Senate Votes to Fund the Government for Now, but What's Next?

What about the debt ceiling and reconciliation bills—and how does this standoff affect HIV policy and Americans in need?

October 1, 2021 By AIDS United

This past week has been busy in Washington, D.C. It can often seem like the latest news on the fiscal year 2022 appropriations, the reconciliation bills or the debt ceiling is old before you can even get your eyes on it. The AIDS United Policy Team is closely monitoring what's happening on Capitol Hill right now, what we anticipate will happen in the future — and how it all impacts HIV policy and people living with and vulnerable to HIV in the U.S.

The Federal Government is funded … for now.

Early on Sept. 30, the Senate passed a continuing resolution that should avoid a federal government shutdown on Friday. This measure passed with bipartisan support with a 65-35 vote. The House on Thursday cleared a stopgap spending measure to avert a federal government shutdown on Oct. 1 by a 254-175 vote. President Biden signed the continuing resolution before the midnight deadline.

This continuing resolution extends government spending at the fiscal year 2021 levels through Dec. 3. It temporarily averts a government shutdown as Democrats work on passing their two reconciliation bills and the Senate looks to finish the fiscal year 2022 appropriations. This vote is happening so close to the end of the fiscal year because Democrats were hoping to pressure their Republican counterparts into voting to raise the federal debt ceiling as part of the continuing resolution. Current estimates report that the United States is expected to surpass and potentially go into default as early as Oct. 18.

Senate Minority Leader Mitch McConnell has been very clear that he and his Republican colleagues have no intention of voting for a raise of the debt ceiling as they did under President Trump in 2019. This move is an attempt to force Democrats into using the reconciliation process to unilaterally raise the debt ceiling — further complicating their efforts to pass Biden's Build Back Better agenda. With the threat of a government shutdown looming, Democratic leadership opted to separate the continuing resolution from the debt ceiling increase.

What about the debt ceiling and the reconciliation packages?

This is a very good question for which there are no definitive answers. It is unclear how the Democrats intend to deal with the United States government's impending crash into the debt ceiling. Democratic leadership, including House Budget Committee Chairman John Yarmuth, has maintained that the United States is too close to the debt ceiling for it to be dealt with in a timely manner through the reconciliation process, though his Republican counterparts claim that it is possible.

Regardless, the likelihood of the debt ceiling being passed through reconciliation diminishes as we get closer to the projected Oct. 18 deadline. Senate Majority Leader Chuck Schumer tried getting Republicans in the Senate to agree to lower the threshold for passage of clean debt ceiling lift through December 2022 from a 60 vote majority to a simple majority, but the effort to pass this via a simple majority vote failed on a party-line vote.

As for the two reconciliation bills, House Speaker Nancy Pelosi has promised different things to the moderate and progressive wings of the Democratic Party that may be incompatible with one another. In order to pacify progressive Democrats, Pelosi promised earlier this summer that she would not hold a vote on the $550 billion bipartisan reconciliation bill that was passed in the Senate until she was able to pair that vote with one on the $3.5 trillion Democratic reconciliation package. This could then ensure that moderate Democrats would not vote for the smaller infrastructure bill and then withhold support later for the larger, partisan spending bill. Speaker Pelosi also told moderate Democrats back in August that she would pass the bipartisan reconciliation bill by Sept. 27. As of Oct. 1, neither bill has yet to come up for a vote.

With moderate Democratic Sens. Joe Manchin and Kyrsten Sinema still balking at the $3.5 trillion price tag and showing an unwillingness to compromise, Pelosi seems intent on breaking her promise to progressives and holding a vote on the bipartisan reconciliation plan today. One of the few insights we have into Manchin's thought process is his desire to cut the social spending package that would encompass the bulk of Biden's economic agenda cut by more than half to $1.5 trillion. Manchin has also mentioned that he would only support a reconciliation bill that includes the Hyde amendment, which is the federal ban that restricts federal dollars toward abortion care.

Congressional Progressive Caucus Chair Pramila Jayapal has said that her caucus has enough "no" votes to sink the bipartisan reconciliation bill's chances of passage in the House unless Pelosi agrees to postpone the vote and pair it with the $3.5 trillion plan. As of right now, Pelosi appears intent on moving forward, but some of her allies in the House have begun hinting that this process may extend beyond this week.

In the House version of the $3.5 trillion reconciliation bill, there is an additional $150 million for Ryan White Parts A-D. It would also, as currently written, address the Medicaid expansion gap by providing people in nonexpansion states with the opportunity to get coverage through the Affordable Care Act marketplace, as well as greatly expanding Medicare to cover hearing, dental and vision services.

It is currently unclear how the debt ceiling standoff will unfold, but AIDS United’s Policy Department will be sure to keep you posted on any new developments.

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