

# Blue States vs. the Feds – Management in the Middle

August 7, 2025

# **Today's Webinar Host**



**MICHAEL WORTH** 

VP of Sales ComplianceHR

# Compliance HR

Simplify the complexity of employment law with our suite of self-service HR compliance applications.



#### **PolicySmart™**

Effortlessly create and maintain an up-to-date and legally compliant employee handbook



#### The Reference Center

Easily answer compliance questions and locate content on several employment law topics



#### The Document Center

Efficiently generate state and federal compliant documents throughout the employee lifecycle



#### The Training Center

Interactive compliance training designed to reduce risk and improve retention



#### Navigator Independent Contractor

Immediately mitigate your risk of independent contractor misclassification



#### **Navigator Overtime**

Quickly and compliantly determine whether an employee is exempt or non-exempt

### Start With the Right Information – No Googling or Guessing

CALIFORNIA

Table 2. Federal Documents to Provide at Hire	
Category	Notes
Tax Documents	On or before the date employment begins, employees must furnish employers with a signed withholding exemption certificate (Form W-4) relating to their marital status and the number of withholding exemptions they claim. <sup>203</sup>
Uniformed Services Employment and Reemployment Rights Act (USERRA) Documents	Employers must provide to persons covered under USERRA a notice of employee and employer rights, benefits, and obligations. Employers may meet the notice requirement by posting notice where employers customarily place notices for employees. <sup>204</sup>
Wage & Hour Documents	To qualify for the federal tip credit, employers must notify tipped employees: (1) of the minimum cash wage that will be paid; (2) of the tip credit amount, which cannot exceed the value of the tips actually received by the employee; (3) that all tips received by the tipped employee must be retained by the employee except for a valid tip pooling arrangement limited to employees who customarily and regularly receive tips; and (4) that the tip credit will not apply to any employee who has not been informed of these requirements. <sup>205</sup>

#### 2.1(b) State Guidelines on Hire Documentation

Table 3 lists the documents that must be provided at the time of hire under state law. Local documentation requirements may be discussed in the table below or in other sections, but the local ordinance coverage is not comprehensive.

Table 3. State Documents to Provide at Hire	
Category	Notes

#### 3.3(a)(i) Federal Minimum Wage Obligations

The current federal minimum wage is \$7.25 per hour for most nonexempt employees.<sup>487</sup>

Tipped employees are paid differently. If an employee earns sufficient tips, an employer may take a maximum tip credit of up to \$5.12 per hour. Therefore, the minimum cash wage that a tipped employee must be paid is \$2.13 per hour. Note that if an employee does not make \$5.12 in tips per hour, an employer must make up the difference between the wage actually made and the federal minimum wage of \$7.25 per hour. An employer bears the burden of proving that it is not taking a tip credit larger than the amount of tips actually received by the employee.<sup>488</sup>

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An employer cannot keep tips received by employees for any purpose, including allowing managers or supervisors to keep a portion of employees' tips, regardless of whether the employer takes a tip credit.<sup>489</sup>

#### 3.3(a)(ii) Federal Overtime Obligations

Nonexempt employees must be paid one-and-a-half times their regular rate of pay for all hours worked Proprietary and Confidential

