



## Clawback of COVID-19 funds: Suggested talking points

- **COVID-19 is no longer an emergency, so funding around it is changing.**
  - Now that the COVID-19 public health emergency is over, we can no longer rely on special funding for the virus. COVID-19 is now another health topic that needs to be budgeted for.
  - To prepare for these changes, agencies and organizations working on COVID-19 should aim to diversify their funding and potentially broaden the range of health topics that they cover.
  - Over the last few years, the federal government distributed \$4.6 trillion in pandemic relief. The government is now clawing back \$27 billion of unspent pandemic relief money as part of the debt-ceiling deal.
- **The clawback targets programs that have already ended or no longer need immediate funds.**
  - The \$27 billion being clawed back is a tiny fraction of the total \$4.6 trillion distributed for pandemic relief. More than \$4.2 trillion had already been spent as of January 2023.
  - Some of the returned money will come from [programs that have ended](#) or where there are no immediate demands.
  - Many of the funds are not directly related to combating COVID-19 but are rather unspent funds from pandemic-era programs around unemployment insurance, highway infrastructure, and the food system.
  - [According to the White House](#), some of the clawed-back money will be used to support nondefense spending.
- **Billions will remain in place for investing in top COVID-19 priorities.**
  - About \$13 billion of unspent pandemic relief money will stay in place.
  - This includes more than \$10 billion for the Department of Health and Human Services to invest in next-generation vaccines, testing capacity, and long COVID research. HHS [announced](#) in May a \$5 billion initiative called Project NextGen that will aim to develop better vaccines and treatments.
  - The CDC will keep around \$1.5 billion for tracking COVID-19 variants and investing in vaccine safety and effectiveness programs.
  - Funds will also remain for programs such as veteran health benefits, the Indian Health Service, and low-income rental assistance.



## Clawback of COVID-19 funds: Frequently asked questions

### 1. Why are COVID-19 funds being clawed back?

The clawback of unspent COVID-19 funds was part of the debt-ceiling deal struck between President Joe Biden and House Speaker Kevin McCarthy to avoid a debt default. Around \$27 billion in unspent pandemic relief money will be returned to the federal government and redistributed to other parts of the federal budget. The \$27 billion is a tiny fraction of the total \$4.6 trillion that had been distributed over the past few years for pandemic relief. More than \$4.2 trillion of that money had already been spent as of January 2023.

### 2. What programs are the funds being taken from?

Some of the funds are being taken from [programs that have already ended](#) or where there are no immediate needs. Many of the funds are not directly related to combating COVID-19 but rather are unspent funds from pandemic-era programs around unemployment insurance, highway infrastructure, and the food system. The largest clawback, around \$13 billion, comes from the Department of Health and Human Services, which includes the Public Health and Social Services Emergency Fund as well as CDC and FDA programs. But more than \$10 billion will remain in place for HHS to invest in next-generation vaccines, testing capacity, and long COVID research. The CDC will also keep around \$1.5 billion for tracking COVID-19 variants and investing in vaccine safety and effectiveness programs.

### 3. What does this mean for future support for COVID-19 projects?

The clawback doesn't seem like it will have a big impact on funding for our top COVID-19 priorities, such as next-generation vaccines and long COVID research, as most of the funds being returned were not meant for those projects anyway. However, the end of the COVID-19 public health emergency does mean that we can no longer rely on special funding for the virus. COVID-19 is now another health topic that needs to be budgeted for. To prepare for these changes, agencies and organizations working on COVID-19 should aim to diversify their funding and potentially broaden the range of health topics that they cover.