

MF.04
AIDS Administration
Department of Health and Mental Hygiene

Operating Budget Data

(\$ in Thousands)

	FY 01	FY 02	FY 03		% Change
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>	<u>Prior Year</u>
General Fund	\$5,171	\$6,165	\$6,433	\$268	4.3%
Special Fund	285	418	286	(132)	(31.6%)
Federal Fund	<u>38,136</u>	<u>42,085</u>	<u>42,371</u>	<u>286</u>	<u>0.7%</u>
Total Funds	\$43,592	\$48,668	\$49,090	\$422	0.9%

- The fiscal 2003 allowance provides for modest growth in the AIDS Administration's budget. Over half of the increase relates to personnel expenses.

Personnel Data

	FY 01	FY 02	FY 03	
	<u>Actual</u>	<u>Working</u>	<u>Allowance</u>	<u>Change</u>
Regular Positions	68.00	68.00	68.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	68.00	68.00	68.00	0.00

Vacancy Data: Regular Positions

Budgeted Turnover: FY 03	4.30	6.33%
Positions Vacant as of 12/31/01	8.40	12.35%

Note: Numbers may not sum to total due to rounding.

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Analysis in Brief

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Add language requiring \$150,000 of the general fund appropriation to be used to purchase condoms for HIV prevention activities.		
2. Reduce growth in HIV Health Service general fund support based on the availability of federal funds.	\$ 50,000	
Total Reductions	\$ 50,000	

MF.04
AIDS Administration
Department of Health and Mental Hygiene

Operating Budget Analysis

Program Description

The AIDS Administration was established in 1987 to provide the Department of Health and Mental Hygiene (DHMH) and the State with expert scientific and public health leadership to combat the spread of HIV. The mission of the AIDS Administration is to decrease disability and death due to AIDS by reducing transmission of HIV and to help Marylanders already infected live longer and better lives. This is to be accomplished by monitoring the spread of the epidemic and its impact on populations within the State, controlling the spread of HIV infection in Maryland, and reducing morbidity and mortality associated with HIV. The key functions of the AIDS Administration are:

- executive oversight of the mission of the administration;
- planning, developing, and evaluating programs;
- supporting programs statewide for treatment and support services to ensure that people with HIV infection have access to the medical and support services needed to live with their disease;
- supporting programs statewide for prevention and education to reduce the likelihood of transmission by giving people the information they need to adopt behaviors which will prevent them from becoming infected; and
- surveillance to track HIV and AIDS.

The AIDS Administration consults and coordinates its work with the 24 local health departments. Each local health department has counseling and testing sites where free tests and consultations are available. The administration also funds clinical activities for the diagnosis and evaluation of patients with HIV.

A reorganization of the administration effective April 1997 created two major divisions: "Epidemiology and Research" and "HIV Services." Units under Epidemiology and Research are responsible for maintaining the HIV/AIDS surveillance system, supporting community-based planning for HIV prevention and treatment programs, evaluating prevention and service programs funded through the AIDS Administration, and performing research studies. HIV Services includes education, prevention interventions, health services, housing, and other patient services.

Adjustments to the Fiscal 2002 Budget

As part of the Governor's fiscal 2002 cost containment actions, the AIDS Administration saw general fund reductions of \$172,572, or 2.7% of the fiscal 2002 legislative general fund appropriation. Of this amount, \$104,942 was attributable to the hiring freeze, and \$67,630 to the additional 1.5% cost containment requirement. Cost containment was spread across various categories of agency spending. Major areas of cuts were printing of educational pamphlets and the purchase of educational materials (\$37,668, or 46% of total cuts) and a small reduction in the overall funding of HIV Health Services (\$20,586, or 25% of total cuts).

Governor's Proposed Budget

The Governor's fiscal 2003 allowance for the AIDS Administration is \$422,000 above the fiscal 2002 working appropriation, an increase of only 0.9%. The increase is fairly evenly split between general and federal funds. This is unusual compared to prior years when federal fund increases were large both in dollar terms and also as a percentage of the total increase.

Funding by Activity

Exhibit 1 broadly links funding to activity within the AIDS Administration for fiscal 2001 through fiscal 2003. Exhibit 1 shows:

- The only area of significant growth in fiscal 2003 is in HIV/AIDS surveillance. Most of this increase is in administrative support through a contract with the Maryland Institute for Policy and Research (MIPAR) at the University of Maryland, Baltimore County.
- Health Services funding is traditionally an area of significant growth. For example, the growth in funding from fiscal 2001 to 2002 was some 28%. In fiscal 2003, there is actually a small decline in funding for Health Services, although it remains almost two-thirds of the proposed allowance.
- Prevention/education funding increases slightly in fiscal 2003. While, at just over one-quarter of the administration's allowance, prevention/education funding is the second largest activity, funding levels are still well below those of fiscal 2001.