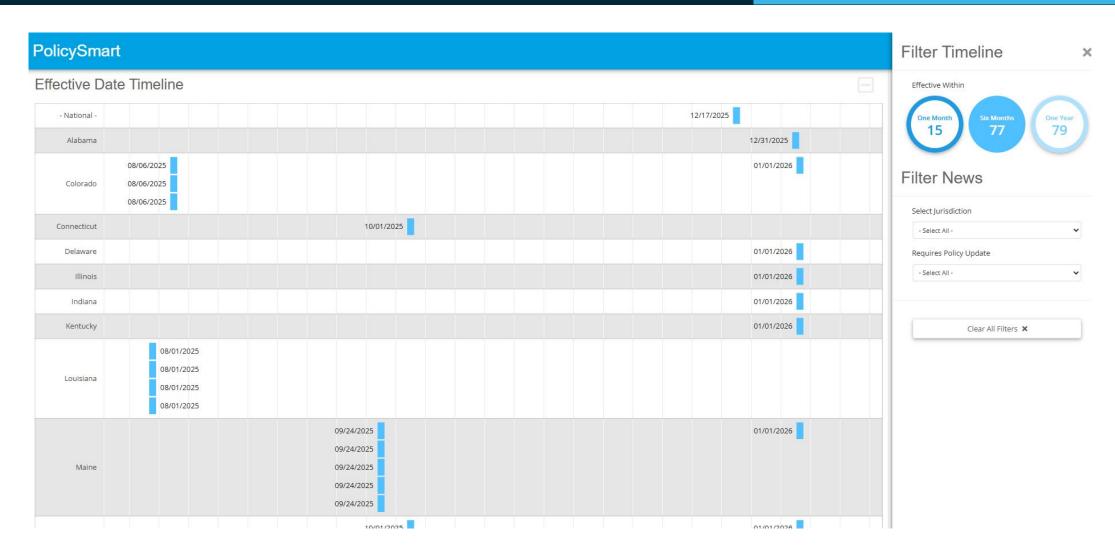
<sup>485</sup> CAL. CIV. CODE § 1798.100.

<sup>486 29</sup> U.S.C. § 218(a).

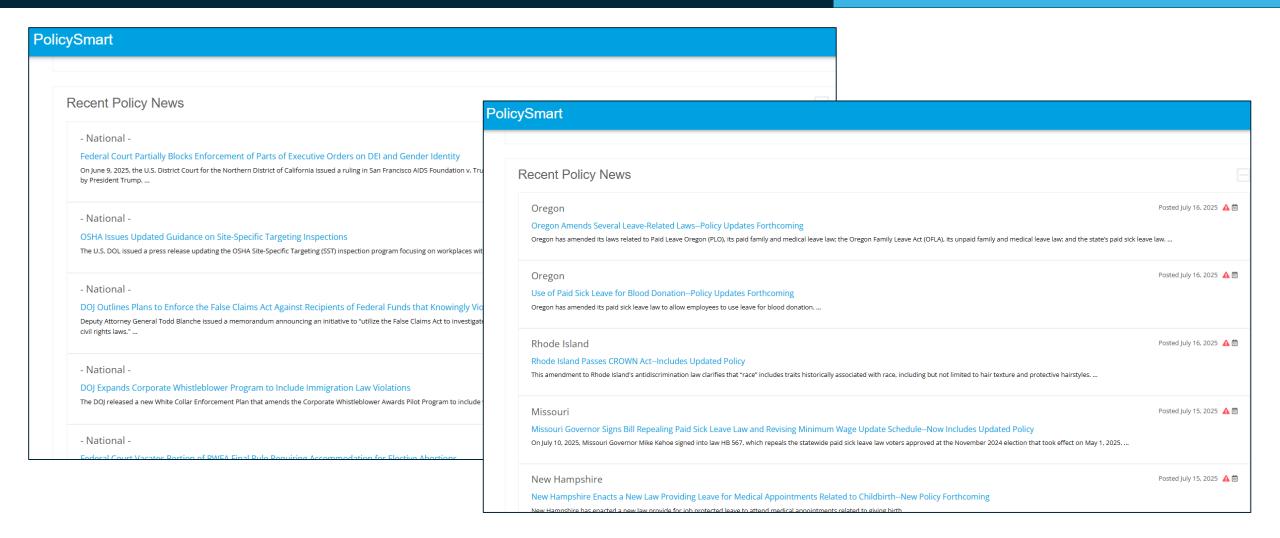
<sup>&</sup>lt;sup>487</sup> 29 U.S.C. § 206.

<sup>488 29</sup> U.S.C. §§ 203, 206.

