child HIV Prevention Initiative.

[c] Global Fund contributions only reflect funds allocated to USAID. The full Global Fund contribution is attributed to HIV/AIDS totals in fiscal years 2001 and 2002. However, in FY2003, only $170 million of the Global Fund contribution directed to HIV/AIDS activities is included in the HIV/AIDS total.

[d] The $100 million was funded through the 2001 Supplemental Appropriations.

[e] According to the FY 2003 omnibus appropriations bill, contributions to the Global Fund are to be divided between HIV/AIDS($170 million), malaria ($42.5 million) and tuberculosis ($40 million). Additional contributions have been made to the Global Fund totaling $650 million to date. For more information on Global Fund contributions see CRS Report RL31712.

[f] Includes $170 million Global Fund contribution for HIV/AIDS.

The Child Survival and Health Programs Fund, created in FY1996, is an account that funds a compilation of global health programs that enhance the likelihood of child survival, address maternal health concerns and curb the spread of infectious diseases. The CSH was created when there was significant pressure to cut foreign aid spending as part of the overall effort to eliminate the federal budget deficit.[5] In an effort to protect the most vulnerable populations in the poorest parts of the world the House Subcommittee on Foreign Operations, Chaired by Representative Sonny Callahan, added language that would introduce the Child Survival and Disease Fund into the Foreign Operations appropriation legislation. The objective was to ensure that there would be no reductions in programs that directly affect younger children, and to accelerate efforts to eradicate diseases that threaten younger children.[6] Funding for CSH was derived from preexisting child survival and adult disease accounts. Those accounts were:

- The Development Assistance Fund (DA);
- The Development Fund for Africa (DFA);
- The Economic Support Fund (ESF);

[5] Interview with Staffer, U.S. House of Representatives Committee on Appropriations, April 12, 2002.

[6] U.S. House of Representatives Subcommittee on Foreign Operations Committee Report: H.Rept. 104-143, June 15, 1995, p. 12.

- Assistance for Eastern Europe and the Baltic States (AEEB);
- Assistance for the New Independent States of the Former Soviet Union (FSU);
- and the UNICEF portion of International Organizations and Programs. [7]

Initially, the Child Survival and Health Programs Fund (originally called the Child Survival and Disease Programs Fund) account did not include reproductive health and population activities, and included basic education for children's initiatives. Education programs are no longer part of the CSH account, while reproductive health and population programs have been added. Currently, CSH is used for activities related to:

- immunizations;
- oral rehydration;
- health and nutrition;
- water and sanitation;
- a grant to UNICEF;
- displaced and orphaned children;
- reproductive health and population activities;
- the treatment, prevention and research for tuberculosis, HIV/AIDS, polio, malaria and other diseases;[8]
- and the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria.

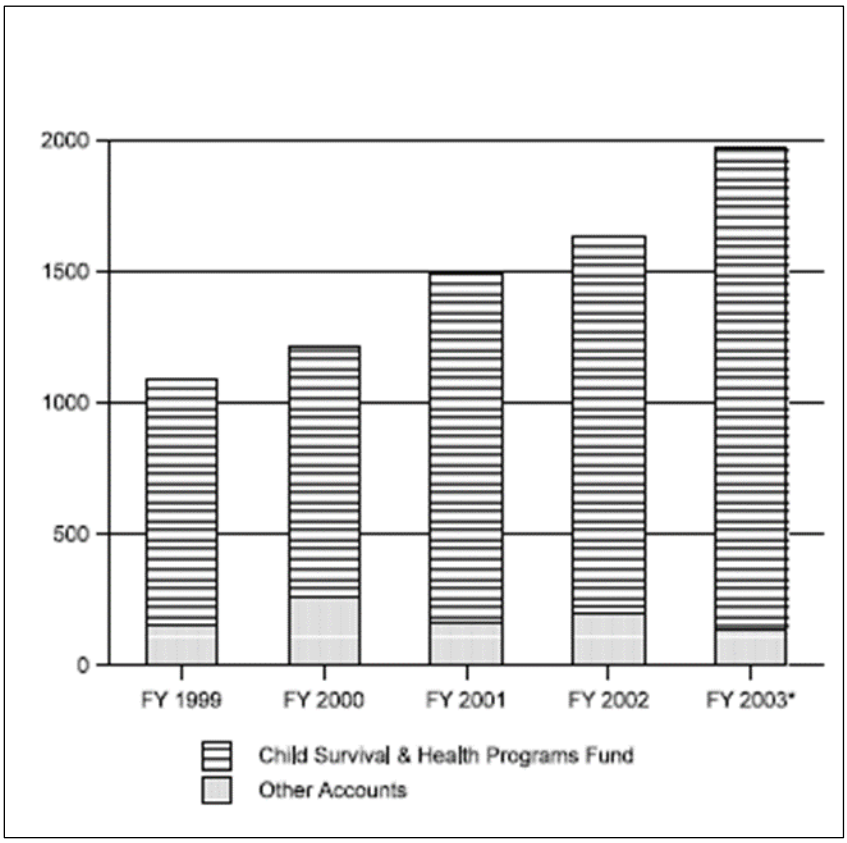
Figure 1 illustrates the trend in CSH and global health funding since 1999. Although CSH is only one part of the global health budget it has become a significant part, receiving bicameral and bipartisan support in Congress. It accounts for more than 90% of the FY2002 global health budget. Since it was created in FY1996, allocations for CSH have increased from $592.6 million to $1.836 billion in FY2003. When combined with funds from all accounts, including CSH, funding for the global health budget reached $1.972 billion in FY2003.

