

# Legal Issues Impacting Community Colleges

Supreme Court rulings and Trump Administration orders impact discrimination lawsuits, wage and overtime violation cases, and criminal enforcement of federal agency rules.

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THE FOLLOWING RECENT LEGAL DEVELOPMENTS ARE IMPORTANT TO the day-to-day administration of community colleges throughout America. All developments were current as of the publication date but are subject to change. This article does not provide legal advice; all readers are advised to seek legal guidance from their institution’s legal advisors before acting on any of the topics discussed herein.

**U.S. Supreme Court unanimously rules that “reverse” discrimination plaintiffs should be held to the same standard that applies to minority plaintiffs.** The Supreme Court unanimously ruled in June that reverse discrimination cases brought by non-minority white, male, and/or heterosexual people should not be held to a higher standard to prove discrimination than the standard applied to minority plaintiffs. Justice Ketanji Brown Jackson wrote the court’s decision, which held that the standard for providing what is job discrimination under federal law does not vary whether the plaintiff is a member



*“This seems like the sort of art project we can foist off an A.I.”*

of a minority or majority group (*Ames v. Ohio Department of Youth Services*, U.S. 23-1039, 6/5/25). The decision reversed a lower court of appeals decision which affirmed the dismissal of the case, holding that non-minority plaintiffs must meet a higher standard to prove reverse discrimination than minority plaintiffs.

**U.S. Supreme Court rules that retirees lack standing to sue for disability discrimination that occurs after retirement.** The Supreme Court resolved a split in the courts of appeals as to whether retirees have standing under the Americans with Disabilities Act (ADA) to sue their former employers for disability discrimination that occurs after they leave their job. The court ruled that retirees have lost their standing to sue, as the ADA only applies to and protects qualified disabled workers who currently hold or seek a job.

In this case, the plaintiff was forced to take disability retirement at age 47 in 2018 as a result of Parkinson's disease after serving almost two decades as a firefighter. At the time the plaintiff first joined the fire department, disability retirees would receive free health insurance until they reached age 65. However, the benefits plan was changed in 2003, before the plaintiff's retirement, to limit the healthcare subsidies to 24 months after retirement. The plaintiff was set to become responsible for her healthcare benefits in December of 2020, and she sued in April of that year, claiming disability discrimination. The Supreme Court agreed with her former employer, which argued that former employees lack standing to sue under the ADA (*Stanley v. City of Sanford*, U.S. No. 23-997, 6/20/25).

**U.S. Labor Department ends practice of seeking "liquidated damages" in settlements of wage and overtime violation cases.** The Labor Department's acting wage and hour administrator issued a Field Assistance Bulletin to Labor Department employees on June 27, 2025, ending the practice of seeking "liquidated damages" (sometimes referred to as "double damages") in settlement negotiations of alleged wage and overtime violations. The Labor Department may instead seek liquidated damages in judicial proceedings if settlement negotiations fail.

The Bulletin states that "Congress made it clear" that such damages are restricted to judicial proceedings and that responsibility falls to the courts to make such a determination, not the Department of Labor. It reverses the practice of DOL representatives routinely seeking liquidated damages as part of the settlement negotiation process, which began during the Obama Administration.

**Presidential executive order disfavors criminal enforcement of federal agency rules.** An executive order signed by President Donald J. Trump on May 9, 2025, advised all federal agencies that they should consider civil rather than criminal enforcement of their regulations. This could have a significant impact on the enforcement of federal laws and regulations in the HR and employment areas.

The Employee Retirement Income Security Act of 1974 (ERISA), the Occupational Safety and Health Administration (OSHA), and the Fair Labor Standards Act (FLSA) all have an optional criminal enforcement capability in addition to the standard civil enforcement typically pursued by the Department of Labor. The executive order also stated that agencies should avoid imposing a "strict liability" standard to their rules, which allows the government to pursue a person or entity regardless of intent. It also requires all agencies to provide the Department of Justice a list of criminal regulatory offenses they are enforcing and the range of criminal penalties for violation within one year.

**Federal court allows a nationwide class-action lawsuit alleging artificial intelligence (AI) age discrimination to proceed.** A federal court recently ruled that Workday Inc.'s AI-scoring algorithm for screening job applicants may violate the Age Discrimination in Employment Act by discriminating against older job applicants. The court also ruled that the nationwide class-action suit may proceed (*Mobley v. Workday*, N.D. Cal. 3:23-cv-00770, 5/16/25).

While the court has not yet ruled on other allegations, the lawsuit also alleged that the algorithm has an unlawful disparate impact based on race and disability. While President Trump has instructed the EEOC and DOJ not to prosecute disparate-impact cases, his executive order does not impact private lawsuits or state equal employment opportunity laws.



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