Exhibit 1

**Funding by Activities
AIDS Administration
Fiscal 2000 through 2002**

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Annual % Change 01-03</u>	<u>Annual % Change 02-03</u>
Executive Direction	\$1,345,041	\$1,171,024	\$1,117,468	-8.9%	-4.6%
Surveillance	1,609,984	1,908,915	2,405,023	22.2%	26.0%
Planning and Evaluation	747,386	828,520	780,707	2.2%	-5.8%
Health Services	25,143,155	32,254,733	32,121,926	13.0%	-0.4%
Prevention/Education	14,746,549	12,504,982	12,665,180	-7.3%	1.3%
Total	\$43,592,115	\$48,668,174	\$49,090,304	6.1%	0.9%

Source: Department of Health and Mental Hygiene; Department of Legislative Services

Specific Program Changes

Exhibit 2 details specific changes in the Governor's fiscal 2003 allowance compared to the fiscal 2002 working appropriation. Changes include:

- **Personnel expenses** increase by \$226,000. Major components of this increase are annualization of the fiscal 2002 4% cost-of-living adjustment (COLA) which was effective January 1, 2002, fiscal 2003 increments (which are effective January 1, 2003) and increased retirement and health insurance costs. The annualization of the hiring freeze yields less savings in fiscal 2003 than fiscal 2002 based on the methodology used to develop the levels of savings to be gained.

For the fourth year in the past five years, the AIDS Administration ended the calendar year with a vacancy rate over 12%. For the year ending December 31, 2001, the administration had 8.4 vacant positions, a vacancy rate of 12.4%. This represents an improvement over the same time last year when the vacancy rate was 18.2%. Of the 8.4 vacant positions, 6.4 are general fund positions. The AIDS Administration has a fiscal 2003 effective turnover rate (turnover plus cost containment) of 7.4% and requires 5 vacancies to meet turnover and hiring freeze savings requirements. Current vacancy levels will enable them to reach that target.

- **Health services** funding declines. Among the various program changes is an \$863,000 federal fund increase for consortia funding for health and support services. These are health and social services provided according to priorities established between the consortia (local health departments, a provider or community-based organization, and clients) and the AIDS Administration. There is a smaller increase, \$159,000 in general funds, for HIV health services including dental services, case management, and patient support services. The Department of Legislative Services (DLS) would note that the AIDS Administration is projecting to carry forward federal funds into fiscal 2004 which can be used to support these same services. **Thus, DLS recommends reducing the growth in general fund support by \$50,000.** The administration can expand services with federal funds. Annualization of the fiscal 2002 provider COLA adds a further \$43,000 in general and federal funds.

Interestingly, funds to support drug purchases through the Maryland AIDS Drug Assistance Program (MADAP) and insurance costs through MADAP-Plus decline by almost \$1.5 million. This decline is not due to any lack of federal funds (the AIDS Administration maintains a healthy surplus of federal formula funding that are expected to be carried forward into future fiscal years). Rather, this decline represents lower than anticipated enrollment in the MADAP-Plus program (discussed further below).

- **Prevention/education** programming shows modest growth. The most significant dollar increase is \$456,000 jump in federal fund grants to local health departments and other organizations for a variety of HIV prevention activities. Interestingly, general fund expenditures on prevention/education activities actually decline. While there is an additional \$77,000 allocated to prevention programs targeting high-risk populations (adult women of child-bearing age, youth, drug users, men who are sexually active with other men, with a particular emphasis on high-risk minority populations), there is a \$150,000 reduction in other prevention funding that has been used in the past two years for additional condom purchases. This action is part of DHMH's fiscal 2003 cost containment actions.

Exhibit 2

**Governor's Proposed Budget
AIDS Administration
(\$ in Thousands)**

How Much It Grows:	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Total</u>
2002 Working Appropriation	\$6,165	\$418	\$42,085	\$48,668
2003 Governor's Allowance	6,433	286	42,371	49,090
Amount Change	\$268	(\$132)	\$286	\$422
Percent Change	4.3%	(31.6)%	0.7%	0.9%

Where It Goes:

Personnel Expenses	\$226
Annualize fiscal 2002 general salary increase	\$66
Retirement contributions	55
Health Insurance	44
Fiscal 2003 increments	40
Other personnel costs	16
Net fiscal 2003 hiring freeze	5
Health Services	(\$378)
Contractual funding for health and support services (federal funds)	863
HIV health services, (general funds)	159
Annualization of fiscal 2002 provider COLA (general/federal funds)	43
HIV Pediatric Services (federal funds)	42
MADAP/MADAP-Plus funds (federal funds)	(1,485)
Prevention/Education	\$383
Prevention Cooperative Agreement, contracts, and grants to local health departments and other organizations for HIV prevention activities, e.g., counseling, risk reduction initiatives, distribution of education materials (federal funds)	456
Prevention programs targeting high-risk populations (general funds)	77
Education programming: cost containment (general funds)	(150)