### **Proactive Effective Date Timeline**



# **Accurate Information Directly from Littler**



## **Bi-monthly News Updates**

### **PolicySmart**

#### **Policy News and Updates**

Click on the links below to access summaries of legal developments added to PolicySmart within the last 30 days:

#### Arizona

. City of Tempe, Arizona Enacts Heat Safety Standards for City Contractors View Post

#### Colorado

- Amended Colorado Paid Family and Medical Leave Insurance (FAMLI) Law Addresses Neonatal Intensive Care, Slightly Low
- Colorado Clarifies Right to Reproductive Decisions View Post
- . Colorado Enacts Increased Wage Act Penalties and Enforcement, Allows Local Governments to Increase Tip Credit View Po
- Colorado Amends Law on Child Support Withholding View Post

#### Connecticut

- . Connecticut Amends Consumer Data Privacy and Online Monitoring Act View Post
- Connecticut Amends Retirement Security Program View Post
- Connecticut Amends Anti-SLAPP Statute, Extending Protections to Include Communication Concerning Alleged Commission

#### Delaware

Delaware Appropriates Funds for Administration of Healthy Delaware Families Act View Post

#### District of Columbia

. District of Columbia Amends Human Rights Act, Including Definition of Sexual Harassment View Post

#### Hawaii

- Hawaii Amends Retirement Savings Act View Post
- Hawaii Expands Eligibility for Unemployment Benefits <u>View Post</u>

#### Illinois

. Illinois Amends Equal Pay Act, Expanding Reporting Requirements View Post

#### Iowa

. Iowa Amends Law on Notification of Positive Drug Tests View Post

#### **Developments Taking Effect This Month**

To help keep you on track, below is a reminder of previously enacted laws taking effect this month. Click on the links to access the PolicySmart summary and any policy related template materials.

#### Alaska

- · Alaska Ballot Measure Includes Provisions on Mandatory Employer Meetings (effective Jul 01, 2025) View Post
- A Majority of Alaskans Appear to Have Approved a Paid Sick Leave Ballot Measure--Now Includes Sample Policy (effective Jul 01, 2025) View Post

#### Arizona

. City of Tempe, Arizona Enacts Heat Safety Standards for City Contractors (effective Jul 09, 2025) View Post

#### Arkansas

- . Arkansas Amends Independent Contractor Test (effective Jul 12, 2025) View Post
- New Arkansas Law Allows Employers to Disclose Substantiated Allegations of Sexual Abuse or Harassment to Prospective Employers (effective Jul 12, 2025) View Post
- Arkansas Passes Law Allowing Private Property Owners to Ban Emotional Support Animals (effective Jul 12, 2025) View Post
- New Arkansas Law Requires Veterans' Benefits and Services Poster (effective Jul 12, 2025) View Post

#### California

. Los Angeles County Enacts Predictive Scheduling Ordinance--Now Includes Sample Policy (effective Jul 01, 2025) View Post

#### Colorado

Colorado Expands Privacy Act Protections for Biometric Data--Includes Written Policy Requirement (effective Jul 01, 2025) View Post

#### Connecticut

Connecticut Amends Retirement Security Program (effective Jul 01, 2025) View Post

#### Georgia

Georgia Phases Out Subminimum Wage for Individuals with Disabilities (effective Jul 01, 2025) View Post

