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Clinton FY96 AIDS Budget, AIDS Spending Tables

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Remarks of
Patricia S. Fleming
National AIDS Policy Director
On
Clinton Administration's Fiscal Year 1997 AIDS Budget

March 19, 1996

GOOD AFTERNOON:

Thank you for joining us. It is a pleasure for me to release to you the details of President Clinton's fiscal year 1997 budget for AIDS-related programs. This is the fourth budget the President has submitted to the Congress since he has taken office and it exemplifies this Administration's commitment to combatting HIV and AIDS on all fronts. I want to thank the members of the President's Cabinet and the agency directors who have worked closely with me on this budget. And I want to especially thank Alice Rivlin, the director of the Office of Management and Budget, Nancy-Ann Min, and her talented staff for their support and assistance.

As you know, we still do not have a complete fiscal 1996 budget. For example, neither the Health Resources and Services Administration nor the Substance Abuse and Mental Health Services Administration have been funded for the rest of this year. I am hopeful that Congress will complete action on this legislation next week so that those essential agencies can proceed with their work.

Since the President took office in 1993, this Administration has fought hard to increase our commitment to AIDS research, prevention, and care. We have worked hard to increase the involvement of community-based and national organizations who are on the front lines of the epidemic. And we have tried hard to reduce the level of fear and ignorance in this country.

We have made significant progress in these past three years but there is still much that needs to be done. At the White House Conference on HIV and AIDS, the President made very clear our national goal in this battle. We must find a cure for AIDS. We must find a vaccine against HIV. We must find better prevention methods and therapeutics. And we must provide high-quality compassionate care to people living with HIV or AIDS. Those commitments are what drive this budget and they are what must drive all that we do in the coming months.

We are in a remarkable period of promise in this battle. In this past year we have seen real signs of hope after so many years of despair. Our knowledge of HIV and its impact on the human body is much greater than it was 12 months ago. Our arsenal of drugs has been augmented with remarkable speed. And our ability to actually prevent transmission of the virus from mother to child is already saving the lives of hundreds of babies born to HIV-positive women.

These are genuine accomplishments that give us all a reason to be hopeful and to look ahead to the coming months with optimism.

But optimism alone will not allow us to find a cure. It will not allow us to find a vaccine. And it will not bring us the therapeutics we need to extend the lives of people we love who are living with HIV and AIDS.

That is why the President is proposing to increase the discretionary resources dedicated to the fight against the AIDS epidemic to $3.9 billion in fiscal year 1997, including substantial increases in funding for research, prevention, and care. This is nearly $300 million more than the comparable figure for fiscal 1996.

The release of the Levine Committee report last week makes it very clear that we must continue to increase our commitment to AIDS research at the NIH. The committee echoes what we already know -- we have made important progress in our research efforts but that a great deal still remains to be done.

In December, the President made it clear that the search for a vaccine and a cure are our highest priority. This budget reflects that commitment. In his fiscal 1997 budget the President is requesting $1.4 billion for AIDS related research at NIH, an increase of 1.7 percent. These additional funds will allow us to increase the number of investigator-initiated grants and pump new money into our AIDS vaccine research. In addition, separate funds will assist in the rebuilding the NIH Clinical Center, which provides both research and patient care. Approximately 10 percent of research conducted in the clinical center is related to AIDS.

As the Levine Committee suggested, the NIH plans to increase funding for investigator-initiated AIDS research and small business grants by $53 million while decreasing funding by $29 million for research contracts, intramural research, and administrative support mechanisms.

But perhaps as important as this continued infusion of funds, is the authority vested in the Office of AIDS Research to direct the AIDS research effort. The Levine Committee report emphasizes the need for a strong OAR with the full authority granted to it in the 1993 NIH Revitalization Act. If we are to turn this report into an action plan for the future, OAR will need all of this authority, including a consolidated appropriation and the ability to reallocate funding during the course of the year. The President's budget request for AIDS research assumes -- and argues strongly for -- this vital authority.

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As our scientists continue to unlock the mysteries of HIV, we must be equally vigilant in making sure that the fruits of that labor are enjoyed by the thousands of Americans who are living with HIV or AIDS. Since he took office, the President has been committed to increasing funding for AIDS treatment and care so that no American living with HIV or AIDS is prevented from getting the care they need.

The President's 1997 budget includes $807 million for the Ryan White CARE Act, an increase of 4 percent over fiscal 1996. That includes $424 million for Title I; $285 million for Title II; $65 million for Title III; and $34 million for Title IV. The additional funding for Title I will ensure that each of the 42 communities funded in fiscal 1996 and the 10 new cities that are expected to qualify this year will receive the same formula grant in fiscal 1997. There is also funding included for any new cities that become eligible in fiscal 1997.

I'd like to point out that with those increases, the four-year total increase for the CARE Act would be 132 percent. And the increases for Titles I and II would be 129 percent and 147 percent, respectively. These increases would be exceptional in any budget. In the current climate they are truly extraordinary.

Let me just say here that I'm very pleased with the strong bipartisan support that has been shown for the Ryan White CARE Act during this past year. I am especially grateful for the support shown for the President's $52 million emergency request for the AIDS Drug Assistance Program. I am hopeful that this support will carry over into the fiscal 1997 budget and into completion of the five-year reauthorization of the CARE Act now pending before Congress.

Also in the area of care, we are requesting that Congress restore funding for the AIDS Education and Training Centers to the fiscal 1995 level of $16 million. It is vital, as new treatments become available, that the health care professionals of this country have access to the most up-to-date, state-of-the-art information and training.

Another area that is high on my list of priorities is AIDS prevention. I am quite concerned that we were unable to convince Congress to increase the prevention budget at CDC in fiscal 1996. While I recognize that some believe that in the current climate the absence of a cut is a victory, I cannot accept a frozen AIDS prevention budget as long as 40,000 to 80,000 Americans are becoming infected every year. And, as indicated in the report to the President we released earlier this month, at least one American teenager is becoming infected every hour of every day.

That is why the President is asking for a 6 percent increase in AIDS prevention funding at CDC, bringing that total to $617 million. The $34 million in new prevention funding will be targeted at three population groups that are showing the fastest growing rates of infections -- substance abusers, women, and adolescents, including young gay men.