MF.04 - DHMH - AIDS Administration

Where It Goes:

Surveillance	\$44
HIV/AIDS surveillance (federal funds)	44
Administrative Support	\$187
Increased funding for Maryland Institute for Policy Analysis and Research Contract across all activities (general and federal funds)	187
Other Changes	(40)
Total	\$422

Note: Numbers may not sum to total due to rounding.

The \$150,000 for additional condom purchases has been part of the AIDS Administration’s budget since fiscal 2001. In fiscal 2001 budget deliberations, the legislature withheld \$600,000 in AIDS Administration general funds, funds which had been allocated to the MADAP program, pending a plan to spend the dollars on innovative prevention programming for which federal funds were unavailable. In addition to funding the Baltimore City Needle Exchange Program and a prevention initiative in North West Baltimore (which has since been incorporated into the Maryland PUSH program which is aimed at increasing HIV prevention counseling and testing in that part of the city), the AIDS Administration argued that \$150,000 was needed to expand the ongoing condom distribution program.

With growing emphasis on HIV prevention activities, demand for condoms was increasing. The administration found itself in the position of being unable to meet demand for condoms and was limiting supplies to service providers. The administration notes that there has been no slowing in the demand for condoms. At this point in the HIV/AIDS epidemic, it would appear that prevention/education programming is more needed than ever, with safe sex programming an important component of overall prevention activities.

Although the need for budget constraint requires difficult decisions, DLS believes that maintaining current prevention programming is an important priority. **Thus, DLS recommends budget language requiring the AIDS Administration to continue the existing level of funding for condom purchases for HIV prevention activities.** The administration should look for savings in other programs such as reducing general funds for administrative support provided by MIPAR and/or further limiting the growth in State-only HIV health services.

- **Surveillance** funding shows a small increase. However, most of the growth in administrative support provided by MIPAR is also in the Surveillance area. Significant efforts have been made to enhance surveillance activities in Baltimore City, particularly in identifying new AIDS cases. Since much federal funding is formula-driven based on the number of persons living with AIDS, adequate data collection is critical.

Federal Dollars Still Predominant

Federal dollars have always been, and remain today, the dominant funding stream for the AIDS Administration. Most of these federal funds come from HIV Care Formula Grants and funds for HIV Prevention Activities. Increases in the HIV Care Formula Grants are formula-driven while funds for HIV Prevention Activities are awarded competitively.

Exhibit 3 illustrates that increases in federal funds have been on the order of 17.1% annually between fiscal 1999 and 2003, compared to a 6% increase in general funds. This is despite the relatively small increase from fiscal 2002 to 2003. Federal funds make up 86.3% of the AIDS Administration’s proposed fiscal 2003 budget, down slightly from the current year.

Exhibit 3

**Funding by Fund Source
AIDS Administration
Fiscal 1999 through 2003**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	Ann. % Change 99-03
General Funds	\$5,103,612	\$5,245,537	\$5,171,430	\$6,165,187	\$6,433,250	6.0%
Special Funds	816,664	124,802	285,074	417,956	285,741	-23.1
Federal Funds	22,556,188	26,410,242	38,135,611	42,085,031	42,371,313	17.1%
Total	\$28,476,464	\$31,780,581	\$43,592,115	\$48,668,174	\$49,090,304	14.6%
<i>Federal Funds as % of Total Funds</i>	79.2%	83.1%	87.5%	87.5%	86.3%	

Source: Department of Health and Mental Hygiene

The Ryan White federal funds received by the AIDS Administration (an estimated two-thirds of the total federal funds received by the State) come with two different matching requirements:

- The State must maintain State spending on HIV-related activities at a level that is equal to or not less than the level of expenditures by the State for the one-year period preceding the fiscal year for which the State is applying to receive a grant. For the purposes of this matching requirement, State spending includes spending in the AIDS Administration, as well as Medicaid.
- For states such as Maryland with more than 1% of the national AIDS cases, a match of 50% of the grant award is established.

The proposed allowance meets those conditions for funding.

Performance Analysis: Managing for Results

Based on data through the end of September 2001, there are currently an estimated 25,241 Marylanders living with HIV or AIDS (14,191 with HIV, 11,050 with AIDS), up from 23,296 at the end of calendar 2000 (8.3%).