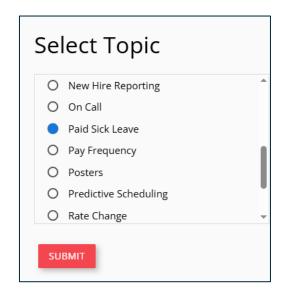
#### Hawai

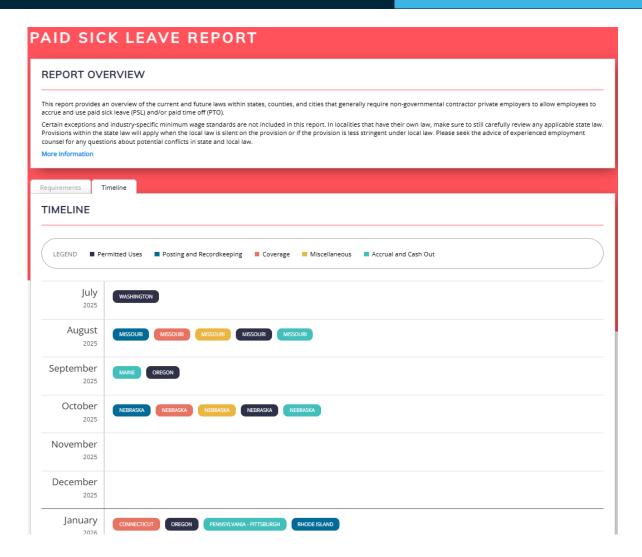
- Hawaii Amends Retirement Savings Act (effective Jul 01, 2025) View Post
- Hawaii Expands Eligibility for Unemployment Benefits (effective Jul 01, 2025) View Post

#### Idaho

Idaho Expands Law Prohibiting Required Vaccinations (effective Jul 01, 2025) View Post

# **Timelines by Topic**





## **Policy Updates Written by Littler Attorneys**

#### Nevada Expands Leave for Volunteer Members of the Civil Air Patrol--Includes New and Updated Policies

Nevada Legal Development (Effective 10/01/2025)



#### Requires Policy Changes

Posted July 1, 2025 - Nevada has enacted a new law that affords employees who are volunteer members of the Nevada Wing or responding to emergency missions. "Emergency mission" includes search and rescue and disaster response activities. This leap position, seniority, accrued leave, or benefits.

Under the new law, the employee is entitled to up to ten work days each year for leave for training for emergency missions, at volunteer. The employer can treat the leave of absence as unpaid leave and cannot require an employee to exhaust any other

When requesting Civil Air Patrol leave, the employee-volunteer must provide the employer with (1) certification from the U.S. A authorized to respond to or train for an emergency mission; and (2) verification from the Civil Air Patrol of the emergency nee entitled to Civil Air Patrol leave from participating in the training for or response to an emergency mission.

The new law provides a private right of action for aggrieved employees to seek damages equal to the amount of the lost wage

The bill also amended an existing requirement related to leave for volunteer search and rescue or reserve units in the sheriff's employees and applicants must disclose volunteer membership in the Civil Air Patrol or the search and rescue or reserve unit activities of one of those units during normal working hours, except for the specific reasons for Civil Air Patrol leave now prote

#### SAMPLE POLICY

#### Civil Air Patrol Leave

Eligible employees who are volunteer members of the Nevada wing of the Civil Air Patrol will be allowed up to:

- o Ten days of unpaid leave during each federal fiscal year for the purpose of participating in Civil Air Patrol training for an emergency mission; and
- o Thirty days of unpaid leave during each federal fiscal year for the purpose of responding to an emergency mission (including search and rescue and disaster response activities).

Employees seeking leave for one of these purposes must provide the following:

- o Certification that they have been authorized by the United States Air Force, the Nevada Governor or a political subdivision of Nevada to respond to or train for an emergency mission; and
- Verification from the Civil Air Patrol of the emergency need of the volunteer service of the employee.

Employees will not be required to exhaust available leave or time-off benefits prior to taking unpaid Civil Air Patrol leave.

Employees and applicants who are members or become members of the Civil Air Patrol must immediately notify their Human Resources representative [or insert name of appropriate company representative or department] and must provide notice of any change in their status as a volunteer.

When Civil Air Patrol leave is requested for reasons other than those described above, the Company reserves the right to not allow an employee to participate in such activities during normal working hours and will notify the employee of this decision as soon as practicable after the employee's disclosure of membership in the Civil Air Patrol.

Time off under this policy will be without pay, except that exempt employees may receive pay, as required by applicable law.

