
JULY 2023
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## Updates to Public Health, Economic and Federal COVID-19 Relief Funding and Spending Data

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### Abbreviations

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<tr>
<td>BIA</td>
<td>Bureau of Indian Affairs</td>
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<tr>
<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
</tr>
<tr>
<td>CMS</td>
<td>Centers for Medicare &amp; Medicaid Services</td>
</tr>
<tr>
<td>CPI</td>
<td>Consumer Price Index</td>
</tr>
<tr>
<td>DOL</td>
<td>Department of Labor</td>
</tr>
<tr>
<td>ERA</td>
<td>Emergency Rental Assistance</td>
</tr>
<tr>
<td>FDA</td>
<td>Food and Drug Administration</td>
</tr>
<tr>
<td>HHS</td>
<td>Department of Health and Human Services</td>
</tr>
<tr>
<td>NOAA</td>
<td>National Oceanic and Atmospheric Administration</td>
</tr>
<tr>
<td>OMB</td>
<td>Office of Management and Budget</td>
</tr>
<tr>
<td>PUA</td>
<td>Pandemic Unemployment Assistance</td>
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<tr>
<td>RRF</td>
<td>Restaurant Revitalization Fund</td>
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<tr>
<td>SBA</td>
<td>Small Business Administration</td>
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<tr>
<td>SSBCI</td>
<td>State Small Business Credit Initiative</td>
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<tr>
<td>UI</td>
<td>Unemployment Insurance</td>
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July 11, 2023

Congressional Committees,

The COVID-19 pandemic has had an unprecedented effect on the nation’s public health and economy. As of the week ending May 13, 2023, the U.S. had more than 1.1 million reported deaths attributed to COVID-19.1 Since March 2020, the CARES Act and five additional laws (COVID-19 relief laws)2 provided substantial federal funds (COVID-19 relief funding)—over $4.6 trillion as of April 30, 20233—to help the nation respond to and recover from the pandemic. This COVID-19 pandemic response included a focus on mitigating COVID-19 health risks by making vaccines widely available to the U.S. population and expanding access to testing. As of May 10, 2023, about 70 percent of the eligible U.S. population—about 230 million individuals aged 5 and older—had been fully vaccinated against COVID-19.4 Additionally, the COVID-19 relief laws appropriated and agencies administered emergency federal assistance to support individuals and public and private entities, including local public health systems and private sector businesses. For example, between March 2020 and March 2022, the Small Business Administration (SBA) made or guaranteed more than 16 million loans and grants through the Paycheck Protection Program and the COVID-19 Economic Injury Disaster Loan program. These programs provided about $1.1 trillion in emergency funding to help small businesses.

The Secretary of the Department of Health and Human Services (HHS) terminated the federal public health emergency for COVID-19 on May 11, 2023.5 However, the nation is still recovering from the public health and economic effects of the pandemic and needs to be better prepared for future emergencies. In our body of work on COVID-19 oversight, we have made 386 recommendations to federal agencies and raised 19 matters for congressional consideration. The intent of these recommendations were for agencies to implement mid-course corrections where appropriate and to increase transparency and accountability of the federal COVID-19 response and for future emergencies. As of April 30, 2023, agencies had fully addressed 134 of these 386 recommendations and partially addressed 48. Of the 19 matters we raised to Congress, Congress had fully addressed two.

The 386 recommendations include several we have made since April 2022 (the date of our last comprehensive report on COVID-19 oversight) that could help better prepare agencies for future emergencies. For example, we made the following recommendations that relate to two areas we added to our High Risk List in 2022, (1) HHS leadership and coordination of public health emergencies and (2) the Unemployment Insurance (UI) system:

- HHS should prioritize the development of the public health situational awareness and biosurveillance network—an interoperable network of systems to facilitate sharing data and information to enhance early detection of and rapid response to potentially catastrophic infectious disease outbreaks and other public health emergencies—to include designating a lead office for implementing it and clearly defining roles and responsibilities.7
- The Department of Labor (DOL) should develop and implement an antifraud strategy for UI programs that is consistent with leading practices from GAO’s Fraud Risk Framework.8

The CARES Act includes a provision for GAO to report regularly on the public health and economic effects of the pandemic and the federal response.9 We have issued 10 comprehensive reports examining the federal government’s continued efforts to respond to, and recover from, the COVID-19 pandemic. In addition, we have issued over 200 standalone reports, testimonies, and science and technology spotlights focused on different aspects of the pandemic.10

This report includes several key data updates and five enclosures that summarize and highlight standalone reports issued from April 2022 (the date of our last comprehensive report) through April 2023 on the following topics: 11 public health preparedness, improper payments and fraud, vulnerable populations, distribution of federal COVID-19 funding, and COVID-19 and the economy.

This report is based on work we previously conducted in accordance with generally accepted government auditing standards or our quality assurance framework. More detailed information on our scope and methodology can be found in the reports cited in the enclosures.
The Centers for Disease Control and Prevention’s (CDC) National Center for Health Statistics COVID-19 death counts in the U.S. are based on provisional counts from death certificate data, which do not distinguish between laboratory-confirmed and probable COVID-19 deaths. Data are provisional and subject to updates. In more recent weeks, the data are more likely to be incomplete due to an average delay of 1-2 weeks (a range of 1-8 weeks or longer) for death certificate processing. See Centers for Disease Control and Prevention, National Center for Health Statistics, “Provisional Death Counts for Coronavirus Disease 2019 (COVID-19),” accessed May 19, 2023, https://www.cdc.gov/nchs/nvss/vsrr/covid19/index.htm.


For the purposes of our review, COVID-19 relief funding is the cumulative amount of funding provided in the COVID-19 relief laws. The most recent date for which government-wide information was available at the time of our analysis is April 30, 2023. Consequently, the COVID-19 relief funding amounts reported in this report do not reflect the permanent rescissions enacted in the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10. Effective as of June 3, 2023, Title I of Division B of that act permanently rescinded the unobligated balances of certain COVID-19 relief funding. According to Department of the Treasury officials, it will take time for the affected federal agencies to coordinate with Treasury and the Office of Management and Budget (OMB) in order to determine the amounts of their unobligated funds and to request the requisite rescission warrants. Treasury anticipates that agencies will continue to submit rescission warrant requests through September 30, 2023.

As of May 19, 2023, CDC counts individuals as being fully vaccinated if they received two doses on different days (regardless of time interval) of the two-dose vaccines or received one dose of a single-dose vaccine. Seventeen percent of the population had received an updated booster dose vaccine. See Centers for Disease Control and Prevention, “COVID Data Tracker: COVID-19 Vaccinations in the United States,” accessed May 19, 2023, https://covid.cdc.gov/covid-data-tracker/#vaccinations_vacc-total-admin-rate-total.

The Secretary of Health and Human Services first declared the COVID-19 pandemic a public health emergency under section 319 of the Public Health Service Act on January 30, 2020. In addition, on March 13, 2020, the President declared COVID-19 a national emergency under the National Emergencies Act and a nationwide emergency under section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). The President also approved major disaster declarations under the Stafford Act for all 50 states, the District of Columbia, five U.S. territories, and certain Tribes. The national emergency declaration terminated on April 10, 2023, and the Stafford Act declarations terminated on May 11, 2023.

The High Risk List identifies government operations with vulnerabilities to fraud, waste, abuse, and mismanagement, or in need of transformation. GAO, High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas, GAO-23-106203 (Washington, D.C.: Apr. 20, 2023).


For a complete list of our 10 comprehensive CARES Act oversight reports and other COVID-19 reports, see https://www.gao.gov/coronavirus.

The standalone reports summarized and highlighted in the enclosures were completed in response to the provisions enacted in the COVID-19 relief laws related to GAO’s oversight role, as well as funds appropriated to GAO for this oversight purpose in the COVID-19 relief laws.
Updates to Public Health, Economic, and Federal COVID-19 Relief Funding and Spending Data

Public Health Effects of the COVID-19 Pandemic

In our comprehensive reports, we tracked data related to the public health effects of the COVID-19 pandemic. The following are updates to key data.

Higher-than-expected mortality
The number of deaths in the U.S. has been higher at certain times during the pandemic than the expected number of deaths based on data from 2019 and earlier, according to data from the Centers for Disease Control and Prevention’s (CDC) National Center for Health Statistics. Over the course of the pandemic—from March 2020 through April 2023—the U.S. experienced multiple peaks in weekly counts of deaths that were higher than the expected range, followed by lulls where deaths were within or close to the expected range. (See figure.) The highest weekly number of deaths occurred in January 2021, when deaths were 42 percent above the expected range, while the most recent peak in December 2022 was 13 percent above the expected range. Deaths declined in the first 3 months of 2023, returning to levels within or close to the expected range.12

Hospitalizations
Over the course of the pandemic, surges in COVID-19 cases have stressed hospital systems and negatively affected health care and public health infrastructure, according to CDC. At its peak in January 2022, the number of adult and pediatric patients with confirmed COVID-19 occupying hospital beds rose to nearly 152,000, then fell to just over 10,000 in April 2022. Between August 2020 and April 2023, the median number of hospital beds occupied by adult and pediatric patients with confirmed COVID-19 was 34,606. Over the first four months of 2023, the number fell from a high of 41,894 in early January to 9,713 at the end of April.13

Long COVID
One public health effect of COVID-19 is long COVID, or post-COVID conditions, which refers to signs, symptoms, and conditions that continue or develop after an initial COVID-19 infection, according to CDC. According to estimates from the Census Bureau’s Household Pulse Survey, conducted April 26 through May 8, 2023, just over 15 percent of adults in the U.S. aged 18 and older had experienced long COVID, and about 6 percent were currently experiencing it at the time of the survey.14 These percentages varied by demographic and other characteristics. For example, survey estimates indicated that adult females were nearly twice as likely as adult males to have experienced long COVID.

