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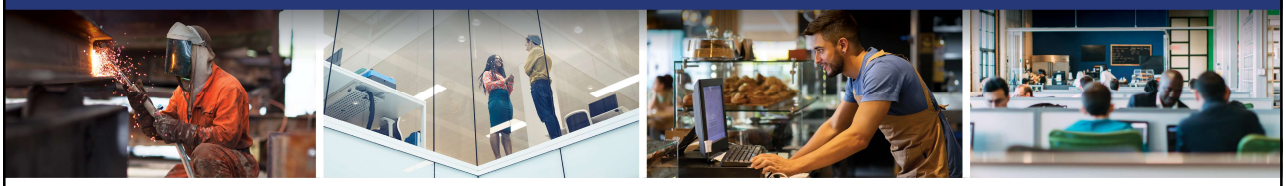

Notable Supreme Court Cases of the 2024-2025 Term

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Agenda

- Introduction
- Supreme Court Decisions from the 2024-2025 Term Impacting Labor and Employment
- Cases to Watch in the 2025-2026 Term
- Q&A
- Conclusion

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Ames v. Ohio Department of Youth Services

- **Background/Issue Before the Court**
  - Marlean Ames worked for the Ohio Department of Youth Services. Ms. Ames, a heterosexual white woman, applied for a promotion. The Ohio Department of Youth Services elected to hire a lesbian candidate for the position. The Department subsequently demoted Ms. Ames and replaced her with a gay man.
  - Ms. Ames is a majority group plaintiff (insofar as she is not a member of any protected class). She alleges that the Department discriminated against her in violation of Title VII of the Civil Rights Act of 1964.
  - The Sixth Circuit previously required majority group plaintiffs to meet a higher pleading standard to survive a motion to dismiss.

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Ames v. Ohio Department of Youth Services

- **Holding:**
  - The Sixth Circuit's heightened pleading standard for majority group plaintiffs is inconsistent with the text and purpose of the Civil Rights Act of 1964.
  - More specifically, prior to the Court's decision in *Ames*, the Sixth Circuit required that Ms. Ames show "background circumstances to support the suspicion that the defendant is that unusual employer who discriminates against the majority." *Ames v. Ohio Dep't of Youth Servs.*, 87 F.4th 822, 825 (6th Cir. 2023).
  - The Court explained that Title VII protects all individuals from invidious discrimination, not just members of certain protected classes. Nothing in the text or the Court's precedents interpreting Title VII compels a contrary finding.

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Ames v. Ohio Department of Youth Services

- **Notable Concurrences and Dissents**
- Justice Thomas – Concurrence.
  - Justice Thomas concurred in the elimination of the "background circumstances" rule for majority group plaintiffs.
  - However, he also offered notable comments on the future of *McDonnell-Douglas* burden shifting.

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Ames v. Ohio Department of Youth Services

- **Practical Implications**
  - Employers should be aware that the *Ames* decision lowers the pleading standard for majority group plaintiffs alleging discrimination pursuant to Title VII.
  - Thus, there may be an influx of "reverse racism" discrimination claims, whereby majority group plaintiffs allege that employer practices discriminate against them because they are white, cisgender, heterosexual, etc.
  - The lower pleading standard also makes it easier for plaintiffs to survive the motion to dismiss stage – which conversely could lead to more cases advancing to discovery and thus imposing greater costs on employers.

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Catholic Charities Bureau Inc. v. Wisconsin Labor & Industry Review Commission

- **Background/Issue Before the Court**
  - Catholic Charities pursued a tax exemption under Wisconsin law.
  - The pertinent exemption "covers nonprofits 'operated primarily for religious purposes' and controlled, supervised, or principally supported by a church." *Cath. Charities Bureau, Inc. v. Wisconsin Lab. & Indus. Rev. Comm'n*, 605 U.S. 238, 241 (2025).
  - The Wisconsin Supreme Court ultimately found that Catholic Charities did not qualify for the exemption, because Catholic Charities did not proselytize, nor did they only serve members of the Catholic Church.
  - The Supreme Court reviewed whether the Wisconsin Supreme Court's interpretation of its religious nonprofit tax exemption violated the First Amendment as applied to Catholic Charities.

