NASTAD

The Impact of Proposed Federal Budget Cuts on Health Departments

OVERVIEW

State and local health departments form the backbone of the U.S. public health system. They deliver programs and services that prevent HIV, viral hepatitis, and other infectious diseases, connect people to care, and sustain the workforce and infrastructure that protect communities.

These activities are supported primarily through federal funding from the Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA). CDC funds enable HIV and viral hepatitis prevention and surveillance efforts, while HRSA's Ryan White HIV/AIDS Program (RWHAP) supports care, treatment, and medication access for people living with HIV.

These efforts rely on strong federal–state partnerships. Federal funding provides the foundation for public health programs that jurisdictions implement based on local needs. Proposed federal budget cuts would jeopardize this partnership, reducing the ability of health departments to maintain prevention, surveillance, and care programs that save lives and protect the public's health.

NASTAD conducted a jurisdictional impact survey (42 jurisdictions responded) to assess the potential effects of reductions across HIV prevention and surveillance, viral hepatitis, RWHAP, and overdose prevention programs. The results clearly show how proposed budget cuts would affect state and local health departments, service delivery systems, and the people they serve.

HEALTH DEPARTMENT IMPACT AT A GLANCE

Survey findings underscore the magnitude of potential program losses if federal funding is reduced or eliminated:

- 97% of health department respondents indicated that a 50% cut in HIV prevention funding would result in service reductions, staff layoffs, and program restructuring.
- 100% of jurisdictions reported that total elimination of prevention funds would lead to closure of service sites and decreased access to care.
- Nearly all respondents warned of severe consequences for community-based and clinical partners that rely on subawards to deliver frontline services.
- Health departments report they cannot absorb or backfill lost federal funding without eliminating positions and community contracts.

The Federal Funding Ripple Effect

HIV prevention and surveillance systems are the scaffolding of local public health. They house data systems, laboratory capacity, partner services, and community networks that also sustain STI, viral hepatitis, and tuberculosis programs.

A reduction in CDC HIV funding doesn't just cut HIV prevention and surveillance—it unravels the broader public health infrastructure built upon it.

CONSEQUENCES OF FUNDING REDUCTIONS

HIV Prevention and Surveillance

Cuts to CDC HIV prevention and surveillance programs would dismantle decades of progress. Health departments reported that such reductions would lead to:

- Termination of HIV testing, pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) navigation, and linkage-to-care activities.
- Elimination of partner services and data-to-care programs that identify and re-engage people out of care.
- Reduced staffing for epidemiologic analysis, outbreak detection, and community engagement efforts.

Eliminating or significantly reducing CDC HIV prevention funding would lead to the closure of service sites and the loss of surveillance capacity, halting decades of progress in reducing HIV transmission and undermining data systems essential for future outbreak response.

Ryan White Part B and ADAP Programs

Reductions to RWHAP Part B and AIDS Drug Assistance Program (ADAP) funding would directly disrupt medication access, insurance coverage, and case management.

- Respondents warned of ADAP enrollment caps, waiting lists, and reduced eligibility thresholds.
- Jurisdictions reported that such cuts would force reductions in core medical services, including outpatient care, oral health, and mental health supports.
- These disruptions would result in lower viral suppression rates and increased HIV transmission, particularly among uninsured and low-income clients.

Cuts of this scale would erode decades of federal investment and undermine a program that consistently demonstrates cost savings and exceptional health outcomes.

Why States Can't Backfill Cuts

- State revenues are already stretched by rising health care costs and workforce shortages.
- Once staff and contracts are lost, rebuilding capacity can take years, even if funding is restored.
- Many states are subject to balanced budget requirements, and limited discretionary dollars are already allocated to other core responsibilities such as Medicaid, maternal health, or emergency preparedness.

Viral Hepatitis and Overdose Prevention Programs

Viral hepatitis prevention and surveillance programs—already among the most underfunded components of the public health system—face acute vulnerability. Jurisdictions reported that a 50% funding cut would result in:

- Elimination of hepatitis C testing and hepatitis A and B immunization programs.
- Layoffs of specialized surveillance and data staff.
- Reduced provider training and community outreach.

Programs serving people who use drugs, including overdose and infectious disease prevention programs, would also experience severe setbacks. Federal cuts would lead to reduced distribution of naloxone and linkage to treatment, increasing HIV and hepatitis transmissions.

Systemwide Effects on the Public Health Workforce

Funding instability threatens program operations and the people who carry them out. Respondents reported widespread concerns about:

- State-level hiring freezes and procurement delays.
- Reduced contractor and subrecipient support.
- Diminished technical assistance and community engagement capacity.

These conditions mirror longstanding structural vulnerabilities that have hindered the nation's ability to sustain and retain a skilled public health workforce.

KEY TAKEAWAYS

- Federal funding is irreplaceable. State and local budgets cannot fill the gap without collapsing critical services.
- HIV prevention infrastructure underpins a wide range of other health department programs.
- Even modest reductions would result in immediate losses in services, staffing, and surveillance capacity.
- Sustained federal investment preserves workforce expertise, ensures continuity of care, and protects national progress against HIV and viral hepatitis.

Federal funding for HIV prevention, surveillance, Ryan White, hepatitis, and overdose prevention programs represents one of the nation's most effective public health investments. Health departments have used these cooperative agreements to build integrated systems that prevent disease transmission, improve outcomes, and save lives.

Proposed budget cuts would dismantle these systems—leaving gaps that states cannot fill, reversing decades of progress, and weakening the nation's capacity to prevent and respond to infectious diseases. Protecting federal funding means protecting the infrastructure that keeps our communities healthy.