Exhibit 4 details performance data on HIV/AIDS in Maryland and the State's compliance with federal Centers for Disease Control (CDC) surveillance standards. The exhibit illustrates:

- The trend in the number of new reported HIV cases continues to be broadly upward, growing by an average annual increase of 3.9% over the five-year period 1997 to 2001. The AIDS Administration's Managing for Results (MFR) goal is to reduce the number of new reported HIV cases to 2.7% annually (as measured over a five-year period) by calendar 2003.
- The number of new reported AIDS cases falls significantly over the period 1997 through 2001, an average annual decline of 6.8% reflecting the impact of new AIDS drugs and therapies. The AIDS Administration's MFR goal by calendar 2003 is to reduce the number of new AIDS cases by 341 from calendar 2000 levels. The data shown in Exhibit 4 indicates that the administration is moving towards that goal.
- In the surveillance area, Maryland is one of nine states that tracks HIV cases through the use of a unique identifier rather than name-reporting. CDC guidelines allow states to use unique identifier case reporting providing they meet certain minimum performance standards. For example, more than 66% of all cases must be reported within six months of diagnosis, and no more than 5% of all cases should be duplicative or incorrectly matched. Indeed, meeting these CDC requirements is required in order to receive federal surveillance funding. As indicated in Exhibit 4, the AIDS Administration continues to meet those federal standards.

Exhibit 4

Performance Data -- Selected Indicators Calendar 1997 through 2001

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Annual % Change 1997-2001</u>
New Reported HIV Cases*	1,745	1,925	1,871	1,962	2,036	3.9%
New Reported AIDS Cases*	1,658	1,560	1,528	1,420	1,249	-6.8%
HIV/AIDS reporting within 6 months of diagnosis (%)			85.1	83.8	77.8	n/a
Unduplicated HIV/AIDS reporting (%)			<1	<1	<5	n/a

*2001 data for HIV projected from data through September 2001; 2000 and 2001 data for AIDS projected from data through September 2001 based on lags in reporting.

Source: Department of Health and Mental Hygiene

Compared to national data, the AIDS rate in Maryland remains high. For the year ending December 30, 2000, the CDC reports new AIDS rates of 27.7 per 100,000 population in Maryland compared to 14.4 per 100,000 nationally. Only the District of Columbia, Delaware, Florida, and New York have a

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higher rate of AIDS incidence than Maryland. For the same period, in metropolitan areas with over 500,000 in population, only six -- Fort Lauderdale, Miami, New York, Newark, San Francisco, and West Palm Beach -- have a higher rate of AIDS incidence than Baltimore (38.1 per 100,000 population).

In terms of a profile of persons with AIDS by exposure category, Maryland continues to have some striking differences with the national profile. For data through December 2000:

- Nationally, 46% of all AIDS cases are considered to result from men having sex with men, this compares to 29.3% for Maryland.
- Nationally, 25% of all AIDS cases are considered to result from injection drug use, compared to 43% for Maryland. Exposure to AIDS through injection drug use is the leading exposure category in Maryland.
- Nationally, 38% of all AIDS cases are in African Americans, compared to 77% in Maryland.

Maryland AIDS Drug Assistance Program

While drug therapies now offer significant hope to those infected with the HIV virus, the cost of those drugs (as much as \$15,000 annually) continues to place demand on programs administered by the AIDS Administration to cover drug or insurance costs.

As shown in **Exhibit 5**, enrollment in MADAP continues to climb, with almost 2,000 enrollees by the end of 2000. Almost all of those enrolled in MADAP are on Highly Active Anti-Retroviral Therapy (HAART), which is generally considered to be three or more medications, including at least one protease inhibitor or non-nucleoside reverse transcriptase inhibitor plus two other anti-retrovirals.

Exhibit 5

**Program Data -- Selected Indicators
Calendar 1996 through 2001**

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>Annual % Change 1996-2001</u>
MADAP Enrollees*	489	791	1,049	1,349	1,650	1,997	32.5%
MADAP Enrollees on HAART (% of Clients)	47	90	91	95	99	99	16.1%
MADAP-Plus Enrollees**					62	147	n/a
MAIAP Enrollees**					237	237	n/a

*Year end (monthly enrollment based on three-month average). Beginning July 2000 includes Transitional Assistance Program enrollment.

**Average monthly enrollment in that fiscal year.

HAART - Highly Active Anti-Retroviral Therapy

MAIAP - Maryland AIDS Insurance Assistance Program

Source: Department of Health and Mental Hygiene

MF.04 - DHMH - AIDS Administration

Eligibility for MADAP is open to any Maryland resident certified by a health care practitioner as being diagnosed with HIV/AIDS, and who also meets certain income eligibility criteria (for example, for a single person with an income above \$10,000 -- the upper income limit for Maryland Pharmacy Assistance Program -- and below 400% of the federal poverty limit or \$34,360). Clients are certified eligible for MADAP for a six-month period after which they may reapply for certification.

