

Global Immigration alert

March 2025

United States

United States government to suffer lapse in funding on 15 March

Executive summary

Funding for the U.S. government is scheduled to run out at midnight on 15 March 2025. If the U.S. Congress does not pass additional funding prior to 12:01 am eastern on 15 March, the federal government will be required to cease all non-essential functions until additional funding is approved by Congress and signed into law by the president. In the event of a shutdown, several U.S. immigration processes will be impacted.

Background

Many federal government agencies are funded by appropriations bills that are negotiated and passed by Congress and then must be signed by the president. If the funding lapses, each agency will identify its essential functions and will cease all non-essential functions until additional funding is approved and signed into law.

The U.S. House of Representatives is responsible for originating appropriation bills, which are then sent to the U.S. Senate. At present, the path forward to funding the government is unclear with less than two business days remaining in order to enact appropriations legislation and avoid a shutdown.

Analysis

The following federal agencies that play a key role in a variety of U.S. immigration processes are expected to be impacted as follows:

- **U.S. Citizenship and Immigration Services (USCIS):** USCIS services are funded by filing fees that accompany most requests for immigration benefits as opposed to government appropriations. The agency will

therefore remain operational in the event of a shutdown and continue receiving and processing immigrant and non-immigrant visa petitions, applications for permanent residency, and applications for employment authorization documents, though processing may be slowed if other impacted agencies are required to act. Additionally, USCIS has confirmed that employers will be able to continue submitting registrations for the FY 2026 H-1B cap in the event of a shutdown.

- **Department of Labor (DOL):** By contrast, all functions DOL performs with respect to U.S. business immigration will cease in the event of a shutdown. Employers will not be able to file Labor Condition Applications (LCAs), a document that is required to sponsor foreign nationals for H-1B, H-1B1, and E-3 work authorization, which will delay sponsoring new hires in those categories as well as seeking extensions of work authorization for existing employees.
- **U.S. Department of State (DOS):** DOS operations, which include issuing immigrant and non-immigrant visas that permit travel to the United States, are expected to generally continue, subject to local funding considerations.

What this means

During this time of unprecedented delays in the PERM labor certification process, a U.S. government shutdown would present yet another barrier to the ability of many foreign nationals to apply for and obtain lawful permanent residence in the United States in a timely manner. DOL is currently taking, on average, 14-16 months to adjudicate

pending PERMs, and a government shutdown would likely result in further increasing these processing times.

Further, an inability to obtain LCAs has the potential to significantly disrupt business operations for U.S. companies and put H-1B, H-1B1, and E-3 workers at risk of failing to maintain lawful status through no fault of their own. If applicable, constituents are urged to reach out to their congressional representatives to express their concerns over how a government shutdown would impact their business and individual members of their workforce.

We will continue to monitor and share future developments. For additional information, or if you wish to discuss this further, please contact your EY Law LLP professional or Mehlman Jacobs LLP professional.

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