#### **REVISIONS TO SAMPLE POLICY**

<del>Volunteer Search and Rescue, Sheriff's Department Reserves and Civil Air Patrol Leave</del> Sheriff's Department Volunteer Leave

Employees who are members of a volunteer search and rescue or reserve unit of a sheriff's department search-and-rescue volunteers or reserve members in a sheriff's department or members of a Civil Air Patrol unit may be allowed time off for reasons relating to their service in one of these units.

Employees and applicants who are members or become members of one of these units must immediately notify their Human Resources representative [or insert name of appropriate company representative or department] and must provide notice of any change in their status as a volunteer.

The Company reserves the right to not allow an employee to participate in unit search and rescue activities during normal working hours and will notify the employee of this decision as soon as practicable after the employee's disclosure of membership. in a volunteer search and rescue.

Time off under this policy will be without pay, except that exempt employees may receive pay, as required by applicable law.

# Sign Up for a Demo

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- 1. Reply "Yes" to the on-screen poll
- 2. Visit our website: Compliancehr.com
- 3. Email our team at demo@compliancehr.com

#### Benefits of a custom demo:

- Discuss your organization's requirements/challenges
- Review Navigator Suite Solutions
- Share compliance methodologies

#### ComplianceHR Demo & Free Trial:

https://compliancehr.com/webinar-demo/



# **Presented By**



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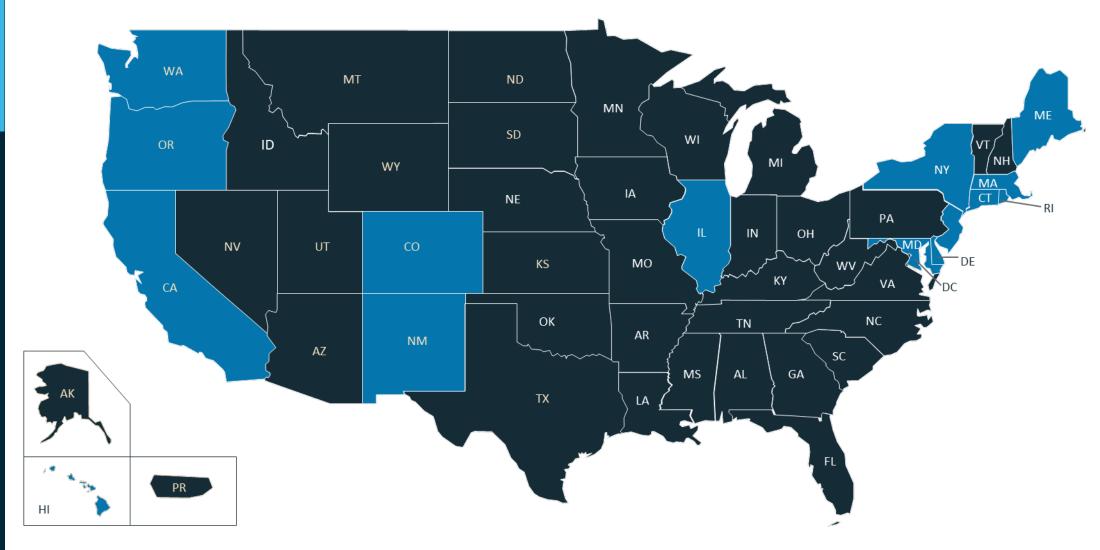
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# Democratic Trifecta States (15)