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Catholic Charities Bureau Inc. v. Wisconsin Labor & Industry Review Commission

- **Holding:**
  - As applied to Catholic Charities, the Wisconsin Supreme Court's interpretation of the religious nonprofit tax exemption violates the First Amendment's Free Exercise Clause.
  - The Wisconsin Supreme Court's interpretation of the exemption is not "denomination neutral." The First Amendment does not permit favoring one religion over another.

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Catholic Charities Bureau Inc. v. Wisconsin Labor & Industry Review Commission

- **Practical Implications**
  - In the last few terms, the United States Supreme Court has signaled a shift towards a more muscular Free Exercise Clause.
  - This decision also affirmed a long-standing constitutional principle: the government cannot favor one religion over another.

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E.M.D. Sales, Inc. v. Carrera

- **Background/Issue Before the Court**
- The Fair Labor Standards Act ("FLSA") "requires employers to pay their employees a minimum wage and overtime compensation. But the Act also exempts many categories of employees from the minimum-wage and overtime-compensation requirements." *E.M.D. Sales, Inc. v. Carrera*, 604 U.S. 45, 47 (2025).
- E.M.D. is a Washington D.C. area food distributor. The company employs "sales representatives" who take orders from local grocers and manage E.M.D.'s inventory. In this case, several sales representatives sued – alleging that E.M.D. failed to pay them overtime wages.
- The District Court, after a bench trial, held that E.M.D. failed to prove, by "clear and convincing evidence" that the sales representatives qualify for the "outside salesman" FLSA exemption. *Id.* at 49.
- The Supreme Court was called on to evaluate whether the District Court applied the appropriate standard.

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E.M.D. Sales, Inc. v. Carrera

- **Holding:**
  - An employer must demonstrate that an employee is eligible for a FLSA exemption by a preponderance of the evidence.
    - The "clear and convincing" standard applied by the District Court does not apply.
    - The burden on employers is significantly lessened by application of the preponderance of the evidence standard.

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E.M.D. Sales, Inc. v. Carrera

- **Practical Implications**
  - Employers seeking to demonstrate that employees qualify for a FLSA exemption now face a significantly lower evidentiary hurdle.
  - This decision undeniably favors employers.
  - The FLSA, as applied by courts, is complex. In many cases, there are three/four part balancing tests to determine whether someone is an eligible employee/volunteer/etc. This is obviously also true in the case of establishing whether a statutory exemption applies.
  - Therefore, reducing the burden on employers at trial necessarily means that more employers will prevail.

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Mahmoud v. Taylor

- **Background/Issue Before the Court**
- In 2022, Montgomery County Public Schools ("MCPS") added "LGBTQ+" stories to their elementary school curriculum "designed to 'disrupt' children's thinking about sexuality and gender." *Mahmoud v. Taylor*, 145 S. Ct. 2332, 2342 (2025).
- Parents of MCPS students initiated this lawsuit, asserting that MCPS' failure to provide them with notice that the LGBTQ+ stories would be used, and the attendant policy precluding them from opting their kids out of lessons invoking those stories, violates the First Amendment.
- Specifically, the Supreme Court was called on to determine whether the lack of notice/opt outs violated the First Amendment's Free Exercise Clause.

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Mahmoud v. Taylor

- **Holding:**
  - Montgomery County Public Schools' failure to provide notice and opt outs of lessons which invoke LGBTQ+ themes violates the First Amendment's Free Exercise Clause.
  - Parents do not have the right to dictate curricular choices in public schools.
  - However, the government cannot condition receipt of a public benefit on the forfeiture of constitutional rights. Thus, students cannot be forced to learn/discuss ideas which contradict their sincerely held religious beliefs in order to obtain a public school education.

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Mahmoud v. Taylor

- **Notable Concurrences and Dissents**
- Justice Sotomayor – Dissent.
  - Justice Sotomayor argued that, under the majority's reasoning, mere "exposure" to ideas which contradict religious beliefs is now constitutionally suspect.
  - Justice Sotomayor also outlined concerns about the practical implications of the Court's decision, namely as it relates to providing notice and opt outs for classroom lessons which may implicate Free Exercise rights.

