

FROM POLICY TO PRACTICE: NAVIGATING WORKFORCE  
PRIORITIES UNDER THE TRUMP ADMINISTRATION



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Where HR Policy  
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# 2026 Political Outlook

## The Senate

Will have 35 seats up for election – 13 Democrats and 22 Republican

## The House

Will Republicans be able to hold their slim majority?

## National Issues

Inflation, immigration, DE&I, school governance, classroom agenda, government spending, Ukraine, Israel, tariffs, Venezuela, Greenland, congressional redistricting...



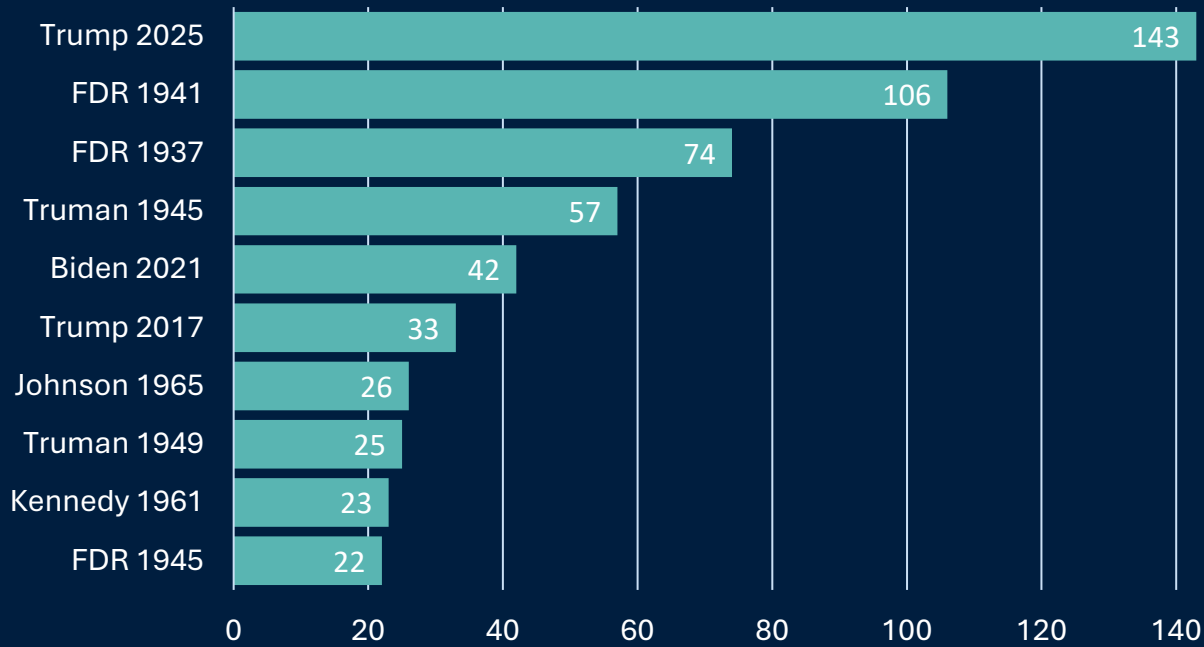
## State Patchwork Continues to Grow

- In the absence of federal legislation and lasting regulations, states continue to fill the workplace policy void.
- Red and blue states alike continue to pass new laws on paid leave, AI, labor (captive audience meeting bans), pay transparency, and restrictive covenants.