# A Quick Summary

### **Democratic AGs' Association**

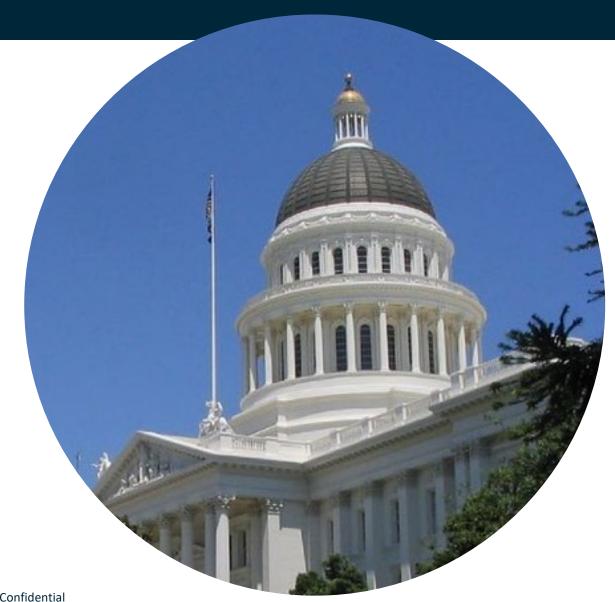
- Brought 2 dozen lawsuits against Trump admin
- Won TRO/PI in 8 of the cases
- Issues:
  - Federal funding issues: keeping the federal funds flowing to industries in the states
  - Consumer issues/Climate/DEI
  - Healthcare/Reproductive Rights
  - Worker protections

# **Issues and Industries in AG Litigation**

- Funding Issues: Sued to enforce 3 trillion in federal funding
  - NIH finding for Universities
  - K-12 funding for teacher training
  - FEMA funding for wildfires
- Environmental Issues:
  - NHSTA Fuel economy standards for passenger vehicles
  - Clean Air Act Waiver
  - EPA's Chemical accident safety rule

# Trump vs. California

- Immigration Enforcement of Workplaces
- Rolling Back Wage and Hour Protections
- DEI
- Limiting Union Protections
- State versus Federal Clashes



# **California Fights Back**

- AG Rob Bonta has sued the administration 36 times to date
- 2016: CA sued administration 123 times over 4 years



# California's Lawsuits Against Trump Admin

- American Federation of Govt E'ees, AFL-CIO v. Trump: Challenges Executive Order 14210, which mandates sweeping federal workforce restructuring, including mass layoffs and restrictions on collective bargaining rights.
  - On July 8, 2025, the Supreme Court granted the Trump administration's request to stay the preliminary injunction, allowing the administration to continue with plans to restructure federal agencies using Agency Reductions in Force and Reorganization Plans
  - AFGE has stated that they will continue to litigate the underlying case to achieve permanent relief and restore their members' rights.
- Santa Clara & San Francisco Counties v. Trump & Department of Government Efficiency: Lawsuit against Trump and the newly created Department of Government Efficiency for unlawful mass terminations of federal employees and restructuring that allegedly violates constitutional and statutory protections for workers
- Santa Clara and San Francisco Counties have previously litigated against the Trump administration. They successfully challenged attempts to withhold federal funds from jurisdictions with "sanctuary" policies during the first Trump administration. Federal courts sided with the counties, finding the funding conditions unconstitutional.

# **Issues Unique to CA**

- California's \$59 billion agricultural industry.
- California's No. 1 export crop is almonds. (76% of world supply)
- Higher levies on products from Canada and China, two of the top markets for California's almonds, pistachios, oranges and other crops.

 California is the nation's top agricultural exporter, with global sales totaling more than \$20 billion annually.

# "Liberation Day" Tariffs

- Trump increased tariffs on Chinese goods to 145%. Beijing retaliated by slapping 125% tariffs on American goods, including California nuts and dairy products.
- This was the steepest tariff hike in modern U.S. trade history
- Resulted in Tech and Manufacturing Exposure
  - California exported over \$15 billion in goods to China in 2024, including electronics, machinery, and chemicals.
  - These sectors face reduced demand and disrupted supply chains due to retaliatory measures and higher import costs for components.

#### And.....Ports and Logistics Issues

- The ports of Los Angeles and Long Beach, which handle a huge share of U.S.— China trade, are seeing congestion and cost spikes.
- Importers are scrambling to reroute or renegotiate contracts, adding to delays and inflationary pressures.

