

## Note 30. COVID-19 Activity

### COVID-19 Total Appropriations (net of rescissions, transfers, and other adjustments) as of September 30, 2021, and 2020

(In billions of dollars)	2021 <sup>1</sup>	2020
Department of the Treasury .....	632.8	975.0
Department of Labor .....	451.5	394.3
Department of Education <sup>2</sup> .....	251.1	31.0
Small Business Administration .....	242.8	751.8
Department of Health and Human Services .....	233.7	250.4
Department of Agriculture .....	91.3	73.2
Department of Transportation .....	70.2	36.0
Department of Homeland Security .....	70.0	45.9
All other entities .....	165.1	76.0
Total COVID-19 activity .....	2,208.5	2,633.6

<sup>1</sup>Includes enacted rescissions, returns of unused permanent and indefinite authority, and obligation adjustments that reduced FY 2020 appropriations.

<sup>2</sup>Does not include student loan deferrals related to COVID-19 that are funded by other appropriations.

On March 11, 2020, a novel strain of the Coronavirus, also known as COVID-19, was declared a pandemic by the WHO. As a result, a national emergency was declared in the U.S. concerning the COVID-19 outbreak on March 13, 2020. The global spread of COVID-19, which commenced in early spring of 2020 and continued throughout FY 2021 resulted in a severe global health and economic crisis. In FY 2021 Congress passed the CAA which was signed into law on December 27, 2020 and the ARP on March 11, 2021. Both acts, along with several bills, provided additional funding to help supplement the COVID-19 relief efforts that started in FY 2020 with the passage of several bills including the CARES Act on March 27, 2020. The CARES Act was subsequently modified in legislation in April, June, and July of 2020 to add funding and adjust programs for continued pandemic response.

The COVID-19 related legislation provided supplemental appropriations in the amount of \$2,208.5 billion and \$2,633.6 billion in FYs 2021 and 2020, respectively, for federal entities to respond to COVID-19. The appropriation amounts listed in the table above could be different from other public sources reporting COVID-19 activity. These differences may be due to timing of when the data sources report the information, additional COVID-19 programs included in the table that are not identified as COVID-19 programs in other data sources, and returns of indefinite authority appropriations included in other data sources but not in the table. Significant impacts of these programs on the government's FYs 2021 and 2020 Balance Sheet and financial results are discussed below. Please also refer to the corresponding entity's financial statements for additional information.

In FY 2021, Treasury received COVID-19 appropriations in the amount of \$1,182.8 billion under the CAA and ARP. In FY 2021, the CAA eliminated Treasury's ability to make new loans and investments and rescinded \$478.8 billion of the \$500.0 billion provided to Treasury under the CARES Act to fund the credit subsidy costs of investments and loans in support of eligible businesses, states, and municipalities that incurred losses as a result of COVID-19 using SPVs. This rescission and the return of unused permanent and indefinite authority and obligation adjustments of \$71.2 billion resulted in the net appropriations amount of \$632.8 billion. As of September 30, 2021, and 2020, Treasury had \$26.4 billion and \$107.9 billion, respectively, of equity investments in SPVs established through the FRBNY and FRBB. Treasury's funds remaining the SPVs funded under the CARES Act cannot be used for further lending, asset purchase, or extensions of credit. The FYs 2021 and 2020 FV net loss of \$0.8 billion and \$4.5 billion, respectively, from these investments is included in Treasury's net cost.

Treasury's COVID-19 appropriations in FY 2021 included \$587.0 billion (\$166.0 billion CAA and \$421.0 billion ARP) to provide a refundable tax credit (recovery rebate), referred to as an EIP. CAA allowed for a tax credit of \$600 per qualifying adult and \$600 per qualifying child, ARP allowed for \$1,400 per qualifying adult and \$1,400 per qualifying child. These EIPs were reduced above certain income limitations per individual tax return. In FY 2021, IRS disbursed \$569.5 billion of EIPs to eligible recipients in every state and territory and at foreign addresses, which resulted in an increase in Treasury's net cost. Treasury also received FY 2021 appropriations of \$428.5 billion (\$25.0 billion CAA and \$403.5 billion ARP) for Treasury to provide payments to state, local, territorial, and tribal governments to cover eligible costs incurred in response to the pandemic through several funds including: 1) SLFRF; 2) Coronavirus Capital Projects Funds; 3) ERA; 4) HAF; 5) State Small Business Credit Initiative; and 6) Local Assistance and Tribal Consistency Fund. During FY 2021, Treasury disbursed an aggregate of \$277.7 billion in appropriated and obligated funds to states, local, territorial, and tribal governments pursuant to the: 1) SLFRF; 2) ERA; 3) HAF; and 4) CRF programs to cover eligible costs to be incurred in response to the pandemic. Treasury initially recorded \$276.7 billion of the \$277.7 billion disbursed in FY 2021 as an advance on the Balance Sheet. Treasury recognized \$89.5 billion as net cost to reflect the estimated amount of eligible costs incurred by recipients as of September 30, 2021. Treasury recorded the remaining \$1.0 billion disbursed in FY 2021 as net cost for the year ended September 30, 2021. In addition, Treasury was appropriated funding in the amount of \$31.0 billion (\$16.0 billion CAA and \$15.0 billion ARP) for financial assistance payments to passenger air carriers and contractors to provide payroll support to aviation workers during the pandemic. Treasury's net costs included \$30.7 billion in FY 2021 related to this support.