# Trump signed more executive orders in his first 100 days than any other modern president.

EXECUTIVE ORDERS IN THE FIRST 100 DAYS, BY PRESIDENT

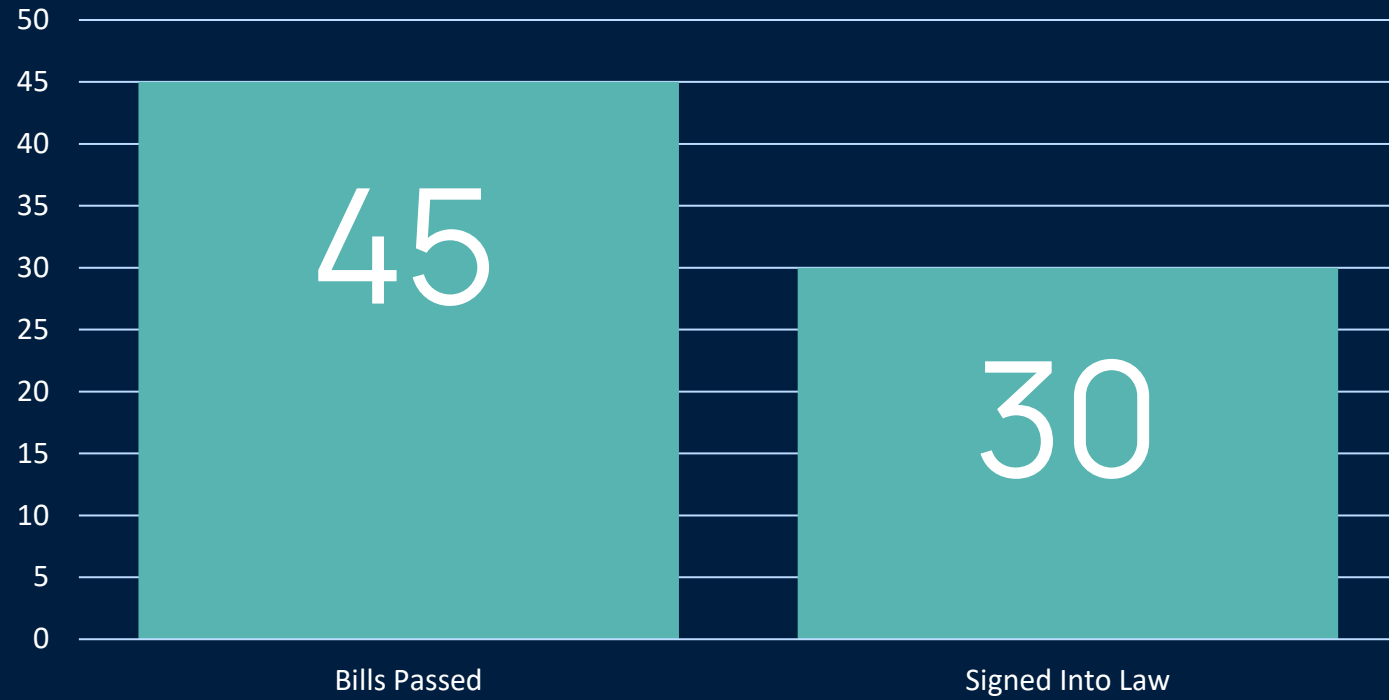


Sources

"Executive Orders," Federal Register, accessed January 20, 2025, <https://www.federalregister.gov/presidential-documents/executive-orders>.



# Limited Legislative Activity: Agencies Continue to Drive Policy



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## What CHROs Should Expect this Year

- It's a mid-term election year, Congress limited to must-pass legislation
- Increased Executive Orders & agency-driven activity

### Talent

- Immigration (H-1Bs, I-9)
- DEI
- CEO Pay Ratio

### AI

- Federal legislation
- Executive Order
- State actions

### Executive Compensation

- Disclosure reform
- Proxy advisory reform
- EU Pay Transparency

### Labor

- NLRB developments
- Enforcement trends



# Immigration – the hits keep coming

## **\$100,000 H-1B Petition Fee (Sept 2025)**

- Applies to certain NEW overseas petitions
- Not retroactive
- Not apply to extensions/amendments in U.S.
- Current H-1B holders generally unaffected

**Impact: Significantly raises cost of new foreign hires**

## **Shift to Wage-Weighted Selection (Dec 2025)**

- Replaces random lottery
- Entries weighted by DOL wage level
- Higher-paid roles receive greater selection odds
- Effective Feb 26, 2026 (FY2027 season)

**Member Insight: Many sponsor senior, high-wage roles**

## **Looking Ahead: Heightened Enforcement & Anti-Discrimination Scrutiny**

- DOJ Civil Rights Division investigations
- EEOC warning (Feb 2025) re national origin discrimination concerns

**Takeaway for CHROs:** H-1B usage will face review not only for program compliance, but also through anti-discrimination enforcement lens.