If we are to reduce the number of new infections in this country, we will also have to increase our efforts in substance abuse prevention. The President's budget includes $2.1 billion for the Substance Abuse and Mental Health Services Administration, an increase of $244 million over fiscal 1996. This includes $1.6 billion for substance abuse treatment and prevention, an increase of $207 million from fiscal 1996. There is also a consolidation of SAMHSA demonstration projects into one pool of money that will include AIDS-related programs. The funds for demonstration projects SAMHSA-wide have been increased by $165 million. This will allow us to maintain or even expand funding for AIDS demonstration programs.

At the Department of Housing and Urban Development, the President is asking for $171 million to continue the Housing Opportunities for People with AIDS program known as HOPWA at current levels.

Finally, let me mention that AIDS continues to have a major impact on programs like Medicaid, Medicare, and Social Security. In fiscal 1997, the federal share of Medicaid spending devoted to AIDS care is expected to be just under $2 billion, an increase of $170 million from fiscal 1996. Medicare spending on AIDS is projected to grow to $780 million, an increase of $90 million.

Each of us in this room today knows that nearly half of all people living with AIDS rely on Medicaid for their health coverage, including more than 90 percent of all children with AIDS. Medicaid remains a lifeline of support for these people and their families. It must be preserved.

That is why the President continues to fight hard against the Republican proposals to block grant Medicaid and do away with the federal guarantee of eligibility for people who are either poor or disabled. As part of his budget, the President proposes a responsible set of Medicaid reforms that will bring additional financial stability to this program along with additional flexibility for the states. The President's plan continues the historic federal-state partnership in Medicaid that assures that federal and state dollars follow the people who need assistance.

The President's budget represents a common ground approach to balancing the federal budget while remaining committed to addressing the very real problems that face the American people. Today, as we discuss this budget, another 200 Americans are being diagnosed with AIDS and another 100 are dying of this disease. There is no time to waste and we in the Office of National AIDS Policy will be working hard to make sure that the Congress fully understands these requests and provides the resources that are needed to carry this battle forward.

Thank you.

AIDS Spending: Health and Human Services Discretionary Programs
(in thousands)

Program	FY93	FY94	FY95	FY96 Policy*	FY97 Pres. Budget	Change compared to FY96
FDA	$72,628	$72,399	$72,745	$72,745	$72,745	...
HRSA	$390,341	$607,796	$661,185	$792,526	$835,685	+5%
Ryan White CARE	*($348,013)*	*($579,365)*	*($632,965)*	*($775,465)*	*($807,465)*	*+4%*
Title I	*($184,757)*	*($325,500)*	*($356,500)*	*($407,000)*	*($423,943)*	*+4%*
Title II	*($115,288)*	*($183,897)*	*($198,147)*	*($273,897)*	*($284,954)*	*+4%*
Title IIIB	*($47,968)*	*($47,968)*	*($52,318)*	*($62,568)*	*($64,568)*	*+3%*
Title IV[a]	....	*($22,000)*	*($26,000)*	*($32,000)*	*($34,000)*	*+6%*
Other HRSA AIDS	*($42,328)*	*($28,431)*	*($28,220)*	*($17,061)*	*($28,220)*	*+65%*
IHS	$3,303	$3,556	$3,637	$3,660	$3,847	+5%
CDC	$498,263	$543,253	$588,731	$583,433	$616,981	+6%
NIH	$1,071,457	$1,296,471	$1,333,875	$1,407,824	$1,431,908	+2%
SAMHSA[b]	$25,656	$27,320	$24,095	$14,300	$11,939	-17%
AHCPR	$9,824	$10,624	$9,084	$6,634	$4,755	-28%
OHAP/OMH/OCR	$7,930	$7,503	$6,046	$4,523	$4,732	+5%
Total, HHS	**$2,079,191**	**$2,568,922**	**$2,699,398**	**$2,885,645**	**$2,982,592**	**+3%**

* This includes funds in pending continuing resolutions and proposed add-backs.

[a]The HRSA pediatric demonstration projects were not incorporated into Title IV until FY94 at $22 million.

[b]The FY97 request for substance abuse and treatment overall at SAMHSA is $1.6 billion, an increase of $207 million over FY96.

AIDS Spending
Other Departments & Agencies
(in thousands)

Department/Agency	FY93	FY94	FY95	FY96 Policy*	FY97 President's Budget
AID	$117,000	$115,000	$121,000	$111,000	$97,000
Defense	$159,000	$129,000	$112,000	$103,000	$85,000
HUD/HOPWA	$100,000	$156,000	$171,000	$171,000	$171,000
Justice/Prisons	$5,000	$6,000	$6,000	$6,000	$7,000
Labor	$1,000	$1,000	$1,000	$1,000	$2,000
OPM	$175,000	$193,000	$212,000	$226,000	$241,000
Veterans	$299,000	$312,000	$317,000	$337,000	$347,000

* This includes funds in pending continuing resolutions and proposed add-backs.

AIDS Spending
Entitlement Spending
(in thousands)

Program	FY93	FY94	FY95	FY96 Policy*	FY97 President's Budget	% change compared to FY96
Medicaid (Federal Share)	$1,290,000	$1,490,000	$1,640,000	$1,800,000	$1,970,000	9
Medicare	$386,000	$500,000	$600,000	$690,000	$780,000	13
Social Security (SSI)	$200,000	$240,000	$300,000	$370,000	$450,000	22
Social Security (DI)	$515,000	$600,000	$705,000	$710,000	$795,000	12
Total	**$2,391,000**	**$2,830,000**	**$3,245,000**	**$3,570,000**	**$3,995,000**	**8**

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Increases in AIDS-related Spending: FY 1993 v. FY 1997

(in thousands)

Program	FY93 Budget (Bush Administration)	FY97 Clinton Budget	% change compared to FY93
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NIH	$1,071,457	$1,431,908	+34%
Total, HHS, Discretionary	**$2,079,191**	**$2,982,592**	**+43%**

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OFFICE OF NATIONAL AIDS POLICY
EXECUTIVE OFFICE OF THE PRESIDENT

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TO: Presidential HIV/AIDS Advisory Council

DATE: March 19, 1996

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THE WHITE HOUSE

WASHINGTON

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March 19, 1996

GOOD AFTERNOON:

Thank you for joining us. It is a pleasure for me to release to you the details of President Clinton's fiscal year 1997 budget for AIDS-related programs. This is the fourth budget the President has submitted to the Congress since he has taken office and it exemplifies this Administration's commitment to combatting HIV and AIDS on all fronts. I want to thank the members of the President's Cabinet and the agency directors who have worked closely with me on this budget. And I want to especially thank Alice Rivlin, the director of the Office of Management and Budget, Nancy-Ann Min, and her talented staff for their support and assistance.