FIGURE: HIGHER-THAN-EXPECTED MORTALITY IN THE U.S., MARCH 2020 THROUGH APRIL 2023

![Graph showing weekly number of deaths from March 2020 to April 2023.](image-url)
CDC’s National Center for Health Statistics COVID-19 death counts in the U.S. are based on provisional counts from death certificate data, which do not distinguish between laboratory-confirmed and probable COVID-19 deaths. The excess range of deaths are those that exceeded the upper-bound threshold of expected deaths calculated by the National Center for Health Statistics on the basis of variation in mortality in prior years. As in prior reports, we continue to report excess deaths based on the more conservative upper bound estimate of expected deaths. For further details on CDC’s methodology, see Centers for Disease Control and Prevention, National Center for Health Statistics, “Excess Deaths Associated with COVID-19,” accessed May 11, 2023, https://www.cdc.gov/nchs/nvss/vsrr/covid19/excess_deaths.htm.

These figures represent the 7-day rolling average of adult and pediatric patient case counts reported by hospitals in U.S. states and territories and included in HHS’ COVID-19 Reported Patient Impact and Hospital Capacity dataset, as of May 8, 2023.

An estimated 15.1 percent (95 percent confidence interval: 14.7 - 15.6) had ever experienced long COVID and 5.6 percent (95 percent confidence interval: 5.3 - 5.9) were currently experiencing long COVID. U.S. Census Bureau, “Household Pulse Survey 2022-2023: Long COVID,” accessed June 8, 2023, https://www.cdc.gov/nchs/covid19/pulse/long-covid.htm.

Beginning in June 2022, the National Center for Health Statistics added questions to the Household Pulse Survey to assess the prevalence of long COVID. The online survey includes questions about the presence of symptoms of COVID-19 that lasted 3 months or longer. The Household Pulse Survey data are released as part of the Census Bureau’s Experimental Statistical Products Series (see https://www.cdc.gov/nchs/covid19/pulse/long-covid.htm#technical_notes for information on limitations).
Economic Effects of the COVID-19 Pandemic

In our comprehensive reports, we tracked data related to the economic effects of the COVID-19 pandemic. The following updates describe selected trends we observed during the pandemic.

The national economy has continued to recover from the economic downturn of early 2020 that was sparked by the COVID-19 pandemic. However, economic growth has slowed and specific areas of the economy we are monitoring saw mixed performance in recent months. Real gross domestic product grew by 5.9 percent in 2021, but slowed to 2.1 percent in 2022 and to a 1.1 percent annual rate in the first quarter of 2023, according to the Bureau of Economic Analysis. The war in Ukraine, the reopening of China’s economy, and increased uncertainty in financial markets following recent bank failures are among the factors that will likely affect the pace of economic growth going forward.

Inflation indicators were mixed in recent months. According to data covering price trends through April 2023, price pressures increased in April 2023 following decreases in February and March. Monthly inflation indicators increased in April 2023, including indicators that focus on underlying inflation trends. Annual inflation indicators were about 5 percent or higher—substantially higher than the averages of about 2 percent in recent decades. Some level of inflation on average can help promote stable economic conditions, but persistently high levels of inflation can cause financial challenges, especially for low-income households, and can reduce the pace of economic growth. In recent months, housing was the largest contributor to inflation, but the home price and rent data typically used to estimate current inflation indicators can reflect price trends that significantly lag current economic conditions. Current data indicate that year-over-year growth in home prices and rents have declined in recent months, suggesting that future indicators of inflation may be lower. These trends are consistent with indicators of inflation expectations, which are significantly below current measured inflation.

The unemployment rate has continued to fall since the pandemic began, but the labor force has not recovered as quickly, according to DOL data. The unemployment rate decreased to 3.4 percent in April 2023, similar to the 54-year record low of 3.4 percent in January 2023. Meanwhile, both the employment-to-population ratio and labor force participation rate have increased over the past year, but remained 0.7 percentage points lower than in the prepandemic period. Additionally, real average hourly earnings for all employees, seasonally adjusted, were 0.5 percent lower in April 2023 compared to a year ago, indicating that wage growth did not keep up with inflation over this time period.

We and others have reported on the fiscal conditions of state and local governments during the COVID-19 pandemic. For example, we reported in 2021 that, in the aggregate, state and local governments experienced revenue declines after the onset of the pandemic during the second quarter of 2020, but rebounded in the third and fourth quarters of 2020. The National Association of State Budget Officers has also reported that state revenues performed considerably better in fiscal years 2021 and 2022 than anticipated due in large part to the federal assistance that pumped additional funds into the economy. Additionally, the Urban Institute reported that preliminary data for the first quarter of 2023 indicate substantial weakness in overall state tax revenue collections, as well as in major sources of state tax revenues. This weakness was expected and is partly in response to state policy actions, including tax rate cuts and rebate payments.
Inflation is the increase in the prices of goods and services over time and is typically measured as the percentage change in those prices over a set period, often 1 year or 1 month. For example, an annual inflation rate of 2 percent means that the prices of goods and services, on average, increased 2 percent over the past year.

In previous work, we identified a number of indicators of current and expected future inflation to help us monitor households’ experiences with rising prices and assess the extent to which prices are likely to continue to rise over time. See GAO, COVID-19: Additional Actions Needed to Improve Accountability and Program Effectiveness of Federal Response, GAO-22-105051 (Washington, D.C.: Oct. 27, 2021).

Monthly inflation indicators include the month-over-month changes in the Personal Consumption Expenditures price index, the Consumer Price Index (CPI), the median CPI, and the 16 percent trimmed mean CPI. The median CPI and 16 percent trimmed mean CPI indicators focus on underlying inflation trends by omitting outliers.

Annual inflation indicators include the year-over-year changes in the Personal Consumption Expenditures price index, the CPI, the median CPI, and the 16 percent trimmed mean CPI. The Federal Reserve System’s Federal Open Market Committee aims for annual inflation of 2 percent on average over time and aims to achieve rates of inflation that are above 2 percent for some time after periods during which inflation is persistently below 2 percent. See the Federal Open Market Committee’s 2023 Statement on Longer-Run Goals and Monetary Policy Strategy.

Housing is the largest component of the CPI, and housing inflation is measured using the index for shelter, which includes both rent and owners’ equivalent rent. Recently, there has been a divergence in the official CPI housing price measure and measures using other home and rent price data. The official CPI measure lags the other housing price measures by four quarters, which has implications for understanding inflation dynamics. See Adams, B. et al, “Disentangling Rent Index Differences: Data, Methods, and Scope,” Working Paper No. 22-38 (Federal Reserve Bank of Cleveland, 2022).

The employment-to-population ratio was 60.4 percent in March and April 2023, 0.2 percentage points higher than in February 2023 and 0.5 percentage points higher than in April 2022. The labor force participation rate was 62.6 percent in March and April 2023, 0.1 percentage points higher than in February 2023 and 0.4 percentage points higher than in April 2022.


Federal COVID-19 Relief Funding and Spending
as of April 30, 2023

COVID-19 RELIEF LAWS
Six laws provided about $4.7 trillion

- American Rescue Plan Act of 2021
- Consolidated Appropriations Act, 2021 Divisions M and N
- Paycheck Protection Program and Health Care Enhancement Act
- CARES Act
- Families First Coronavirus Response Act
- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020

In our comprehensive reports, we presented data tracking how agencies were obligating and expending COVID-19 relief funding. The following are updates to these data as of April 30, 2023, the most recent date for which government-wide information was available at the time of our analysis.

Since March 2020, six COVID-19 relief laws have provided a cumulative amount of about $4.7 trillion in funding for pandemic response and recovery, as reported by federal agencies to the Department of the Treasury, in accordance with Office of Management and Budget (OMB) guidance.23 The federal government had obligated a total of $4.5 trillion and expended $4.2 trillion (97 and 91 percent, respectively) of this COVID-19 relief funding.

The major spending areas shown in Table 1 below represent $3.6 trillion, or 78 percent, of the total amounts provided. For these eight spending areas, agencies reported obligations totaling $3.6 trillion and expenditures totaling $3.4 trillion. Table 1 provides additional details on funding, obligations, and expenditures of government-wide COVID-19 relief funds by major spending areas as of April 30, 2023.

As of April 30, 2023, $104.3 billion, or 2 percent of the total amount of funding provided for COVID-19 relief, remained available for obligation (unexpired unobligated balance). Additionally, $27.6 billion was expired (expired unobligated balance), meaning that this amount was not available for incurring new obligations but was available for recording eligible obligation adjustments. Table 2 below provides additional details on funding, obligations, unobligated balances, and expenditures of government-wide COVID-19 relief funding.

KEY BUDGET TERMS

COVID-19 relief funding is the cumulative amount of funding provided in the six COVID-19 relief laws that Treasury uses to record and track COVID-19 relief spending, in accordance with the Office of Management and Budget’s (OMB) guidance. These amounts can fluctuate from month to month. Increased spending in Medicaid and Medicare is not included in OMB guidance for recording and tracking of COVID-19 relief spending and is therefore not included in the amounts presented.

An obligation is a definite commitment that creates a legal liability of the U.S. government for the payment of goods and services ordered or received, or a legal duty on the part of the U.S. government that could mature into a legal liability by virtue of actions on the part of another party that are beyond the control of the U.S. government.

An expenditure is the actual spending of money, or an outlay. Expenditures include some estimates, such as estimated subsidy costs for direct loans and loan guarantees.

