

**Congressional Budget Office**  
**Estimate for Division N—Additional Coronavirus Response and Relief**  
**H.R. 133, Consolidated Appropriations Act, 2021**  
**Public Law 116-260**  
**Enacted on December 27, 2020**

The Congressional Budget Office and the staff of the Joint Committee on Taxation (JCT) have completed an estimate of the direct spending and revenue effects of division N of H.R. 133, the Consolidated Appropriations Act, 2021 (enacted on December 27, 2020, as Public Law 116-260). Division N of the act provides funding, expands eligibility for existing programs, and establishes new programs to provide assistance to individuals and businesses in response to the coronavirus pandemic. Division N will increase deficits by an estimated \$682 billion over the 2021-2030 period, CBO and JCT estimate.

In addition, division M, the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, provides supplemental discretionary appropriations for federal activities in response to the pandemic. On December 22, 2020, CBO estimated that outlays stemming from those appropriations would increase deficits by \$185 billion over the 2021-2030 period.<sup>1</sup> CBO estimates that provisions in division N, together with those in division M, will increase the deficit by \$868 billion.

The major provisions of division N are described below.

**Title I** includes two provisions that change Medicare’s payments to health care providers. One increases payment rates to physicians for 2021; the other eliminates Medicare’s sequestration cuts through March 2021. Sequestration refers to a set of across-the-board reductions in budgetary resources established by the Budget Control Act of 2011. Those reductions are required under current law for some mandatory programs, including Medicare.

**Title II** extends several unemployment benefit programs established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, including Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation. Additionally, it reestablishes Federal Pandemic Unemployment Compensation by providing a weekly

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1. See Congressional Budget Office, cost estimate for Division M of H.R. 133, the Consolidated Appropriations Act, 2021 (December 22, 2020), [www.cbo.gov/publication/56916](http://www.cbo.gov/publication/56916).

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supplement of \$300, for up to 11 weeks, to people in all unemployment benefit programs. That supplement applies to weeks of unemployment starting after December 26, 2020.

Title II also provides additional recovery rebates of \$600 per qualifying adult or dependent, makes certain modifications to the recovery rebates provided by the CARES Act, and temporarily extends tax credits for sick and family leave provided by the Families First Coronavirus Response Act.

**Title III** provides funding to guarantee initial and supplemental Paycheck Protection Program (PPP) loans; extends the period in which the Small Business Administration may guarantee PPP loans and provides grants under the Economic Injury Disaster Loan program, which target low-income communities; provides grants to operators of live-performance venues; and provides funding to pay principal and interest on Small Business Administration loan products. The budgetary effects stem primarily from guaranteeing additional PPP loans. Title III also rescinds \$146.5 billion in unobligated balances provided in the CARES Act for the PPP and Debt Relief program. CBO anticipates that those amounts would not have been spent under prior law; thus, the rescission reduces budget authority but will not affect outlays.

**Title IV** establishes procedures similar to those under title IV of the CARES Act to provide funding to passenger air carriers and related contractors; the budgetary costs stem primarily from that assistance. Those costs will be partially offset by proceeds from warrants and 10-year notes that CBO expects certain air carriers will issue as a condition of receiving assistance. In addition, title IV provides funding to certain transportation businesses, such as those that operate passenger vessels or motor coaches.

**Title V** appropriates \$25 billion for rental assistance for very-low-income households and those with members who are unemployed. That title also appropriates \$12 billion to support community development financial institutions (CDFIs) and minority depository institutions—\$9 billion for purchases of financial instruments from those institutions and \$3 billion for grants to CDFIs.

**Title VII** provides \$12.7 billion in support payments to producers of commodity crops, specialty crops, dairy, livestock, poultry, renewable fuels, and timber. It also provides funds to purchase agricultural products for distribution and supplemental funding for existing farm support programs. Title VII also increases benefits under the Supplemental Nutrition Assistance Program, expands program eligibility, and provides funds to states for program administration. It also provides funds to the Commonwealth of the Northern Mariana Islands, Puerto Rico, and American Samoa for nutrition assistance programs. Title VII replaces a portion of reimbursements from the Child Nutrition Program that

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some schools lost between March 2020 and June 2020 because of the pandemic. It also simplifies determination of eligibility under the Pandemic Electronic Benefit Transfer program for children in qualifying daycare facilities.

**Title IX** provides funding for programs to expand access to broadband Internet and telehealth services and a Federal Communications Commission program to reimburse communications providers for the cost of removing and replacing equipment or services made or provided by entities that are deemed to pose a national security risk.