For FY2003, the Administration did not request CSH funds. Instead, it requested that $1.594 billion of the global health budget (ordinarily funded through CSH) be funded through development assistance. It requested that the remaining $177 million come from the other accounts, bringing the total global health budget request to $1.771 billion. USAID argued that funding the global health programs through the development assistance account would give it greater flexibility in project implementation. As in past years, the Administration requested the FY2003 UNICEF contribution through the international organization contributions rather than global health funds. Congress has challenged both of these decisions. Protecting the Child Survival and Health Programs Fund and maintaining UNICEF contributions have remained a high priority for many in Congress. Consequently, funding for global health programs and UNICEF were placed under the Child Survival and Health Programs account for FY2003 in the Senate and House Foreign Operations bills.

[7] Ibid, p. 16.

[8] Foreign Operations Conference Report: H.Rept. 107-345, December 19, 2001, p. 3.

Figure 1. Total Allocations for Global Health
(in millions of dollars)



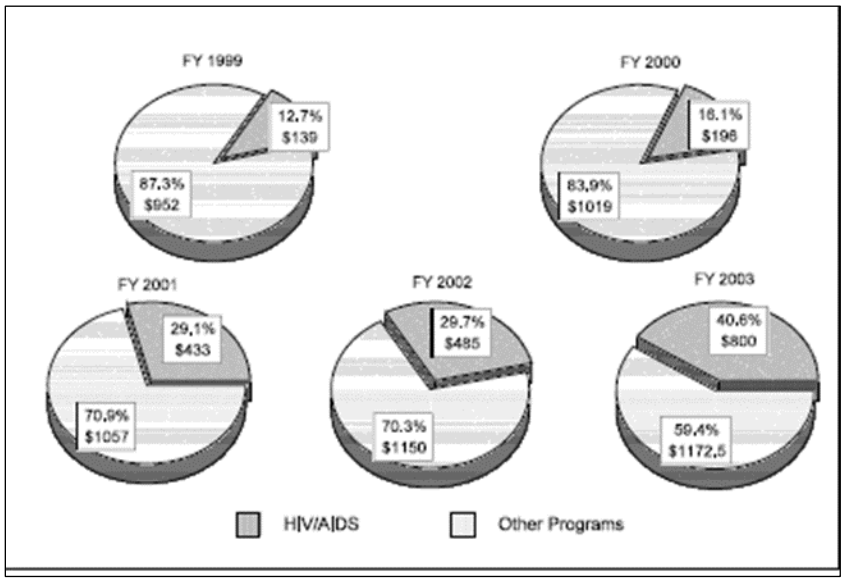
USAID Global Health Priorities

The Administration request for FY2003 includes a significant increase in HIV/AIDS spending and a decrease in nearly all of the other health programs. Figure 2 illustrates the rate at which HIV/AIDS spending has increased relative to the other health programs. In FY1999, USAID spent 12.7% ($139 million) of its global health budget on HIV/AIDS. In FY2002, USAID spent 29.7% ($485 million) of its global health budget on HIV/AIDS activities. Finally, in FY2003, 40.6% ($800 million) of the USAID global health budget was reserved for HIV/AIDS activities, including $100 million for the President's new initiative, the International Mother and Child HIV Prevention Initiative. The FY2003 appropriation increased HIV/AIDS spending nearly 40% within one fiscal year. If Congress had approved the Administration's request, the budget share of other programs would have fallen 28% from FY1999 spending levels and 11% from FY2002 spending levels. All figures include Global Fund contributions.[9]

[9] The full Global Fund contribution is applied to HIV/AIDS funding in fiscal years 2001 and 2002. However, only the $170 million of the Global Fund Contribution that Congress directed to HIV/AIDS activities is included in total HIV/AIDS figures.