Exhibit 6 details trends in MADAP enrollment for the period 1996 through 2001. **Exhibit 7** shows cost data for the same period. Both exhibits detail the striking increase in MADAP utilization and expenditures since the availability of effective drug therapy:

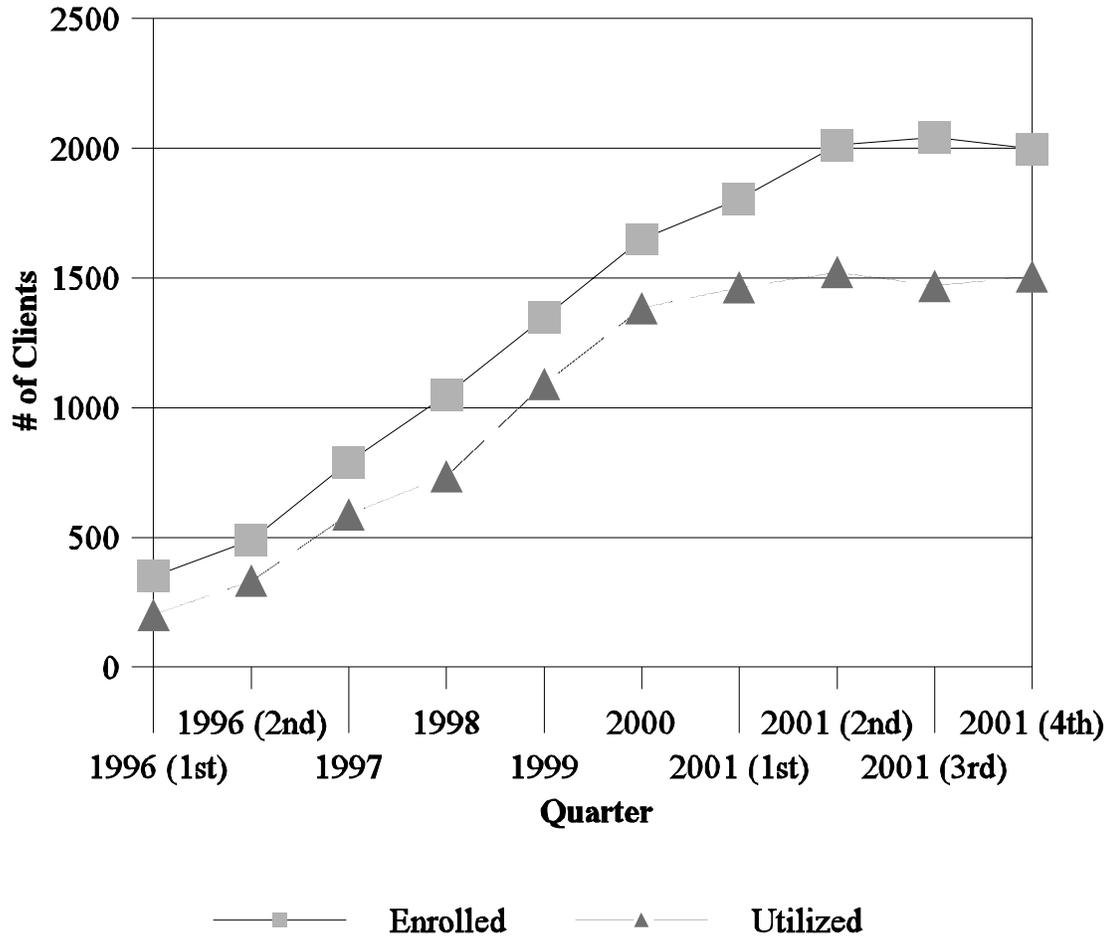
- the number of persons enrolled in MADAP has increased from a monthly average of 489 for the fourth quarter of 1996 to 1,997 in the fourth quarter of 2000, an average annual increase of 32.5%;
- average monthly utilization has also increased, from 344 for the fourth quarter of 1996 to 1,506 in the fourth quarter of 2001, an average annual increase of 34.4%;
- total average monthly medicine cost for MADAP has increased from \$231,000 for the fourth quarter of 1996 to almost \$1.6 million in the fourth quarter of 2001, an annual average increase of 46.7%; and
- the monthly cost per active client has risen from \$669 at the end of 1996 to \$1,043 at the end of 2001, an annual average increase of 9.3%.