As you know, we still do not have a complete fiscal 1996 budget. For example, neither the Health Resources and Services Administration nor the Substance Abuse and Mental Health Services Administration have been funded for the rest of this year. I am hopeful that Congress will complete action on this legislation next week so that those essential agencies can proceed with their work.

Since the President took office in 1993, this Administration has fought hard to increase our commitment to AIDS research, prevention, and care. We have worked hard to increase the involvement of community-based and national organizations who are on the front lines of the epidemic. And we have tried hard to reduce the level of fear and ignorance in this country.

We have made significant progress in these past three years but there is still much that needs to be done. At the White House Conference on HIV and AIDS, the President made very clear our national goal in this battle. We must find a cure for AIDS. We must find a vaccine against HIV. We must find better prevention methods and therapeutics. And we must provide high-quality compassionate care to people living with HIV or AIDS. Those commitments are what drive this budget and they are what must drive all that we do in the coming months.

We are in a remarkable period of promise in this battle. In this past year we have seen real signs of hope after so many years of despair. Our knowledge of HIV and its impact on the human body is much greater than it was 12 months ago. Our arsenal of drugs has been augmented with remarkable speed. And our ability to actually prevent transmission of the virus from mother to child is already saving the lives of hundreds of babies born to HIV-positive women.

These are genuine accomplishments that give us all a reason to be hopeful and to look ahead to the coming months with optimism.

But optimism alone will not allow us to find a cure. It will not allow us to find a vaccine. And it will not bring us the therapeutics we need to extend the lives of people we love who are living with HIV and AIDS.

That is why the President is proposing to increase the discretionary resources dedicated to the fight against the AIDS epidemic to $3.9 billion in fiscal year 1997, including substantial increases in funding for research, prevention, and care. This is nearly $300 million more than the comparable figure for fiscal 1996.

The release of the Levine Committee report last week makes it very clear that we must continue to increase our commitment to AIDS research at the NIH. The committee echoes what we already know -- we have made important progress in our research efforts but that a great deal still remains to be done.

In December, the President made it clear that the search for a vaccine and a cure are our highest priority. This budget reflects that commitment. In his fiscal 1997 budget the President is requesting $1.4 billion for AIDS related research at NIH, an increase of 1.7 percent. These additional funds will allow us to increase the number of investigator-initiated grants and pump new money into our AIDS vaccine research. In addition, separate funds will assist in the rebuilding the NIH Clinical Center, which provides both research and patient care.

As the Levine Committee suggested, the NIH plans to increase funding for investigator-initiated AIDS research and small business grants by $53 million while decreasing funding by $29 million for research contracts, intramural research, and administrative support mechanisms.

But perhaps as important as this continued infusion of funds, is the authority vested in the Office of AIDS Research to direct the AIDS research effort. The Levine Committee report emphasizes the need for a strong OAR with the full authority granted to it in the 1993 NIH Revitalization Act. If we are to turn this report into an action plan for the future, OAR will need all of this authority, including a consolidated appropriation and the ability to reallocate funding during the course of the year. The President's budget request for AIDS research assumes -- and argues strongly for -- this vital authority.

We are also requesting $72.7 million for the Food and Drug Administration. In the past year, the FDA has had a remarkable record of achievement, approving three new protease inhibitor drugs in record time. In fact, with each approval, the FDA set a new record for accelerated approval of AIDS drugs. FDA Commissioner Kessler deserves high praise for his leadership and his agency's record in this area.

As our scientists continue to unlock the mysteries of HIV, we must be equally vigilant in making sure that the fruits of that labor are enjoyed by the thousands of Americans who are living with HIV or AIDS. Since he took office, the President has been committed to increasing funding for AIDS treatment and care so that no American living with HIV or AIDS is prevented from getting the care they need.

The President's 1997 budget includes $807 million for the Ryan White CARE Act, an increase of 4 percent over fiscal 1996. That includes $424 million for Title I; $285 million for Title II; $65 million for Title III; and $34 million for Title IV. The additional funding for Title I will ensure that each of the 42 communities funded in fiscal 1996 and the 10 new cities that are expected to qualify this year will receive the same formula grant in fiscal 1997. There is also funding included for any new cities that become eligible in fiscal 1997.

I'd like to point out that with those increases, the four-year total increase for the CARE Act would be 132 percent. And the increases for Titles I and II would be 129 percent and 147 percent, respectively. These increases would be exceptional in any budget. In the current climate they are truly extraordinary.

Let me just say here that I'm very pleased with the strong bipartisan support that has been shown for the Ryan White CARE Act during this past year. I am especially grateful for the support shown for the President's $52 million emergency request for the AIDS Drug Assistance Program. I am hopeful that this support will carry over into the fiscal 1997 budget and into completion of the five-year reauthorization of the CARE Act now pending before Congress.

Also in the area of care, we are requesting that Congress restore funding for the AIDS Education and Training Centers to the fiscal 1995 level of $16 million. It is vital, as new treatments become available, that the health care professionals of this country have access to the most up-to-date, state-of-the-art information and training.

Another area that is high on my list of priorities is AIDS prevention. I am quite concerned that we were unable to convince Congress to increase the prevention budget at CDC in fiscal 1996. While I recognize that some believe that in the current climate the absence of a cut is a victory, I cannot accept a frozen AIDS prevention budget as long as 40,000 to 80,000 Americans are becoming infected every year. And, as indicated in the report to the President we released earlier this month, at least one American teenager is becoming infected every hour of every day.

That is why the President is asking for a 6 percent increase in AIDS prevention funding at CDC, bringing that total to $617 million. The $34 million in new prevention funding will be targeted at three population groups that are showing the fastest growing rates of infections -- substance abusers, women, and adolescents, including young gay men.

If we are to reduce the number of new infections in this country, we will also have to increase our efforts in substance abuse prevention. The President's budget includes $2.1 billion for the Substance Abuse and Mental Health Services Administration, an increase of $244 million over fiscal 1996. This includes $1.6 billion for substance abuse treatment and prevention, an increase of $207 million from fiscal 1996. There is also a consolidation of SAMHSA demonstration projects into one pool of money that will include AIDS-related programs. The funds for demonstration projects SAMHSA-wide have been increased by $165 million. This will allow us to maintain or even expand funding for AIDS demonstration programs.