Figure 2. HIV/AIDS Spending in Global Health Budget

(in millions of dollars)



The Administration maintained that it is committed to global health. Although it proposed cutting spending in some of the global health categories, USAID argued that it had to set priorities within a budget with limited room for expansion. Consequently, it had to balance health and non-health areas of international assistance. USAID officials say that $740 million for HIV/AIDS, as determined by the Office of Management and Budget (OMB), was the appropriate level to support the President's commitment to countering the global spread of HIV/AIDS. USAID reiterated that it continues to support international health programs, including those for child survival and maternal health, vulnerable children, and other infectious diseases. Although the Administration proposed that some of the funds for those programs be reduced in FY2003, USAID maintained that it would strive to minimize the impact of the reductions by focusing on populations most in need, and by leveraging other donors.[10]

Instead of focusing on the cuts in some programs USAID argued that the most important thing to concentrate on is the integrative nature of the programs, and that overall spending on global health would increase. On March 13, 2002, USAID Administrator Andrew Natsios testified before the House Foreign Operations Subcommittee. During that hearing Mr. Natsios stated,

> There are a number of things we do in HIV/AIDS which is also something we do in maternal health and in child survival. For example, a mother that has a sexually transmitted disease that is pregnant has a very high risk of the kid dying when the child is born. The survival rate dramatically drops if the woman has an STD when she's pregnant. So part of our child survival strategy is STD strategy. That's also part of our HIV strategy. So a lot of these programs in the field are actually integrated together and they have to be or they don't work... The important factor I would point out here in all of these health accounts is

[10] Interview with USAID, April 12, 2002.

> the bottom line is up $60 million.[11] And so there's $60 million more being spent on health programs than there were before. And I think that's a good message.[12]

Issues and Options for Congress

In its deliberations over the FY2003 appropriations for global health in the foreign operations bill, Congress considered a number of issues, including: the adequacy of the global health budget, global health funding versus other development assistance, HIV/AIDS spending versus other global health programs, and the number of directives in global health programs.

Adequacy of Global Health Budget

Given the trade-offs that proposed funding levels for global health seemed to face, were proposed funding levels adequate to meet U.S. health objectives? As HIV/AIDS continues to ravage developing countries and emerging states, the Administration deemed it vital to place a substantial amount of resources into activities that counter the spread of HIV/AIDS. Some at USAID argued that overall funding for global health activities is not sufficient to meet all the needs in the field. They said that it is often difficult to balance competing priorities within the global health budget. Consequently, they say that the size of the global health budget necessitates that as funding increases in one program area it decreases in others.

On February 12, 2003, Congress passed P.L. 108-7, an FY2003 omnibus appropriations bill, which included $1.84 billion for CSH and $1.97 billion for USAID global health activities. Most global health programs (except family planning and reproductive health initiatives) were funded above requested levels. The increase was most significant for HIV/AIDS. Directed funds include $800 million for the fight against HIV/AIDS. This figure is $140 million above the Administration's request of $740 million, and includes the President's $100 million request for the International Mother and Child HIV Transmission (MTCT) initiative on September 3, 2002.13 The HIV/AIDS funds also include $170 million of the $250 million Global Fund contribution. $384 million is directed for maternal and child health activities, the Administration requested $344 million. The President only requested $122 million to fight other infectious diseases, while Congress set aside $178 million. Congress directed $383.5 million to fund family planning and reproductive health activities, $41.5 million below the $425 million request from the Administration. Finally, the Senate Appropriations Committee voted to give $120 million to the United Nations Children's Fund (UNICEF) through the CSH account although the Administration did not request funding for UNICEF under the account. The omnibus bill also reserves an additional $100 million for the Global Fund through the Labor, HHS, and Education Appropriation, allocating $350 million in total for the Global Fund.

---

[11] The $60 million increase that Mr. Natsios refers to only considers the Child Survival and Health Programs Fund account and excludes the UNICEF contribution. The FY2003 request for the Child Survival and Health Programs Fund, which does not include the UNICEF grant, totals $1.374 billion. The equivalent total for CSH in FY2002, excluding the $120 million to UNICEF, is $1.314 billion, leaving a difference of $60 million.

[12] U.S. House of Representatives Subcommittee on Foreign Operations Hearing, March 13, 2002, p.22.

[13] see, p.11.

