

CLIENT ALERT

Group of Senate Republicans Release \$618 Billion Counteroffer on COVID-19 Relief

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Today, a group of ten Senate Republicans released a topline summary of a \$618 billion counteroffer to President Joe Biden's initial request that Congress pass a \$1.9 trillion COVID-19 relief package. Republican Senators Susan Collins (R-ME), Bill Cassidy (R-LA), Jerry Moran (R-KS), Shelley Moore Capito (R-WV), Lisa Murkowski (R-AK), Rob Portman (R-OH), Mike Rounds (R-SD), Mitt Romney (R-UT), Thom Tillis (R-NC), and Todd Young (R-IN) are urging the Biden Administration and Senate Democrats to abandon potential plans to use the Budget Reconciliation process that would only require a simple majority, and thus no Republican votes, to pass a relief bill and to instead negotiate a bipartisan package. Using the President's own calls for "unity" among the political parties, the group of Republican Senators hopes to reopen negotiations; however, Senate Majority Leader Charles Schumer (D-NY) swiftly sought to dash those hopes, claiming that the proposal comes nowhere near Biden's starting point for negotiations.

By convening as an ad hoc working group, these ten Senate Republicans are signaling to the new President that if he wishes to negotiate a bipartisan deal, there are enough Republicans interested in developing another stimulus bill to get to the 60-vote threshold to move legislation in the Senate through regular order and to avoid using the Budget Reconciliation process. Because the offer is significantly less generous than the initial Democratic request, though, it is unclear whether the two sides are still too far apart for the approach to be successful.

The Senate Republican proposal would provide additional funding for testing, vaccines and personal protective equipment; individual and family stimulus payments; and unemployment insurance though at a level in each category below what was initially sought by President Biden and supportive Congressional Democrats. A summary of the Republican topline spending proposal is listed below:

Pandemic Response

- \$20 billion for the National Vaccine Program in partnership w/ states, Tribes, and territories
- \$50 billion to expand testing
- \$30 billion for the Disaster Relief Fund
- \$5 billion to support the Defense Production Act Title III
- \$5 billion for PPE
- \$15 billion to rebuild the National Strategic Stockpile
- \$35 billion for the Provider Relief Fund with 20% set aside for rural hospitals

Small Business

- \$40 billion to extend the Paycheck Protection Program, including \$5 million for audits & investigations
- \$10 billion for the Economic Injury Disaster Loan (EIDL) Program

Individuals and Families

- \$220 billion for direct payments of \$1,000 per person (phasing out at annual income \$40,000 per year with a \$50,000 cap for individual filers). For joint filers, begins phasing out at \$80,000 per year with a \$100,000 cap. The direct payment also includes \$500 for each dependent adults and children
- \$130 billion to provide unemployment insurance of \$300 per week through June 30 for all states
- \$2 billion to improve state unemployment insurance hardware and software
- \$20 billion for Child Care & Development Block Grants
- \$20 billion for a Getting Children Back to School Initiative
- \$12 billion to extend SNAP, WIC, and other programs
- \$4 billion for behavioral health services

President Biden has been steadfast in his support for additional stimulus measures beyond the \$900 billion approved in December 2020. He made clear before his inauguration that the first legislative priority upon taking office would be to sign into law additional measures to provide direct relief to individuals and small businesses, along with state and local governments. As some Republicans seek to leverage President Biden’s rhetoric supporting a return to bipartisanship by pushing for a more modest relief proposal, Democratic leadership is grappling with an emboldened progressive wing that wants Congress to pass sweeping legislation that is well beyond the scope of this initial Biden proposal, with or without the support of their Republican colleagues. Notably, Senate Minority Leader Mitch McConnell (R-KY) has not weighed in on the proposal from the ten Republican members nor has he inserted himself in the negotiating process. The coming days will determine the level of additional spending that Senate Republicans are willing to support, and whether a more modest negotiated proposal can gain traction, which would signal a period of comity and bipartisanship, or whether Democrats force through a more costly relief package without Republican support.

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