

U.S. Policy Signals: Global Implications for Employment and Labor

CHRO ASSOCIATION | BENGALURU, INDIA | JUNE 16, 2026



2026 Political Outlook



The Senate

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

The House

Will Republicans be able to hold their slim majority? All 435 seats up for election

Governors

39 governorships are on the ballot

National Issues

Inflation, immigration, DE&I, government spending, Iran, Ukraine, Israel, tariffs, Venezuela, Greenland, congressional redistricting . . .

U.S. Senate Balance of Power

Closely
Divided
Congress



CHUCK SCHUMER
(D-NY)
Senate
Minority
Leader

DEMOCRATS
45

100
TOTAL
SEATS



5
key
Dem
votes



2
Independents

7
votes
needed to
overcome a
filibuster



- Majority -
REPUBLICANS
53



JOHN THUNE
(R-SD)
Senate
Majority
Leader

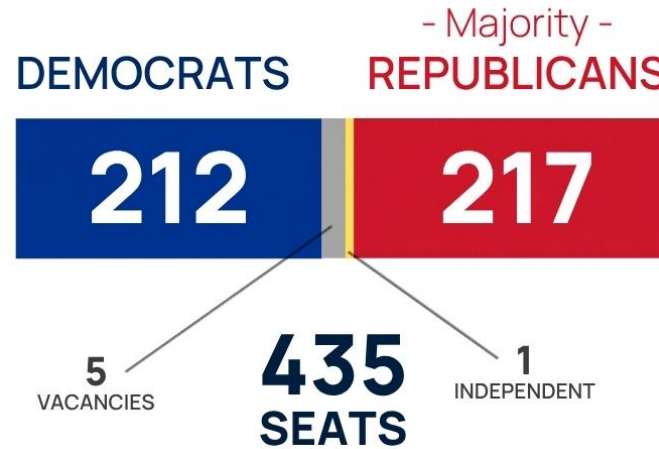
60
votes needed
to pass almost
everything in
the Senate

Will House Republicans Hold Their Slim Majority?

