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Biden, Senate Press Bill Without Pay Boost

Democrats have decided to scrap alternative pay plan, despite left-wing frustrations over the exclusion of a minimum-wage increase

By Kristina Peterson and Andrew Duehren
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WASHINGTON—President Biden and Democratic allies on Monday worked to iron out the remaining disputes over the coronavirus relief package that they hope to push through the Senate this week, despite left-wing frustrations over the exclusion of a minimum wage increase.

Senate Democrats, who had tried over the weekend to salvage a more limited wage increase through the tax code, scrapped that backup plan late Sunday. With that off the table, Mr. Biden spoke with a group of Senate Democrats about advancing the rest of the bill, as the party works to pass its agenda with narrow majorities in both chambers.

Some of the members of the Democratic caucus who met virtually with Mr. Biden said the discussion focused on targeting some of the bill's aid.

“There really isn’t a lot of dispute about the overall size of the bill,” Sen. Angus King (I., Maine), said after the meeting. “The question is whether it can be targeted in such a way as to better serve the people who need the most and perhaps free up funds for other priorities.”

Some Democrats have been focusing on how the \$350 billion in funding for state and local governments is allocated. Others have pressed to shift the current income thresholds for the \$1,400 direct checks that many Americans would get under the bill so that fewer upper-middle-class families get money. Sen. Jon Tester (D., Mont.) said

some changes would likely be made through amendments but would amount to modest alterations.

Where the minimum-wage issue goes from here is up in the air. Mr. Biden and Senate Democratic leaders made clear that a gradual increase in the federal pay floor to \$15 an hour from the current \$7.25, passed as part of the \$1.9 trillion House legislation Saturday, wouldn't happen in this bill. That eased tensions with Senate centrists who opposed the \$15 wage but put new pressure on progressives to swallow their disappointment and coalesce around the president's first legislative push. One prominent House progressive hedged Monday about whether she would vote for the relief bill without the wage boost when the legislation comes back from the Senate.

Senate Majority Leader Chuck Schumer (D., N.Y.) said on the Senate floor Monday that he expected "a hearty debate and some late nights," as the chamber begins its debate on the package this week.

"I support an increase in the minimum wage, but it clearly cannot be on this reconciliation bill," said Senate Majority Whip Dick Durbin (D., Ill.).

In addition to the \$1,400 payment to many Americans and funding for state and local governments, the relief package would extend and enhance federal unemployment assistance; expand a child tax credit; and pour new funding into vaccine distribution, food stamps and schools.

Republicans have said that the aid package is too broad and pressed Democrats to wait to see where more funds are needed after Congress passed nearly \$4 trillion in relief efforts since the pandemic began.

"Democrats have chosen to go a completely partisan route," Senate Minority Leader Mitch McConnell (R., Ky.) said on the Senate floor Monday. "Whenever their longtime liberal dreams came into conflict with what Americans actually need right now, Democrats decided their ideology should win out."

Using the reconciliation process requires that measures be closely tied to the budget, and the Senate parliamentarian ruled that the minimum-wage proposal came up short.

The parliamentarian on Monday ruled in favor of Democrats including healthcare subsidies for laid off workers and support for multiemployer pensions as part of the relief bill, according to lawmakers and aides.

Sen. Bernie Sanders (I., Vt.), chairman of the Senate Budget Committee, said that Democrats should disregard her ruling on the minimum wage. He said he planned to force a vote on raising the wage to \$15 an hour.

“The president talks about the soul of the country. This is the soul of the Democratic Party. The minimum wage has got to be raised to a living wage,” Mr. Sanders said.

If the Senate passes the bill later this week without the wage increase, it will return to the House, where liberals could imperil its passage if they refuse to vote for the aid package without it. Democrats hold a narrow majority in the House, where they can lose no more than four Democratic votes, if all Republicans vote against the bill. On Saturday, two Democrats joined all Republicans in opposing it.

Senate Democrats had tried late last week to see if they could fashion a way to penalize large companies through the tax code, if they didn’t pay workers at least \$15 an hour.

That proposal was floated after the Senate parliamentarian said that a minimum-wage boost didn’t comply with the rules on reconciliation. The party is using the process to pass the bill with just 51 votes, rather than the 60 usually required. Democrats decided late Sunday to abandon the tax plan, as its complexity and limitations emerged as did skepticism by some senators in the party. Liberal Democrats have been urging Senate leaders to ignore the parliamentarian’s advice and retain the wage boost.

“We can’t let a parliamentarian decision stop a wage increase for Americans,” Rep. Ro Khanna (D., Calif.) said on a call with reporters Monday. Mr. Khanna was one of nearly two dozen House Democrats to sign a letter urging Democratic leaders to keep the minimum wage increase in the bill.

The White House said it wouldn’t support taking that step.

Rep. Pramila Jayapal (D., Wash.), chairwoman of the Congressional Progressive Caucus, said she would need to review the bill in its final form before voting on it without the wage boost.

“We have to look and make sure it is not weakened in any way,” she said. “We have made it clear that the minimum wage is a priority for us,” as are the current income thresholds for the direct checks, she said.

Democrats in both chambers will face immense pressure to not derail Mr. Biden’s relief plan, but Democratic leaders haven’t yet said what their plans are for addressing the minimum wage.

House Speaker Nancy Pelosi (D., Calif.) has indicated that if it wasn’t part of the Senate’s bill, she would move to bring up stand-alone legislation increasing the wage to \$15 an hour. But that would need 60 votes in the Senate, where Republicans have shown some willingness to increase the wage from \$7.25, but most have balked at the \$15 level.

The prospect of a stand-alone bill could spark negotiation with Republicans to see if a compromise could be reached on adjusting the federal wage, potentially at a level below \$15 an hour.

“I am very, very optimistic that we will find another path,” Sen. Richard Blumenthal (D., Conn.) said Monday. “Even though we may not have the votes right now, there will be another path.”

—Alex Leary contributed to this article.

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