# Newsom Sues Trump Over Tariffs – Suit Dismissed

- Argues that Trump does not have the constitutional authority to unilaterally enact tariffs
- Trump invoked the International Emergency Economic Powers Act of 1977 to establish a universal 10% tariff on all countries importing goods to the United States, with even higher reciprocal tariffs on some nations
- Newsom announced lawsuit from an almond farm
- A federal court in May 2025 ruled parts of Trump's tariff plan violated the International Emergency Economic Powers Act (IEEPA).

# Remind me why we care?

- Increased costs of raw materials and production costs
- Supply chain disruption from delays/rerouting/inventory shortages
- Retaliation hurts exports: agriculture and manufacturing
- Volatility in the market: long term planning, renegotiation of contracts, changing suppliers, etc.

# That's Just California, What about the other Democratic States?



How do the states stack up against the Feds?



# The Matchups



# Matchup 1: Lightweight Division

### **COVID**

- Maine LD871: effectively eliminates Covid-19 mandates statewide
- Illinois several bills:
  - HB2597: Covid religious exemption act:
     Employers cannot deny jobs, impose conditions, or discriminate based on refusal to vaccinate.
  - HB2600: prohibition against Covid mandates: seeks to prohibit employers from requiring employees to show proof of receiving a COVID-19 vaccine or booster approved under Emergency Use Authorization)
  - HB3853: right to wear masks

- Massachusetts HB1981: no discrimination based on PPE use
  - HB2431: no Covid mandates
  - SB1327: right to wear masks
  - CA AB596: right to wear masks
- New York: AB3807: no Covid mandates as a condition of employment
- Oregon: SB383: no Covid mandates
- Rhode Island: no Covid mandate without an exemption

# Why all of the new anti-Covid mandates?

- Vaccine-related legislation remains a hot topic nationwide: 370 vaccine-related bills were introduced in the first quarter of 2025 alone, across 44 states.
- Approx. 42% of these bills address vaccine requirements, including prohibiting COVID-19 or mRNA vaccine mandates, even in states traditionally considered "pro-mandate"
- These bills often aim to codify the end of mandates so they cannot be reinstated without legislative approval
- Lawmakers are introducing these bills to restore public trust and address concerns about government overreach
- Control the narrative: preempt other proposals

# Implications of "No COVID Mandates"

- Compliance conflicts: federal versus state OSHA
- Policy changes-- revise employee handbooks, vaccination policies, and health protocols to reflect new state laws.
- Workplace safety: future out breaks testing, social distancing policies
- Operational issues: WFH, modifications to workstations, alternative safety measures
- Employee relations: reasonable accommodation meetings

# Implications of PPE/Mask Protections

- Safety concerns
- Communication needs
- Job-specific requirements adjust
- ADA issues
- OSHA issues
- And of course, political arguments free speech issues

# **Reproductive Rights**

- California AB40: emergency services includes reproductive health
- Colorado HB1259
- Delaware SB5 right to reproductive freedom
- Illinois HB728/SB297

- New Jersey ACR 156: Constitutional right to reproductive freedom
- Rhode Island: 5857: genderaffirming care and reproductive rights

# Implications of Reproductive Rights Bills

- Ensure healthcare benefits cover RHS (reproductive health services)
- Workplace policies on leave, accommodations, privacy
- Training and awareness for HR (confidential communications)

# **Implications of Gender Affirming Care**

- Healthcare benefits
- Leave and accommodation issues
- Policy changes
- Heated discussions in the workplace free speech issues



# Matchup 2: The Featherweight Division

# **Immigration**

- California: SB48/SB98, prohibitions on sharing immigration status on school and university campus
- AB421: law enforcement may not assist ICE if actions are within 1 mile radius of childcare or daycare facility, religious institution, place of worship, hospital, or medical office

- Maryland HB1476
- Illinois HB2909/SB1666 (no discrimination based on citizenship status)
- SB1995: Business cannot collect/distribute citizenship records

# **Immigration**

- Oregon HB3830: if not lawfully present, may still provide professional services
- OR SB119: no discrimination based on immigration status
- Rhode Island SB537: no access to healthcare facilities without judicial warrant
- Washington SB5104: no coercion of employees based on immigrations status

#### Implications of Immigration Bills

 Nationwide over 1 million immigrants work in healthcare, including 40% of home health aides and 18% of nursing home staff.