U.S. House of Representatives



**REP. HAKEEM
JEFFRIES
(D-NY)**
House Minority Leader



**REP. MIKE
JOHNSON
(R-LA)**
Speaker of the House

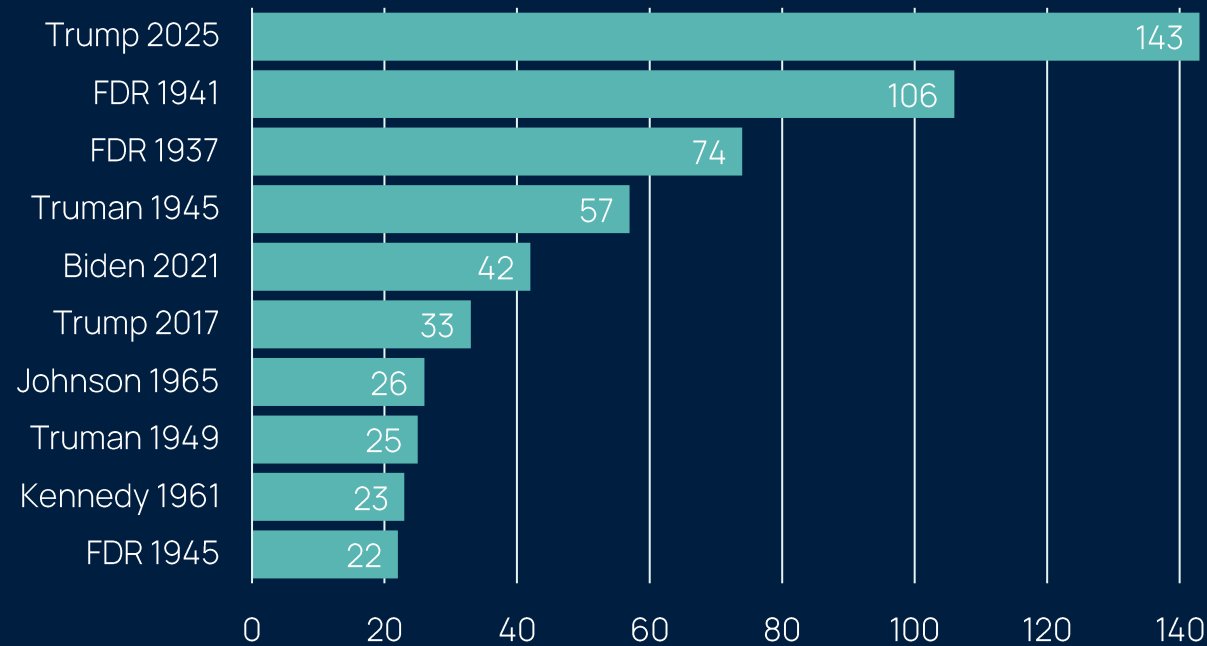


State Patchwork Continues to Grow

- 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



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.



INDIA IMMIGRATION REGULATION

VS

USA IMMIGRATION POLICIES



 RULE-BASED & SOVEREIGN CONTROL India's immigration is guided by national interest, security and economic priorities.	 PURPOSE / APPROACH	 SECURITY-FIRST & ENFORCEMENT-DRIVEN USA focuses on border security, enforcement and selective legal immigration.
 LAWS & FRAMEWORK Governed by the Immigration and Foreigners Act, 2025 and Foreigners Act, 1946. Rule-based with clear visa categories.	 LEGAL FRAMEWORK	 LAWS & FRAMEWORK Governed by Immigration and Nationality Act, (INA), various executive orders, and DHS policies.
 VISA SYSTEM Structured visa categories (tourist, business, student, employment, medical, etc.) with long-term and short-term options.	 VISA SYSTEM	 VISA SYSTEM Complex, multi-tier system with annual caps (H-1B, L-1, EB categories) and country limits in green cards.
 EMPLOYMENT / WORK Work visa tied to employer and purpose. Focus on skill development and filling genuine gaps.	 EMPLOYMENT / WORK	 EMPLOYMENT / WORK Employer-sponsored system (e.g., H-1B). High scrutiny, layoffs can impact visa status.
 STUDENTS Student visa (S category) with registration at FRRO/FRO. Emphasis on compliance and limited stay.	 STUDENTS	 STUDENTS F-1 visa for studies. Optional Practical Training (OPT) available. Strict compliance and status monitoring.
 LONG-TERM STAY / PR No dual citizenship. PR (OCI/Long Term Visa) available under specific conditions.	 LONG-TERM STAY / PR	 LONG-TERM STAY / PR Green Card (Lawful Permanent Residence) available through family, employment, refugee or diversity lottery.
 ENFORCEMENT & COMPLIANCE FRRO/FRO monitoring, regular reporting for long-term visa holders. Penalties for overstay and violations.	 ENFORCEMENT & COMPLIANCE	 ENFORCEMENT & COMPLIANCE USCIS, ICE and CBP enforce strict compliance. Overstay can lead to detention, removal and future bans.
 PHILOSOPHY "Atithi Devo Bhava" – Welcoming genuine visitors while safeguarding national interests.	 PHILOSOPHY	 PHILOSOPHY "Protect, Prioritize, Enforce" – Protect borders, prioritize legal immigrants, enforce laws.
 INDIA'S PRIORITY: National Interest • Security • Economic Growth • Cultural Harmony		 USA'S PRIORITY: National Security • Border Control • Economic Needs • Rule of Law



BOTH NATIONS, DIFFERENT APPROACHES – UNITED BY THE GOAL OF A SAFE, PROSPEROUS AND ORDERLY SOCIETY.



