

What Employers Should Expect from the Final Days of the 118th Congress

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Fresh off the Thanksgiving holiday recess, congressional lawmakers returned to Washington to close out the remaining days of the 118th Congress. While members often have their own specific priorities, the final three weeks of the current session will be dedicated to finalizing critical must-pass legislation, all with razor-thin margins in both chambers. For more information on what business leaders should expect from the legislative branch as we navigate the final days of another whirlwind legislative session – as well as what to expect with the 119th Congress, be sure to keep reading and then visit our <u>Post-Election Resource Center for Employers</u>.

Government Funding/Avoiding a Shutdown/Debt Ceiling

Perhaps the most pressing item on Congress' to-do list involves reaching a deal on government funding levels for FY2025. To avert a government shutdown, appropriators must decide by December 20 whether to pass a sweeping end-of-year "omnibus" bill (something House Speaker Mike Johnson has previously opposed) or another continuing resolution (CR), which would extend the debate into early next year. While the latter is currently more likely, some Republicans on the Senate Appropriations Committee are hoping to wrap up the process this year to allow adequate time for votes on President-elect Donald Trump's cabinet nominees.

Passing another short-term CR that would temporarily fund the Labor Department and other agencies into February or March of 2025 rather than finalizing the process this year via an omnibus package. It would also cut into the amount of time lawmakers have to pass the 12 funding bills for FY2026, a process that is set to begin almost immediately after a deal is reached.

Despite picking up four Senate seats, maintaining their narrow House majority, and flipping the White House, Republicans will still need the help of Democrats to keep the government funded due to the upper chamber's 60-vote threshold. Assuming there is some Democratic buy-in, we expect that a shutdown will be avoided. But it is still important for employers to be aware of the economic impact a lapse in government funding could have on businesses large and small, from more expensive small business loans to staffing shortages.

Further complicating matters is the fact that the current "debt ceiling suspension period" ends on January 1. If Congress fails to raise the government's ability to borrow by that date, the Treasury will have to take "extraordinary measures" to keep the U.S. from defaulting on its obligations. While past debt ceiling showdowns have always resulted in a deal to prevent such a disaster, and such an outcome is likely with the current deadline, there is always at least some amount of drama associated with raising the federal debt limit.

Workforce Innovation and Opportunity Act (WIOA) Reauthorization

Bipartisan deals can be rare in Washington, but that's exactly what congressional labor leaders seeking to reauthorize the Workforce Innovation and Opportunity Act (WIOA) reached. First passed in 2014, business leaders and congressmembers alike agreed that WIOA was in desperate need of reform – yet Senators could not come to an agreement for nearly a year after House Education & the Workforce Committee Chair Virginia Foxx (R-NC) and Ranking Member Bobby Scott (D-VA) came to a consensus. Now, Senate Health, Education, Labor, and Pensions (HELP) Committee Chair Bernie Sanders (I-VT) and Ranking Member Bill Cassidy (R-LA) are on board and ready to pass the WIOA revamp that would allocate additional funding to workforce programs, boost job training, and address the role artificial intelligence is playing in workplaces across the country.

Despite a slew of large companies coming out in support of upgrading WIOA, legislators have yet to decide how the legislation will be passed in the remaining days of the 118th Congress. The Senate may opt to pass the measure under a unanimous consent agreement to allow the chamber to quickly approve the legislation or attach it to the aforementioned year-end government funding bill (or possibly the annual National Defense Authorization Act). Regardless of the method used, the fact that WIOA stands a chance of passing and has bipartisan support is no small feat in the current hyper-polarized political climate.

National Labor Relations Board (NLRB) Nominations

Senate Majority Leader Chuck Schumer (D-NY) said publicly that confirming the outstanding National Labor Relations Board (NLRB) nominees before the start of the next Congress on January 3 remains "one of the Senate's highest priorities." This includes reconfirming Chair Lauren McFerran to another five-year term and also confirming Joshua Ditelberg to fill the open board seat that was vacated nearly a year-and a-half ago. Assuming the upper chamber confirms both nominees, Democrats would cement a three-vote majority on the board until August 2026 – and possibly provoke a legal challenge involving the President's ability to remove NLRB Board Members without cause.

Conclusion

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