
Senate Deadlocked on Proceeding With Coronavirus Relief Package #3

The Senate voted tonight 47-47 on the motion to proceed to the Coronavirus Relief Package #3. Sixty votes were needed for approval of the motion. Democrats voted en bloc against the motion.

The remaining disputes suggest that a bipartisan agreement may prove to be more challenging than anticipated, as it seems that the parties are further apart than previously imagined. After the vote (on which as many as five Senators were self-quarantining in response to Sen. Rand Paul's (R-KY) announcement that he tested positive for COVID-19), both parties' leaders blamed each other for the impasse.

At issue is Democrats' insistence on more money for hospitals and health providers, along with stronger worker protections for any business that receives aid from the underlying relief package.

Next steps are unclear. [Politico](#) published a thorough summary of the day's events that outlines the pressure on both sides to put a package in place before markets open on Monday morning. Negotiations will continue.

For more resources on the legislation, here are two summaries on the pending CARES Act, though the final text is likely to be changed. First, [here](#) is an overall summary (that excludes appropriations, which Clark Hill posted previously today). Second, [here](#) is a summary of the HELP Committee (Health-Education-Labor) provisions in the proposed Senate measure.

Previously posted:

It's been a hectic weekend of negotiations on the 3rd coronavirus relief package, known as the CARES Act (Coronavirus Aid, Relief and Economic Security Act). Though Democrats and Republicans have yet to reach an agreement on the third package, negotiations have continued just off the Senate floor, with the first vote in the Senate today being postponed from 3 to 6 pm.

As this pandemic expands (the Wall Street Journal [reported](#) today that number of coronavirus cases doubled worldwide in the last week), Senator Rand Paul (R-KY) became the first member of the Senate to be diagnosed with COVID-19.

Earlier today, the "Four Corners" – Senate Majority Leader Mitch McConnell (R-KY), House Minority Leader Kevin McCarthy (R-CA), Senate Democratic Leader Chuck Schumer (D-NY), and House Speaker Nancy Pelosi (D-CA) – met, though they failed to reach an agreement on all terms of the third stimulus package. In these sort of legislative negotiations, "nothing is agreed to until everything is agreed to." As such, [sticking points](#) included worker protection language for industries and businesses aided by the bill; the size of a State Stabilization Fund that would support states and localities in addressing with health and hospital challenges as well as other economic disruptions; and the difficulty certain nonprofits that use Medicaid have faced when seeking Small Business Administration aid.

After this session, Speaker Pelosi proposed that the House introduce its own COVID-19 Stage 3 Relief package tomorrow, which would almost certainly delay the package being finalized. This adds more uncertainty to the potential timeline for completion, and will likely further rattle global financial markets. However, in a sign of potential action, Senate Majority Leader McConnell announced a delay on a procedural vote from 3 pm to 6 pm – a motion to proceed – to consideration of the "shell bill" (H.R. 748) that will be used as the vehicle for moving on the CARES package. The Senate will be unable to proceed to the underlying bill unless 60 Senators vote to allow the motion to pass. The next likely update will come when the Senate reconvenes in an unusual Sunday session shortly, and then proceeds to a vote an hour later – unless that vote is delayed again.

What's expected to be in the bill?

Earlier this afternoon, Senate Republicans released both the text and summaries of what they anticipate to be included in the final package. This was done in part to try to force Democrats' hands on the upcoming vote. The bill, as now drafted, has two major divisions. The first includes non-appropriations legislative provisions ([Division A](#)) that provide either direct spending programs or change underlying statutes to expedite efforts to fight Covid-19. The second ([Division B](#)) has the appropriations text.

Discretionary Spending

Senate Appropriations Committee (Majority) [summary](#)

The total included in discretionary spending now totals approximately \$242 billion. The bill includes large investments for major portions of the US economy that rely on federal funding for their operations and core programs. However, the so-called "State Stabilization Fund" is not included in this summary, as released by the Senate Appropriations Majority (GOP). Even still, to illustrate the scale of the proposed investment, the current total in the bill is a little more than a third of what is annually provided through regular non-defense programs.

The Senate Committee summary highlights the large percentage of the package's funds that go to state and local governments (e.g., airports, public transit, community development and education programs). However, as noted above, the summary omits the broader "State Stabilization Fund," for which

Democrats have sought as much as \$750 billion in any final package.

Other Provisions

In addition to discretionary appropriations, there are a range of other proposed changes (including a few that clarify certain benefit and paid sick leave changes in the 2nd relief package that became law just last week). Other items include:

- **Small business retention loans** that would give employers two weeks of cash flow coverage to keep workers on the payroll.
- **A one-time cash payment to families**, with an average check of about \$3,000 for a family of four.
- **Enhanced unemployment insurance benefits** for those who lose jobs as a result of the coronavirus.
- **A broad-based lending program** through the Federal Reserve that would leverage up to \$4 trillion in liquidity to support both big and small businesses during the next 90 to 120 days.
- **Student loan borrowers** would have a full six months of interest-free relief from paying federal student loans.
- Short-term extension for the **federal community health centers** and National Health Service Corps program.

Where Do We Go From Here?

By early evening, we should know whether or not the package as finally presented in the Senate will be voted on by both chambers tomorrow. If that's what happens, there will almost certainly be more alterations to the current text.

Senate Democrats believe that the current bill fails to provide sufficient funds to hospitals and public health agencies to address the crisis. Even the most conservative members of the Senate Democratic Caucus, Senator Joe Manchin (D-WV), have said they will vote against the bill if there are no accommodations on this issue. Senate Republicans point to the more than \$100 billion included for hospitals. How this issue is resolved (amongst several others) will help us see what the path forward looks like.