

Democrats reject White House offer for short-term extension of unemployment benefit

In late-night negotiations with congressional Democrats on Thursday, White House officials offered a short-term extension of the popular unemployment benefit paying out-of-work Americans \$600 per week, a CARES Act provision that formally expires Friday. But House Speaker Nancy Pelosi and Senate Minority Leader Chuck Schumer rejected the offer, arguing that Republicans don't understand that the situation requires a solution that is larger in scope.

"We had a long discussion and we just don't think they understand the gravity of the problem," Schumer told reporters after he and Pelosi met with White House Chief of Staff Mark Meadows and Treasury Secretary Steven Mnuchin.

Pelosi noted that it had been 10 weeks since House Democrats passed a \$3 trillion bill in May that would have extended the benefits for those without work at the current level of \$600 per week, in addition to their weekly unemployment insurance check. She condemned congressional Republicans and the White House for not coming to the negotiating table earlier.

"I think they understand that we have to have a bill, but they just don't realize how big it has to be," Pelosi told reporters. She said that a one-week extension of the unemployment benefits would be "worthless," since people in many states have already stopped receiving the additional \$600 bonus.

Although the CARES Act set July 31 as the final day for paying the additional weekly benefits, states that disburse their unemployment benefits on weeks that end on Saturdays or Sundays [ended the extra benefits](#) on the week ending Saturday, July 25, or Sunday, July 26.

Meadows told reporters after meeting with Schumer and Pelosi on Thursday that the White House proposals "were not received well." He criticized Democrats for being unwilling to consider the short-term extension.

"I think the Democrats are willing to allow the enhanced unemployment to expire, they made that very clear, not once, not twice, but three times, and so I'm not very optimistic on anybody who's counting on enhanced unemployment, to have any relief anytime soon," Meadows said.

Meadows continued to express frustration with Democrats on Friday, telling reporters that the White House had proposed four options for extending the UI benefits.

"The Democrats are certainly willing today to allow some of the American citizens who are struggling the most under this pandemic to go unprotected," Meadows said.

A source with knowledge of the negotiations told CBS News Meadows initially proposed a simple one-week extension of UI benefits at \$600 on Thursday, which Democrats rejected. He then suggested a "skinny proposal," which would have included 4 months of UI benefits at \$400, with \$105 billion for schools, liability protections, and some unspecified amount for the Paycheck Protection Program.

Democrats rejected this as well, believing that McConnell would never come back to the negotiating table to discuss other priorities if he got what he wanted in the skinny package. At this point, Meadows suggested stripping out the liability provisions so McConnell would be motivated to keep talking, the source said, but Democrats still rejected the proposal. A spokesperson for Meadows denied that he had offered to strip liability protections.

Schumer and Pelosi are expected to speak with Meadows and Mnuchin by phone on Friday to continue negotiations. The next in-person meeting between the four will be Saturday at 9 a.m.

Even if Congress did pass a short-term extension, there could be a gap of a few weeks until unemployed workers receive that benefit, unemployment experts say. States will need to reprogram their computers to input the new dates for the extra pay, a [significant obstacle](#) given that many rely on outdated computer systems.

On Friday, House Majority Leader Steny Hoyer announced that the House will be postponing its August recess "until such time as we adopt COVID-19 legislation."

Earlier Thursday, the Senate passed a "shell" bill — 47 to 42 — proposed by Senate Majority Leader Mitch McConnell that did not include any details, in an attempt to move forward on a short-term extension.

In a speech on the Senate floor, McConnell blamed congressional Democrats for allowing the enhanced unemployment benefits to lapse. No Democrat voted in favor of advancing the bill. Republicans Cory Gardner, Republican of Colorado, and Rand Paul, Republican of Kentucky, joined Democrats in rejecting the motion, and eleven senators did not vote.

Senate Republicans [proposed their own bill](#) on Monday, which would cost around \$1 trillion, but would reduce the weekly extra payment to \$200 until states figure out a system to replace 70% of a person's wages — with around 50% paid by the states and the remainder paid by the federal government.

Both Senate Republicans and Democrats brought up measures Thursday that would extend unemployment insurance and tried to pass them by unanimous consent, but all of these efforts were blocked.

Schumer argued on the Senate floor that Democrats had "asked to negotiate" for the past 10 weeks over their proposal. He accused McConnell of being "afraid to negotiate" and criticized him for not attending negotiations with Schumer, Nancy Pelosi, Mnuchin and Meadows.

The Senate would still need 60 votes to end debate on the measure, which does not yet have any substance. The final bill may be a compromise deal reached with

Democrats on unemployment insurance, a broader deal, or a series of amendments, any of which would also require 60 votes.

The first vote on the shell bill next week is likely to be on an amendment offered by Senators Mike Braun and Ron Johnson that would provide \$200 per week or 66% of wage replacement.

Republican Senators Mitt Romney and Susan Collins on Thursday have proposed an alternate that would offer two options for states: to provide extra payments of \$500 a week in August, \$400 a week in September and \$300 a week in October — or total benefits that replace 80% of wages.

Meanwhile, the U.S. economy [shrank](#) at a record-breaking 32.9% rate in the second quarter of this year, the Commerce Department [said](#) Thursday. Millions of Americans have filed for unemployment insurance, and the death toll in the U.S. due to COVID-19 [surpassed 150,000](#) on Wednesday.

Nancy Cordes, Alan He and John Nolen contributed to this report.