

## Republicans Block Government Funding, Refusing to Lift Debt Limit

Senate Republicans opposed legislation to avert a government shutdown and prevent a debt default at a critical moment for Democrats' domestic agenda.



By Emily Cochrane

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WASHINGTON — Senate Republicans on Monday blocked a spending bill needed to avert a government shutdown this week and a federal debt default next month, moving the nation closer to the brink of fiscal crisis as they refused to allow Democrats to lift the limit on federal borrowing.

With a Thursday deadline looming to fund the government — and the country moving closer to a catastrophic debt-limit breach — the stalemate in the Senate reflected a bid by Republicans to undercut President Biden and top Democrats at a critical moment, as they labor to keep the government running and enact an ambitious domestic agenda.

Republicans who had voted to raise the debt cap by trillions when their party controlled Washington argued on Monday that Democrats must shoulder the entire political burden for doing so now, given that they control the White House and both houses of Congress.

Their position was calculated to portray Democrats as ineffectual and overreaching at a time when they are already toiling to iron out deep party divisions over a \$3.5 trillion social safety net and climate change bill, and to pave the way for a bipartisan \$1 trillion infrastructure measure whose fate is linked to it.

The package that was blocked on Monday, which also included emergency aid to support the resettlement of Afghan refugees and disaster recovery, would keep all government agencies funded through Dec. 3 and increase the debt ceiling through the end of 2022. But after the bill cleared the House a week earlier with just Democratic votes, it fell far short of the 60 votes needed to move forward in the Senate on Monday.

The vote was 48 to 50 to advance the measure. Senator Chuck Schumer of New York, the majority leader, was among those voting “no,” a procedural maneuver to allow the bill to be reconsidered at some point. But there were no immediate details about next steps.

The resulting cloud of fiscal uncertainty marked yet another challenge for Mr. Biden and Democratic leaders, who are facing a daunting set of tasks as they press to keep the government funded, scrounge together the votes for the infrastructure bill — also slated for a vote on Thursday — and resolve their disputes over the broader budget plan. They must also hatch a new strategy for raising the statutory limit on federal borrowing, which officials have said is on track to be reached as early as mid- to late October.

“It may not be by the end of the week — I hope it’s by the end of the week,” Mr. Biden said on Monday at the White House, referring to the outlook for accomplishing all of the imperatives Congress now faces. Ticking off the four pieces of legislation, he added, “We do that, the country’s going to be in great shape.”

Without any one of them, Mr. Biden’s agenda and his party’s fortunes would be in peril, a prospect that Republicans appeared to relish.

Although both parties willingly racked up trillions of dollars in debt in recent years, Senate Republicans presented their refusal to vote for the debt cap increase on Monday as deserved comeuppance for Democrats who are pushing past G.O.P. opposition to muscle their multitrillion-dollar domestic spending and tax increase plan through Congress.

“We will not provide Republican votes for raising the debt limit,” said Senator Mitch McConnell of Kentucky, the minority leader, repeating a warning he has issued for months. He added, “Bipartisanship is not a light switch — a light switch that Democrats get to flip on when they need to borrow money and switch off when they want to spend money.”

The debt ceiling increase is needed to finance borrowing that occurred in the past under administrations of both parties — not to pay for plans that Mr. Biden has yet to sign into law. And so far, there is little outreach or negotiation to resolve the impasse.

Still, Mr. McConnell sought to frame the vote as a test of Democrats' competence, as he and other Republicans vowed to support a nearly identical temporary spending package without an increase in the debt ceiling.

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"We'll see if Washington Democrats actually want to govern," Mr. McConnell said.



Senator Mitch McConnell of Kentucky, the minority leader, refused to give Republican support to raising the debt limit even though Democrats did so during the Trump administration. T.J. Kirkpatrick for The New York Times

Democrats rejected that alternative, accusing Republicans of recklessly jeopardizing the country's full faith and credit. Mr. Schumer said the vote meant "the Republican Party has now become the party of default, the party that says America doesn't pay its debts."