At the Department of Housing and Urban Development, the President is asking for $171 million to continue the Housing Opportunities for People with AIDS program known as HOPWA at current levels.

Finally, let me mention that AIDS continues to have a major impact on programs like Medicaid, Medicare, and Social Security. In fiscal 1997, the federal share of Medicaid spending devoted to AIDS care is expected to be just under $2 billion, an increase of $170 million from fiscal 1996. Medicare spending on AIDS is projected to grow to $780 million, an increase of $90 million.

Each of us in this room today knows that nearly half of all people living with AIDS rely on Medicaid for their health coverage, including more than 90 percent of all children with AIDS. Medicaid remains a lifeline of support for these people and their families. It must be preserved.

That is why the President continues to fight hard against the Republican proposals to block grant Medicaid and do away with the federal guarantee of eligibility for people who are either poor or disabled. As part of his budget, the President proposes a responsible set of Medicaid reforms that will bring additional financial stability to this program along with additional flexibility for the states. The President's plan continues the historic federal-state partnership in Medicaid that assures that federal and state dollars follow the people in need.

The President's budget represents a common ground approach to balancing the federal budget while remaining committed to addressing the very real problems that face the American people. Today, as we discuss this budget, another 200 Americans are being diagnosed with AIDS and another 100 are dying of this disease. There is no time to waste and we in the Office of National AIDS Policy will be working hard to make sure that the Congress fully understands these requests and provides the resources that are needed to carry this battle forward. Thank you.

AIDS Spending: Health and Human Services Discretionary Programs
(in thousands)

Program	FY93	FY94	FY95	FY96 Policy*	FY97 Pres. Budget	Change compared to FY96
FDA	$72,628	$72,399	$72,745	$72,745	$72,745	...
HRSA	$390,341	$607,796	$661,185	$792,526	$835,685	+5%
Ryan White CARE	*($348,013)*	*($579,365)*	*($632,965)*	*($775,465)*	*($807,465)*	*+4%*
Title I	*($184,757)*	*($325,500)*	*($356,500)*	*($407,000)*	*($423,943)*	*+4%*
Title II	*($115,288)*	*($183,897)*	*($198,147)*	*($273,897)*	*($284,954)*	*+4%*
Title IIIB	*($47,968)*	*($47,968)*	*($52,318)*	*($62,568)*	*($64,568)*	*+3%*
Title IV[a]	....	*($22,000)*	*($26,000)*	*($32,000)*	*($34,000)*	*+6%*
Other HRSA AIDS	*($42,328)*	*($28,431)*	*($28,220)*	*($17,061)*	*($28,220)*	*+65%*
IHS	$3,303	$3,556	$3,637	$3,660	$3,847	+5%
CDC	$498,263	$543,253	$588,731	$583,433	$616,981	+6%
NIH	$1,071,457	$1,296,471	$1,333,875	$1,407,824	$1,431,908	+2%
SAMHSA[b]	$25,656	$27,320	$24,095	$14,300	$11,939	-17%
AHCPR	$9,824	$10,624	$9,084	$6,634	$4,755	-28%
OHAP/OMH/OCR	$7,930	$7,503	$6,046	$4,523	$4,732	+5%
Total, HHS	**$2,079,191**	**$2,568,922**	**$2,699,398**	**$2,885,645**	**$2,982,592**	**+3%**

* This includes funds in pending continuing resolutions and proposed add-backs.

[a]The HRSA pediatric demonstration projects were not incorporated into Title IV until FY94 at $22 million.

[b]The FY97 request for substance abuse and treatment overall at SAMHSA is $1.6 billion, an increase of $207 million over FY96.

AIDS Spending
Other Departments & Agencies
(in thousands)

Department/Agency	FY93	FY94	FY95	FY96 Policy*	FY97 President's Budget
AID	$117,000	$115,000	$121,000	$111,000	$97,000
Defense	$159,000	$129,000	$112,000	$103,000	$85,000
HUD/HOPWA	$100,000	$156,000	$171,000	$171,000	$171,000
Justice/Prisons	$5,000	$6,000	$6,000	$6,000	$7,000
Labor	$1,000	$1,000	$1,000	$1,000	$2,000
OPM	$175,000	$193,000	$212,000	$226,000	$241,000
Veterans	$299,000	$312,000	$317,000	$337,000	$347,000

* This includes funds in pending continuing resolutions and proposed add-backs.

Increases in AIDS-related Spending: FY 1993 v. FY 1997

(in thousands)

Program	FY93 Budget (Bush Administration)	FY97 Clinton Budget	% change compared to FY93
HRSA	$390,341	$835,685	+114%
Ryan White CARE	*($348,013)*	*($807,465)*	*+132%*
Title I	*($184,757)*	*($423,943)*	*+129%*
Title II	*($115,288)*	*($284,954)*	*+147%*
Title IIIB	*($47,968)*	*($64,568)*	*+35%*
Title IV[a]	....	*($34,000)*	*+55%*
IHS	$3,303	$3,847	+16%
CDC	$498,263	$616,981	+24%
NIH	$1,071,457	$1,431,908	+34%
Total, HHS, Discretionary	**$2,079,191**	**$2,982,592**	**+43%**

[a]The HRSA pediatric demonstration projects were not incorporated into Title IV until FY94 at $22 million.

AIDS Spending
Entitlement Spending
(in thousands)

Program	FY93	FY94	FY95	FY96 Policy*	FY97 President's Budget	% change compared to FY96
Medicaid (Federal Share)	$1,290,000	$1,490,000	$1,640,000	$1,800,000	$1,970,000	9
Medicare	$386,000	$500,000	$600,000	$690,000	$780,000	13
Social Security (SSI)	$200,000	$240,000	$300,000	$370,000	$450,000	22
Social Security (DI)	$515,000	$600,000	$705,000	$710,000	$795,000	12
Total	**$2,391,000**	**$2,830,000**	**$3,245,000**	**$3,570,000**	**$3,995,000**	**8**

* This includes funds in pending continuing resolutions and proposed add-backs.

THE WHITE HOUSE

WASHINGTON

Statement By
Patricia S. Fleming
National AIDS Policy Director
on
President Clinton's Fiscal Year 1996 AIDS Budget

February 6, 1995

GOOD AFTERNOON:

Thank you for joining us today.