Unobligated balance is the portion of funding that has not yet been obligated and includes unexpired and expired funding.

Unexpired unobligated balance is the cumulative amount of funding that remains available for incurring new obligations based on the period of availability for the funding (e.g., 1-year, multiyear, no-year).

Expired unobligated balance is the cumulative amount of fixed-period funding (e.g., 1-year or 3-year) that is no longer available to enter into new obligations because the funding’s period of availability has ended. This balance, however, generally remains available for 5 additional fiscal years after expiration for recording and adjusting obligations properly chargeable to the fixed-period funding’s period of availability. For example, this balance remains available to record previously unrecorded obligations or to make upward adjustments in previously underrecorded obligations, such as contract modifications properly within scope of the original contract. At the end of the fifth fiscal year, the expired account holding this balance is closed, and any remaining balance is canceled, returning all remaining funds to the General Fund of the U.S. Treasury.
Table 1: Major Spending Areas Under COVID-19 Relief Funding  
*as of April 30, 2023*

<table>
<thead>
<tr>
<th>Major spending area (dollars in billions)</th>
<th>COVID-19 relief funding</th>
<th>Total obligations</th>
<th>Total expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Impact Payments Department of the Treasury</td>
<td>859.4</td>
<td>858.8</td>
<td>858.8</td>
</tr>
<tr>
<td>Business Loan Programs Small Business Administration</td>
<td>833.0</td>
<td>828.1</td>
<td>828.0*</td>
</tr>
<tr>
<td>Unemployment Insurance Department of Labor</td>
<td>701.6</td>
<td>699.0</td>
<td>690.7</td>
</tr>
<tr>
<td>Coronavirus State and Local Fiscal Recovery Funds Department of the Treasury</td>
<td>350.0</td>
<td>349.9</td>
<td>349.8</td>
</tr>
<tr>
<td>Public Health and Social Services Emergency Fund Department of Health and Human Services</td>
<td>345.7</td>
<td>325.4</td>
<td>282.1</td>
</tr>
<tr>
<td>Education Stabilization Fund Department of Education</td>
<td>277.7</td>
<td>277.3</td>
<td>176.6</td>
</tr>
<tr>
<td>Coronavirus Relief Fund Department of the Treasury</td>
<td>150.0</td>
<td>149.9</td>
<td>149.8</td>
</tr>
<tr>
<td>Supplemental Nutrition Assistance Programs Department of Agriculture</td>
<td>121.1</td>
<td>98.3</td>
<td>97.9</td>
</tr>
<tr>
<td>Other areas (includes over 300 accounts)b</td>
<td>1,011.5</td>
<td>932.2</td>
<td>793.3</td>
</tr>
<tr>
<td>Totalc</td>
<td>4,650</td>
<td>4,518.9</td>
<td>4,227.1</td>
</tr>
</tbody>
</table>

Source: GAO analysis of data from the Department of the Treasury and applicable agencies.  

Note: COVID-19 relief funding, obligations, and expenditure data shown for the major spending areas are based on data reported by applicable agencies to Treasury’s Governmentwide Treasury Account Symbol Adjusted Trial Balance System. Federal agencies use this system to report proprietary financial reporting and budgetary execution information to Treasury. These amounts can fluctuate from month to month. COVID-19 relief funding is the cumulative amount of funding provided in the six COVID-19 relief laws that Treasury uses to record and track COVID-19 relief spending, in accordance with OMB guidance.

The most recent date for which government-wide information was available at the time of our analysis is April 30, 2023. Consequently, the COVID-19 relief funding amounts reported in this report do not reflect the permanent rescissions enacted in the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10. Effective as of June 3, 2023, Title I of Division B of that act permanently rescinded the unobligated balances of certain COVID-19 relief funding.

*aThe Small Business Administration’s Business Loan Program account includes activity for Paycheck Protection Program loan guarantees and certain other loan subsidies. These expenditures relate mostly to the loan subsidy costs (i.e., the loan’s estimated long-term costs to the U.S. government).

*bSeveral provisions in the Families First Coronavirus Response Act and the American Rescue Plan Act of 2021 authorized increases in Medicaid payments to states and U.S. territories. At the time of enactment, the Congressional Budget Office estimated that federal expenditures from these provisions would total approximately $76.9 billion through fiscal year 2030. The largest increase to federal Medicaid spending is based on a temporary formula change rather than a specific appropriated amount. Some of the estimated costs in this total are for the Children’s Health Insurance Program, permanent changes to Medicaid, and changes not specifically related to COVID-19. This increased spending is not accounted for in the funding provided by the COVID-19 relief laws and is therefore not included in this table.

*cBecause of rounding, amounts shown in columns may not sum to the totals.
### Table 2: Largest Unexpired Unobligated Balances Under COVID-19 Relief Funding  
**as of April 30, 2023**

<table>
<thead>
<tr>
<th>Spending areas (dollars in billions)</th>
<th>COVID-19 relief funding</th>
<th>Total obligations</th>
<th>Unexpired unobligated balance</th>
<th>Expired unobligated balance</th>
<th>Total expenditures</th>
</tr>
</thead>
</table>
| Pension Benefit Guaranty Corporation Fund<sup>a</sup>  
Pension Benefit Guaranty Corporation | 77.6 | 47.4 | 30.2 | 0.0 | 45.9 |
| Public Health and Social Services Emergency Fund  
Department of Health and Human Services | 345.7 | 325.4 | 20.3 | 0.0 | 282.1 |
| Business Loans Program Account  
Small Business Administration | 833.0 | 828.1 | 3.4 | 1.9 | 828.0 |
| U.S. Coronavirus Refundable Credits  
Department of the Treasury | 74.4 | 71.1 | 3.3 | 0.0 | 71.1 |
| CDC-Wide Activities and Program Support  
Department of Health and Human Services | 26.4 | 23.2 | 3.2 | 0.0 | 15.0 |
| Transit Infrastructure Grants  
Department of Transportation | 69.5 | 66.5 | 3.2 | 0.0 | 55.0 |
| Emergency Rental Assistance  
Department of the Treasury | 46.5 | 46.5 | 3.2 | 0.0 | 46.2 |
| Tenant-Based Rental Assistance  
Department of Housing and Urban Development | 6.2 | 3.1 | 3.1 | 0.0 | 2.2 |
| Other areas (includes over 250 accounts) | 3,170.5 | 3,107.7 | 34.3 | 25.6<sup>b</sup> | 2,881.7 |
| **Total<sup>c</sup>** | **4,650** | **4,518.9** | **104.3** | **27.6** | **4,227.1** |

Source: GAO analysis of data from the Department of the Treasury and applicable agencies. | GAO-23-106554

Note: COVID-19 relief funding, obligations, and expenditure data shown for the major spending areas are based on data reported by applicable agencies to Treasury’s Governmentwide Treasury Account Symbol Adjusted Trial Balance System. Federal agencies use this system to report proprietary financial reporting and budgetary execution information to Treasury. These amounts can fluctuate from month to month. COVID-19 relief funding is the cumulative amount of funding provided in the six COVID-19 relief laws that Treasury uses to record and track COVID-19 relief spending, in accordance with OMB guidance.

The most recent date for which government-wide information was available at the time of our analysis is April 30, 2023. Consequently, the COVID-19 relief funding amounts reported in this report do not reflect the permanent rescissions enacted in the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10. Effective as of June 3, 2023, Title I of Division B of that act permanently rescinded the unobligated balances of certain COVID-19 relief funding.

<sup>a</sup>Under section 9704 of the American Rescue Plan Act of 2021, the Pension Benefit Guaranty Corporation will receive the necessary funding from the General Fund of the U.S. Treasury through fiscal year 2030 to provide payments to qualifying multiemployer plans, as defined in this law, so that the plans can pay benefits at plan levels through the end of plan year 2051. The requested amount will fund the Special Financial Assistance payments to qualifying plans and Pension Benefit Guaranty Corporation’s related administrative and operating expenses. Neither the plans nor the Pension Benefit Guaranty Corporation are required to repay amounts received from this American Rescue Plan Act of 2021-established program, which is funded by appropriations from the General Fund of the U.S. Treasury.

<sup>b</sup>The Department of Agriculture’s Supplemental Nutrition Assistance Program comprised about $22.5 billion, or 82 percent of the total expired unobligated balance as of April 30, 2023.

<sup>c</sup>Because of rounding, amounts shown in columns may not sum to the totals.
The COVID-19 relief laws consist of the six laws providing comprehensive relief across federal agencies and programs that Treasury uses to record and track COVID-19 relief spending, in accordance with OMB guidance. The COVID-19 relief funding amounts reported in this report, however, do not reflect the permanent rescissions enacted in the Fiscal Responsibility Act of 2023, Pub. L. No. 118-5, 137 Stat. 10. Effective as of June 3, 2023, Title I of Division B of that act permanently rescinded the unobligated balances of certain COVID-19 relief funding. According to Department of the Treasury officials, it will take time for the affected federal agencies to coordinate with Treasury and OMB in order to determine the amounts of their unobligated funds and to request the requisite rescission warrants. Treasury anticipates that agencies will continue to submit rescission warrant requests through September 30, 2023.