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

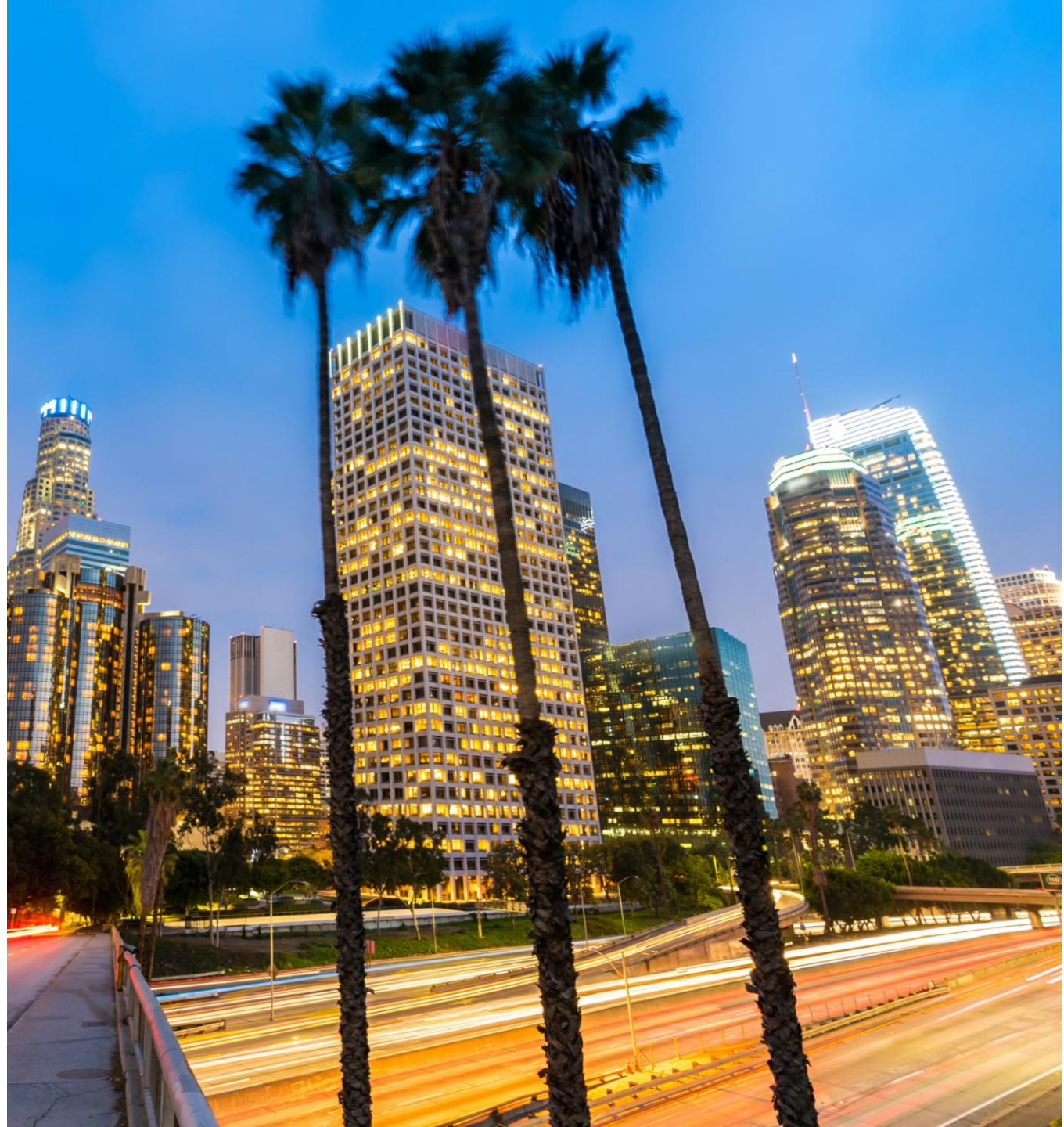
Pay Ratio Returns: CA Ballot Drives

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

Pay Ratio Returns: CA Ballot Drives

- 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.

U.S. vs. India: AI Regulation Landscape (2026)

India

- Centralized, principles-based approach
- Focus on AI outputs & platform accountability
- Content labeling & takedown requirements emerging
- Anchored in IT rules + DPDP Act
- Still evolving; pragmatic and adaptive

United States

- Decentralized, fragmented regulatory system
- Focus on use cases (bias, consumer protection)
- Strong state-level activity (CA, CO, etc.)
- No comprehensive federal AI law
- Innovation-first regulatory posture

Key Takeaways

- India regulates AI outputs; U.S. regulates AI use cases
- U.S. complexity driven by state-by-state variation
- Both moving toward oversight of high-risk AI (e.g., employment decisions)



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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