Today, I am pleased to present the President's fiscal year 1996 budget for the Federal government's response to the HIV/AIDS epidemic. As you will see, this budget represents a forceful, focused, and dynamic response to an epidemic that has already claimed the lives of nearly a quarter of a million Americans.

Since he took office a little more than two years ago, President Clinton has sharply increased the Federal response to HIV and AIDS while providing the important national leadership and focus that this epidemic demands in the areas of research, prevention, education, and services.

As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

Some have asked why the government is spending so much on AIDS. At a time when all levels of government are reexamining how they do business, this is a legitimate question. I believe the facts show very clearly why we need this kind of commitment.

Just last week, the Centers for Disease Control and Prevention made the startling announcement that AIDS is now the leading cause of death for all Americans between the ages of 25 and 44, what we generally refer to as the prime of life. In 1994 alone, nearly 81,000 new cases of AIDS were reported in the U.S., accounting for nearly one-fifth of the 441,000 cases of AIDS that have been reported in this country since the epidemic began in 1981. In 1994, an average of 220 Americans were diagnosed with AIDS every day. In the last twelve months, more than 40,000 Americans died as a result of their HIV infection, accounting for 16 percent of AIDS-related deaths since the beginning of the epidemic.

In other words, in the United States, an average of 200 people are diagnosed with AIDS every day and more than 100 Americans die of this disease every 24 hours.

HIV is increasingly affecting young Americans, including those who are in their teens. A recent report estimates that of the 40,000 to 50,000 new HIV infections in the United States last year, one in four occurred among people under the age of 20. One-half of new infections were among people under the age of 25. As a result of these troubling trends, it is clear that AIDS will continue to wreak havoc with our next generation of leaders unless we act decisively to stem the tide.

Beyond its human toll, AIDS is also having a severe impact on our economy. People with AIDS account for a sharply increasing percentage of entitlement program spending by the Federal government. In the coming fiscal year, we estimate that the Federal share of Medicaid costs for people with AIDS will be 1.8 billion dollars, an increase of 10 percent over fiscal 1995. States will bear a similar increase in their share of this program. Medicare will spend approximately 690 million dollars in fiscal 1996, an increase of 15 percent over fiscal 1995. The Federal Employees Health Benefits program expects to spend 235 million dollars on AIDS care for federal workers and their families, an increase of more than 9 percent.

Perhaps the most troubling evidence of the economic impact of AIDS is in the Social Security program. In fiscal 1996, Social Security will spend 1.2 billion dollars on disability and other benefits for people living with HIV and AIDS. That's a 19 percent increase over fiscal 1995. In fact, over the last two years, we have seen Social Security costs related to AIDS rise by an astonishing 30 percent.

President Clinton's fiscal 1996 budget reflects this Administration's continuing commitment to fight the battle against AIDS on every front -- research, prevention, and services. This budget focuses on some very important goals. First, it seeks to reduce the number of new HIV infections in this country. Second, scientists will continue to examine the AIDS virus and its impact on the human body so that we can lessen that effect and eventually find a vaccine and a cure. And, third, we will work to ensure that people living with HIV and AIDS have access to the kind of high-quality cost-effective services that they need to live longer and live better.

There have been some very promising advances in AIDS-related research in the last year. Scientists funded by the National Institutes of Health have discovered that the use of AZT during pregnancy and childbirth can reduce the risk of HIV transmission from mother to child by 67 percent. This is the first time in the history of this epidemic that we've been able to find a way to actually block transmission of the AIDS virus. Scientists at last week's retroviral meeting in Washington were very encouraged by the early results of tests of protease inhibitors, a new class of AIDS drugs that help the body repair its immune system.

We must continue our investment in AIDS research. President Clinton's budget includes 1.4 billion dollars for AIDS research at the National Institutes of Health, a five percent increase over fiscal 1995. This will allow us to increase our commitment to basic research into how the AIDS virus works. It will also allow us to continue the vigorous research into new AIDS drugs and vaccines and to conduct clinical trials of these agents. The NIH budget also will continue our efforts into prevention, including the development of a microbicide for women.

Until we are able to find a vaccine or a cure for HIV, education and prevention programs are our only hope to slow the spread of this epidemic. Community-based prevention programs have helped to slow the rate of infection in segments of the population. Among gay men, such education has resulted in a declining percentage of new AIDS cases being reported among gay and bisexual men. In 1994, these men accounted for fewer than half of new cases. That's a sharp contrast to only a few years ago.

President Clinton's fiscal 1996 budget includes 624.7 million dollars for AIDS education and prevention programs at the CDC, a 6 percent increase from fiscal 1995. Of this total, 327 million dollars will be spent on national outreach and education, technical assistance, and research. The remaining 298 million dollars will be awarded through a new Performance Partnership Grant with the states that I will describe shortly.

With more than a million Americans living with HIV, it is essential that we provide the medical and social services necessary for them to continue to live independent lives and retain their health for as long as possible. The President has made a major commitment to guaranteeing that all Americans living with HIV have access to these needed services. The Ryan White CARE Act provided funding for more than 300,000 client visits in 1994. In fiscal 1996, the President proposes an additional 91 million dollar increase, bringing the three-year increase to 108 percent.

The 724 million dollars requested for the Ryan White Act will allow us to increase the number of Americans living with HIV who receive care. It will permit all of the 42 metropolitan communities currently receiving Ryan White formula grants to receive at least as much as they did in fiscal 1995 and it will provide enough money to assist ten to fourteen new cities. It will also permit us to increase assistance to states, recognizing the growing impact of AIDS in smaller cities and rural communities. And it provides funding for primary care services and care for women and children with HIV.

In addition to medical and social services, people living with HIV and AIDS frequently need assistance with their housing costs. Early in this epidemic, we saw an increase in the number of people with AIDS who were forced to live on the street because they could no longer afford their rent payments. The Housing Opportunities for People with AIDS program, or HOPWA, has helped thousands of people find or keep their housing. The President proposes to continue this program and provide another 186 million dollars in fiscal 1996. Since the President took office, funding for this program has increased by 46 percent.

As I mentioned, the increase in funding for the Ryan White CARE Act has helped thousands of Americans live with HIV. It also has helped an increasing number of cities cope with the impact of this epidemic.

Title I of the Act, which provides direct assistance to cities severely affected by AIDS, will receive 407 million dollars in fiscal 1996, an increase of 14 percent over fiscal 1995. Title I will receive more than half of the total budget for the Ryan White CARE Act.