Amounts presented from Treasury’s Governmentwide Treasury Account Symbol Adjusted Trial Balance System are the most recent available at the time of our analysis. Federal agencies use this system to report proprietary financial reporting and budgetary execution information to Treasury. These amounts can fluctuate from month to month, and they reflect appropriations, as well as transfers, adjustments, recoveries, rescissions, and returns of unused indefinite appropriations. OMB’s guidance for recording and tracking COVID-19 relief spending does not include increases in Medicaid and Medicare spending; otherwise, the cumulative amount of funding as of April 30, 2023 —the most recent date for which government-wide information was available at the time of our analysis —would be greater than about $4.7 trillion.
Enclosures

- Public Health Preparedness
- Improper Payments and Fraud
- Vulnerable Populations
- Distribution of Federal COVID-19 Funding
- COVID-19 and the Economy
Selected GAO Findings and Recommendations

Over a decade of prior work has demonstrated deficiencies in the Department of Health and Human Services’ (HHS) ability to execute its role leading federal efforts to prepare for and respond to public health emergencies. Some areas of deficiencies, which hindered the nation's response to the COVID-19 pandemic, include establishing clear roles and responsibilities for a wide range of key federal, state, local, tribal, territorial, and nongovernmental partners; and providing clear, consistent communication to key partners and the public. Aspects of public health preparedness and response include access to diagnostic testing and medical countermeasures—drugs, vaccines, and supplies—and access to real-time information about emerging threats.

We summarize key reports issued from April 2022 through April 2023 below. For status updates to any recommendations from the reports summarized or included as related work, see https://www.gao.gov/coronavirus.

**COVID-19 Tests**


In May 2022, we reported on the Food and Drug Administration’s (FDA) oversight of tests for COVID-19. We examined, among other things, (1) the actions FDA took to help make COVID-19 tests available for use, (2) the number of tests FDA authorized and those for which it exercised enforcement discretion, and (3) FDA’s monitoring of these tests after they were available for use.

**What we found**

After flaws in HHS’s first diagnostic test for COVID-19 contributed to the delayed rollout of testing nationwide, FDA, within HHS, took several actions aimed at rapidly increasing the availability of COVID-19 tests in the United States. For example, FDA granted emergency use authorizations for COVID-19 tests and, in February and March 2020, issued policies that enabled some tests to be used without first obtaining an authorization.24 Under these policies, FDA exercised enforcement discretion to not object to use of these tests before they were authorized.

By September 30, 2021, FDA had exercised its enforcement discretion for 370 tests. FDA officials told us they had concerns about the lack of review for these unauthorized tests, and as the number grew, the risks of this policy began to outweigh the benefits. Nevertheless, FDA did not update its COVID-19 test policy with the intention of phasing out the agency’s use of enforcement discretion and reducing the number of unauthorized tests until November 2021. Until FDA develops a policy for the use of

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24Typically, FDA must approve, license, or clear a new product before it can be marketed in the United States. See 21 U.S.C. § 355 (drugs); 21 U.S.C. §§ 360e(c) and 360(h) (devices); and 42 U.S.C. § 262 (biologics). However, during an emergency, FDA may temporarily allow the use of products that have not been approved, licensed, or cleared by issuing an emergency use authorization, provided certain statutory criteria are met. See 21 U.S.C. § 360bbb-3. For example, it must be reasonable to believe that the product may be effective and that the known and potential benefits outweigh known and potential risks.
enforcement discretion regarding unauthorized tests in a future public health emergency—including the conditions under which FDA would begin and end such discretion—the agency could face the risk that unauthorized tests could be used for an extended period of time, even when a sufficient number of authorized tests are available. This could hamper an effective response and recovery during a future crisis.

Our recommendation
FDA should develop a policy for the use of enforcement discretion regarding unauthorized tests in future public health emergencies. The policy should include the conditions under which FDA would begin and end the use of such discretion. FDA concurred with our recommendation and as of April 2023 had begun taking action toward implementation. Specifically, FDA officials told us that the agency is in the process of developing a general policy for the use of enforcement discretion for unauthorized tests in public health emergencies, which will take into account lessons learned from both the COVID-19 and monkeypox public health emergencies.

Public Health Situational Awareness Network
COVID-19: Pandemic Lessons Highlight Need for Public Health Situational Awareness Network (GAO-22-104600)

In June 2022, we reported on the status of the public health situational awareness and biosurveillance network, which federal law over 16 years ago required HHS to establish.25 The Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2019 reiterated the need for this network and included statutory requirements related to enhancing its capability.26 We examined (1) the extent to which HHS has made progress toward implementing the requirements in the 2019 act; and (2) the challenges and lessons learned from COVID-19 that HHS could incorporate in planning for this network.

What we found
The federal government does not have the public health situational awareness network required by law. This network could have been used to provide vital information to better manage a timely COVID-19 response. HHS had made minimal progress toward establishing the network, in part because the department failed to prioritize the requirements of the

2019 act and did not establish an appropriate management and governance structure. Without a management and governance structure to oversee the activities required by law, HHS and the federal government likely will continue to lack the comprehensive capabilities needed to allow for the timely response to infectious disease outbreaks like COVID-19.

As of March 2022, after more than 2 years of experience in responding to the COVID-19 pandemic, HHS had not taken steps to identify, document, and share all challenges and lessons learned that public health entities experienced during the pandemic—information it could incorporate in its planning and implementation of the public health situational awareness and biosurveillance network. Until HHS takes these steps, opportunities to improve the response to ongoing and future public health emergencies by learning from past challenges will likely be missed.

Our recommendations
HHS should prioritize the development of the public health situational awareness and biosurveillance network. We made 12 recommendations related to this, including that HHS designate a lead operational division for implementation of statutory requirements and clearly define its roles and responsibilities; commit to a deadline for finalizing the work plan to implement the 2019 act’s requirements, and ensure the work plan is fully implemented; and incorporate lessons learned from the COVID-19 pandemic into plans for implementing this network. HHS concurred with 10 of the 12 recommendations. The department stated that the remaining two were under review. As of April 2023, all of the recommendations remained open.

Public Health Preparedness: HHS Should Address Strategic National Stockpile Requirements and Inventory Risks (GAO-23-106210)

In October 2022, we reported on the Strategic National Stockpile, a multibillion-dollar inventory of drugs, vaccines, supplies, and other medical countermeasures that can be used in emergencies. We examined, among other things, the process used to make inventory decisions. This report is part of a larger body of work that includes reports about the challenges related to the immediate Strategic National Stockpile COVID-19 response and longer-standing challenges related to the management and contents of the Strategic National Stockpile.

What we found
HHS completed its Strategic National Stockpile reviews to inform inventory decisions for fiscal years 2023 and 2024 after not completing these reviews for fiscal years 2020 through 2022.27 However, these reviews did not meet most statutory requirements enacted in 2019. Also, HHS had not updated its procedures to account for those new requirements. Until HHS updates its procedures, the agency risks not meeting the statutory requirements designed to give Congress additional information about the Strategic National Stockpile inventory.

Furthermore, our analysis of the Strategic National Stockpile reviews showed that the stockpile contained most of the recommended types of medical countermeasures, but not in the recommended quantities. HHS officials noted these gaps were due to budget constraints and acknowledged that these gaps present risks, including being underprepared to respond to a public health emergency. However, the completed reviews lacked key information needed for managing these risks and communicating them to stakeholders, including Congress. Without an approach for regularly managing risks, HHS and Congress lack assurance the department is most effectively preparing for public health emergencies.

Our recommendations
HHS should, among other things, update its procedures for Strategic National Stockpile inventory planning reviews and manage risks associated with inventory gaps. HHS concurred with our three recommendations, but as of April 2023 had not addressed them.

Considerations for Congress
In January 2022, we added HHS leadership and coordination of public health emergencies—including extreme weather events, infectious disease outbreaks, pandemics, and intentional acts—to our High Risk List.28 The deficiencies we have identified are longstanding concerns that will take time and commitment to address; however, addressing them is paramount as the nation continues to face new threats while recovering from the COVID-19 pandemic.

HHS has announced some agency reform efforts, including elevating the Administration for Strategic Preparedness and Response to a stand-alone agency alongside other HHS agencies, according to an HHS statement. This is intended to ultimately allow the Administration for Strategic Preparedness and Response to more effectively and efficiently mobilize a coordinated national emergency response. However, as outlined in our most recent High Risk Report, there is more to be done to address the deficiencies in HHS’s ability to perform its role of leading the nation’s preparedness for, and response to, public health emergencies, and congressional oversight will be important as HHS addresses these concerns.

27GAO reported in August 2022 that to guide inventory purchases from 2015 through 2019, HHS used a multistep process involving interagency experts, which resulted in annual Strategic National Stockpile reviews with inventory recommendations.

Other Related GAO Work
Issued from April 2022 through April 2023

Drug Manufacturing: FDA Should Fully Assess Its Efforts to Encourage Innovation, GAO-23-105650 (Mar. 10, 2023)


Air Travel and Communicable Diseases: Federal Leadership Needed to Advance Research, GAO-22-104579 (July 28, 2022)

Contact Tracing for Air Travel: CDC’s Data System Needs Substantial Improvement, GAO-22-105018 (July 11, 2022)

Ongoing GAO work

GAO has ongoing work, including in the following areas:

- Economic incentives for development of therapeutics for potential pandemics
- HHS’s Administration for Strategic Preparedness and Response workforce planning
- HHS’s public health preparedness and response data capabilities
- Public health infrastructure funding
- U.S. Strategic National Stockpile inventory distribution
Why It Matters

Billions of taxpayer dollars are at risk due to improper payments, including from fraud. Although this has been a longstanding issue, the risk of improper payments dramatically increased during the COVID-19 pandemic. Federal agencies estimated about $247 billion in improper payments in fiscal year 2022, a large increase compared to the estimate of about $140 billion for fiscal year 2017. The extent of fraud associated with COVID-19 relief programs is significant and could further increase, since many investigations are under way.