Global Health Versus Other Development Assistance

Do current global health funding levels affect the implementation of other development assistance programs? Some are concerned with what they perceive as an overemphasis on global health vis-à-vis other development programs. In FY2002, health programs accounted for about 60% of all development assistance.[14] Critics believe that other areas also need support, namely education, democracy, trade and investment, and agriculture. These areas also significantly impact development and health, critics argue. Some claim if the programs that build human capacity, promote stable governments, encourage private investment and foster environmentally-friendly growth are not simultaneously supported, then the health programs will not be sustainable.

This issue has been raised during some of the Foreign Operations hearings. USAID Administrator Andrew Natsios noted that while agriculture is vital in countering poverty and supporting health programs, the trend has been to reduce funding to agricultural programs as other issues, such as HIV/AIDS and famines demand immediate responses. "[T]he only way you're going to reduce poverty in the world and reduce hunger is not by constant humanitarian programs, but by teaching people how to grow more food. And we're not doing that because all of the money has been shifted to accounts where there is more and legitimate interest."[15] "If you have child survival projects and you keep kids alive until they're 5 years old – you know what happens after 5? They become malnourished, because the parents are still so poor they can't provide for them. We should look at the countries where we have child survival programs for older kids to see what the malnutrition rates are. They have been disturbingly high."[16] U.S. Representative Jerry Lewis conceded that agriculture does impact poverty reduction, good governance, and a host of other development issues. "[I]ndeed, I've felt for many, many years it's very difficult to talk to developing countries about democracy and freedom and peace, and indeed terrorism, if their children go to bed with their stomachs hurting every night."[17]

Although some may like to see some of the foreign assistance money spent on other development assistance activities, Chairman Kolbe described the difficulty that many in Congress faced while considering the President's request. "If Congress fully funds the HIV/AIDS request that the president has made, it's going to have to be something reduced somewhere else: economic growth, agriculture, trade. That happens, the advocates of trade promotion, basic education, microcredit, all of which are represented before this committee, are going to face some tough choices. [T]he question is, if we go complete funding of what there's a huge amount of public pressure now to do...the other kinds of things in agriculture, trade promotion are going to likely suffer."[18] The FY2003 Omnibus Appropriations bill, P.L. 108-7, funded most global health programs above requested levels. Although it is unclear whether family planning programs were funded below requested levels to fund increases in other global health programs, some requests for cuts have been made in other areas.[19]

---

[14] Interview with USAID staff, April 12, 2002.

[15] U.S. House Subcommittee on Foreign Operations Hearing, May 17, 2001, p. 47.

[16] Ibid, March 13, 2002, p.29.

[17] Ibid, p.30.

[18] Ibid, p.26.

[19] For more information on the foreign operations bills see CRS Report RL31311.

HIV/AIDS Versus Other Global Health Programs

How does funneling a significant portion of the global health budget to HIV/AIDS programs affect the other health programs? Historically, Congress has placed heavy emphasis on halting the spread of infectious diseases, particularly those that are becoming increasingly antimicrobial resistant. It has maintained its support for infectious diseases, and has funded the programs above requested levels. In FY1998, the Senate and House Subcommittees on Foreign Operations expressed concern that USAID had not placed enough emphasis on combating the spread of infectious diseases.[20] Recognizing the correlation between HIV/AIDS and TB, in FY2001, the House and Senate Subcommittees on Foreign Operations urged USAID to increase its activities related to HIV/AIDS and TB prevention, as well as those that seek to treat and prevent sexually transmitted diseases. They also recognized the promising results of microbicide research and urged USAID to increase its work in that area.[21] Still later the House Subcommittee on Foreign Operations expressed concern in FY2002 that USAID had not placed enough emphasis on halting emerging epidemics.[22] Finally, in FY2002, the Senate Subcommittee on Foreign Operations added that USAID should seek to provide resources to build the capacity of governments to effectively use additional funds for the prevention and treatment of HIV/AIDS programs so that they can reach people in need.[23]

Not only are some in Congress particularly concerned about the spread of infectious diseases, but they are also concerned about the other programs in global health. At the hearing on the USAID budget proposal for FY2003, some Members expressed concern about the impact of increasing spending on HIV/AIDS activities at the expense of other global health programs. Representative Jesse Jackson stated, "I am concerned with what the Administration has proposed to this subcommittee regarding international health. The Administration's budget cuts funding for TB, malaria, and child survival programs, all programs I believe Congress strongly supports, and wraps up the stand-alone child survival and health account, created by my good friend from Alabama, Sonny Callahan, into development assistance accounts. I think some of the increases we are making in our bilateral contributions for HIV/AIDS is a good first step. But, it seems to me that we are simply robbing Peter to pay Paul. Could you explain to us why we're not growing all the global health accounts equally?"[24]

Although many in Congress also deem countering the spread of HIV/AIDS a priority, they differ from the Administration in that they do not want to boost HIV/AIDS funding at the expense of other health programs. Congressional support for HIV/AIDS programs is illustrated by the inclusion of additional funding for HIV/AIDS through the FY2002 supplemental, H.R. 4775.[25] After passing the House on May 24, 2002, and later the Senate on June 6, 2002, the FY2002 Supplemental Appropriation became Public Law 107-206 on August 2, 2002. The $28.9 billion bill included $200 million to fight HIV/AIDS with at least $100 million reserved for the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria.