We are proposing a 23.7 million dollar increase in funding for Title II, which provides assistance to the states. As a result, Title II will receive 221.9 million dollars, or 31 percent of the total.

Title IIIB, which provides money to local clinics for early intervention services, will receive 63 million dollars, an increase of 16.1 percent.

Finally, Title IV, which provides assistance to women and children with HIV, will get 32 million dollars, an increase of 23 percent.

Let me finish up by discussing our proposal to consolidate certain programs at the CDC. As you know, this Administration has been committed to improving the way that the Federal government serves the people of this country and to strengthening the relationship between Federal, State, and local governments.

In the area of AIDS, we have already strengthened our ties with state and local governments and community-based organizations through a partnership on education and prevention. The proposal to consolidate certain HIV prevention activities with similar programs in the areas of tuberculosis control and prevention of sexually transmitted diseases will further that cooperation. The consolidation will allow us to unify programs serving similar or overlapping populations and give local communities greater flexibility to provide "one-stop shopping" for needed services. Most importantly, the new proposal retains the new community planning effort and eventually will expand that approach to TB and STDs.

In conclusion, let me say that this is a remarkable budget. In an era of zero-growth budgeting, the national commitment to fighting HIV and AIDS remains very strong. Thank you.

# # #

AIDS Spending
Public Health Service
(in millions)

Program	FY94	FY95	FY96 Proposed	+/- 95 $	+/- %
FDA	$72,399	$72,745	$74,200	+$1,455	+2%
HRSA	$607,796	$661,185	$751,685	+$90,500	+14%
Ryan White CARE	*($579,365)*	*($632,965)*	*($723,465)*	*(+$90,500)*	*+14%*
Title I	*($325,500)*	*($356,500)*	*($407,000)*	*(+$50,500)*	*+14%*
Title II	*($183,897)*	*($198,147)*	*($221,897)*	*(+$23,750)*	*+12%*
Title IIIB	*($47,968)*	*($52,318)*	*($62,568)*	*(+$10,250)*	*+20%*
Title IV	*($22,000)*	*($26,000)*	*($32,000)*	*(+$6,000)*	*+23%*
Other HRSA AIDS	*($28,431)*	*($28,220)*	*($28,220)*	*(0)*	*0%*
IHS	$3,556	$3,637	$3,933	+$296	+8%
CDC	$543,253	$589,962	$624,718	+$34,756	+6%
NIH	$1,297,115	$1,335,421	$1,407,824	+$72,403	+5%
SAMHSA	$28,111	$24,825	$24,755	-$70	0%
AHCPR	$10,624	$10,585	$11,079	+$494	+5%
OASH	$5,263	$4,083	$4,083	$0	0%
Total, PHS	**$2,568,117**	**$2,702,443**	**$2,902,277**	**+$199,834**	**+7%**

AIDS Spending
Other Departments & Agencies

(in millions)

Department/Agency	FY94	FY95	FY96 Proposed	+/-$	+/-%
AID	$115,000	$121,000	$121,000	0	0%
Defense	$129,000	$127,000	$98,000	-$29,000	-23%
HUD/HOPWA	$156,000	$186,000	$186,000	0	0%
Justice/Prisons	$6,000	$7,000	$8,000	+$1,000	+12.5%
Labor	$1,000	$1,000	$1,000	0	0%
State	$1,000	$1,000	$1,000	0	0%
Veterans	$312,000	$329,000	$345,000	+$16,000	+5%

AIDS Spending
Entitlement Spending

(in millions)

Program	FY94	FY95	FY96	+/-$	+/-%
Medicaid (Federal Share)	$1,490	$1,640	$1,800	+$160	+10%
Medicare	$500	$600	$690	+$90	+15%
Social Security (SSI)	$240	$300	$370	+$70	+23%
Social Security (DI)	$600	$705	$830	+$125	+18%
Total	**$2,830**	**$3,245**	**$3,690**	**+$445**	**+14%**

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As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

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Beyond its human toll, AIDS is also having a severe impact on our economy. People with AIDS account for a sharply increasing percentage of entitlement program spending by the Federal government. In the coming fiscal year, we estimate that the Federal share of Medicaid costs for people with AIDS will be 1.8 billion dollars, an increase of 10 percent over fiscal 1995. States will bear a similar increase in their share of this program. Medicare will spend approximately 690 million dollars in fiscal 1996, an increase of 15 percent over fiscal 1995. The Federal Employees Health Benefits program expects to spend 235 million dollars on AIDS care for federal workers and their families, an increase of more than 9 percent.

Perhaps the most troubling evidence of the economic impact of AIDS is in the Social Security program. In fiscal 1996, Social Security will spend 1.2 billion dollars on disability and other benefits for people living with HIV and AIDS. That's a 19 percent increase over fiscal 1995. In fact, over the last two years, we have seen Social Security costs related to AIDS rise by an astonishing 30 percent.

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(in millions)

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Title I	*($325,500)*	*($356,500)*	*($407,000)*	*(+$50,500)*	*+14%*
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Total, PHS	**$2,568,117**	**$2,702,443**	**$2,902,277**	**+$199,834**	**+7%**

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Department/Agency	FY94	FY95	FY96 Proposed	+/-$	+/-%
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Program	FY94	FY95	FY96	+/-$	+/-%
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Since he took office a little more than two years ago, President Clinton has sharply increased the Federal response to HIV and AIDS while providing the important national leadership and focus that this epidemic demands in the areas of research, prevention, education, and services.

As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

Some have asked why the government is spending so much on AIDS. At a time when all levels of government are reexamining how they do business, this is a legitimate question. I believe the facts show very clearly why we need this kind of commitment.

Just last week, the Centers for Disease Control and Prevention made the startling announcement that AIDS is now the leading cause of death for all Americans between the ages of 25 and 44, what we generally refer to as the prime of life. In 1994 alone, nearly 81,000 new cases of AIDS were reported in the U.S., accounting for nearly one-fifth of the 441,000 cases of AIDS that have been reported in this country since the epidemic began in 1981. In 1994, an average of 220 Americans were diagnosed with AIDS every day. In the last twelve months, more than 40,000 Americans died as a result of their HIV infection, accounting for 16 percent of AIDS-related deaths since the beginning of the epidemic.

In other words, in the United States, an average of 200 people are diagnosed with AIDS every day and more than 100 Americans die of this disease every 24 hours.