In FY 2020, Treasury received appropriations from the CARES Act in the amount of \$975.0 billion. Treasury's CARES Act appropriations of \$282.0 billion provided a refundable tax credit (EIP). The CARES Act allowed for \$1,200 per qualifying adult and \$500 per qualifying child. In FY 2020, IRS disbursed \$274.7 billion of EIPs to eligible recipients in every state and territory and at foreign addresses, which resulted in an increase in Treasury's net cost. Treasury's CARES Act appropriations also included \$150.0 billion for Treasury, through CRF efforts, to provide payments to state, local, territorial, and tribal governments to cover eligible costs incurred in response to the pandemic. During FY 2020, Treasury disbursed \$149.5 billion to states, local, territory, and tribal governments pursuant to the CRF program. Treasury initially recorded all of the \$149.5 billion disbursed in FY 2020 as an advance on the Balance Sheet. Treasury recognized \$80.6 billion as net cost to reflect the estimated amount of eligible costs incurred by recipients as of September 30, 2020. In addition, Treasury received CARES Act appropriations in the amount of \$32.0 billion for financial assistance payments to passenger air carriers and contractors to provide payroll support to aviation workers during the pandemic. Treasury's net costs included \$28.2 billion in FY 2020 related to this support. The financial statements impact of these and other programs can be found within Note 8—Investments in Special Purpose Vehicles, Note 10—Advances and Prepayments, Note 20—Collections and Refunds of Federal Revenue, Note 21—Commitments, and Note 28—Disclosure Entities and Related Parties.

The CAA and ARP appropriations of \$451.5 billion provided additional funding in FY 2021 for several unemployment programs that the CARES Act appropriation of \$394.3 billion allowed DOL to create in FY 2020. These programs include: 1) the FPUC program (provides an additional \$600 of weekly unemployment benefits); 2) the PUA program (provides temporary benefits for individuals who are not eligible for regular/traditional unemployment insurance); 3) the Pandemic Emergency Unemployment Compensation program (provides an additional 53 weeks of benefits to a regular claim for eligible persons); 4) Federal funding of the Short-term Compensation program (provides alternatives to layoffs for employers experiencing a reduction in available work); 5) the FUA (provides advances to states whose unemployment insurance accounts are depleted); and 6) the Mixed Earner Unemployment Compensation program (provides an additional \$100 of weekly unemployment support) and federal funding of the first week of compensable regular unemployment for states with no waiting week. DOL's net costs associated with unemployment benefits authorized by the COVID-19 funding totaled \$313.0 billion and \$352.2 billion for September 30, 2021 and 2020, respectively.

In FY 2021, Education received COVID-19 appropriations in the amount of \$251.5 billion (\$82.0 billion CAA and \$169.5 billion ARP) to fund a variety of programs administered primarily through grant programs. The COVID-19 relief legislation and administrative actions also provided support for student loan borrowers primarily by temporarily suspending nearly all federal loan payments. In FY 2021 cost impacts of the student loan repayment deferrals were recorded as loan modifications through indirect appropriations, not included in the table above, in the amount of \$53.1 billion. These COVID-19 loan modifications are a component of subsidy expense, which reduced the overall loan receivable balances.

In FY 2020, the CARES Act provided Education with appropriations totaling \$31.0 billion to fund a variety of programs administered primarily through grant programs. Cost impacts of the student loan repayment deferrals were recorded as loan modifications in FY 2020 through indirect appropriations, not included in the table above, in the amount of \$41.9 billion. These COVID-19 loan modifications are a component of subsidy expense, which reduced the overall loan receivable balances. The significant financial statements impact of these programs can be found within Note 4—Loans Receivable, Net and Loan Guarantee Liabilities.

In FY 2021, SBA received total appropriations of \$389.3 billion. The CAA rescinded \$146.5 billion that was appropriated to SBA under the SBA-Business Loans Program Account leaving a net amount of \$242.8 billion. The appropriations included provisions to modify and extend existing programs and created new programs to support small businesses and other entities that have been affected during the COVID-19 pandemic. The CAA revised the eligibility criteria for certain loan assistance and appropriated \$284.5 billion for loan subsidies, \$20.0 billion for the EIDL program, and \$15.0 billion to establish the Shuttered Venue Operators Grant program. The ARP modified and provided additional funding of \$7.3 billion to PPP, \$15.0 billion EIDL, and \$28.6 billion to establish the Restaurant Revitalization Fund. SBA's liability for loan guarantees decreased \$284.9 billion during FY 2021, primarily from the PPP, with a similar decrease in net costs. SBA also administered the EIDL program designed to provide loans to small business owners. SBA's loans receivable increased \$245.4 billion, primarily from a \$62.7 billion increase in this program, with net costs of \$2.5 billion in FY 2021.

