



*Week Ending 1-16-26*

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## **This Week in Congress!**

Congress has 18 days left to pass nine appropriations bills to prevent a partial government shutdown.

The House considered five bills advanced by the Education and the Workforce Committee aimed at reforming employment regulations: H.R. 2262, which permits employers to conduct voluntary after-hours, job-related training sessions without compensating employees for attendance; H.R. 2270, which exempts child and dependent care benefits from overtime pay calculations; H.R. 2312, which revises the criteria for classifying tipped employees eligible for reduced minimum wage; H.R. 2988, which limits the use of ESG (Environmental, Social, and Governance) investing in private pension plans; and H.R. 4366, which facilitates businesses' ability to avoid being classified as "joint employers." Additionally, the House continued consideration of H.R. 4593, legislation proposing a new definition for showerheads pertaining to federal water pressure standards.

Additionally, the House has voted on legislation authorizing the Commerce Department to require export licenses for cloud-based technology transfers (H.R. 2683). Five bills from the Judiciary Committee were considered, including a Senate-approved measure to increase compensation for bankruptcy trustees (S. 3424). The House also addressed three bills aimed at combating child abuse (H.R. 6715, H.R. 6719, and H.R. 6732), as well as three measures originating from the Ways and Means Committee: a Senate-passed bill preventing Social Security payments to deceased individuals (S. 269), and two bills to extend duty-free trade preferences for nations in sub-Saharan Africa (H.R. 6500) and Haiti (H.R. 6504) for an additional three years, thereby reinstating programs that expired last September.

Finally, the House leadership is preparing to introduce the next appropriations minibuss, consisting of two bills, for consideration on the floor.

Meanwhile, the Senate plans to begin consideration of the three-bill appropriations minibuss that the House passed last week. The chamber will also proceed on the Venezuela war powers resolution, although it might not conclude consideration of the measure this week. And it is likely to vote on the confirmation of administration nominees.

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## **FCA International Calls Upon the Treasury Department to Purge CTA Database**

FCA International, together with numerous Main Street business organizations, called on the Department of the Treasury to promptly remove all beneficial ownership information from the Corporate Transparency Act (CTA) database that was submitted by domestic entities no longer required to file. Cleaning out this database now will help prevent future data misuse or leaks.

Earlier this year, the Administration narrowed the CTA's scope so that it only applies to foreign entities, offering much-needed relief to more than 32 million domestic businesses previously included in a system designed to pursue international money laundering and terrorism financing—not law-abiding American business owners.

Prior to this change, around 16 million domestic entities had already complied with the CTA's reporting rules. As a result, sensitive personal details of these beneficial owners—such as names, addresses, and passport or driver's license numbers—are stored in a database managed by the Financial Crimes Enforcement Network, putting them at ongoing risk of cybersecurity breaches and unauthorized disclosure.

The legal situation surrounding the CTA adds urgency to this request. There are currently twelve federal court cases disputing the CTA's validity, including two district court rulings—\_National Small Business United v. Yellen\_ and Small Business Association of Michigan v. Yellen\_—which found the CTA unconstitutional in the Western District of Michigan. Although the Eleventh Circuit reversed the *NSBA* ruling, the case is headed to the Supreme Court and constitutional issues remain unresolved.

Given these legal uncertainties and the fact that domestic businesses are no longer required to report under the CTA, keeping their data serves no valid government purpose.

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### **FY26 Appropriations Update**

Last week, the House approved a three-part spending package covering Energy-Water, Interior, and Commerce-Justice-State (C-J-S) appropriations. Getting this passed requires some negotiation. When the package went before the Rules Committee on Tuesday, far-right members objected to certain earmarks in the C-J-S bill and to limited opportunities for members to propose amendments. The Committee paused proceedings without moving the rule forward. By Wednesday, leadership and dissenters reached a compromise: they agreed to remove a specific Democratic earmark through report language and to allow separate votes on each bill, enabling members to oppose the C-J-S bill but support the others. Republican leaders also committed to giving members more influence over future appropriations bills, especially regarding earmarks. On Thursday, the House passed all three parts of the package with a 397-28 vote.

This week, the Senate began reviewing the minibus approved by the House. Senate Democrats intend to introduce several controversial amendments, including one opposing the President's plan to close a Colorado climate research lab and another challenging the administration's seizure of Venezuelan oil.

On Monday evening, House and Senate appropriators released a bipartisan version of the next appropriations minibus, which contains the Financial Services-General Government and State-Foreign Operations bills. They initially hoped to include the Homeland Security bill but talks broke down after a recent ICE shooting in Minnesota. House leadership now aims to bring the two-bill package to a floor vote later this week.

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### **Healthcare Debate Continues**

Last week, the House passed a Democratic bill for a three-year extension of Affordable Care Act (ACA) premium tax credits, with support from seventeen Republicans. The vote was considered a significant win for Democrats.

