

Domestic Funding for COVID-19 Vaccines: An Overview

Federal efforts to develop, manufacture, purchase, and distribute Coronavirus Disease 2019 (COVID-19) vaccines have involved a number of agencies. Many of these efforts have thus far been funded by appropriations in COVID-19 relief acts, especially funding to the Department of Health and Human Services (HHS) U.S. Public Health Service (PHS) agencies and accounts in FY2020 and FY2021 supplemental appropriations and in the American Rescue Plan Act (ARPA, P.L. 117-2) budget reconciliation measure enacted in March 2021.

The following provides an overview of both (1) appropriations and (2) allocations and obligations for selected domestic COVID-19 vaccine related activities. (With the exception of the mandatory funding provided by ARPA, all funding amounts discussed below are classified as discretionary.) The following is meant to inform a general understanding of relevant funding, but does not capture every federal account that can be used for vaccine-related activities. This product does not address financing for vaccine administration (e.g., health insurance coverage) or global vaccination funding (although some of the funding for research and development [R&D], manufacture, and purchase has flexibility for international uses).

Appropriations

The following summarizes two major categories of COVID-19 vaccine-related appropriations. Many of the below appropriations are available for broad purposes; vaccine-related activities are one potential use of funds. In general, many of the HHS appropriations mentioned are available for multiple years or until expended, and some of the funding is transferrable between accounts by the HHS Secretary.

Research and Development, Manufacture, and Purchase

COVID-19 vaccine R&D, manufacture, and purchase have been largely supported by a collaboration among several federal agencies, including the National Institutes of Health (NIH) and the Biomedical Advanced Research and Development Authority (BARDA) of HHS, and DOD—formerly Operation Warp Speed (OWS) and now the Countermeasures Acceleration Group (CAG). Six vaccines were chosen for coordinated federal support under OWS. Some vaccine R&D has been supported by NIH, BARDA, and DOD separately from the OWS/CAG efforts.

NIH and DOD: FY2020 and FY2021 supplemental appropriations to NIH and DOD for COVID-19-related R&D can fund vaccine R&D. In the FY2020 and FY2021 supplemental appropriations acts, NIH received over \$1.5 billion, available until September 30, 2024, broadly for COVID-19 related research. The CARES Act (P.L. 116-136) provided DOD with \$415 million for COVID-19

medical R&D in the Defense Health Program account with some flexibility to reallocate other funds toward R&D.

BARDA and Other R&D, Manufacture, and Purchase:

In the FY2020 and FY2021 supplemental appropriations acts, over \$50 billion in Public Health and Social Services Emergency Fund (PHSSEF) funding, available until September 30, 2024, is designated for a broad set of medical countermeasures and surge capacity purposes, including for the development, manufacture, and purchase of vaccines and related supplies. The PHSSEF account funds BARDA, the main entity that has awarded large funding agreements to pharmaceutical companies for vaccine development, manufacture, and purchase. Not less than \$23.2 billion is set aside for BARDA in the FY2020 and FY2021 supplemental appropriations that can be used for vaccine-related efforts.

ARPA further provides two relevant mandatory appropriations: (1) in Section 2303, \$6.05 billion, available until expended, to HHS for R&D, manufacturing, production, and purchase of vaccines and other medical products—available for COVID-19, SARS-CoV-2 or its variants, and any disease with potential for creating a pandemic; and (2) in Section 3101, \$10 billion, available until September 30, 2025, for activities under the Defense Production Act (DPA) for the purchase, production and distribution of medical supplies, including vaccines and related supplies, among others. Both of these ARPA appropriations have been assigned to HHS accounts—the first to PHSSEF and the second to a new HHS DPA account.

Domestic Vaccination Programs

The Centers for Disease Control and Prevention (CDC), in collaboration with other agencies, has led efforts with state, local, tribal, and territorial (SLTT) jurisdictions to plan and implement a nationwide vaccination program. Agencies with health care programs (e.g., the Veterans Health Administration and Indian Health Service [IHS]) have separately managed vaccination programs among employees and covered populations. The Biden Administration has also expanded the role of additional agencies (e.g., the Federal Emergency Management Agency [FEMA]) in vaccination programs.

CDC: Earlier in the pandemic, before vaccines were available, CDC had received broad supplemental appropriations for its pandemic-related activities in March 2020, and used some of this funding for vaccination program grants and planning. Since then, CDC has received several appropriations specifically for vaccine-related activities:

- **Vaccination Programs and SLTT Grants.** For efforts to plan, promote, distribute, administer, monitor, and

track COVID-19 vaccines, CDC received a total of \$16.25 billion in FY2021, including \$8.75 billion in the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA), enacted in December, 2020 (P.L. 116-260, Division M), available until September 30, 2024; and \$7.5 billion in ARPA Section 2301, available until expended. Of the \$8.75 billion in CRRSA, at least \$4.5 billion is designated for SLTT grants (or cooperative agreements), of which \$210 million must be transferred to IHS, and a separate amount of not less than \$300 million is designated for “high-risk and underserved populations, including racial and ethnic minority populations and rural communities.” The ARPA provision directs CDC to award supplemental funding to eligible awardees that received grants under CRRSA based on a specified alternative formula.