One different trend to emerge in the MADAP program in 2001 was that utilization rates as a percentage of enrollment fell slightly. At the beginning of 1996, less than 60% of eligible enrollees actually utilized the program in any one month. Utilization rates rose to over 80% of eligible enrollees at the end of 2000, before falling to 75% at the end of 2001. One possible explanation for this would be a revision of CDC clinical guidelines for drug utilization. Previously CDC guidelines encouraged the use of HIV/AIDS drug therapies as soon as a person was diagnosed with HIV. New guidelines recommend delaying the use of such therapies which may be slightly reducing the utilization of the MADAP program.

The AIDS Administration continues to operate an ADAP program that is both generous in terms of eligibility and drugs covered. Strategies used by other states to manage demand on their ADAPs (waiting lists and restrictive formularies for example) have not proven necessary in Maryland. This reflects the continued flow of federal dollars to support the program. While the emergence of new therapies can quickly change expenditure trends, based on current trends MADAP should be able to handle the demands being placed upon it with the dollars currently available.

Exhibit 6

MADAP Monthly Enrollment and Utilization
Calendar 1996 through 2001*

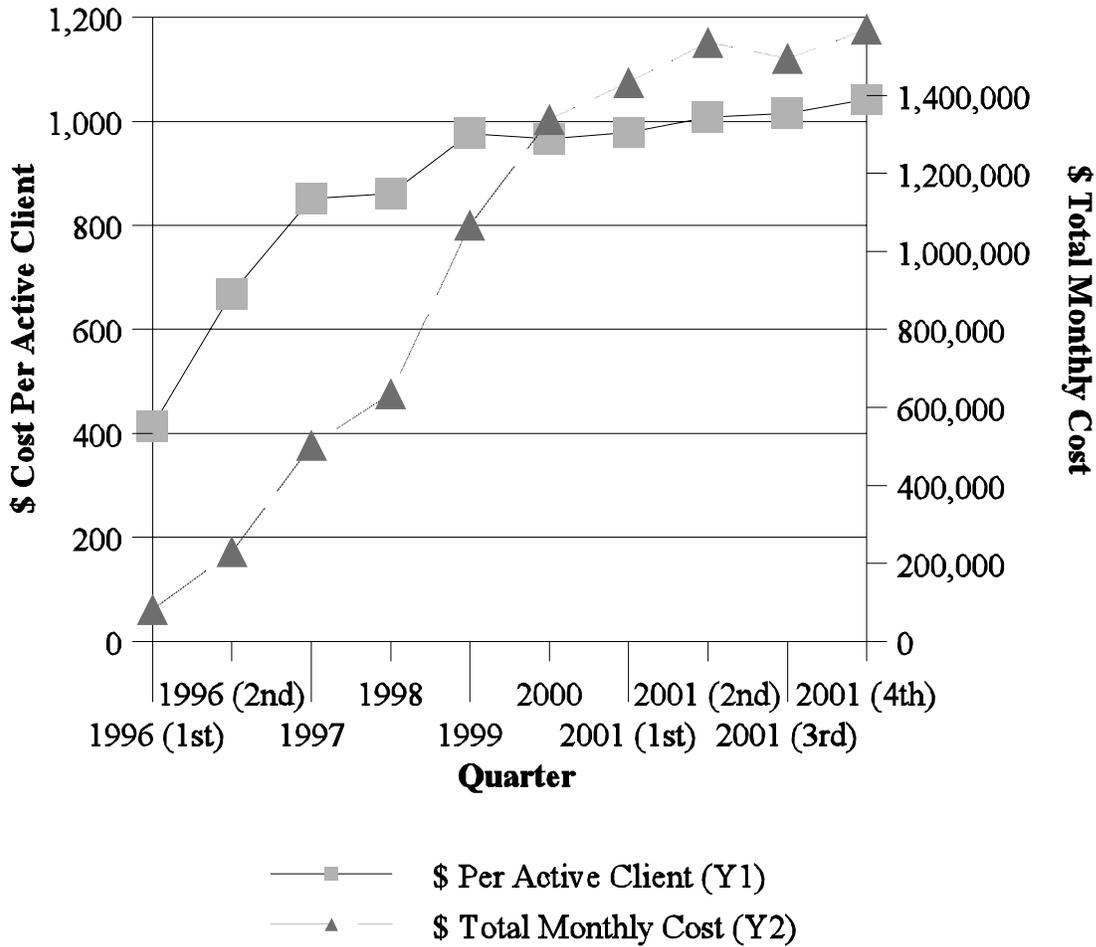


*Data are three-month averages for the fourth quarter of each year except that the first quarter is shown for 1996 and each quarter for 2001. The last quarter of 2001 is based on two months of data only.