President Trump renewed his call for Congress to focus healthcare legislation on health savings accounts and individual insurance purchasing, while urging flexibility on the Hyde Amendment. His stance drew criticism from antiabortion groups and frustration from Republican members, who feel pressured without negotiation from the President.

Sen. Moreno (R-OH) is leading bipartisan talks in the Senate, aiming for a two-year ACA extension, longer open enrollment, higher income caps, and new premium floors. However, increased debate over

abortion funding has stalled progress, as some Republicans push for stricter restrictions that Democrats oppose.

Any compromise will require strong Republican backing to advance in the Senate, but President Trump recently threatened to veto any bill extending ACA subsidies.

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### **Senate Rebuke of Trump Foreign Policy**

Recently, the administration's foreign policy, particularly over the last few weeks, has caused frustration among Democrats and posed challenges for some Republicans in Congress.

In a rare public disagreement with President Trump, five Republican senators—Collins (R-ME), Hawley (R-MO), Murkowski (R-AK), Paul (R-KY), and Young (R-IN)—voted last week to move forward with consideration of a Senate war powers resolution. This resolution would require the President to obtain congressional approval before initiating any new military action in Venezuela.

President Trump reacted strongly, stating that these senators should never be re-elected. The Senate will hold another procedural vote on the resolution this week, which will be followed by a debate and consideration of amendments, and then a final vote.

However, even if the resolution passes, it would be largely symbolic for President Trump—House Republicans may not challenge him in the same way, and the measure lacks enough support to override a presidential veto.

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### **Reconciliation 2.0?**

Chairman Pfluger (R-TX) announced that the Republican Study Committee will release a blueprint for a second budget reconciliation package this week. Congressional Republicans are split on pursuing another party-line bill.

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### **New House Ratios**

Rep. LaMalfa (R-CA) passed away, leaving Republicans with a narrow one-vote majority in the House (218-213), as Rep. Massie (R-KY) often breaks party ranks.

California has two weeks to schedule a special election for LaMalfa's seat, which is expected to become Democratic after redistricting. Texas will hold a January 31 special election for Rep. Turner's (D-TX) seat, likely staying Democratic.

Georgia's special election to fill Greene's (R-GA) seat is set for March 10, with a probable Republican win; a runoff will occur if no candidate secures a majority.

New Jersey's April 16 special election to replace Governor-elect Mikie Sherrill should favor Democrats.

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### **DOL's Six Opinion Letters on the Application of FMLA and FLSA**

On January 5, the Department of Labor's Wage and Hour Division (WHD) issued six opinion letters to provide clarity to the employer community on the application of the Family and Medical Leave Act (FMLA) and Fair Labor Standards Act (FLSA). The opinion letters address specific compliance questions raised by the regulated community and provide official interpretations from WHD.

Two of the letters provide insights on FMLA issues that many Partnership to Protect Workplace Opportunity (PPWO) members may encounter:

- FMLA2026-1: How a school closure of less than a full week impacts the amount of leave a school employee uses under the FMLA.
- FMLA2026-2: Whether FMLA leave may be used for time spent traveling to or from medical appointments, including where an employee provided the employer with medical certification from a health care provider that confirms the employee's need for the appointment, but the certification does not address travel to or from the appointment.

Additionally, WHD issued four letters addressing questions on FLSA compliance. The letters provide insights on issues that some employers may encounter:

- FLSA2026-1: Whether an employee's role meets the criteria for the learned professional exemption under section 13(a)(1) of the FLSA, and, if so, whether an employer is nevertheless permitted to reclassify the employee as non-exempt.
- FLSA2026-2: Whether section 7(e) of the FLSA permits an employer to exclude certain bonus payments from an employee's regular rate of pay. The letter also addresses how to include these payments in the calculation of employee overtime premiums if the payments must be included in an employee's regular rate of pay.
- FLSA2026-3: Whether a union and employer can enter into a collective bargaining agreement that mandates a 15-minute "roll call" prior to each scheduled shift but excludes that time when calculating overtime premiums under the FLSA.
- FLSA2026-4: Whether, for purposes of the overtime exemption for certain commissioned employees in section 7(i) of the FLSA, an employer in a jurisdiction in which the state minimum wage exceeds the federal minimum wage must use the federal minimum wage, or alternatively, the higher state minimum wage, to determine whether it has satisfied the minimum pay standard in section 7(i)(1), and whether tips are deemed compensation for purposes of section 7(i)(2)'s requirement that more than half the employee's compensation consist of commissions.

Importantly, while DOL opinion letters are not binding law, courts often give them persuasive deference and may look to them for guidance in understanding the Department's interpretation of the law and employers' compliance practices.