---

[20] U.S. Senate Subcommittee on Foreign Operations Report: S.Rept. 105-35, June 24, 1997, p. 9.

[21] U.S. House of Representatives Subcommittee on Foreign Operations Committee Report: H.Rept. 106-720, July 10, 2000, p. 18.

[22] U.S. House of Representatives Subcommittee on Foreign Operations Report: H.Rept. 107-142, July, 17, 2001, p.11.

[23] U.S. Senate Subcommittee on Foreign Operations Committee Report: S.Rept. 107-58, September 4, 2001, p. 11.

[24] U.S. House of Representatives Subcommittee on Foreign Operations Hearing, March 13, 2002, p.21.

[25] H.R. 4775, p.28.

The additional $200 million for HIV/AIDS was part of a $5.1 billion contingency emergency package that was attached to the supplemental bill. As provided by P.L. 107-206, the President had until September 1, 2002, to decide whether to obligate all of the funds or spend none of it.[26] At an economic forum held in Waco, Texas on August, 13, 2002, the President announced that he would not obligate the contingency funding because he felt that the government needed to practice fiscal discipline. Some Democrats reportedly said that they perceived the action as "a White House effort to portray the withholding of the funds as a struggle between the President and Democrats, even though the appropriations had broad Republican support."[27] Critics also accused the President of blocking funding to his own programs. The President acknowledged that he supported some of the initiatives in the contingency package, however he said that he would request support for his priorities, including HIV/AIDS from the FY2003 appropriations.

On September 3, 2002, the President proposed changes to the FY2003 Department of Health and Human Services (HHS) Appropriations and the Foreign Operations Appropriations to request $200 million for his new initiative, the International Mother and Child HIV Prevention Initiative. The President requested that the money be shared equally between HHS and the USAID. Congress funded this initiative in FY2003. P.L. 108-7 includes $140 million for the new initiative. $100 million comes from USAID funds and the remaining $40 million is drawn from HHS funds.

Number of Directives in Global Health Programs

How do congressional directives affect the United States' ability to adjust health assistance programs to match the conditions in the field quickly? In an attempt to demonstrate the impact of the directives, representatives from USAID stated that only $207 million, the portion of the FY2002 global health budget designated to reduce the main causes of child mortality and morbidity, does not contain specific directives as to the allocation of funds. They reported that it is not the large directives that significantly impact the global health programs, rather it is the small ones that become substantial when totaled.[28]

Legislative directives have become more specific as Congress has become increasingly concerned about global health issues. When global health programs first began Congress offered few directives. As criticisms about the effectiveness of foreign aid mounted, Congress began to clearly earmark areas of high priority, ultimately leading to the creation of the Child Survival and Health Programs Fund.[29]

Although the Administration has expressed dissatisfaction with the level of congressional directives, Congress attached directives to the FY2003 global health budget, as it has in the past, to ensure that its spending priorities are protected. Chairman Kolbe's comments during Secretary Powell's hearing in February 2002 illustrate divergent spending priorities in the global health budget between Congress and USAID. "This budget would increase funding for AIDS so rapidly that it calls for sharp cutbacks in maternal health, child survival, and the equally critical struggle against resurgent tuberculosis and malaria."30 Directives have remained in the FY2003 global

[26] The debate surrounding the supplemental bill is discussed further in CRS Report RL31406.

[27] Arizona Daily Star, *"Bush won't spend $5.1B Congress OK'd."* August 15, 2002, p.1.
http://www.azstarnet.com/star/wed/20814NBUSH-SPEND-NYT.html

[28] Interview with USAID staff, April 12, 2002.

[29] Interview with Staffer, U.S. House Committee on Appropriations, April 12, 2002.

[30] U.S. House of Representatives Subcommittee on Foreign Operations Hearing, February 13, 2002, p.2.

health budget this fiscal year, and may continue in the future to the extent that Congress' spending priorities differ from those of USAID.

Author Information

Tiaji Salaam-Blyther
Specialist in Global Health

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.