Selected GAO Findings and Recommendations

Our work shows that the risk of improper payments, including from fraud, greatly increased during the pandemic. We have identified some programs as particularly susceptible to improper payments, including greatly expanded existing programs and new programs created in response to the COVID-19 pandemic. Also, as federal agencies sought to expedite payments to individuals and businesses affected by the pandemic, agencies used some processes that we have previously reported can increase fraud risk.

We summarize key reports issued from April 2022 through April 2023 below. For status updates to any recommendations from the reports summarized or included as related work, see https://www.gao.gov/coronavirus.

Unemployment Insurance

Unemployment Insurance: Data Indicate Substantial Levels of Fraud during the Pandemic; DOL Should Implement an Antifraud Strategy (GAO-23-105523)

In December 2022, we reported on matters relating to the scope and severity of fraudulent activity in the Unemployment Insurance (UI) system during the pandemic. We examined what measures and estimates indicate about the extent of UI fraud during the pandemic and the extent to which the Department of Labor (DOL) designed and implemented a strategy to manage UI fraud risks. This report is part of a larger body of work examining the UI system during the COVID-19 pandemic.

What we found

Measures and estimates indicate substantial levels of fraud and potential fraud in UI during the pandemic. Although no national estimate of UI fraud has been reported that covers all UI programs and the full period of pandemic spending, DOL has reported estimates of fraud for regular UI payments. If the lower bound of DOL’s 2021 estimated national fraud rate for the regular UI program was extrapolated to total spending across all UI programs during the pandemic, it would suggest over $60 billion in fraudulent UI payments. The actual amount of fraud in UI programs during the pandemic may be substantially higher than this estimated $60 billion lower limit. We have ongoing work to calculate a comprehensive estimate of UI fraud.

DOL has taken steps to address UI fraud risks. For example, DOL issued guidance, provided funding to states, and deployed teams to recommend improvements to state UI programs. While these steps help prevent, detect, and respond to fraud, as of December 2022, DOL had not developed an antifraud strategy based on leading practices in GAO’s Fraud Risk Framework. Without an antifraud strategy, DOL is not able to ensure that it is addressing the most significant fraud risks facing the UI system in alignment with the Fraud Risk Framework.
Our recommendation

DOL should develop and implement an antifraud strategy for UI programs that is consistent with leading practices from GAO’s Fraud Risk Framework. DOL partially agreed with the recommendation but as of April 2023 had not addressed it.

Emergency Rental Assistance

Emergency Rental Assistance: Treasury’s Oversight is Limited by Incomplete Data and Risk Assessment (GAO-23-105410)

In December 2022, we reported on the Department of the Treasury’s oversight of the Emergency Rental Assistance (ERA) program, a new program created in response to the COVID-19 pandemic that provided over $46 billion to grantees, such as local governments, to help low-income households at risk of housing instability pay rent and utilities. We examined, among other things, Treasury’s ERA data collection and oversight efforts. This report is part of a body of work related to administration and oversight challenges in the ERA program.

What we found

As of November 2022, Treasury had not collected and reported complete data on ERA payments and recipients as required under the authorizing statute. For example, the performance measures Treasury reported publicly for the first three quarters of 2021 that were disaggregated by demographics were missing for 44 percent to 55 percent of households served. The high proportion of missing data was largely driven by grantees nonreporting in those quarters. Reporting levels improved for the fourth quarter of 2021; data were missing for 19 percent of households served for that period. Treasury has taken some steps to improve data completeness and accuracy.

In September 2022, Treasury officials told us they were testing and monitoring grantees’ data submissions and following up with grantees for clarification and potential updates when the agency identified incomplete and erroneous reporting. In addition, in November 2022, the Office of Management and Budget (OMB) approved Treasury’s guidance on ERA1 closeout reporting requirements, which direct grantees to provide data that was missing or inaccurately reported from prior quarters. Without better data collection and reporting, Congress and Treasury will lack information on the program’s outcomes.

Additionally, our review of Treasury data highlights improper payment risks in the ERA program, but Treasury has not conducted a detailed risk assessment. Treasury completed an improper payment risk assessment for the ERA program in September 2022 that focused on the risk of improper payments in Treasury’s disbursement of ERA allocations to grantees. However, this risk assessment did not account for missing data or duplicative payments to households. We reviewed ERA1 payments made to households in 2021 and found evidence that grantees may have made duplicative payments despite a statutory requirement that grantees ensure that rental assistance provided not be duplicative of other federally-funded rental assistance to the extent feasible. For example, we found that about 2 percent of the households assisted (about 43,000 households) received payments from more than one grantee. These payments accounted for about 6 percent of all payments reported by grantees in 2021. Without a more detailed assessment of improper payment risks at the household level, Treasury’s awareness of such risks and oversight of the ERA program will be limited.

Our recommendations

Treasury should complete a detailed assessment of improper payment risks for the ERA program and improve the program’s data collection and reporting. Treasury agreed with our three recommendations. As of April 2023, these recommendations remained open.

Restaurant Revitalization Fund

Restaurant Revitalization Fund: Opportunities Exist to Improve Oversight (GAO-22-105442)

In July 2022, we reported on the Small Business Administration’s (SBA) oversight of the Restaurant Revitalization Fund (RRF), a program initiated in response to the pandemic to support eligible entities suffering revenue losses from the COVID-19 pandemic. We examined, among other things, SBA’s internal controls and fraud risk management practices and SBA’s efforts to monitor recipients. This report is part of a body of work related to the RRF program.

What we found
From May to July 2021, just over 100,000 businesses (40 percent of eligible applicants) received funding through this program, which received total appropriations of $28.6 billion. SBA used lessons learned from emergency programs it had previously managed (such as the Paycheck Protection Program) to improve program design and increase safeguards. For instance, the agency emphasized pre-award controls that prevented over 30,000 potentially fraudulent or ineligible applications from receiving awards.

However, we found weaknesses in the design and operation of pre-award controls. For example, SBA worked with restaurant industry partners to help process applications and considered such applications to be low risk, but over 4,000 recipients who applied through such a channel have been flagged for suspected fraud or ineligibility, including an alleged fraudster who received $8 million. SBA officials said they did not plan to assess whether the pre-award controls operated as expected because they completed a fraud risk assessment for RRF and concluded the program’s controls were sufficient to mitigate fraud risk. However, this risk assessment did not analyze the efficacy of pre-award controls. Assessing controls and addressing deficiencies would help inform SBA’s controls for future programs.

Additionally, SBA requires recipients to report annually on fund use but could take additional steps to identify fraudulent or ineligible awards. SBA has not proactively used data analytics or information from enforcement entities to identify potentially fraudulent award recipients. By taking steps to proactively identify fraudulent or ineligible award recipients, SBA would be better positioned to oversee this program if Congress decides to use the RRF again in the future.

Our recommendations
SBA should assess pre-award controls and address deficiencies, and take additional steps to identify fraudulent or ineligible awards, among other things. SBA agreed or partially agreed with two recommendations and disagreed with five recommendations, including to assess pre-award controls. We maintain that all seven recommendations are valid, as discussed in our report. As of April 2023, these recommendations remained open.
Considerations for Congress

The pandemic further exacerbated the longstanding problem of improper payments and greatly increased related fraud risks. Through our COVID-19 work, we recommended 12 actions Congress could take to improve oversight of emergency relief funds, including the following:\(^{31}\)

- Pass legislation requiring OMB to provide guidance for agencies to develop plans for internal control that would immediately be ready for use in future emergencies or crises, and requiring agencies to report these plans to OMB and Congress.
- Amend the Payment Integrity Information Act of 2019 to designate all new federal programs making more than $100 million in payments in any one fiscal year as "susceptible to significant improper payments" for their initial years of operation, and reinstate the requirement that agencies report on their antifraud controls and fraud risk-management efforts in their annual financial reports.
- Establish a permanent analytics center of excellence to aid the oversight community in identifying improper payments and fraud.

As of April 2023, these matters for congressional consideration remained open. We continue to believe that such actions will increase accountability and transparency in federal spending in both emergency and nonemergency periods.

In addition, through our COVID-19 work, we added several programs to our High Risk List based, in part, on their risk for improper payments. Congressional oversight will be important as DOL and SBA implement changes to meet GAO’s criteria for removal from the High Risk List.

- In June 2022, we added the UI system to our High Risk List due to long-standing challenges in meeting the needs of unemployed workers and mitigating financial loss, which were exacerbated by the historical job loss during the COVID-19 pandemic.\(^{32}\) Although Congress created four temporary UI programs to support workers during this time, unprecedented demand for benefits and the need to quickly implement the new programs challenged states’ administrative capabilities and increased risks of improper payments, including from fraud.
- In March 2021, we added emergency loans for small businesses to our High Risk List, noting that the limited controls built into the approval processes for SBA’s Paycheck Protection Program and COVID-19 Economic Injury Disaster Loans program created the risk of hundreds of millions of dollars in improper payments, including those resulting from fraud. During the COVID-19 pandemic, SBA made or guaranteed billions of dollars in emergency loans and grants quickly to help many small businesses in need. However, SBA initially lacked finalized plans to oversee the two programs. Further, SBA’s failures in spring 2020 to provide data and documentation on a timely basis to us for the Paycheck Protection Program and the COVID-19 Economic Injury Disaster Loans program impeded our initial efforts to ensure transparency and accountability for the programs.
- In April 2023, we reported that SBA had made progress in implementing controls to improve oversight of its emergency loans, but that it could further improve its fraud risk management and related efforts.\(^{33}\)
- In May 2023, we reported on fraud schemes in SBA’s pandemic relief programs, including the Paycheck Protection Program, COVID-19 Economic Injury Disaster Loans, Shuttered Venue Operators Grant, and RRF. We found that SBA had assisted more than 10 million small businesses through these programs, but in some instances relief funds went to those who sought to defraud the government. For example, in the 330 Paycheck Protection Program and COVID-19 Economic Injury Disaster Loans fraud cases we reviewed, federal prosecutors had filed bank fraud, wire fraud, money laundering, identity theft, and other charges against 524 individuals. As a result of our findings, we made two recommendations to SBA to improve its fraud prevention and detection efforts. SBA concurred with both recommendations, and according to officials, the agency is taking actions to improve its related efforts.\(^{34}\)