**Title X** rescinds certain amounts appropriated by the CARES Act for the subsidy cost of certain loans, loan guarantees, and grants for various businesses and state and local governments, including assistance provided through the Federal Reserve. The estimated rescission of \$479 billion is net of amounts that otherwise would have been recorded as reductions in budget authority under the Federal Credit Reform Act. CBO expects that those funds would not have been spent under prior law; thus, reducing the budget authority will not affect outlays.

Although P.L. 116-260 is appropriation legislation, section 1401 of division O specifies requirements for the budgetary treatment of divisions N through FF. (Those requirements do not apply to title VIII of division O or to title XIII of division FF. The budgetary effects of those provisions are included in CBO's estimate of discretionary spending under division M of the legislation.)

In keeping with section 1401 of division O, and at the direction of the House and Senate Committees on the Budget, divisions N through FF are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those divisions are subject to pay-as-you-go procedures. However, section 1401 of division O also requires the estimated budgetary effects stemming from those divisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget. Furthermore, subsection 1401(d) of division O reset the balances of those scorecards to zero upon the adjournment of the second session of the 116th Congress.

**Estimated Direct Spending and Revenue Effects for Division N**

January 14, 2021

By Fiscal Year, Millions of Dollars

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2021-2025	2021-2030
<b>INCREASES OR DECREASES (-) IN DIRECT SPENDING<sup>a</sup></b>												
<b>Title I - HEALTHCARE<sup>b</sup></b>												
Estimated Budget Authority	5,770	1,052	0	0	0	0	0	0	0	0	6,822	6,822
Estimated Outlays	4,870	1,052	0	0	0	0	0	0	0	0	5,922	5,922
<b>Title II - ASSISTANCE TO INDIVIDUALS, FAMILIES, AND BUSINESSES</b>												
<b>Subtitle A - Unemployment Assistance<sup>c</sup></b>												
Estimated Budget Authority	116,961	308	682	977	250	7	7	8	8	8	119,178	119,216
Estimated Outlays	116,981	314	683	975	249	1	3	5	6	6	119,202	119,223
<b>Subtitle B - Direct Payments to Individuals</b>												
Estimated Budget Authority	163,388	140	0	0	0	0	0	0	0	0	163,527	163,527
Estimated Outlays	163,251	277	0	0	0	0	0	0	0	0	163,527	163,527
<b>Title II Total</b>												
Estimated Budget Authority	280,349	448	682	977	250	7	7	8	8	8	282,705	282,743
Estimated Outlays	280,232	591	683	975	249	1	3	5	6	6	282,729	282,750
<b>Title III - CONTINUING THE PAYCHECK PROTECTION PROGRAM AND OTHER SMALL BUSINESS SUPPORT<sup>d</sup></b>												
Estimated Budget Authority	178,500	0	0	0	0	0	0	0	0	0	178,500	178,500
Estimated Outlays	296,528	5,308	13	1	0	0	0	0	0	0	301,850	301,850
<b>Title IV - TRANSPORTATION<sup>e</sup></b>												
Estimated Budget Authority	17,980	-40	-40	-30	-30	-280	-130	-140	-140	-140	17,840	17,010
Estimated Outlays	17,590	360	-40	-30	-30	-280	-130	-140	-140	-140	17,850	17,020
<b>Title V - BANKING</b>												
Estimated Budget Authority	37,007	0	0	0	0	0	0	0	0	0	37,007	37,007
Estimated Outlays	28,757	6,800	898	288	123	-15	-6	*	1	1	36,866	36,847
<b>Title VII - NUTRITION AND AGRICULTURE RELIEF</b>												
Estimated Budget Authority	24,917	235	93	82	62	55	64	65	50	74	25,389	25,697
Estimated Outlays	24,526	553	139	98	66	57	64	65	50	74	25,382	25,693
<b>Title IX - BROADBAND INTERNET ACCESS SERVICE</b>												
Estimated Budget Authority	7,000	0	0	0	0	0	0	0	0	0	7,000	7,000
Estimated Outlays	453	1,402	2,210	1,520	723	339	177	31	23	14	6,308	6,892
<b>Title X - MISCELLANEOUS<sup>f</sup></b>												
Estimated Budget Authority	-479,000	0	0	0	0	0	0	0	0	0	-479,000	-479,000
Estimated Outlays	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Change in Direct Spending</b>												
Estimated Budget Authority	72,523	1,695	735	1,029	282	-218	-59	-67	-82	-58	76,263	75,779
Estimated Outlays	652,956	16,066	3,903	2,852	1,131	102	108	-39	-60	-45	676,907	676,974
<b>INCREASES OR DECREASES (-) IN REVENUES</b>												
<b>Title II - ASSISTANCE TO INDIVIDUALS, FAMILIES, AND BUSINESSES</b>												
Revenues	-5,913	192	108	110	83	49	34	3	-4	-4	-5,418	-5,342
<b>NET INCREASES OR DECREASES (-) IN THE DEFICIT</b>												
<b>Estimated Effect on the Deficit<sup>g</sup></b>	<b>658,869</b>	<b>15,874</b>	<b>3,795</b>	<b>2,742</b>	<b>1,048</b>	<b>53</b>	<b>74</b>	<b>-42</b>	<b>-56</b>	<b>-41</b>	<b>682,325</b>	<b>682,316</b>