HIV is increasingly affecting young Americans, including those who are in their teens. A recent report estimates that of the 40,000 to 50,000 new HIV infections in the United States last year, one in four occurred among people under the age of 20. One-half of new infections were among people under the age of 25. As a result of these troubling trends, it is clear that AIDS will continue to wreak havoc with our next generation of leaders unless we act decisively to stem the tide.

Beyond its human toll, AIDS is also having a severe impact on our economy. People with AIDS account for a sharply increasing percentage of entitlement program spending by the Federal government. In the coming fiscal year, we estimate that the Federal share of Medicaid costs for people with AIDS will be 1.8 billion dollars, an increase of 10 percent over fiscal 1995. States will bear a similar increase in their share of this program. Medicare will spend approximately 690 million dollars in fiscal 1996, an increase of 15 percent over fiscal 1995. The Federal Employees Health Benefits program expects to spend 235 million dollars on AIDS care for federal workers and their families, an increase of more than 9 percent.

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As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

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(in millions)

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Total, PHS	**$2,568,117**	**$2,702,443**	**$2,902,277**	**+$199,834**	**+7%**

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Public Health Service
(in millions)

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Total, PHS	**$2,568,117**	**$2,702,443**	**$2,902,277**	**+$199,834**	**+7%**

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Department/Agency	FY94	FY95	FY96 Proposed	+/-$	+/-%
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Program	FY94	FY95	FY96	+/-$	+/-%
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Since he took office a little more than two years ago, President Clinton has sharply increased the Federal response to HIV and AIDS while providing the important national leadership and focus that this epidemic demands in the areas of research, prevention, education, and services.

As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

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President Clinton's fiscal 1996 budget reflects this Administration's continuing commitment to fight the battle against AIDS on every front -- research, prevention, and services. This budget focuses on some very important goals. First, it seeks to reduce the number of new HIV infections in this country. Second, scientists will continue to examine the AIDS virus and its impact on the human body so that we can lessen that effect and eventually find a vaccine and a cure. And, third, we will work to ensure that people living with HIV and AIDS have access to the kind of high-quality cost-effective services that they need to live longer and live better.

There have been some very promising advances in AIDS-related research in the last year. Scientists funded by the National Institutes of Health have discovered that the use of AZT during pregnancy and childbirth can reduce the risk of HIV transmission from mother to child by 67 percent. This is the first time in the history of this epidemic that we've been able to find a way to actually block transmission of the AIDS virus. Scientists at last week's retroviral meeting in Washington were very encouraged by the early results of tests of protease inhibitors, a new class of AIDS drugs that help the body repair its immune system.

We must continue our investment in AIDS research. President Clinton's budget includes 1.4 billion dollars for AIDS research at the National Institutes of Health, a five percent increase over fiscal 1995. This will allow us to increase our commitment to basic research into how the AIDS virus works. It will also allow us to continue the vigorous research into new AIDS drugs and vaccines and to conduct clinical trials of these agents. The NIH budget also will continue our efforts into prevention, including the development of a microbicide for women.

Until we are able to find a vaccine or a cure for HIV, education and prevention programs are our only hope to slow the spread of this epidemic. Community-based prevention programs have helped to slow the rate of infection in segments of the population. Among gay men, such education has resulted in a declining percentage of new AIDS cases being reported among gay and bisexual men. In 1994, these men accounted for fewer than half of new cases. That's a sharp contrast to only a few years ago.

President Clinton's fiscal 1996 budget includes 624.7 million dollars for AIDS education and prevention programs at the CDC, a 6 percent increase from fiscal 1995. Of this total, 327 million dollars will be spent on national outreach and education, technical assistance, and research. The remaining 298 million dollars will be awarded through a new Performance Partnership Grant with the states that I will describe shortly.

With more than a million Americans living with HIV, it is essential that we provide the medical and social services necessary for them to continue to live independent lives and retain their health for as long as possible. The President has made a major commitment to guaranteeing that all Americans living with HIV have access to these needed services. The Ryan White CARE Act provided funding for more than 300,000 client visits in 1994. In fiscal 1996, the President proposes an additional 91 million dollar increase, bringing the three-year increase to 108 percent.

The 724 million dollars requested for the Ryan White Act will allow us to increase the number of Americans living with HIV who receive care. It will permit all of the 42 metropolitan communities currently receiving Ryan White formula grants to receive at least as much as they did in fiscal 1995 and it will provide enough money to assist ten to fourteen new cities. It will also permit us to increase assistance to states, recognizing the growing impact of AIDS in smaller cities and rural communities. And it provides funding for primary care services and care for women and children with HIV.

In addition to medical and social services, people living with HIV and AIDS frequently need assistance with their housing costs. Early in this epidemic, we saw an increase in the number of people with AIDS who were forced to live on the street because they could no longer afford their rent payments. The Housing Opportunities for People with AIDS program, or HOPWA, has helped thousands of people find or keep their housing. The President proposes to continue this program and provide another 186 million dollars in fiscal 1996. Since the President took office, funding for this program has increased by 46 percent.

As I mentioned, the increase in funding for the Ryan White CARE Act has helped thousands of Americans live with HIV. It also has helped an increasing number of cities cope with the impact of this epidemic.

Title I of the Act, which provides direct assistance to cities severely affected by AIDS, will receive 407 million dollars in fiscal 1996, an increase of 14 percent over fiscal 1995. Title I will receive more than half of the total budget for the Ryan White CARE Act.

We are proposing a 23.7 million dollar increase in funding for Title II, which provides assistance to the states. As a result, Title II will receive 221.9 million dollars, or 31 percent of the total.

Title IIIB, which provides money to local clinics for early intervention services, will receive 63 million dollars, an increase of 16.1 percent.

Finally, Title IV, which provides assistance to women and children with HIV, will get 32 million dollars, an increase of 23 percent.

Let me finish up by discussing our proposal to consolidate certain programs at the CDC. As you know, this Administration has been committed to improving the way that the Federal government serves the people of this country and to strengthening the relationship between Federal, State, and local governments.

In the area of AIDS, we have already strengthened our ties with state and local governments and community-based organizations through a partnership on education and prevention. The proposal to consolidate certain HIV prevention activities with similar programs in the areas of tuberculosis control and prevention of sexually transmitted diseases will further that cooperation. The consolidation will allow us to unify programs serving similar or overlapping populations and give local communities greater flexibility to provide "one-stop shopping" for needed services. Most importantly, the new proposal retains the new community planning effort and eventually will expand that approach to TB and STDs.