\(^{34}\)GAO, COVID-19 Relief: Fraud Schemes and Indicators in SBA Pandemic Programs, GAO-23-106331 (Washington, D.C.: May 18, 2023).
Other Related GAO Work

Issued from April 2022 through April 2023

Emergency Relief Funds:
Significant Improvements Are Needed to Address Fraud and Improper Payments, GAO-23-106556 (Feb. 1, 2023)

Unemployment Insurance:
DOL Needs to Address Substantial Pandemic UI Fraud and Reduce Persistent Risks, GAO-23-106586 (Feb. 8, 2023)

COVID Relief: SBA Could Improve Communications and Fraud Risk Monitoring for Its Arts and Entertainment Venues Grant Program, GAO-23-105199 (Oct. 11, 2022)

Coronavirus Food Assistance Program: USDA Should Conduct More Rigorous Reviews of Payments to Producers, GAO-22-104397 (Sept. 8, 2022)

Unemployment Insurance:
Transformation Needed to Address Program Design, Infrastructure, and Integrity Risks, GAO-22-105162 (June 7, 2022)

Ongoing GAO work

GAO has ongoing work, including in the following areas:

- COVID-19 overpayment recoveries
- Estimation of UI fraud during the pandemic
- Federal COVID-19 fraud-related cases
- HHS oversight of the Provider Relief Fund
- Managing improper payments for emergency assistance programs
- UI fraud-related assistance and recoveries
Selected GAO Findings and Recommendations

Our recent work demonstrated that certain vulnerable populations have been disproportionately affected by the COVID-19 pandemic. These populations include people from certain racial and ethnic groups, nursing home residents, children, those who are pregnant, those with low incomes, and those with limited English proficiency. Federal agencies, including the Department of Health and Human Services (HHS), have taken steps in response. For example, starting in 2020, HHS began requiring nursing homes to routinely test staff for COVID-19 based on parameters established by the department. As the nation continues to recover from the pandemic, federal agencies should continue to focus on efforts to address the challenges these populations face, including reducing disparities that were exacerbated by the pandemic.

We summarize key reports issued from April 2022 through April 2023 below. For status updates to any recommendations from the reports summarized or included as related work, see https://www.gao.gov/coronavirus.

Maternal Health During the Pandemic

Maternal Health: Outcomes Worsened and Disparities Persisted During the Pandemic (GAO-23-105871)

In October 2022, we reported on selected maternal health indicators during the pandemic. We described what available data show about maternal health outcomes and disparities during the pandemic and HHS agencies’ efforts to address them.

What we found
Maternal deaths—those resulting from complications related to pregnancy and childbirth—toaled just over 1,200 in 2021 compared to about 750 in 2019, according to Centers for Disease Control and Prevention (CDC) data. Additionally, COVID-19 was reported as a contributing cause of death in one-quarter of maternal deaths in 2020 and 2021.

CDC data also show racial and ethnic disparities in the rate of maternal deaths per 100,000 live births, which worsened during the pandemic. For example, compared to White (not Hispanic or Latina) women, the maternal death rate increased significantly for Black or African-American (not Hispanic or Latina) women between 2019 and 2020 and was significantly higher in both 2020 and 2021. Specifically, the maternal death rate for Black or African American (not Hispanic or Latina) women was 44.0 per 100,000 live births in 2019 and increased to 55.3 in 2020 and 69.9 in 2021. In contrast, White (not Hispanic or Latina) women had death rates of 17.9, 19.1, and 26.6, respectively.

HHS officials and stakeholders, including researchers, advocacy groups, and professional organizations, told us the pandemic exacerbated the effects of social determinants of health—factors such as access

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Why It Matters

While the COVID-19 pandemic had an unprecedented effect on the nation, it presented unique challenges for vulnerable populations and, in some cases, exacerbated some health care and educational disparities these populations experienced prior to the pandemic.
to care, transportation, or technology; living environment; and employment—on maternal health disparities. For example, service reductions in public transportation and child care worsened existing barriers to accessing care.

HHS agencies initiated various efforts during or in response to the pandemic to address maternal health outcomes and disparities, such as supporting research, issuing guidance, and providing technical assistance.

Nursing Home Infection Prevention and Control

COVID-19 in Nursing Homes: CMS Needs to Continue to Strengthen Oversight of Infection Prevention and Control (GAO-22-105133)

In September 2022, we reported on federal oversight of infection prevention and control in nursing homes in light of the COVID-19 pandemic. We described any changes in resident health before and during the pandemic as indicated by Centers for Medicare & Medicaid Services (CMS) data. Also, we examined the infection prevention and control actions CMS and CDC have taken in nursing homes before and during the pandemic, among other objectives. This report is part of a larger body of work examining COVID-19 in nursing homes.

What we found

Our analysis of CMS data showed that seven of the eight key indicators of nursing home resident mental and physical health that we reviewed worsened at least slightly in 2020, the first year of the pandemic, compared to the years prior to the pandemic. Six of these key indicators continued to worsen in the second year of the pandemic. See the figure for two examples of key indicators. Nursing home officials and national organizations we interviewed attributed this worsening, in part, to the isolation residents experienced from the limitations CMS placed on visitation or group activities in nursing homes during the pandemic to limit the transmission of COVID-19.

CMS and CDC took actions on infection prevention and control prior to and during the COVID-19 pandemic. For example, prior to the pandemic, CMS required nursing homes to designate an infection preventionist on staff. This person is a trained employee responsible for the home’s infection prevention and control program, and was crucial to nursing homes during the pandemic. During the pandemic, CMS and CDC provided infection prevention resources to nursing homes. However, we found areas where CMS could take additional actions, including strengthening oversight of the infection preventionist role and clarifying infection prevention and control guidance.

Until CMS sets minimum training standards for infection preventionists, nursing homes will not know which training programs are adequate. Additionally, until CMS clarifies guidance on the scope and severity examples for infection prevention control deficiencies specific to COVID-19 and other respiratory diseases, state survey agencies will continue to face uncertainty about how to inspect nursing homes for adherence to infection prevention control requirements.

Our recommendations

CMS should establish minimum training standards for infection preventionists; collect infection preventionist staffing data and use these data to determine whether the current staffing requirement is sufficient; and provide additional infection prevention and control guidance. CMS concurred with one recommendation regarding establishing minimum training standards for infection preventionists, and it neither agreed nor disagreed with the two others. As of March 2023, these recommendations remained open.

Pandemic Learning for High-Poverty Students and English Learners

Pandemic Learning: Teachers Reported Many Obstacles for High-Poverty Students and English Learners As Well As Some Mitigating Strategies (GAO-22-105815)

In May 2022, we reported on obstacles to learning and strategies to mitigate learning loss for high-poverty students, English learners, and students in grades K-2. This report was part of a series issued in the spring of 2022. The series highlighted key findings from our nationally generalizable survey of general education teachers and discussion groups with teachers, principals, and parents that we conducted to understand the impact of COVID-19 on public K-12 education.

What we found

Our survey of public K-12 teachers showed that teachers with certain vulnerable student populations were more likely to have students who faced significant obstacles to learning and an increased risk of falling behind academically during the 2020-2021 school year.

For example, we estimated that teachers with a high percentage of high-poverty K-5 students learning virtually for the majority of the 2020-2021 school year were about 23 times more likely to have students who lacked an appropriate workspace—one free of distractions—compared to all other K-5 teachers. Additionally,
we estimated that teachers in a virtual environment with a high percentage of English learners (at least 20 percent) were more likely than their peers to have students who regularly struggled with understanding lessons and completing assignments, among other things.

Teachers indicated that they used a variety of strategies to address learning loss for these populations. For example, teachers with a high percentage of English learners reported that small group work in person and one-on-one check-ins between teachers and students were effective in mitigating learning loss for at least half of their students.

Considerations for Congress
Sustained congressional oversight of agencies’ efforts to address the effects of the pandemic is important. The pandemic highlighted existing problems and disparities and, in some cases, exacerbated the existing problems. For example:

- A growing body of work shows that the COVID-19 pandemic exposed and worsened longstanding infection prevention and control problems in nursing homes. As the nation moves forward, proper infection prevention and control procedures will remain critical to ensuring resident safety against not only the threat of COVID-19, but also other infectious diseases. HHS’s continued leadership in prioritizing infection prevention and control—in coordination with other federal, state, and private entities—is critical to better protecting nursing home residents from the enduring risks of declining health and premature death posed by infections.

