NEA April 2025 Federal Policy Report

I. Work on the Hill

Congress devoted April to FY2026 budget planning and oversight of agency reforms and engaged in discussions of foreign aid and the State Department. The government remains funded through September 30th, 2025, under (H.R. 1968), the full-year continuing resolution passed in March, while Congress continued working on a broader fiscal framework. The House advanced (H.Con.Res.14), a concurrent budget resolution that sets nonbinding fiscal targets and directs committees to identify potential spending cuts for FY2026 and beyond. While neither chamber passed a formal concurrent budget resolution, House and Senate leaders continued negotiations. Republican leadership advanced proposals calling for roughly $880 billion in spending cuts and rescissions for FY2026. These amendments, still under discussion in committee, reflect efforts to set fiscal priorities through 2034. House leaders say they aim to complete reconciliation bills by Memorial Day. In short, Congress is focused on big-picture budget cuts and efficiency reforms in procurement and appropriations, actions that could reshape funding for international development and domestic programs alike.

Continuing in April, legislative developments surrounding short-term, limited-duration insurance (STLDI) plans advanced in Congress, signaling momentum toward potentially reversing restrictive regulations enacted under the Biden administration. The progression of H.R. 90 (Biggs) and H.R. 379 (Carter)—both designed to extend allowable durations for STLDI coverage—offers NEA renewed opportunities to advocate for greater employer flexibility and cost management in health benefit planning.

With these bills awaiting committee action, following NEA's formal letter of endorsement for (H.R. 379), Lobbyit initiated collaborative efforts with Rep. Carter's office and NEA to secure additional co-sponsors. These advocacy efforts include strategic engagement with relevant federal agencies such as the Centers for Medicare & Medicaid Services (CMS), the Center for Medicaid and CHIP Services (CMCS), and the Department of Health and Human Services (HHS), as well as outreach to pertinent congressional caucuses. Additionally, Lobbyit is actively identifying potential Senate champions to introduce companion legislation, with Rep. Carter's office specifically recommending targeting Republicans on the Senate HELP Committee. Recognizing NEA's headquarters in Arizona, Lobbyit will also prioritize outreach to the Arizona congressional delegation, updating NEA's advocacy materials accordingly to reflect this legislative push. Positioning NEA to actively engage lawmakers on strategic measures beneficial to employers, particularly around expanding affordable temporary coverage options and reducing regulatory burdens in employee benefits administration.

II. Congressional Update

Healthcare Coverage and Affordability Measures

Lawmakers also pressed regulators on ACA coverage issues. In mid-April, Senate Finance Chair Ron Wyden (D-OR) and HELP Chair Bernie Sanders (I-VT) sent a joint letter to HHS, Treasury, and Labor urging clear guidance to protect patients from surprise cost-sharing on preventive services. The senators noted reports of "surprise bills for equipment and facility fees" for preventive care, which should be covered with no cost-sharing under law. They called on agencies to instruct insurers that recommended preventive services must be covered without deductibles or copays. They also urged investigating insurers to ensure compliance in the marketplace and employer plans. This oversight push could affect employers by clarifying compliance obligations under existing ACA preventive-care mandates.

Labor, Hiring, and Workforce Policy

Several labor and hiring initiatives surfaced in April, and employers continued preparations for compliance with the Department of Labor's finalized overtime-pay rule, initially announced earlier this year but remaining a priority due to its substantial implications for businesses. Effective January 1st, 2025, this rule significantly raises the salary threshold for exempt white-collar employees to $58,656 annually, requiring overtime pay for many previously exempt salaried workers. Given its near-effective date, Lobbyit recommends NEA stay proactively engaged to provide guidance for its members on strategies to manage these changes effectively. Suggesting members should review internal pay practices and employee classifications to ensure compliance and mitigate increased wage costs. (DOL aims to cover lower-paid white-collar workers; employers should review pay practices now to remain compliant.)

On the employment-benefits side, although introduced in February, Senator Deb Fischer's (R-NE) S. 400 remains a pertinent development for NEA members as of April. The bill proposes to make permanent and enhance the 45S tax credit, originally established under the 2017 Tax Cuts and Jobs Act, which incentivizes employers to offer paid family and medical leave. Key enhancements include reducing the minimum employee tenure requirement from one year to six months and allowing the credit to apply to leave provided through insurance carriers. These changes could significantly benefit employers, particularly small and mid-sized businesses, by providing greater flexibility and financial support in offering paid leave benefits. Lobbyit may consider engaging with the Senate Finance Committee to advocate for the bill's advancement and to ensure that employer perspectives are represented in ongoing discussions.

Workforce training and hiring flexibility also remain congressional issues. (For example, Congress considered bills to expand Pell grants to short-term job training and to ease barriers to vocational graduates – H.R. 1642 and related measures – though none advanced in April.) Meanwhile, Republicans are eyeing a 2025 reconciliation package that could include small-business incentives and tax provisions. Details are scarce, but proposals reportedly include making many 2017 tax cuts permanent and adding business tax incentives, which could impact employer costs and hiring decisions once they emerge.