#### **Disruptions in staffing**

- Agriculture: Over 50% of California crop workers are estimated to be undocumented, and nearly two-thirds of the
  agricultural workforce are immigrants of any status. Immigration raids and changes to the H-2A visa program have
  caused severe labor shortages.
- Construction
- Hospitality and food services
- Manufacturing and Logistics

#### **Employment Implications of Immigration Bills**

- Hiring practices
- Workplace policies outdated language
- Employment verification
- Employee relations reports of other employees?
- Inquiries into employees' status
- Labor implications

#### **DEI** Issues

- Illinois HB3057: allows trainings to prevent discrimination based on gender identity
- California SB464: collect data on sexual orientation
- Colorado SB129
- Connecticut SJR
- Hawaii: SB1284/SB1150
- Maine LD260: protect sexual orientation status in Constitution

- Gender affirming care bills in:
- New Mexico (SB508)
- New York (SB4914/AB5480)
- Washington (SJR8204)

#### Implications of DEI bills

- Legal complication : comply with state permissions, but conflict with federal law?
- Employee conflict: DEI training is a topic of frequent debate. May lead to employee relations complaints.

#### **Worker Misclassification**

- Trump regulation vs. Biden regulation
- DOL activity
- States' activity in response



# Matchup 3: The Heavyweight Division



### Labor

#### **Labor: Captive Audience Bans Proliferate**

- Maryland HB233/SB 576
- Massachusetts SB1078/HB1653
- New Mexico HB84
- Rhode Island HB5506 (signed into law)
- California SB399 (pending injunction)
- Delaware HB84 (just died in House labor committee)
- <u>12 states (including California, New York, Illinois, Oregon, Washington, and others) have enacted bans, and more states (e.g., Massachusetts, Maryland, Rhode Island) have bills pending</u>

#### **Implications from Captive Audience Bans**

- Voluntary attendance
- Advance notice
- Alternative communication methods
- Neutral location

#### **Labor: Strikers Get Paid**

- Illinois: HB2565/HB2650 (signed into law)/SB1729
- Massachusetts SB1319
- New York AB3654
- Oregon: HB3434
- Rhode Island 5680
- Washington SB5041
- Connecticut: HB6904 (recently died in chamber)
- Delaware: SB26 (recently died in chamber)

#### **Implications for Paying Strikers**

- Employees now incentivized to participate
- Harder to end a strike/negotiate

#### **Labor: Privileged Communications**

- California AB340: public employers: confidential communications between employees and labor reps
- Massachusetts HB2087/SB1078: privilege between labor organization and labor member
- Oregon HB2742: union reps during reasonable accommodation meetings
- (Weird one in Oregon: HB2792/2793: hospitals must report on money spent on strategy to discourage labor unions!)

#### **Implications from New Privileges**

- Workplace investigations
- Lybarger issues: Can we still order them to answer under threat of discipline?
   Can we still make an employee participate?
- Safety issues: will a union identify someone who has threatened another employee?
- Discovery ~ Litigation

#### **Trigger Laws – Pending Legislation**

- California AB288: Go to PERB if NLRB is ineffective
- Delaware HB031: State relief in lieu of NLRB
- Massachusetts H2086/S1327: Would apply if NLRB declines jurisdiction
- New York S8034-A/A8590A: Would apply if NLRB declines jurisdiction

## Littler Compliance HR

# Questions?

This information provided by Littler is not a substitute for experienced legal counsel and does not provide legal advice or attempt to address the numerous factual issues that inevitably arise in any employment-related dispute. Although this information attempts to cover some major recent developments, it is not all-inclusive, and the current status of any decision or principle of law should be verified by counsel.



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### Littler Compliance HR

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