Source: Department of Health and Mental Hygiene

Exhibit 7

**MADAP Monthly Spending Patterns
Calendar 1996 through 2001***



*Data are three-month averages for the fourth quarter of each year except that the first quarter is shown for 1996 and each quarter for 2001. The last quarter of 2001 is based on two months of data only.

Source: Department of Health and Mental Hygiene

MAIAP and MADAP-Plus

Beginning in April 2000, the AIDS Administration assumed full responsibility for operating the Maryland AIDS Insurance Assistance Program (MAIAP). MAIAP is a general fund supported program that maintains employer-based health insurance for individuals who have tested positive for HIV and can no longer work due to their illness. Eligibility requirements include a diagnosis of HIV, an inability to work, income below 300% of the federal poverty limit, and certain asset limitations. By law, program enrollment is capped at 450.

MF.04 - DHMH - AIDS Administration

As indicated in Exhibit 5, MAIAP monthly enrollment was at 237 in 2000 and 2001. The MAIAP program is scheduled to sunset on July 1, 2002, but the department has introduced legislation (House Bill 86) to extend the sunset date by eight years.

MADAP-Plus is intended to complement the MAIAP program by addressing the needs of people who may be at risk of losing their private health insurance but are not eligible for MAIAP. Upper income limits are the same as those for MADAP. Applicants must be responsible for at least 50% of their total monthly health insurance costs. The AIDS Administration began this program in 2000 and had 50 enrollees at the end of fiscal 2000. That number was expected to rise to 300 by the end of fiscal 2001, but enrollment has not been as high as anticipated. A preliminary explanation for this may be tightening of the private insurance market (as seen, for example, in recent actions by CareFirst to institute more stringent medical underwriting standards in its individual insurance plans).

Prevention Programs

One of weaknesses of the AIDS Administration MFR that DLS has noted in the past several years has been the lack of quantifiable data to support the performance of prevention activities. As noted earlier, prevention activities remain at the heart of efforts to combat the spread of HIV and AIDS. Many commentators, uneasy about recent trends, for example, in risky behaviors engaged in by populations disproportionately impacted by the disease, note that effective prevention programming has never been more important. Further, there are studies that indicate that effective prevention programming yields results. The problem has always been how to measure the specific effectiveness of programs funded by the AIDS Administration in Maryland and reflect it on a regular basis in its MFR.

The AIDS Administration's prevention programming is generally following the recommendations of the Institute of Medicine in four broad areas:

- Allocating prevention resources to prevent as many new infections as possible. The administration has used available data to target both at-risk populations as well as at-risk geographic areas.
- Utilizing proven, tested programming at the community level. According to the administration, 63% of its funded prevention programming conforms with nationally proven curricula. The administration intends to have the remaining 37% meeting this standard by the end of 2002. Compliance with these curricula is part of the administration's monitoring activities.
- Increasing prevention services for HIV-infected persons who have often been excluded from prevention activities. Maryland is one of three states participating in a national demonstration project to meet this goal.
- Overcoming social and policy barriers that impede HIV prevention.

These activities, while not articulated in the MFR submission, indicate significant effort to ensure that prevention funding yields results.

Recommended Actions

1. Add the following language to the general fund appropriation:

, provided that \$150,000 of this appropriation may be used only to maintain current levels of funding for condoms that are distributed to providers of HIV prevention programs. Further provided that if at any time during the fiscal year the AIDS Administration determines that this level of funding is not required, the administration may utilize the funding for other HIV prevention programs after notifying the budget committees. The committees shall have 30 days to review and comment upon any proposal to utilize the funds for other prevention activities.

Explanation: Fiscal 2003 cost containment actions reduce funding for the purchase of condoms that are distributed to local providers of HIV prevention programming. Since fiscal 2001 the administration has supplemented prior spending on condom purchases by an additional \$150,000 because funding limitations had caused them to limit condom distribution to service providers. Trends in HIV infection indicate that HIV prevention activities are more important than ever, and safe sex strategies remain an important component of prevention activities. General funds from other programs within the Administration's budget can be diverted to support this funding.

Information Request

Author

Due Date

Alternative utilization of any portion of \$150,000 in restricted fiscal 2003 general funds

AIDS Administration

30 days prior to utilization

**Amount
Reduction**

**Position
Reduction**

2. Reduce growth in HIV Health Service general fund support. The AIDS Administration is projecting to carry forward federal funds into fiscal 2004 which can be used to support the same services and should utilize these federal funds in fiscal 2003.