- **Vaccine Confidence.** CDC also received \$1 billion for vaccine confidence activities in ARPA Section 2302.

FEMA: Funding from the Disaster Relief Fund (DRF) has been used to support FEMA’s vaccination efforts, including by reimbursing certain costs for SLTT programs and supplying direct assistance (e.g., supplies, personnel) to mass vaccination sites. ARPA Section 4005 provides additional funding of \$50 billion for the DRF that can support FEMA’s expanded activities.

Other Funding: Many appropriations in the supplemental appropriations acts and throughout ARPA can support domestic vaccination efforts, for example, funding for public health workforce in ARPA Section 2501, and for community health centers in ARPA Section 2601 and earlier appropriations. According to National Conference of State Legislatures data, some states and other jurisdictions have used part of the CARES Act-funded Department of the Treasury Coronavirus Relief Fund grants for vaccination efforts. For the similar ARPA-funded State and Local Fiscal Recovery Fund programs, Treasury guidance notes supporting vaccination efforts as a potential use of funds.

Allocations and Obligations

As summarized above, many appropriations can support vaccine-related activities. The following summarizes selected information on vaccine-specific allocations and obligations.

HHS: As reported by the Government Accountability Office (GAO), as of August 31, 2021, HHS allocated \$40.0 billion toward vaccine-related activities (those of BARDA, NIH, and CDC) for R&D, manufacture, purchase, distribution, and related activities with \$31.9 billion obligated (GAO-22-105051). This does not account for activities such as some CDC SLTT vaccine-related grants. Separately, \$14.8 billion of the \$178 billion Provider Relief Fund was allocated for “vaccine and therapeutic development and procurement activities” as of August 2021, with \$6.5 billion obligated (GAO-22-105051).

FEMA: According to FEMA, \$6.1 billion had been obligated from the DRF for vaccination efforts as of November 10, 2021.

DOD: As communicated to CRS in May 2021, DOD has allocated \$534.9 million for COVID-19 vaccine R&D and had obligated \$506.4 million by that time. These COVID-19 vaccine R&D efforts are separate from OWS/CAG vaccine R&D. DOD has also been managing some OWS/CAG vaccine-related funding on behalf of HHS, utilizing its acquisition capabilities and authorities—especially for purchase and manufacturing agreements.

Further Considerations and Outlook

Future domestic COVID-19 vaccine funding needs remain uncertain. Federally supported vaccination efforts may be underway for some time with the ongoing booster and pediatric vaccination effort; potential for additional boosters and additional pediatric vaccines; and a significant percentage of the population that remains unvaccinated. Additional COVID-19 vaccine R&D may also help develop new vaccines, especially for new variants. Balances of previously appropriated funds may remain available to fund such efforts. The House-passed “Build Back Better Act” (H.R. 5376) would provide \$1.3 billion in pandemic preparedness funding that could be used for vaccine R&D, production, and supply-related activities (Section 31022) in addition to broader public health funding that could support vaccine-related efforts (neither specific to COVID-19 vaccines). In the future, Congress may also consider the conditions under which domestic COVID-19 vaccination efforts could shift to routine financing and administration approaches—no longer requiring sole federal purchase or support of mass vaccination sites and coordinated distribution.

Table I. Related CRS Products

HHS Appropriations

CRS Report R46711, *U.S. Public Health Service: COVID-19 Supplemental Appropriations in the 116th Congress*

CRS Report R46834, *American Rescue Plan Act of 2021 (P.L. 117-2): Public Health, Medical Supply Chain, Health Services, and Related Provisions*

Non-HHS Appropriations and Roles

CRS Insight IN11273, *COVID-19: The Basics of Domestic Defense Response*

CRS Report R46715, *FEMA Assistance for Vaccine Administration and Distribution: In Brief*

CRS Report R46298, *General State and Local Fiscal Assistance and COVID-19: Background and Available Data*

CRS Insight IN11665, *The American Rescue Plan Act, Section 9901—The Coronavirus State Fiscal Recovery Fund*

CRS Insight IN11664, *The American Rescue Plan Act, Section 9901—The Coronavirus Local Fiscal Recovery Fund*

Other Vaccine Financing and Funding

CRS Insight IN11609, *COVID-19 Vaccine: Financing for Its Administration*

CRS In Focus IF11796, *Global COVID-19 Vaccine Distribution*

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