"This isn't your typical Washington fracas," he said, adding, "it's one of the most reckless, one of the most irresponsible votes I have seen taken place in the Senate."

Even as the spending measure fell short, Democratic leaders worked to unite their caucus behind the bipartisan infrastructure bill. Moderate Democrats have agitated for a vote this week on that legislation, while liberal Democrats have warned they will oppose it without action first on the \$3.5 trillion social policy and economic package.

"The bills are linked," said Representative Ilhan Omar, Democrat of Minnesota and a progressive. "And they have to be linked in order for anything to pass the House."

Amid the looming deadlines, Speaker Nancy Pelosi of California spoke with Mr. Schumer and Mr. Biden on Monday, according to a White House summary.

## Understand the U.S. Debt Ceiling

**What is the debt ceiling?** The debt ceiling, also called the debt limit, is a cap on the total amount of money that the federal government is authorized to borrow via U.S. Treasury bills and savings bonds to fulfill its financial obligations. Because the U.S. runs budget deficits, it must borrow huge sums of money to pay its bills.

Later, Ms. Pelosi huddled privately with Democrats to try to break through the impasse in Congress, signaling that the House would move forward with the \$1 trillion infrastructure bill before the social policy package was fully negotiated.

“It isn’t about diminishing the importance of the reconciliation,” Ms. Pelosi told members of her caucus, according to a person who disclosed the remarks on condition of anonymity. She went on to say that lawmakers could not insist on waiting to vote on the bipartisan infrastructure bill, as negotiations continued with the Senate over the reconciliation package.

Yet as of Monday evening, it was still unclear how congressional leaders would handle the urgent legislation to keep the government running. White House officials and Democratic congressional leaders have ramped up a drumbeat of warnings in recent weeks about the economic toll of delaying a vote on the debt ceiling.

It is perhaps the most serious round of brinkmanship over America’s debt, with economists and analysts concerned that neither side will relent before the stock market crashes and the government is unable to prioritize sending out Social Security payments, food assistance or aid to veterans and military spouses. The most recent projection from the Bipartisan Policy Center, an independent think tank, estimates that the Treasury Department will run out of cash to meet all its obligations between Oct. 15 and Nov. 4.

Democrats, who helped raise the borrowing limit when President Donald J. Trump was in office, had hoped to pressure at least 10 Republicans into abandoning the hard-line stance by merging the debt ceiling provision with badly needed money for their states and the stopgap government funding bill. Now they must regroup or face a shutdown by midnight Thursday, an outcome they have vowed to avoid.

Some Democrats pointed to the breakdown as further evidence for their argument that it was time to change Senate rules to deprive the minority party of a crucial tool for blocking legislative action.

“This is playing with fire for us to risk the full faith and credit of the United States to another damn filibuster,” said Senator Richard J. Durbin of Illinois, the No. 2 Democrat. “As far as I’m concerned, this is proof positive that the filibuster does not engender bipartisanship, it creates hopeless partisan divisions.”

The legislation that failed to advance on Monday would have kept the government funded past the beginning of the new fiscal year on Oct. 1, giving lawmakers additional time to negotiate the dozen annual spending bills, and raised the borrowing limit through Dec. 16, 2022. It also would have provided \$6.3 billion to help Afghan refugees resettle in the United States and \$28.6 billion to help communities rebuild from hurricanes, wildfires and other recent natural disasters.

“It was pretty cynical of Senator Schumer to attach relief for disaster victims to something that he knew wasn’t going to pass — leveraging their pain, leveraging their pain for something that he can do quite easily,” Senator Bill Cassidy, Republican of Louisiana, told reporters.

Democrats decided earlier this year against including a debt ceiling increase in their budget blueprint, which could have allowed them to include it in the expansive domestic policy legislation, which they are pushing through Congress using a budget process known as reconciliation that shields it from a filibuster.

An attempt to do so at this point would be procedurally complex and time-consuming, given the strict rules governing reconciliation. Democrats have remained adamant that they will not do so.

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