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**Southwest Montana SHRM**

**Affiliate of the Society for Human Resource Management**

***Chartered in Bozeman, MT***

***LEGISLATIVE UPDATE***

***APRIL 2025 UPDATE***

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| Grover Wallace – Southwest MT & Montana State Legislative Director |
| **Southwest Montana SHRM MISSION:**  *To connect and inspire members to create a collaborative environment for people to do their best work* |
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| |  | | --- | | **SHRM Asks Congress to Modernize the Fair Labor Standards Act**  SHRM testified before the House Subcommittee on Workforce Protections on March 25 to call for modernization of the Fair Labor Standards Act of 1938 (FLSA).  To reach the U.S. workforce’s full potential, SHRM believes in turning three essential keys — modernizing the FLSA, closing the workforce participation gap, and shaping the future of work — all of which will open doors that lead to innovation, economic growth, and a more dynamic, competitive workforce, testified Paige Boughan, M.S., SHRM-SCP, a senior vice president and director of human resources. She testified in her capacity as legislative director for the Maryland SHRM State Council.  Clarity, consistency, and compliance are needed, Boughan noted in her oral testimony, including clarity of the definition of who is an employee versus an independent contractor and who is qualified for overtime.  “The world has undergone significant changes since the FLSA was first passed and since Congress last made significant changes to the law,” she said. “It has not been amended to account for significant differences in the way workers work or the kinds of work they perform.”  A rule currently being challenged in multiple lawsuits outlines who is considered an employee or an independent contractor under the FLSA.  The Modern Worker Empowerment Act, currently before the House, “provides a great launching point and opens the door to an important conversation” about who is an employee, Boughan said in her written testimony. “It also addresses an important need to offer clarity, certainty, and consistency in structuring worker relationships, without granting favor to any one type of designation.” An important step would be to align the FLSA and the National Labor Relations Act on this threshold issue to help reduce confusion among organizations striving to comply, she added.  **SHRM LINK ARTICLE:** [SHRM Asks Congress to Modernize the Fair Labor Standards Act](https://www.shrm.org/topics-tools/employment-law-compliance/shrm-asks-congress-to-modernize-fair-labor-standards-act?utm_placement=article1&utm_source=marketo&utm_medium=email&utm_campaign=editorial~hrd_flag~NL_2025-03-26_HR-Daily&linktext=SHRM-Asks-Congress-to-Modernize-the-Fair-Labor-Standards-Act&mktoid=49915738&mkt_tok=ODIzLVRXUy05ODQAAAGZcgiDdReaU2bTA1f9ObSviriJ1dBJPmG-VVOmdPhDhCVhnM60i_zOB6J7Kj1iaPga19Oas1FKVk3dJLCnxPNg21gLuDRAwMJGb4RNqHz_U2M5ImG5)  **EEOC Investigates Law Firms, Issues Guidance on Illegal Practices**  On March 17, the U.S. Equal Employment Opportunity Commission (EEOC) launched an inquiry into 20 prominent law firms, focusing on diversity, equity, and inclusion (DEI) initiatives. That news was followed by the agency issuing guidance for all employers covered by Title VII of the Civil Rights Act of 1964 on what the EEOC considers to be unlawful practices.  **Law Firm Policies Scrutinized**  Acting Chair Andrea Lucas issued formal letters to the firms, citing concerns that certain inclusion and diversity (I&D) policies may inadvertently violate Title VII, which prohibits discrimination based on race, color, religion, sex, or national origin.  The EEOC’s examination stems from suspicion that some programs within these firms may involve unlawful practices, such as restricting or categorizing employees in a manner that could limit their opportunities or affect their employment status.  Lucas emphasized that no organization, regardless of its stature, is exempt from compliance with federal anti-discrimination laws. “No one is above the law — and certainly not the private bar,” she said.  **The EEOC Defines “Illegal DEI”**  On March 19, the EEOC and the U.S. Department of Justice released [technical assistance](https://www.eeoc.gov/newsroom/eeoc-and-justice-department-warn-against-unlawful-dei-related-discrimination), further clarifying their understanding of what constitutes an illegal practice.  Any action an employer takes that is motivated by an employee’s protected characteristic, such as race or gender, may be an instance of discrimination, according to the EEOC. The commission cites suspicions of preferential treatment of certain demographics in situations such as hiring decisions, leading to a supposed reduction in opportunity for other demographics.  “Far too many employers defend certain types of race or sex preferences as good, provided they are motivated by business interests in ‘diversity, equity, or inclusion.’ But no matter an employer’s motive, there is no ‘good,’ or even acceptable, race or sex discrimination,” Lucas said.  **SHRM LINK ARTICLE:** [EEOC Investigates Law Firms, Issues Guidance on Illegal Practices](https://www.shrm.org/topics-tools/news/eeoc-investigates-law-firms-issues-guidance-on-illegal?utm_placement=article1&linktext=EEOC-Investigates-Law-Firms-Issues-Guidance-on-Illegal-Practices-&linktext=EEOC-Investigates-Law-Firms-Issues-Guidance-on-Illegal-DEI-Practices&mktoid=49915738&utm_source=marketo&utm_medium=email&utm_campaign=editorial~hrd_flag~NL_2025-03-27_HR-Daily&mkt_tok=ODIzLVRXUy05ODQAAAGZdy2oyAWqH2DMkQHqiuamixs12hNggZxEmirPL_0RF0oXwObvVuH2ndEftmwnYLojlvDORQJ9hlxXDLKYPFNDSch74idmupIK88RlbEo3nC7rQzHm)  **How to Adjust Your I&D Initiatives Under Trump’s New Guidelines**  Now is the time for private companies to review policies and initiatives associated with inclusion & diversity programs to ensure they comply with long-standing anti-discrimination laws, in light of President Donald Trump’s recent executive order on [ending illegal discrimination and restoring merit-based opportunity](https://www.whitehouse.gov/presidential-actions/2025/01/ending-illegal-discrimination-and-restoring-merit-based-opportunity/).  “SHRM is mobilizing to empower HR professionals, CEOs, and business leaders to ensure inclusion and diversity remain a priority and initiatives are lawful,” said Anuradha Hebbar, president of CEO Action for Inclusion & Diversity at SHRM.  SHRM recommends that “all private companies evaluate their inclusion and diversity initiatives to ensure they provide equal access to opportunities, skills development, and do not give special advantages to one person or group over another, avoiding any perception of identity-based favoritism,” she said. “They should also review their initiatives to determine whether they foster inclusivity or inclusive workplace cultures.”  Inclusion—defined as making sure that every employee is given the necessary support and tools to achieve their performance goals, perform at their highest levels, and bring their whole selves to work—is a central hallmark of a nondiscriminatory policy, said Anthony Haller, an attorney with Blank Rome in Philadelphia. “Leading with inclusion in that sense, so long as it is clearly defined, is beneficial and supportive of a merit-based system,” he said.  **SHRM LINK ARTICLE:** [How to Adjust Your I&D Initiatives Under Trump’s New Guidelines](https://www.shrm.org/topics-tools/employment-law-compliance/how-to-adjust-dei-initiatives-under-trumps-new-guidelines?utm_source=marketo&utm_medium=email&utm_campaign=enterprise~eo-dei-webinar_ent~DRIP_2025_Post-Event_DEI-EOs-Webinar_BEAM&linktext=READ-MORE&mktoid=49915738&mkt_tok=ODIzLVRXUy05ODQAAAGZbWtJRUVHHAo863XcuEuQrOwk3IgP2-xTrRuATxNlnJAnLuf4HBQtSlx2cs9Hcy6nSeDp_hk5hu4QlSJT2GADEBAz8KEtJC6Cb7hJzPdGFD9-pcOl)  **Senate Confirms Keith Sonderling as Deputy Secretary of Labor**  On March 12, the Senate confirmed Keith Sonderling as deputy secretary of Labor in a [53-46 vote](https://www.congress.gov/nomination/119th-congress/12/42), completing top leadership at the U.S. Department of Labor (DOL). He will join newly confirmed Labor Secretary Lori Chavez-DeRemer as they collaborate to uphold the DOL’s mission to support workers, improve working conditions, expand job opportunities, and protect employment rights. In this role, similar to that of a COO, Sonderling will oversee workforce management and daily operations under Secretary Chavez-DeRemer.  Sonderling previously served as a commissioner on the U.S. Equal Employment Opportunity Commission and as deputy administrator in the DOL’s Wage and Hour Division. He is known for his expertise in artificial intelligence and its impact on the workplace, particularly in human resources. His insights are expected to help guide the DOL as technology reshapes the workforce.  SHRM [submitted](https://devshrmadvocac.wpengine.com/wp-content/uploads/2025/01/Sonderling-for-Deputy-Secretary-of-Labor-Support-Letter.pdf) a letter to the Senate supporting Sonderling’s nomination, highlighting his commitment to working with employers, employees, policymakers, and advocacy groups.  His “collaborative spirit, coupled with his ability to promote smart, pragmatic solutions, will serve the DOL and the American workforce well,” SHRM said.  **SHRM LINK ARTICLE:** [Senate Confirms Keith Sonderling as Deputy Secretary of Labor](https://www.shrm.org/advocacy/senate-confirms-keith-sonderling-as-deputy-secretary-of-labor?utm_placement=article7&utm_source=marketo&utm_medium=email&utm_campaign=editorial~policy_topical~NL_2025-03-25_HR-Policy-Briefing&linktext=Senate-Confirms-Keith-Sonderling-as-Deputy-Secretary-of-Labor&mktoid=49915738&mkt_tok=ODIzLVRXUy05ODQAAAGZbbgL2NMrX8gIp50JF0agEEoMYoniO-Jsns6CCR3c-xAtlsZVzkP-Dh2OYq3yrkxLEfBw9QLCx7LPq_JpPH2bj55J_Fqell8dijTu-F2oPepDua21)  **MONTANA STATE LEGISLATIVE SESSION**  Here are a few employment related bills that have been signed into law or still pending this legislative session.  **HB 245 - Revise the Montana HELP Act workforce development provisions and termination date**  **HOUSE BILL NO. 245 2 INTRODUCED BY E. BUTTREY, E. ALBUS, C. SCHOMER, D. BEDEY**  The bill aims to revise the workforce development provisions under the Healthy Montana Health and Economic Livelihood Partnership Act by removing the requirement for contracting with private entities for training and education programs. It amends Section 39-12-103 of the Montana Code Annotated (MCA) to allow individuals receiving healthcare assistance to participate in an employment or reemployment assessment as part of the workforce development program. The assessment will identify barriers to employment, and the department will assist participants in completing it and provide necessary workforce development services based on the assessment results.  **CURRENT STATUS:** Governor has signed into law  **HB 484 – Providing for an increase in the minimum wage**  A BILL FOR AN ACT ENTITLED: “AN ACT PROVIDING FOR AN INCREASE IN THE MINIMUM WAGE; REMOVING A $4 MINIMUM WAGE FOR CERTAIN BUSINESSES; AMENDING SECTION 39-3-409, MCA; AND PROVIDING AN EFFECTIVE DATE.”  Section 1. Section 39-3-409, MCA, is amended to read: "39-3-409. Adoption of minimum wage rates -- exception. (1) The minimum wage, except as provided in subsection (3), must be the greater of either: (a) the minimum hourly wage rate as provided under the federal Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), excluding the value of tips received by the employee and the special provisions for a training wage; or (b) $6.15 $12.06 an hour, excluding the value of tips received by the employee and the special provisions for a training wage. (2) (2)(b). (b) (a) The minimum wage is subject to a cost-of-living adjustment, as provided in subsection No later than September 30 of each year, an adjustment of the wage amount specified in subsection (1) must be made based upon the increase, if any, from August of the preceding year to August of the year in which the calculation is made in the consumer price index, U.S. city average, all urban consumers, for all items, as published by the bureau of labor statistics of the United States department of labor.  **CURRENT STATUS:** Missed deadline for Bill transmittal – March 12, 2025  **HB 367: Revise workers' compensation laws relating to travel and reimbursement**  **INTRODUCED BY E. BUTTREY, R. MARSHALL**  A BILL FOR AN ACT ENTITLED: “AN ACT REVISING WORKERS' COMPENSATION LAWS RELATING TO TRANSPORTATION; PROVIDING THAT WHETHER AN EMPLOYER FURNISHES TRANSPORTATION OR THE EMPLOYEE RECEIVES CERTAIN REIMBURSEMENT FROM THE EMPLOYER IS NOT DISPOSITIVE OF WHETHER THE EMPLOYEE IS COVERED FOR WORKERS' COMPENSATION INSURANCE; AMENDING SECTION 39-71-407, MCA; AND PROVIDING AN APPLICABILITY DATE.” BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  **CURRENT STATUS:** Pending Senate reading.  **HB 297: Healthy Families and Workplace Act – Providing for paid Sick Leave.**  INTRODUCED BY S. HOWELL, J. ISALY, T. CROWE, J. SECKINGER, S. FYANT, C. NEUMANN, SOOKTIS, E. MATTHEWS, J. MORIGEAU, J. WINDY BOY, M. CAFERRO, T. FRANCE, D. HAWK, K. KORTUM, A. OLSEN, E. STAFMAN  A BILL FOR AN ACT ENTITLED: “AN ACT REVISING LAWS RELATED TO PAID SICK LEAVE; CREATING THE HEALTHY FAMILIES AND WORKPLACES ACT  Section 2. Purpose. The legislature declares that it is the purpose of the Healthy Families and Workplaces Act to: (1) (2) safeguard the public health, safety, and welfare; and establish minimum paid sick leave standards for employees at levels consistent with their health, efficiency, and general well-being.  **CURRENT STATUS:** Missed deadline for Bill transmittal – March 12, 2025  ***UPCOMING CALENDAR EVENTS:***    Montana's premiere Human Resource Conference.  2025 Conference Registration is open. Early Bird pricing ends January 31, 2025  [**Register to attend Today!**](https://lp.constantcontactpages.com/ev/reg/ywktega/lp/8b7c5398-9d04-4e16-adae-f4be02cbe88c)  **UPCOMING SHRM EVENTS**    ***THANK YOU!*** | |  |  |  | | --- | |  | |  | |
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