Small Business Lending and Tax Initiatives
In small business finance, the SBA, under new Administrator Kelly Loeffler, announced significant changes. On April 22nd, 2025, the SBA *"eliminated"* several relaxed underwriting policies adopted under the prior administration. Notably, SBA rescinded the "Do What You Do" underwriting standard and reinstated normal loan criteria and guarantor fees for the flagship 7(a) loan program. The 2020-'21 era rule had effectively weakened credit screens and removed lender fees, leading to higher defaults. The April 2025 policy reverses those steps to "restore prudent lending criteria" and protect the program's solvency. This change will tighten SBA loan qualification and may slightly reduce small business credit access in the short term, but should improve program sustainability for employers relying on SBA loans.

Small Business Advocacy Improvements Act (H.R. 832)
Although H.R. 832 passed the House in February, (H.R. 832), sponsored by Rep. Roger Williams (R-TX), and now awaits potential action in the Senate, it remains relevant for NEA's April update because of its focus on strengthening small business representation in global regulatory discussions. The bill's progress underscores ongoing congressional attention to small employer needs, and Lobbyit continues to monitor the Senate's posture and any opportunities to support the measure's advancement. While largely procedural, the bill signals policymakers' intent to elevate small business priorities in trade and regulatory matters, which aligns with NEA's broader advocacy goals.

Tax policy for employers is also on the radar, in April, the IRS did not announce new rules, but agencies reminded employers of key changes. For example, the 2025 inflation adjustments increased retirement plan deferral limits (401(k) to $23,500) and other tax thresholds. More broadly, business groups are watching the upcoming tax reconciliation effort. Though no specific bill has passed, leadership has indicated that extending corporate tax cuts and incentives for small businesses is likely in any final package. If enacted, those measures would directly affect employer tax liabilities and budget planning.

III. Regulatory Update
Federal Agency Guidance and Enforcement
Federal agencies continued to issue compliance guidance affecting employers. In addition to the DOL overtime rule above, regulators have signaled greater enforcement of ACA and benefits rules. The tri-agency final rule on short-term health plans (Mar. 2024) limiting contracts to 3–4 months took effect in September 2024, and now Congress is challenging it. Meanwhile, the Biden Administration's health agencies also updated other coverage rules (for example, final drug-price and Medicare policies), which will roll out in the coming years and could influence employer-sponsored plan designs.

This month has witnessed significant changes in leadership within various government agencies. Gina Raimondo has vacated her position at the Department of Commerce; however, the Biden administration's team in the Departments of Health and Labor remains largely unchanged. At the Small Business Administration (SBA), Kelly Loeffler, a former Senator from Georgia, has been confirmed as the Administrator and is currently implementing the aforementioned reversals of loan regulations. The Departments of Labor (DOL) and Health and Human Services (HHS) continue to operate under acting leadership. Julie Su oversaw Labor, and Xavier Becerra managed HHS, pending their formal confirmations. Future modifications in agency leadership could potentially influence regulatory priorities for employers, particularly concerning labor and health matters. The National Education Association (NEA) intends to closely monitor nominations and guidance as the new congressional majority emerges.

CMS Coverage and Compliance Updates

The Centers for Medicare & Medicaid Services (CMS) has unveiled a bold proposal for the Marketplace, known as the 2025 "Integrity and Affordability" rule. This initiative aims to create a more stable landscape for insurance premiums while meticulously addressing the issue of improper enrollments. Although this proposal was announced in 2024 and has yet to be finalized, it signals a significant shift in regulatory focus.

At the heart of this proposed rule are several compelling provisions designed to reshape the enrollment process. These include stricter timelines for open enrollment, ensuring that consumers engage within designated periods, as well as a requirement for individuals to clear any outstanding premiums before gaining access to coverage. Furthermore, the proposal seeks to expand income verification protocols, adding an extra layer of scrutiny to ensure eligibility and promote fiscal responsibility.

Through these rigorous measures, CMS strives to cultivate an environment of affordability and uphold the integrity of the insurance market. These changes not only aim to benefit individual consumers but may also have far-reaching implications for the costs associated with employer-sponsored health plans and the intricate interactions within health exchanges. The endeavor reflects a comprehensive approach to health care reform, prioritizing stability and accountability across the marketplace.

IV. Monthly Wrap Up

April marked a dynamic period of federal activity with significant implications for NEA’s employer community. On Capitol Hill, Congress focused its attention on FY2026 budget planning, advancing discussions on fiscal priorities, and shaping legislative proposals, including measures that directly impact employer flexibility and healthcare benefit options. Beyond health insurance reforms, lawmakers remained engaged on issues such as ACA implementation, paid family leave incentives, workforce training, and emerging tax policy discussions. At the agency level, the Department of Labor’s final overtime rule and CMS’s pending “Integrity and Affordability” rule reflect a shifting regulatory environment that will require attention from employers in the months ahead.

Looking ahead, NEA and Lobbyit will continue to monitor progress on healthcare reform bills, tax reconciliation efforts, and workforce-related legislation. We will also intensify outreach to the Arizona delegation and targeted Senate Committee offices to support NEA’s legislative priorities.

We look forward to providing updates on these developments and strengthening NEA’s continued efforts to advocate for employer-driven solutions in healthcare, labor, and tax policy.