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Mahmoud v. Taylor

- **Practical Implications**
  - This decision does not directly implicate most employers. However, it represents yet another case where the Roberts Court gives maximum deference to religious plaintiffs.
  - The Court's propensity to find for individuals/entities claiming Free Exercise violations, should inform how employers think about, for example, religious accommodations, among other things.

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Royal Canin U.S.A. v. Wullschleger

- **Background/Issue Before the Court**
- Plaintiff initiated a suit in Missouri state court, asserting both Missouri and federal claims. The defendant, Royal Canin U.S.A. removed the case to federal court.
- The plaintiff did not want to litigate in federal court. So, she amended her complaint and removed the federal claim. In her Amended Complaint, Plaintiff exclusively pursued claims pursuant to Missouri law.
- The question is whether the Amended Complaint's removal of federal claims deprives the federal court of jurisdiction over the attendant state law claims.

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Royal Canin U.S.A. v. Wullschleger

- **Holding:**
  - The operative complaint determines whether the federal court retains jurisdiction over a case. More specifically, when a plaintiff amends their complaint to eliminate all federal claims, a federal court is accordingly deprived of jurisdiction and must remand to the state court for adjudication.
    - This assumes that the case was removed based on the existence of a federal question/the case is not in federal court based on diversity jurisdiction.
  - The plaintiff is the master of the case. Even if amending to remove federal claims feels like jurisdictional gamesmanship, it is permissible.

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Royal Canin U.S.A. v. Wullschleger

- **Practical Implications**
  - When removing a case from state to federal court, if possible, consider basing removal on both the presence of a federal question and complete diversity of citizenship between the parties.
  - In theory, a plaintiff who does not want to litigate in federal court now clearly possesses the ability to force a remand.

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Stanley v. City of Sanford, Florida

- **Background/Issue Before the Court**
- Plaintiff worked as a firefighter for the City of Sanford.
- The City had previously implemented a policy: they would offer health insurance to individuals, up until the age of 65, provided those individuals either: (1) had 25 years of service; or (2) retired early due to a disability. However, the City later changed the policy as it relates to persons who retired early due to disability. Those individuals would only be eligible for health insurance for 24 months following their retirement.
- Plaintiff became disabled after the City's policy change – and was forced to retire. Under the new policy, she would only be eligible for health insurance for 24 months.
- The District Court dismissed plaintiff's ADA claim, reasoning that "she was not a qualified individual' under Title I of the ADA because she was not someone 'who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires."

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Stanley v. City of Sanford, Florida

- **Holding:**
  - The Americans with Disabilities Act does not protect retirees "who neither hold nor desire a job whose essential tasks they can perform with reasonable accommodation."
  - Simply put, retirees do not receive the benefit of workplace accommodations.

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Stanley v. City of Sanford, Florida

- **Notable Concurrences and Dissents**
- Justice Jackson – Dissent.
  - Justice Jackson expressed disagreement with the majority's understanding of the ADA's anti-discrimination provision.
  - The dissent emphasized the statutory context of the ADA – which is a broad, sweeping statute designed to protect individuals with disabilities.

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Stanley v. City of Sanford, Florida

- **Practical Implications**
  - The Court's opinion reflects a narrow view of the ADA's anti-discrimination provision.
  - Employers should no longer fear lawsuits from retirees who would not benefit from workplace accommodations, because such individuals are no longer viable plaintiffs.
  - The decision also seemingly precludes potential plaintiffs who are adversely effected by policy changes while working, but who decline to sue until after they retire. As Justice Jackson's dissent pointed out, the City of Sanford implemented the policy change to retirement benefits while Ms. Stanley was actively employed, but Ms. Stanley did not initiate her suit until after she retired.

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Trump v. CASA Inc.

- **Background/Issue Before the Court**
- Upon re-taking office this January, President Trump signed Executive Order 14160, which limited who is defined as a citizen. In effect, the Executive Order explains that in certain contexts, being born in the United States does not qualify an individual for citizenship.
- Because the Executive Order, in the opinion of countless plaintiffs across the country, contravened the Fourteenth Amendment's citizenship clause, they sought injunctive relief.
- Several district courts issued nationwide injunctions, precluding the administration from enforcing Executive Order 14160 anywhere in the country against anyone.
- The Court was tasked with resolving whether District Courts can issue sweeping nationwide injunctive relief.

