

REPORT ON THE CONSIDERATION AND CONTENT OF THE COVID RELIEF BILL:

On Saturday, the Senate approved a \$1.9 trillion coronavirus relief package in a remarkable Senate session, and the House passed the Senate version of the bill yesterday. The President signed the bill today.

The 50-49 party-line vote capped off more than 24 hours of continuous voting, courtesy of the fast-track process Democrats used to pass the aid package with no Republican votes. Under budget reconciliation, at the end of the formal debate time senators can offer an unlimited number of amendments. The chamber began that process – known as a vote-a-rama – just after 11:00 AM last Friday.

Senate votes are normally scheduled to take 15 minutes, but the first amendment vote was held open for almost 12 hours – setting a record for the longest vote in modern Senate history – as Leader Chuck Schumer struggled to reach agreement with moderate Democrat Sen. Joe Manchin (WV). Senator Manchin was delaying action on the bill as he considered whether to back a GOP bid to shave more than a month off the bill's \$300 in extra weekly unemployment benefits.

Sen. Manchin gave Leader Schumer the 50th vote on Saturday afternoon, sending one of the largest emergency spending bills in American history to the House for its required vote to approve the Senate version of the bill, and then to President Biden for his signature.

NOTE: Despite the evenly divided 50-50 Senate, Vice President Kamala Harris had to cast only one tie-breaking vote during the entire process; Alaska GOP Senator Dan Sullivan had to leave Washington on Friday to attend his father-in-law's funeral.

Republicans have condemned the bill as a massive spending spree largely unrelated to the pandemic, and even Democrats acknowledge that the bill is actually much more than a COVID relief bill. According to *Politico*, “some Democrats say [the bill] will become the most progressive law in generations.” Speaker Pelosi described the bill as “a remarkable, historic, transformative piece of legislation . . .,” and Senate Majority Leader [Chuck Schumer](#) said the bill “is broader, deeper, and more comprehensive in helping working families and lifting people out of poverty than anything Congress has seen or accomplished in a very long time.”

More is being learned about the content of the bill now that people can actually read it, with significant substantive provisions having been added at the last minute in a largely unread 58-page amendment offered by Senate Democratic Leader Chuck Schumer. Republicans continue to point out provisions in the bill that they say are either irresponsible spending or unrelated to COVID. According to Republican senators and published reports, the bill -

- Makes labor unions eligible for PPP loans

- Bails out failing union pensions – a bailout even the New York Times described as having “nothing to do with the pandemic” and as an “almost unheard-of” use of taxpayer dollars
- Provides nearly \$129 billion for K-12 schools – despite the fact that these schools have spent just \$5 billion of the \$68 billion already given to them – while keeping teachers’ unions happy by making sure funding isn’t tied to any requirement that schools re-open
- Appropriates a staggering \$350 billion for states – even though according to Moody’s, 31 states do not have a revenue shortfall and the total revenue shortfall in the other states is just \$56 billion
- Prohibits any state receiving federal payments from directly or indirectly cutting taxes in their own states
- Heavily weights that state aid in favor of blue states – like California, which stands to see \$27 billion under this legislation even though California’s revenues are up by \$15 billion
- Provides an incentive for some Americans to stay on unemployment by making more than \$10,000 of their unemployment benefits non-taxable
- Includes three business tax increases.... *According to Politico*: one takes away deductions from publicly traded companies that pay top employees more than \$1 million. Another provision cracks down on how multinational corporations do their taxes. A third targets how owners of unincorporated businesses account for their losses

Even Democratic Senators who supported the bill point out provisions that seem designed more to grow federal programs than to deal with the coronavirus. For example, Virginia Democrat Mark Warner sent an email to voters in which he noted that the bill included –

- \$17 billion in funding for broadband – the largest-ever federal investment of its kind
- \$1.25 billion for the Shuttered Venue Operators Grant (SVOG) Program to support live entertainment venues
- More than \$21 billion in emergency rental assistance
- \$9.9 billion to aid homeowners struggling to afford their mortgage payments
- A 15 percent increase in Supplemental Nutrition Assistance Program (SNAP/Food stamp) benefits through September 30, 2021
- Expansion of the Earned Income Tax Credit
- \$39 billion in dedicated relief for child care

The fiscal and budgetary consequences of this bill will also have long-lasting impact and will be a driving force for tax increases in the months ahead. According to press reports:

- This is the sixth major COVID relief package Congress has passed since last March totaling more than \$5.5 trillion; more than \$475 billion in previously appropriated funds haven’t been spent

- Roughly half of this spending has been funded by new debt. The United States has never spent this much on any emergency during its history and more COVID relief spending may continue
- Federal outlays topped more than \$6 trillion for the first-time during FY 2020. In June alone, the federal government shelled out more than \$1.1 trillion, according to the Treasury Department. To put that in historical perspective, 1987 was the first time the U.S. government hit the \$1 trillion annual spending mark; now the country has hit that mark in just 30 days. Total federal debt is nearly \$28 trillion. Interest payments alone amounted to \$345 billion during the last fiscal year, and that's with historically low interest rates