



POLITICS

Democrats block \$250 billion boost for small businesses, saying help needed for hospitals, other priorities

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Published 9:40 a.m. ET Apr. 9, 2020 | Updated 3:19 p.m. ET Apr. 9, 2020

WASHINGTON – An effort by Senate Republicans to replenish an emergency fund for small businesses hurt by the coronavirus crisis was blocked by Democrats Thursday who called it a "political stunt" that failed to consider other pressing needs, such as more funding for hospitals.

Senate Majority Leader Mitch McConnell, R-Ky., proposed legislation that would boost the popular Paycheck Protection Program (PPP) by \$250 billion in addition to the \$349 billion Congress approved last month as part of the \$2.2 trillion pandemic response known as the CARES Act.

McConnell said the money was needed to keep afloat a program that has processed more than \$100 billion in loans to nearly 400,000 businesses in less than a week, according to the Small Business Administration.

"I want to add more money to the only part of our bipartisan bill that is running out of money," the Kentucky senator said on the Senate floor, adding that it was not time for "unnecessary wrangling or political maneuvering" by opponents.

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When the measure came up Thursday on a voice vote, Maryland Democratic Sens. Ben Cardin and Chris Van Hollen objected, effectively blocking it. The pair offered an

alternative measure that included the small-business funding, along with additional provisions that would help hospitals and state and local governments. When it was offered on the floor, McConnell objected, effectively blocking the measure from being approved.

Cardin and Van Hollen cited several reasons they did not approve of the measure as it stands: The program has committed only about one-third of its allotment; other programs, such as hospital funding and emergency grants for small businesses, need help first; and many banks offering federally backed loans through the PPP are not doing a good job rescuing businesses in low-income neighborhoods.

'A stampede': Marco Rubio says nonstop demand for small-business rescue program strains capacity

The bill "was not negotiated, so it won't get done," Cardin, the top Democrat on the Small Business and Entrepreneurship Committee, said on the Senate floor. "It's not going to be enacted, and the majority leader knows that."

Democrats said they favor more money for small businesses but want to make sure other priorities are addressed, too.

The delay means any bill to boost the PPP or add funding to other programs won't be on the floor until at least Monday. After the vote, McConnell said he's open to negotiation but it's hard to know the need for those programs when much of the money has yet to go out.

The PPP provides business owners with 500 or fewer workers low-interest loans to stay afloat. Those loans will be forgiven by the government if at least 75% of the money goes to keeping employees on the payroll.

Democrats suggested doubling the price tag for the bill to \$500 billion to cover the cost of addressing other priorities in addition to the small-business help. They proposed attaching strings to the money for small businesses to ensure that firms owned by women and minorities receive help.

President Donald Trump and top administration officials said they want to expand the small-business program, which is drawing heavy demand from businesses amid a shaky rollout last week.

A leading trade group criticized Congress for the lack of action Thursday.

"As delays continue every day, we are hearing from many of the smallest businesses that

their biggest concern is the \$349 billion lending program running dry before their applications are processed," Brad Close, president of the National Federation of Small Businesses, said in a statement. "The administration requested an immediate addition of \$250 billion for small businesses, an action all legislators should rally behind."

House Speaker Nancy Pelosi said that although the program is popular, billions remain for small businesses and there is time to come to a deal.

"We have time to negotiate to see how and where and when we should have more money there," she said.

Pelosi and other congressional leaders did not lay out a timeline for when the package could come back up but said negotiations would not go on this Easter weekend.

"I don't have any intention of spending any one second on Sunday trying to convince anybody that it's necessary for us to address the needs of everyone in our society," she said. "If they don't know that, if we don't share that value, they're not going to get it on Easter Sunday."

The Trump administration gave lenders the green light to begin accepting applications Friday, but banks are struggling to handle a massive surge of applications.

Residential relief: Homeowners seek a mortgage reprieve amid COVID-19

Bumpy road for businesses: Emergency small-business loan program is off to shaky start amid blitz of applications

The small-business fund was part of a \$2.2 trillion package that aimed to help families and businesses reeling from the COVID-19 pandemic that has killed almost 16,000 in the USA, shuttered millions of small businesses and upended daily life.

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The House is likely to face challenges in passing the measure. Rep. Thomas Massie, R-Ky., indicated concerns with the legislation. Last month, he blocked quick passage of the \$2.2 trillion stimulus package and forced more than 200 of his House colleagues to rush back to Washington amid the pandemic.

Pelosi said the bill as it is probably would not be able to pass by unanimous consent, posing

a possible issue for the chamber. "What the [Treasury] secretary requested and the bill that the Senate majority leader brought to the floor would never pass the House by unanimous consent," she said. "It is a basis for some negotiation. But it would never pass the House by unanimous consent."