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Tightening the Belt & Loosening Enforcement: Effects of the Sequester on Employment Issues

In the months before it took effect, there was a great deal of political finger-pointing and intense debates on the looming sequester. The sequester, a plan implemented through the Budget Control Act of 2011, affects every “program, project and activity” of the federal government by reducing funding to the aforementioned. The cuts aim to save \$1.2 trillion over ten years, with defense and domestic discretionary spending both on the chopping block. This year, \$85 million dollars will be saved from a requested outlay of \$3.803 trillion dollars.

Since the cuts took effect on March 1, 2013, media attention on the issue has waned. While the political noise has died down, local, state, and federal agencies are still very much entrenched in the topic. Officials at all levels are figuring out how to continue operations as normal when their resources are being reeled in by the government. Agencies have no choice but to tighten their belts by issuing mandatory unpaid days off (“furloughs”), hiring freezes, and other extreme measures to compensate for cuts to their department.

In light of the monetary deductions, the National Labor Relations Board (“NLRB”) has announced that its employees may be required to take up to twenty-two furlough days. Equal Employment Opportunity Commission (“EEOC”) employees may be forced to take 8.5 furlough days. The Occupational Safety & Health Administration (“OSHA”) froze new hires and bonuses. Department of Labor (“DOL”) agencies will reduce travel and training expenses.

The sequester not only imposes real consequences to employees who work for these federal agencies, but also serious impediments to labor law rights and regulations. Employers who are involved in agency charges, administrative hearings, or lawsuits before any of the above-named tribunals will likely feel the effects. At minimum, delays in processing and investigations of claims can be expected. More serious consequences are possible. OSHA chief David Michaels has stated that over 1,000 fewer compliance consultations will be made in wake of their funding cuts. An increasing number of EEOC cases may find their way into court, as a claim that goes unheard by the agency for more than 180 days must receive a “right to sue” status.

Although the sequester is in its infancy stages and the full extent of its accompanying problems is unknown, it is clear that there will be real effects on employers and employees everywhere. As workplace agencies and employers are finding out in a most unpleasant manner, everything—even budget cuts—comes at a price.

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Brandon K. Johnson practices primarily in the areas of insurance defense, employment law, and general litigation. Within the area of insurance defense, Brandon has experience with issues which arise in the course of defending insured parties who have been sued under their property and casualty or commercial general liability policies as well as resolving coverage disputes and pursuing subrogation interests on behalf of insurance companies directly. He also has experience counseling clients in intellectual property matters including copyright and publicity right infringement, state and...

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