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Trump v. CASA Inc.

- **Holding:**
  - District Courts may not issue nationwide injunctions.
  - Courts can provide equitable relief to the parties before them; they cannot enjoin enforcement of a policy on a national scale.
  - The Court looked to history in defining the scope of a District Court's powers. The Judiciary Act of 1789 grants federal courts with jurisdiction over suits "in equity." The Act afforded courts the same power as courts in equity in England at the time of the American Revolution. Because there was no founding era analog to a nationwide injunction, issuance of such relief is beyond the scope of a court's powers.

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Trump v. CASA Inc.

- **Notable Concurrence and Dissents**
- Concurrences:
  - Alito: This opinion should not affect the class action certification process.
  - Kavanaugh: Courts may still provide classwide relief. Additionally, courts may still vacate rules issued by agencies pursuant to the Administrative Procedures Act.
- Dissents:
  - Justice Sotomayor: A disagreement over history.
  - Justice Jackson: A look at the practical implications of the Court's ruling.

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Trump v. CASA Inc.

- **Practical Implications**
  - Federal judges lost a large tool from their toolkits. Now, courts are constrained from offering equitable relief to anyone besides the parties to a given controversy.
  - As the concurrences noted, courts may still preliminarily certify class action plaintiffs and provide the entire class with accordant relief. Courts also continue to enjoy the power to vacate agency rules pursuant to the Administrative Procedures Act.
    - While nationwide vacatur is still available now, some legal scholars/pundits theorize that, when taken to its logical conclusion, the Court's holding in *CASA* could one day be used to limit the availability of **or** entirely eliminate nationwide vacatur.

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Kennedy v. Braidwood Management, Inc.

- **Background/Issue Before the Court**
- The United States Preventative Services Task Force, which operates inside of the United States Department of Health and Human Services, "issues public recommendations about preventive healthcare services—for example, cancer and diabetes screenings." *Kennedy v. Braidwood Mgmt., Inc.*, 145 S. Ct. 2427, 2438 (2025).
- The Task Force's recommendations used to be advisory. However, the Affordable Care Act required insurers to cover some of the recommended services. *See id.* at 2438-39.
- The Task Force has 16 members, each of whom is appointed by the Secretary of the Department of Health and Human Service.
- The Court reviewed whether these Task Force members were principal officers of the United States, which would necessitate appointment by the President and confirmation by the Senate, or inferior officers who could be appointed by the Secretary.

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Kennedy v. Braidwood Management, Inc.

- **Holding:**
  - The Task Force members are inferior officers. Thus, the Secretary can validly appoint them.
    - The Court was persuaded that the Task Force members were inferior officers for two principal reasons.
    - First, the Secretary can remove the members at will.
    - Second, the Secretary retains the ability to review and block the Task Force's recommendations.

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Kennedy v. Braidwood Management, Inc.

- **Practical Implications**
  - It is important to look at the structure and form of government task forces. Depending on the appointment process, and the task force's authority, there seems to be viable Appointments Clause challenges available to litigants who are adversely impacted by Task Force decisions.
  - The Court did not upend its longstanding doctrine on the question of principal versus inferior officers. Generally, when a higher ranking official retains removal/review power over other officials, the latter officials are inferior and not principal officers.

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Cases to Watch in the 2025-2026 Term

The Hain Celestial Group v. Palmquist

- Issue(s): Whether a district court's final judgment as to completely diverse parties must be vacated when an appellate court later determines that it erred by dismissing a non-diverse party at the time of removal.

The GEO Group v. Menocal

- Issue(s): Whether an order denying a government contractor's claim of derivative sovereign immunity is immediately appealable under the collateral-order doctrine.

Enbridge Energy, LP v. Nessel

- Issue(s): Whether district courts have the authority to excuse the 30-day procedural time limit for removal in 28 U.S.C. § 1446(b)(1).

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