



# LABOR & EMPLOYMENT ISSUES

IN FOCUS

FOR CLIENTS & FRIENDS

SEPTEMBER 10, 2025 EDITION

## **HOUSE REPUBLICANS SEEK SIGNIFICANT CUTS TO DEPARTMENT OF LABOR'S BUDGET**

On September 2, 2025, the House Appropriations subcommittee responsible for funding the United States Department of Labor (“DOL”), along with the departments of Health and Human Services and Education (“Departments”), voted to advance a spending bill that would reduce the DOL’s budget by almost 28% in 2026. The legislation, which passed by a vote of 11-7, will now move on to consideration by the full House Appropriations committee.

Specifically, the legislation would appropriate \$9.6 billion to the DOL for fiscal year 2026, which is almost \$4 billion less than the \$13.3 billion it received for fiscal year 2025. Among the consequences are a closure of the Office of Federal Contract Compliance Programs, elimination of all funding for the Bureau of International Labor Affairs, and elimination of funding for the Women’s Bureau. Notably, the Wage and Hour Division’s budget would also be reduced by \$25 million, and the Occupational Safety and Health Administration’s budget would be reduced by \$50 million.

In a summary of the bill, the House Appropriations Committee claimed that the bill “supports President Trump’s efforts to safeguard taxpayer dollars, eliminate out-of-touch progressive policies, and end the weaponization of government by eliminating or reducing more than 100 programs.” The full House Appropriations Committee also has proposed renaming Workforce Pell Grants, which the Department of Education is authorized to award to low-income students for short-term, job-focused, in-demand workforce training programs under the One Big Beautiful Bill Act, as “Trump Grants.”

## **TREASURY RELEASES PRELIMINARY LIST OF NO TAX ON TIPS JOBS**

On August 27<sup>th</sup>, the U.S. Department of the Treasury released a preliminary list of occupations that customarily and regularly received tips for purposes of the “no tax on tips” provision of the One, Big, Beautiful Bill Act. While the official list will be published in the Federal Register as part of proposed regulations from the Treasury and IRS, it is expected that the official proposed list will be substantially the same. The occupations covered include, but are not limited to:

- Food and Beverage
  - bartenders, wait staff, non-restaurant food servers such as room service workers, cafeteria attendants, chefs, cooks, food preparation workers, counter workers, dishwashers, and host staff
- Entertainment
  - gambling dealers, booth cashiers, cage workers, sports book writers and runners, dancers, musicians, disc jockeys, clowns, comedians, street performers, ushers, lobby attendants, coat checkers, and locker room attendants
- Hospitality
  - porters, bellpersons, concierges, guest service agents, front desk clerks and housekeepers
- Home Services
  - landscape workers, home repair workers, home electricians, plumbers and HVAC workers, house cleaners and locksmiths
- Personal Services
  - wedding planners, personal care workers, pet caretakers, tutors, nannies and babysitters
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- Personal Appearance and Wellness
  - barbers, hairdressers, skincare specialists, massage therapists, fitness trainers, tattoo artists, tailors and cobblers
- Recreation
  - golf caddies, tour guides, hobby instructors, and sport instructors
- Transportation and Delivery
  - parking valets, cab drivers, shuttle drivers, food delivery persons, car wash attendants, horse drawn carriage driver, and movers.

The full list provided by the Treasury Department may be found at this [link](#).

**NATIONAL LABOR RELATIONS BOARD JUDGE RELEASES SPLIT RULING  
FINDING STARBUCKS ILLEGALLY PROHIBITED EMPLOYEES FROM POSTING  
PRO-UNION FLYERS**

A National Labor Relations Board (“NLRB” or “Board”) Administrative Law Judge (“ALJ”) ruled on September 2, 2025 that Starbucks violated the National Labor Relations

Act when it prohibited workers at a Missouri location from posting pro-union materials in an employees-only area of the store.

ALJ Christina Dibble found that Starbucks enforced a general rule limiting solicitation and distribution only against employees posting and distributing union-related materials, while allowing solicitations and distributions that were not pro-union. Specifically, Starbucks removed a “We’re Voting Yes!” flyer referencing support for the union in an upcoming union election yet allowed non-work-related postings about clothing donations to remain on display, as well as a poster encouraging employees to vote no in the union election. Employees do not have an absolute statutory right to use an employer’s bulletin board, as established in prior Board decisions. However, if employees are permitted to post non-work-related items on a board generally, an employer cannot forbid the posting of union literature on that board. Such a discrepancy in enforcement of policy is discriminatory and is a violation of the National Labor Relations Act (“NLRA”).

In its argument, Starbucks attempted to characterize the above charge as an example of “serial litigation,” as the NLRB General Counsel brought a similar case against Starbucks in another state. ALJ Dibble was unpersuaded by this argument. She found that as there were facts unique to each case and the cases took place in different stores involving different workers, a claim of serial litigation was invalid.

Although she ruled for the union on the disparate enforcement claim, ALJ Dibble did not find credible employee claims that a Starbucks manager had illegally threatened to discipline workers if she discovered who had been posting the union flyers. Workers alleged only one specific incident where threats were made by a manager. ALJ Dibble found that “[a] single remark addressing a general hypothetical situation does not support a finding that the remark violated employees’ section 7 rights,” and she dismissed this component of the complaint.

The case, which can be found here, is *Starbucks Corp.*, N.L.R.B. A.L.J., Case 14-CA-321382, 9/2/25.

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