- The COVID-19 pandemic worsened some maternal health outcomes, and racial and ethnic disparities in maternal health outcomes persisted during this period. HHS’s continued attention to efforts focused on reducing maternal deaths and disparities in maternal health outcomes is important as the nation recovers from the pandemic.
Other Related GAO Work

Issued from April 2022 through April 2023


COVID-19 in Nursing Homes: Outbreak Duration Averaged 4 Weeks and Was Strongly Associated with Community Spread, GAO-23-104291 (Dec. 15, 2022)


Pandemic Learning: Less Academic Progress Overall, Student and Teacher Strain, and Implications for the Future, GAO-22-105816 (June 8, 2022)

Pandemic Learning: As Students Struggled to Learn, Teachers Reported Few Strategies as Particularly Helpful to Mitigate Learning Loss, GAO-22-104487 (May 10, 2022)

Ongoing GAO work

GAO has ongoing work in several areas, including the following:

- Accessibility and accommodations for higher education students with disabilities
- Maternal health outcomes
Selected GAO Findings and Recommendations

Federal agencies that managed new programs serving communities and individuals disproportionately impacted by the COVID-19 pandemic faced challenges in disbursing funds. These agencies had to take steps, such as creating new distribution mechanisms, that delayed payments to fund recipients. In turn, the recipients—including in state, local and tribal entities, as well as individuals—faced challenges in accessing and using the funds, especially for new programs. Common challenges that recipients within state, local, and tribal entities reported include hiring and capacity challenges, such as workload issues.

We summarize key reports issued from April 2022 through April 2023 below. For status updates to any recommendations from the reports summarized or included as related work, see https://www.gao.gov/coronavirus.

Pandemic Unemployment Assistance to Contingent Workers

Pandemic Unemployment Assistance: Federal Program Supported Contingent Workers amid Historic Demand, but DOL Should Examine Racial Disparities in Benefit Receipt (GAO-22-104438)

In June 2022, we reported on the Pandemic Unemployment Assistance (PUA) program, which temporarily expanded unemployment benefits to workers generally ineligible for unemployment insurance, such as self-employed and contingent workers. We examined, among other things, (1) how state implementation of PUA varied, and (2) how PUA benefit receipt varied by demographic characteristics. This report is part of a larger body of work examining the unemployment insurance system, including PUA, during the COVID-19 pandemic.

What we found

As states implemented the new PUA program in spring 2020, they faced high demand for the assistance, and that demand generally remained high through June 2021. The program expired on September 6, 2021. As of April 30, 2022, over $131 billion in PUA compensation had been paid to claimants, according to the Department of Labor (DOL). Most states started paying PUA claims by the end of May 2020, according to data reported to DOL. However, some states did not immediately start paying a substantial number of claimants. For example, one of the five states we chose for our review reported making its first PUA payments on May 21, 2020, but had paid fewer than 1,000 PUA claimants their first benefits by the end of May. This state reported paying about 6,000 PUA claimants in June, followed by about 17,000 PUA claimants in July 2020. The state officials we talked to said they faced urgency to pay PUA benefits; however, IT and staffing challenges, among other things, contributed to payment delays. Some workers we spoke with reported waiting months to receive their first PUA payment after losing their jobs.

In our review of aggregated claimant data from four of the five states, we found substantial racial and ethnic disparities in PUA benefit receipt in three states. For example, in two states, the percentage of
Black applicants who received PUA was about half that of White applicants. In one of these states, the percentages of Hispanic/Latino and American Indian/Alaskan Native PUA applicants who received benefits were also substantially lower than White applicants. Results from two national surveys showed similar disparities in receipt of unemployment insurance. Various factors could contribute to these disparities, including systemic inequities such as how states reviewed claims, whether fraudsters more frequently used certain demographics when filing, or individual biases. Without comprehensive information about the extent or causes of inequities in PUA benefit receipt and in the unemployment insurance system nationwide, DOL may be challenged to effectively monitor state practices or meet its goals of advancing racial, geographic, and gender equity in the unemployment insurance system.

**Our recommendations**

DOL should advise Congress and other policymakers on future options to support unemployed contingent workers and examine the extent and causes of inequities in the receipt of PUA. DOL agreed with the first recommendation and partially agreed with the second recommendation. As of April 2023, both recommendations remained open.

**Public Health Relief Funds to Disproportionately Affected Communities**

*COVID-19: HHS Funds Allocated to Support Disproportionately Affected Communities (GAO-23-105500)*

In January 2023, we reported on how the Department of Health and Human Services (HHS) allocated funds from the Public Health and Social Services Emergency Fund to support communities disproportionately affected by the COVID-19 pandemic. We described (1) how much four HHS agencies allocated to support these communities, and (2) how a sample of states allocated selected funding to support such communities.

**What we found**

HHS provided $75 billion in pandemic relief funding to the Centers for Disease Control and Prevention (CDC) and three other agencies within HHS. CDC received over half of the funding. These four HHS agencies directed $29 billion (or about a third) of this funding to programs that specifically support communities disproportionately affected by COVID-19; most of these funds were directed to an array of new programs established during the COVID-19 pandemic. These programs included the National Initiative to Address COVID-19 Health Disparities Among Populations at High Risk and Underserved Communities, and the Rural Tribal COVID-19 Response Program.

**Relief Funds to Tribal Recipients**

*COVID-19 Relief Funds: Lessons Learned Could Improve Future Distribution of Federal Emergency Relief to Tribal Recipients (GAO-23-105473)*

In December 2022, we reported on federal efforts to provide COVID-19 relief funds to Tribes and their members and tribal entities (tribal recipients). We examined (1) approaches selected federal agencies used to administer programs that provided COVID-19 funds to tribal recipients, and (2) lessons learned that could improve future federal relief to these recipients. This report is part of a larger body of work that includes reports addressing federal agencies’ administration of COVID-19 relief funds for tribal recipients.

**What we found**

As of December 2022, Congress had appropriated at least $43.6 billion in COVID-19 relief funds for several existing and new federal programs serving tribal recipients. The agencies we reviewed used various approaches, some required by statute, to provide relief funds. These approaches determined the steps tribal recipients had to take to access and use the funds. In some cases, agencies used existing program structures to quickly distribute relief funds to tribal...
recipients, who generally did not have to take action to access and use the funds. In other cases, agencies had to develop new programs and took longer to distribute funds to recipients, who had to take steps such as applying for the funds.

For example, within several weeks of the enactment of the CARES Act, the Bureau of Indian Affairs (BIA) in the Department of the Interior began distributing funds to Tribes that had existing self-determination contracts and self-governance compacts. In contrast, the Department of the Treasury had to set up the Coronavirus Relief Fund program and—because Treasury had not previously distributed payments to tribal recipients—create a new distribution mechanism, among other steps. This delayed distribution of the funds, according to Treasury officials.

We identified lessons learned from agencies’ administration of relief funds that could improve future federal relief for tribal recipients, some of whom reported experiencing administrative burden with certain relief funds, such as burdensome applications or reporting requirements. For example:

- **Use existing mechanisms such as contracts and compacts with Tribes.** Such mechanisms can enable agencies to more quickly distribute funds to tribal recipients and mitigate administrative burden for agencies and Tribes. Some agencies transferred some of their appropriations to agencies that had existing mechanisms in place to distribute funds to tribal recipients. For example, in response to comments received during consultations with Tribes, National Oceanic and Atmospheric Administration (NOAA) officials explored options to streamline the agency’s process for distributing funds to tribal recipients. As a result, according to these officials, NOAA transferred the Fisheries Disaster Assistance line item appropriation for tribal fishery recipients to BIA to distribute to Tribes via BIA’s contracts and compacts. Leveraging BIA’s existing mechanisms enabled NOAA to distribute funds more quickly and reduce administrative burden on the agency and Tribes, according to NOAA officials. Based on our work, we recommended that Congress consider providing future emergency relief that it wants distributed as quickly as possible in a manner that enables agencies to distribute it through existing mechanisms and structures, as we discuss below.

- **Increase federal capacity and expertise for working with tribal recipients.** Greater capacity and expertise could improve future federal administration of emergency funding for these recipients. While some agencies in our review had substantial experience in working with Tribes, other agencies’ lack of such experience led to challenges for these agencies and recipients that negatively affected the timeliness and equity of relief funding allocations. For example, agency officials’ lack of familiarity with tribal governments and revenue structures contributed to delayed disbursements of the Coronavirus Relief Fund and the Small Business Administration’s Paycheck Protection Program. Each of the agencies we looked at in our report is implementing an action plan that includes building capacity and expertise, in response to a 2021 presidential memo. The agencies’ implementation and sustainment of these plans will enable them to better meet the unique needs of Tribes and tribal communities in future emergency situations.

49Self-determination contracts allow Tribes to assume responsibility for managing the program’s day-to-day operations, with federal agencies providing technical oversight to ensure the Tribe meets contract terms and reporting requirements. Self-governance compacts transfer administration of the program to Tribes and provide the Tribes with some flexibility in program administration. To be eligible for participation in self-governance compacting, a Tribe must demonstrate financial stability and management capability, among other things.

**Considerations for Congress**

Congress considers multiple priorities when drafting emergency relief legislation, such as getting funds to recipients quickly and including mechanisms to ensure that funds are distributed in a controlled manner so that they are used as Congress intended. Through our COVID-19 body of work, we have made recommendations to Congress aimed at helping federal agencies to distribute emergency relief funds quickly while maintaining appropriate safeguards.