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

CBO's estimates are relative to CBO's March 2020 baseline, except where noted.

The staff of the Joint Committee on Taxation provided estimates for the tax provisions. See Joint Committee on Taxation, *Estimated Revenue Effects of the Revenue Provisions Contained in Rules Committee Print 116-68, the "Consolidated Appropriations Act, 2021"* (December 2020), JCX-24-20, www.jct.gov/publications/2020/jcx-24-20.

Components may not sum to totals because of rounding.

CARES Act = Coronavirus Aid, Relief, and Economic Security Act; \* = between -\$500,000 and \$500,000.

Footnotes appear on the following page.



**Estimated Direct Spending and Revenue Effects for Division N**

continued

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- a. Public Law 116-260 is appropriation legislation, but section 1401 of division O specifies requirements for the budgetary treatment of divisions N through FF. (Those requirements do not apply to title VIII of division O or to title XIII of division FF. The budgetary effects of those provisions are included in CBO's estimate of discretionary spending under division M of the legislation. See Congressional Budget Office, cost estimate for Division M of H.R. 133, the Consolidated Appropriations Act, 2021, December 22, 2020, [www.cbo.gov/publication/56916](http://www.cbo.gov/publication/56916).) In keeping with section 1401 of division O, and at the direction of the House and Senate Committees on the Budget, divisions N through FF are considered authorizing legislation rather than appropriation legislation. As a result, the estimated budgetary effects of those divisions are subject to pay-as-you-go procedures. However, section 1401 of division O also requires the estimated budgetary effects stemming from those divisions to be excluded from the pay-as-you-go scorecards maintained by the Senate and the Office of Management and Budget. Furthermore, subsection 1401(d) of division O reset the balances of those scorecards to zero upon the adjournment of the second session of the 116th Congress.
  - b. CBO estimates that eliminating the sequestration cuts to Medicare through March 2021 will result in an increase in outlays that is smaller than the corresponding increase in budget authority because of behavioral responses.
  - c. The costs of provisions related to unemployment insurance have been estimated using a projection of the unemployment rate published in May 2020 and using data on actual benefit payments and numbers of claimants through October 31, 2020.
  - d. Title III reduces budget authority provided in the CARES Act for the Paycheck Protection Program and the Small Business Administration's Debt Relief program by a combined \$146.5 billion. CBO expects that those amounts would not have been spent under prior law; thus, reducing the budget authority will not affect outlays. Title III provides \$325 billion in new budget authority for those and other small business programs; CBO expects that most of the new budget authority will be spent over the 2021-2030 period. Consequently, the total outlay changes resulting from this title are larger than the net change in budget authority.
  - e. Section 402 of title IV authorizes the Department of the Treasury to use available balances provided under the CARES Act to administer certain provisions in this title; thus, this provision affects outlays only.
  - f. CBO estimates that title X rescinds \$479 billion appropriated by the CARES Act for the subsidy costs of certain loans, loan guarantees, and grants for various businesses and for state and local governments, including assistance provided through the Federal Reserve. That rescission is net of amounts that otherwise would have been recorded as reductions in budget authority under the Federal Credit Reform Act. CBO estimates that those funds would not have been spent under prior law; thus, reducing the budget authority will not affect outlays.
  - g. On December 21, 2020, CBO published a cost estimate for division M of Public Law 116-260, the Consolidated Appropriations Act, 2021 ([www.cbo.gov/publication/56916](http://www.cbo.gov/publication/56916)), which provides supplemental appropriations for federal agencies to respond to the coronavirus pandemic and provides assistance to nonfederal entities. Taken together, division M and division N of Public Law 116-260 are projected to increase the deficit by roughly \$868 billion over the 2021-2030 period.
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