# DEI – the band plays on

## All of government approach to ending DEI

- More investigations and enforcement actions from the EEOC and DOJ
  - Letters to companies and law firms
- Pressure on federal contractors to end DEI programs or risk losing contracts
  - Certification statements
- Continued general legal and reputational exposure in high-visibility sectors
- Public goals – especially quantitative goals tied to compensation – and partnerships in outside diversity groups/initiatives under extra scrutiny



# Pay Ratio Returns: CA Ballot Drives

## A new continuation of an old Bernie Sanders song – taxes based on pay ratio

- San Francisco "Overpaid CEO Act" (Overpaid Executive Gross Receipts Tax)
  - Labor unions, including SEIU, have already collected signatures to qualify for the ballot
  - Targets companies with at least 1,000 employees and \$1 billion in revenue with pay ratio more than 100x the median SF employee
  - Supporters propose including employees both inside and outside San Francisco which could significantly increase tax liability for large employers
- Los Angeles "Overpaid CEO Tax"
  - Led by hotel workers union UNITE HERE and the Fair Games Coalition
  - Targets companies with 1,000+ employees with pay ratio more than 50x the median LA employee
  - Additional tax range from 1x to 10x the typical city business tax rate (currently 0.1%–0.425% of gross receipts)



# AI legislation looms – but slow-moving

## Congress

Lawmakers seeking national AI framework to preempt patchwork of related state laws

- Senate introduced bill (S. 2750) to waive federal rules for AI developers for up to 10 years
- Drafting bill to codify Trump “AI Action Plan”
- Democrats want protections covering AI-based discrimination, chatbot-caused harms

## DOL

AI Literacy Framework: guide AI skill development for workers, students, educators, and employers

- Provide a common foundation for AI literacy while remaining flexible to local workforce and educational needs.

## Executive Order

Establish national framework for that supersedes state-level regulations

- Promote innovation while limiting compliance burdens on AI companies.



# SEC takes aim at executive compensation

Center advocating for dramatic changes – awaiting SEC proposal in April

- Reduce Named Executive Officers from 5 to just CEO and CFO
- Rethink Summary Compensation Table; consider separating target vs. realized pay and eliminating pension
- Make Pay Versus Performance principle-based disclosure aligned with current practice
- Update perks test to include board judgement; security isn't a perk
- Eliminate unnecessary compensation tables entirely



# Proxy advisors facing existential crisis

## Anticipating period of major change over next two years

- President Trump issued Executive Order demanding reform
- Congress to introduce bill to provide SEC with statutory authority to regulate proxy advisors
- FTC considering whether proxy advisors are engaging in unfair methods of competition
- JP Morgan and Wells Fargo dropping ISS in favor of internal AI tools



# EU Pay Transparency – nobody is ready

## Anticipating period of major change over next two years

- Deadline is June 7, but most countries have failed to produce legislation
- Vast majority of companies report “not fully ready to comply”
- Meanwhile, BusinessEurope is calling for a two-year delay and a “presumption of compliance” for employers covered by collective bargaining agreements
  - EU Commission refusing to grant any delay
- Join our six-part Masterclass series starting this month to learn more



## State Enactment and Consideration of “Mini NLRB” Statutes

- New York and California have enacted legislation to assert labor law jurisdiction over private sector employers based on a “trigger” approach wherein the NLRB would no longer have jurisdiction.
- Massachusetts is considering similar legislation.
- The New York and California laws have serious preemption issues, have been successfully challenged on preemption grounds in the courts, and are presently enjoined from enforcement.
- In the interim, however, they have the potential to cause considerable disruption for private sector employers that have business operations in those states.



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