- **For example, in our December 2022 report on relief funds to tribal recipients, we recommended that Congress consider, when seeking to provide these recipients with emergency relief that it wants to be distributed as quickly as possible, providing this relief in a manner that explicitly enables agencies to distribute it through existing mechanisms and structures such as self-determination contracts and self-governance compacts, as appropriate. Because not all agencies have existing mechanisms for quickly distributing funds to tribal recipients or the authority to transfer funds to other agencies that do, providing agencies with the explicit authority to use established mechanisms could help ensure tribal recipients can more quickly access these funds. It also would ensure minimal additional administrative burden on Tribes and agencies while leveraging existing program reporting mechanisms for accountability.**

- **In another example, as noted above, through our COVID-19 body of work, we have recommended 12 actions Congress could take to improve oversight of emergency relief funds, including actions that could improve accountability for new programs. For example, in March 2022 we suggested that Congress should designate all new federal programs distributing more than $100 million in any one fiscal year as “susceptible to improper payments,” and, thus, subject to more timely improper payment reporting requirements.**
Other Related GAO Work
Issued from April 2022 through April 2023

COVID-19 Relief: Funding and Spending as of Jan. 31, 2023, GAO-23-106647 (Feb. 28, 2023)

Ongoing GAO work

GAO has ongoing work, including in the following areas:

- Accountability for Bureau of Indian Education spending of COVID-19 funds
- COVID-19 sub-award reporting
- COVID-19 relief funding in U.S. territories
- Localities’ use of the Coronavirus State and Local Fiscal Recovery Fund
- States’ experiences with COVID-19 relief funding
- States’ use of the Coronavirus State and Local Fiscal Recovery Fund
- The Department of Veterans Affairs COVID-19 funding projections and program objectives
Why It Matters

After the emergence of the COVID-19 pandemic in early 2020, the U.S. experienced historic levels of job loss and economic contraction. Congress appropriated and agencies provided over $4 trillion in federal assistance broadly to support individuals and many public and private entities. The economy has recovered substantially since the pandemic began, but there are still some lingering effects from the pandemic. For example, labor market disruptions continue to affect some industries.

Selected GAO Findings and Recommendations

In recent reports, we examined a number of key federal programs designed to support the economy during the pandemic and address some lingering economic effects. During the first months of the pandemic, multiple agencies provided timely assistance to help alleviate the financial hardships faced by individuals and businesses, such as through Unemployment Insurance (UI) payments to individuals and through loans to businesses from the Paycheck Protection Program and COVID-19 Economic Injury Disaster Loan program. These programs provided direct support aimed at preventing detrimental outcomes from worsening. The Federal Reserve also initiated several emergency lending programs to support the flow of credit to various parts of the economy affected by the pandemic.

As the pandemic moved into its third year, several programs continued to support businesses still recovering, including the State Small Business Credit Initiative (SSBCI). We made recommendations aimed at helping federal agencies improve their management of these programs to better meet the needs of intended recipients, including small businesses and individuals, among other goals.

We summarize key reports issued from April 2022 through April 2023 below. For status updates to any recommendation from the reports summarized or included as related work, see https://www.gao.gov/coronavirus.

State Small Business Credit Initiative

State Small Business Credit Initiative: Improved Planning Could Help Treasury Limit Additional Delays (GAO-23-105293)

In February 2023, we reported on the SSBCI, a preexisting program reauthorized in March 2021 to support small businesses recovering from the economic effects of the COVID-19 pandemic.40 Through this program, the Department of the Treasury was authorized to provide up to $10 billion to states, territories, the District of Columbia and tribal governments to support lending and investment programs for small businesses, as well as technical assistance funds to provide certain businesses with financial and other advisory services. We examined, among other objectives, (1) jurisdictions’ planned use of SSBCI funds to meet program objectives, and (2) Treasury’s completion of key implementation steps for SSBCI.

What we found

All 50 states, all five U.S. territories, the District of Columbia, and 283 tribal governments applied to participate in this program.41 By September 2022, some states had begun to receive SSBCI funding, and

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41According to Treasury data, these tribal governments submitted an application either individually or as part of a consortium. According to Treasury officials, the agency had received over 400 Notices of Intent to apply to SSBCI from tribal governments by December 2021. According to Treasury officials, Treasury identified 582 tribal governments as eligible to apply to the program, including 574 federally recognized Tribes and eight component bands of those Tribes.
Figure: Overview of Flow of Funds in State Small Business Credit Initiative (SSBCI)

Our recommendations
Treasury should fully incorporate certain best practices for project scheduling in its planning efforts for this program. Treasury agreed to review options in line with our recommendation. As of April 2023, the recommendation remained open.

Federal Reserve Lending Programs

Federal Reserve Lending Programs: Risks Remain Low in Related Credit Markets, and Main Street Loans Have Generally Performed Well (GAO-23-105629)

In December 2022, we reported on the Federal Reserve’s emergency lending programs (facilities) authorized in response to the economic effects of the COVID-19 pandemic to ensure the flow of credit to various parts of the economy. We examined, among other objectives, (1) trends in credit markets that the facilities targeted, and (2) the status and performance of Main Street Lending Program loans, which held the largest amounts of outstanding assets of the facilities that received CARES Act-appropriated funds. This report is part of a larger body of work examining the Federal Reserve’s emergency lending programs.

What we found
Over the life of the Federal Reserve’s facilities that received CARES Act-appropriated funds, they conducted about $41 billion in transactions designed to support the flow of credit to employers, consumers, small and mid-sized businesses, state and local governments, and nonprofit organizations. Available indicators suggested that credit market risks have remained low in the near future.

As of September 30, 2022, the Main Street Lending Program facilities, which supported loans made to small and mid-sized businesses and nonprofits, held about $11.2 billion in outstanding assets. Of the 1,830 loans made through the program, 1,453 loans remained outstanding as of that date. Additionally, most borrowers were making required interest payments on time. Our analysis of Federal Reserve Bank of Boston data found that 365 loans (about 20 percent) were fully repaid and less than 1 percent had resulted in losses.

most states and territories planned to use the funding for a mix of lending and equity investment programs.42 For example, to meet the objective of providing support to very small businesses and those owned by socially and economically disadvantaged individuals, officials from 12 selected states said they planned to leverage existing partnerships with lenders, small business development centers, and other community groups.

We reported that Treasury could improve planning for the administration of this program. Although Treasury hired program office staff and conducted outreach to stakeholders, it extended program deadlines multiple times. Additionally, Treasury began disbursing capital program funds later than it planned, partly because it required more time and resources than anticipated to support first-time participants and establish guidelines for new program components. For example, Treasury officials noted they needed more time and resources to provide support to tribal governments, which had not previously participated in SSBCI because they were not eligible for the original program.44 Significant implementation steps also remained, such as reviewing remaining applications and implementing compliance monitoring and performance measurement plans.

However, Treasury’s planned efforts have not fully incorporated certain best practices we previously developed for reliable project scheduling. For example, Treasury’s work plan has not identified which staff or contractors would be responsible for each activity. Treasury would be better positioned to establish and communicate reliable time frames for the SSBCI program, a key program for reaching businesses that historically have faced difficulties obtaining access to finance, if it fully incorporates these best practices into its plans.

42The SSBCI program types include capital access, loan guarantee, collateral support, loan participation, venture capital, and other equity investment programs.

44The reauthorized SSBCI program retains key features of the original program, but it also includes an allocation for Tribal governments and allocations for very small businesses and those owned and controlled by socially and economically disadvantaged individuals. Tribal governments were not eligible for the original program.
Pandemic Unemployment Insurance Programs


In June 2022, we reported on the three federally funded temporary UI programs created through the CARES Act in response to the COVID-19 pandemic. We examined, among other objectives, (1) the Department of Labor’s (DOL) support and monitoring of these programs, and (2) what is known about the economic effects of the expansion of UI benefits for individuals and the economy during adverse times. This report is part of a larger body of work examining the UI system during the COVID-19 pandemic.

What we found
DOL took steps to support and monitor states’ implementation of the pandemic UI programs. As of April 30, 2022, DOL reported that about $658 billion in compensation had been paid under the pandemic UI programs. However, DOL could have better assisted states with customer service challenges. According to DOL's website, the agency is responsible for ensuring customer satisfaction in the UI system and had taken steps to incorporate customer service into its UI modernization efforts, including providing states with technical assistance and funding opportunities. However, it had not identified and provided states with comprehensive customer service best practices. If DOL were to assess lessons learned from its response to the pandemic, the agency would be better prepared for future crises that could lead to challenges for the states and the people they serve through the UI system.

The empirical studies we reviewed showed that the expansion of UI programs during adverse times, such as the Great Recession of 2007-2009 and the COVID-19 pandemic, helped stabilize the economy and prevented detrimental outcomes from worsening. Selected studies showed that UI expansion during economic crises helped maintain consumer spending, which in turn helped support overall economic stability. In the discussion groups that we held in six states, some participants shared experiences that were consistent with these empirical studies. For example, participants in all 12 of our discussion groups said they used the pandemic UI benefits to pay for expenses such as food, rent, utilities, and health care. In seven of the groups, recipients said they used the benefits for child care expenses.

In addition, studies conducted during the pandemic noted that specific occupations, such as service-oriented or low-paying occupations in the restaurant industry, experienced more layoffs and reductions in hours than other occupations. The studies added that because these low-wage occupations disproportionately employ people of color or women, UI expansion likely also prevented existing inequities among these groups from getting worse.

Our recommendations
DOL should identify and provide UI customer service best practices and assess lessons learned from the pandemic. DOL partially agreed with the first recommendation and agreed with the second. As of April 2023, DOL had implemented the first recommendation by providing best practices to states and had taken actions to address the second recommendation.

Considerations for Congress
In June 2022, we reported that a transformation is needed to address the UI program’s design, infrastructure, and integrity risks. DOL has efforts under way to reform the UI system, with one stated vision being to modernize the UI system so that it could provide a lifeline to all workers in the modern economy. Sustained congressional attention and oversight of DOL’s efforts could help ensure the transformed system is structured to serve the workers of our modern and evolving economy.

Other Related GAO Work
Issued from April 2022 through April 2023

Money Market Mutual Funds:
Pandemic Revealed Unresolved Vulnerabilities, GAO-23-105535
(Feb. 2, 2023)

Ongoing GAO work
GAO has ongoing work, including in the following areas:

- CARES Act Title IV Federal Reserve Facilities
- Pandemic insurance for businesses
- State Small Business Credit Initiative Part 2
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