In conclusion, let me say that this is a remarkable budget. In an era of zero-growth budgeting, the national commitment to fighting HIV and AIDS remains very strong. Thank you.

# # #

AIDS Spending
Public Health Service
(in millions)

Program	FY94	FY95	FY96 Proposed	+/- 95 $	+/- %
FDA	$72,399	$72,745	$74,200	+$1,455	+2%
HRSA	$607,796	$661,185	$751,685	+$90,500	+14%
Ryan White CARE	*($579,365)*	*($632,965)*	*($723,465)*	*(+$90,500)*	*+14%*
Title I	*($325,500)*	*($356,500)*	*($407,000)*	*(+$50,500)*	*+14%*
Title II	*($183,897)*	*($198,147)*	*($221,897)*	*(+$23,750)*	*+12%*
Title IIIB	*($47,968)*	*($52,318)*	*($62,568)*	*(+$10,250)*	*+20%*
Title IV	*($22,000)*	*($26,000)*	*($32,000)*	*(+$6,000)*	*+23%*
Other HRSA AIDS	*($28,431)*	*($28,220)*	*($28,220)*	*(0)*	*0%*
IHS	$3,556	$3,637	$3,933	+$296	+8%
CDC	$543,253	$589,962	$624,718	+$34,756	+6%
NIH	$1,297,115	$1,335,421	$1,407,824	+$72,403	+5%
SAMHSA	$28,111	$24,825	$24,755	-$70	0%
AHCPR	$10,624	$10,585	$11,079	+$494	+5%
OASH	$5,263	$4,083	$4,083	$0	0%
Total, PHS	**$2,568,117**	**$2,702,443**	**$2,902,277**	**+$199,834**	**+7%**

AIDS Spending
Other Departments & Agencies
(in millions)

Department/Agency	FY94	FY95	FY96 Proposed	+/-$	+/-%
AID	$115,000	$121,000	$121,000	0	0%
Defense	$129,000	$127,000	$98,000	-$29,000	-23%
HUD/HOPWA	$156,000	$186,000	$186,000	0	0%
Justice/Prisons	$6,000	$7,000	$8,000	+$1,000	+12.5%
Labor	$1,000	$1,000	$1,000	0	0%
State	$1,000	$1,000	$1,000	0	0%
Veterans	$312,000	$329,000	$345,000	+$16,000	+5%

AIDS Spending
Entitlement Spending

(in millions)

Program	FY94	FY95	FY96	+/-$	+/-%
Medicaid (Federal Share)	$1,490	$1,640	$1,800	+$160	+10%
Medicare	$500	$600	$690	+$90	+15%
Social Security (SSI)	$240	$300	$370	+$70	+23%
Social Security (DI)	$600	$705	$830	+$125	+18%
Total	**$2,830**	**$3,245**	**$3,690**	**+$445**	**+14%**

THE WHITE HOUSE

WASHINGTON

Statement By
Patricia S. Fleming
National AIDS Policy Director
on
President Clinton's Fiscal Year 1996 AIDS Budget

February 6, 1995

GOOD AFTERNOON:

Thank you for joining us today.

Today, I am pleased to present the President's fiscal year 1996 budget for the Federal government's response to the HIV/AIDS epidemic. As you will see, this budget represents a forceful, focused, and dynamic response to an epidemic that has already claimed the lives of nearly a quarter of a million Americans.

Since he took office a little more than two years ago, President Clinton has sharply increased the Federal response to HIV and AIDS while providing the important national leadership and focus that this epidemic demands in the areas of research, prevention, education, and services.

As a result of these investments, more Americans are now receiving the kind of information they need to prevent the transmission of HIV, the virus that causes AIDS. More Americans living with HIV and AIDS are receiving the services they need to stay alive and to enjoy a better quality of life. And more scientists than ever are pursuing our very important goals -- better treatments for people living with AIDS, a vaccine to prevent transmission of HIV, and, ultimately a cure to this insidious disease.

Some have asked why the government is spending so much on AIDS. At a time when all levels of government are reexamining how they do business, this is a legitimate question. I believe the facts show very clearly why we need this kind of commitment.

Just last week, the Centers for Disease Control and Prevention made the startling announcement that AIDS is now the leading cause of death for all Americans between the ages of 25 and 44, what we generally refer to as the prime of life. In 1994 alone, nearly 81,000 new cases of AIDS were reported in the U.S., accounting for nearly one-fifth of the 441,000 cases of AIDS that have been reported in this country since the epidemic began in 1981. In 1994, an average of 220 Americans were diagnosed with AIDS every day. In the last twelve months, more than 40,000 Americans died as a result of their HIV infection, accounting for 16 percent of AIDS-related deaths since the beginning of the epidemic.

In other words, in the United States, an average of 200 people are diagnosed with AIDS every day and more than 100 Americans die of this disease every 24 hours.

HIV is increasingly affecting young Americans, including those who are in their teens. A recent report estimates that of the 40,000 to 50,000 new HIV infections in the United States last year, one in four occurred among people under the age of 20. One-half of new infections were among people under the age of 25. As a result of these troubling trends, it is clear that AIDS will continue to wreak havoc with our next generation of leaders unless we act decisively to stem the tide.

Beyond its human toll, AIDS is also having a severe impact on our economy. People with AIDS account for a sharply increasing percentage of entitlement program spending by the Federal government. In the coming fiscal year, we estimate that the Federal share of Medicaid costs for people with AIDS will be 1.8 billion dollars, an increase of 10 percent over fiscal 1995. States will bear a similar increase in their share of this program. Medicare will spend approximately 690 million dollars in fiscal 1996, an increase of 15 percent over fiscal 1995. The Federal Employees Health Benefits program expects to spend 235 million dollars on AIDS care for federal workers and their families, an increase of more than 9 percent.

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There have been some very promising advances in AIDS-related research in the last year. Scientists funded by the National Institutes of Health have discovered that the use of AZT during pregnancy and childbirth can reduce the risk of HIV transmission from mother to child by 80 percent. This is the first time in the history of this epidemic that we've been able to find a way to actually block transmission of the AIDS virus. Scientists at last week's retroviral meeting in Washington were very encouraged by the early results of tests of protease inhibitors, a new class of AIDS drugs that can actually begin to repair the body's immune system.

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