\$ 50,000 GF

Total General Fund Reductions

\$ 50,000

Current and Prior Year Budgets

**Current and Prior Year Budgets
AIDS Administration
(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2001					
Legislative Appropriation	\$5,392	\$305	\$34,176	\$0	\$39,873
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	(221)	0	4,702	0	4,481
Reversions and Cancellations	0	(20)	(742)	0	(762)
Actual Expenditures	\$5,171	\$285	\$38,136	\$0	\$43,592
Fiscal 2002					
Legislative Appropriation	\$6,338	\$418	\$42,085	\$0	\$48,841
Budget Amendments	(173)	0	0	0	(173)
Working Appropriation	\$6,165	\$418	\$42,085	\$0	\$48,668

Note: Numbers may not sum to total due to rounding.

Fiscal 2001

The fiscal 2001 legislative appropriation of the AIDS Administration was increased by \$3.72 million. Budget amendments increased the appropriation by \$4.48 million, a combination of \$221,000 in general fund reductions (through increased turnover and limited savings in underutilized health insurance contributions) and federal fund increases of over \$4.7 million. The federal fund increase was derived from two sources:

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- \$2.4 million in HIV Care Formula Grants. The bulk of these funds (\$1.8 million) will support MADAP. The remainder of the funds will be used for a variety of AIDS case management activities conducted by local health departments as well as treatment provided by the University of Maryland Dental School and The Johns Hopkins Hospital Comprehensive Women's Center.
- \$2.3 million in HIV Prevention Activities Grants for a variety of HIV/AIDS prevention programs primarily in Baltimore City and Prince George's and Montgomery counties.

The increase in the fiscal 2001 legislative appropriation through budget amendment was offset by \$762,000 in special and federal fund cancellations.

Fiscal 2002

The fiscal 2002 legislative appropriation has been reduced by \$173,000 in general funds through the imposition of the hiring freeze and 1.5% operating budget reduction (see text for full discussion).

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Appendix 2

**Object/Fund Difference Report
DHMH - AIDS Administration**

<u>Object/Fund</u>	FY02		FY03 <u>Allowance</u>	FY02 - FY03 <u>Amount Change</u>	Percent <u>Change</u>
	FY01 <u>Actual</u>	Working <u>Appropriation</u>			
Positions					
01 Regular	68.00	68.00	68.00	0	0%
Total Positions	68.00	68.00	68.00	0	0%
Objects					
01 Salaries and Wages	\$ 3,472,566	\$ 3,765,663	\$ 3,991,868	\$ 226,205	6.0%
03 Communication	72,994	95,710	78,511	(17,199)	(18.0%)
04 Travel	43,020	111,625	112,118	493	0.4%
07 Motor Vehicles	16,982	4,994	8,785	3,791	75.9%
08 Contractual Services	24,481,355	23,891,158	25,624,774	1,733,616	7.3%
09 Supplies & Materials	15,266,572	20,721,926	19,250,755	(1,471,171)	(7.1%)
10 Equip - Replacement	84,759	3,000	0	(3,000)	(100.0%)
11 Equip - Additional	127,532	53,323	0	(53,323)	(100.0%)
13 Fixed Charges	26,335	20,775	23,493	2,718	13.1%
Total Objects	\$ 43,592,115	\$ 48,668,174	\$ 49,090,304	\$ 422,130	0.9%
Funds					
01 General Fund	\$ 5,171,430	\$ 6,165,187	\$ 6,433,250	\$ 268,063	4.3%
03 Special Fund	285,074	417,956	285,741	(132,215)	(31.6%)
05 Federal Fund	38,135,611	42,085,031	42,371,313	286,282	0.7%
Total Funds	\$ 43,592,115	\$ 48,668,174	\$ 49,090,304	\$ 422,130	0.9%

Note: Full-time and contractual positions and salaries are reflected for operating budget programs only.

MF.04 - DHMH - AIDS Administration

Appendix 3

Fiscal Summary
DHMH - AIDS Administration

<u>Unit/Program</u>	<u>FY01 Actual</u>	<u>FY02 Legislative Appropriation</u>	<u>FY02 Working Appropriation</u>	<u>FY01 - FY02 % Change</u>	<u>FY03 Allowance</u>	<u>FY02 - FY03 % Change</u>
01 AIDS Administration	\$ 43,592,115	\$ 48,840,746	\$ 48,668,174	11.6%	\$ 49,090,304	0.9%
Total Expenditures	\$ 43,592,115	\$ 48,840,746	\$ 48,668,174	11.6%	\$ 49,090,304	0.9%
General Fund	\$ 5,171,430	\$ 6,337,759	\$ 6,165,187	19.2%	\$ 6,433,250	4.3%
Special Fund	285,074	417,956	417,956	46.6%	285,741	(31.6%)
Federal Fund	38,135,611	42,085,031	42,085,031	10.4%	42,371,313	0.7%
Total Appropriations	\$ 43,592,115	\$ 48,840,746	\$ 48,668,174	11.6%	\$ 49,090,304	0.9%