SBA's appropriation of \$751.8 billion in FY 2020, primarily funded two programs. The PPP is a loan guarantee program designed to provide a direct incentive for small businesses to retain employees by providing loan forgiveness for amounts used for eligible expenses for payroll and benefit costs and interest on mortgages, rent, and utilities. SBA's liability for loan guarantees increased \$510.7 billion during FY 2020, primarily from the PPP, with a similar increase in net costs. SBA also administered the EIDL program designed to provide loans to small business owners. SBA's loans receivable increased \$182.9 billion during FY 2020, primarily from a \$173.2 billion increase in this program, with net costs of \$5.4 billion. The financial statements impact of these programs can be found within Note 4—Loans Receivable, Net and Loan Guarantee Liabilities.

In FY 2021, HHS received appropriations in the amount of \$233.7 billion to provide support testing, contact tracing, containment, mitigation to monitor and suppress the spread of COVID-19, as well as support COVID-19 vaccination programs as well as addressing disparities in obtaining quality healthcare. Funds provided broad support including payments to assist eligible health care providers for health care related expenses or lost revenues attributed to the HHS' net cost for operations other than CMS decreased by \$14.5 billion during FY 2021, respectively, primarily due to the PHSSEF. In addition, HHS's advances and prepayments primarily represent payments made for the COVID-19 AAP program which was recorded as an advance on the Balance Sheet of \$67.0 billion as of September 30, 2021.

In FY 2020, the CARES Act, along with three additional supplemental appropriations, provided HHS \$250.4 billion for COVID-19 response and recovery, with the majority for the PHSSEF. Funds provided broad support including payments to assist eligible health care providers for health care related expenses or lost revenues attributed to the COVID-19 pandemic; loans, and grants to small business, health care providers, and hospitals; and COVID-19 testing. HHS' net cost for operations other than CMS increased by \$115.2 billion during FY 2020, primarily due to increases to the PHSSEF. In addition, HHS's advances and prepayments primarily represent payments made for the COVID-19 AAP program, which was recorded as an advance on the Balance Sheet of \$103.6 billion as of September 30, 2020. The financial statements impact of the advance can be found within Note 10—Advances and Prepayments.

USDA received CAA, ARP, and supplemental CARES Act appropriations in the amount of \$91.3 billion in FY 2021 and \$73.2 billion in CARES Act funding in FY 2020. The appropriation provided funding and extended various programs and activities. It extended modifications to federal nutrition assistance programs and provided funding for programs to support agricultural producers, growers, and processors. It provided additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. USDA's costs related to COVID-19 activity increased \$76.9 billion and \$49.9 billion in FY 2021 and FY 2020, respectively.

In FY 2021, DOT received \$70.2 billion (\$27.0 billion CAA and \$43.2 billion ARP) of supplemental COVID-19 appropriations. Several DOT programs received appropriations in support of maintaining and continuing the operations and business needs of various transportation systems in response to COVID-19. These programs include the Federal Transit Administration's Transit Infrastructure Grants, the Federal Aviation Administration's Grants-In-Aid for Airports and Airport Relief Grants, FHWA's Highway Infrastructure programs, Federal Railroad Administration's Grants to Amtrak, and Office of the Secretary's Aviation Manufacturing Jobs Protection program. DOT's significant financial impacts related to COVID-19 activity include a \$23.5 billion increase to net costs in FY 2021.

In FY 2020, DOT received \$36.0 billion of supplemental appropriations under the CARES Act to prevent, prepare for, or respond to COVID-19. Several DOT programs received appropriations in support of maintaining and continuing the operations and business needs of various transportation systems in response to COVID-19. These programs include the Federal Transit Administration's Transit Infrastructure Grants and the Federal Aviation Administration's Grants-In-Aid for Airports. DOT's net costs increased \$22.5 billion in FY 2020, from COVID-19 activity.

DHS received supplemental appropriations of \$70.0 billion under the CAA and ARP in FY 2021 and \$45.9 billion under the CARES Act in FY 2020, of which \$50.0 billion and \$45.0 billion in FY 2021 and FY 2020, respectively, was provided to FEMA's Disaster Relief Fund. FEMA is authorized to provide many types of assistance including public assistance for emergency protective measures. In addition, \$29.4 billion of FEMA Disaster Relief Fund funding carried over from FY 2019 and \$17.9 billion of FY 2020 appropriations enacted for the Disaster Relief Fund, other than CARES Act,

provided additional \$47.2 billion in funding available to carry out FEMA's disaster relief activity during FY 2020, including COVID-19 related activity. These include vaccination activities, direct federal assistance, and administrative expenses, personal protective equipment, state and local Emergency Operations Center operations, non-congregate sheltering, medical field stations, medical ships, personnel to support medical sites, National Guard deployments, crisis counseling, and state and administrative expenses.