



**CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE**

September 11, 2013

**S. 815
Employment Non-Discrimination Act of 2013**

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions
on July 10, 2013*

SUMMARY

S. 815 would prohibit employment discrimination based on sexual orientation or gender identity. Assuming appropriation of the necessary amounts, CBO estimates that implementing S. 815 would cost \$47 million over the 2014-2018 period mostly for the Equal Employment Opportunity Commission (EEOC) to handle additional discrimination cases.

The bill could affect direct spending, but we estimate that any such effects would be less than \$500,000 annually. Because the legislation would affect direct spending, pay-as-you-go procedures would apply. H.R. 815 would not affect revenues.

The bill would impose a number of intergovernmental and private-sector mandates on employers, employment agencies, and labor organizations. CBO estimates that the costs of complying with those mandates would not exceed the annual thresholds specified in the Unfunded Mandates Reform Act (UMRA) for intergovernmental or private-sector mandates (\$75 million and \$150 million in 2013, respectively, adjusted annually for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 815 is shown in the following table. The costs of this legislation fall within budget function 750 (administration of justice).

	By Fiscal Year, in Millions of Dollars					2014- 2018
	2014	2015	2016	2017	2018	
CHANGES IN SPENDING SUBJECT TO APPROPRIATION^a						
Estimated Authorization Level	7	10	10	10	10	47
Estimated Outlays	7	10	10	10	10	47

a. In addition to the bill's discretionary cost, S. 815 could affect direct spending, but CBO estimates that any such effects would be less than \$500,000 annually.

BASIS OF ESTIMATE

For this estimate, CBO assumes that the necessary amounts will be appropriated near the start of each fiscal year and that outlays will follow the historical spending pattern of those activities.

Spending Subject to Appropriation

The EEOC expects that implementing S. 815 would increase its annual caseload (currently about 100,000 cases) by 5 percent and would require about 110 additional personnel. CBO estimates that the cost to hire those new employees would reach \$9 million annually by fiscal year 2015, subject to the appropriation of the necessary amounts. For fiscal year 2013, the Congress provided \$344 million for EEOC operations. We expect that enacting S. 815 also would increase the workload of a few other agencies, such as the Merit Systems Protection Board, but any increase in costs for those agencies would not be significant because of the small number of additional cases likely to be referred to them.

The additional cases resulting from S. 815 also would increase the workload of the Department of Justice's Civil Rights Division. Based on information from the Department of Justice, CBO estimates that it would cost about \$1 million annually for additional attorneys and support staff.

Direct Spending

Enacting S. 815 could increase payments from the Treasury's Judgment Fund for settlements against federal agencies in discrimination cases based on sexual orientation or gender identity. However, CBO estimates that any increases in direct spending would be less than \$500,000 because of the small number of such payments that are likely to occur.

PAY-AS-YOU-GO CONSIDERATIONS:

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. CBO estimates that the legislation would have an insignificant impact on direct spending.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 815 would prohibit public and private employers, employment agencies, and labor organizations from discriminating against any employee, member, and applicant on the basis of sexual orientation or gender identity. The bill also would require those public and private entities to post notices displaying the federal laws that prohibit such discrimination. Those prohibitions and requirements would be intergovernmental and private-sector mandates as defined in UMRA.

The costs of the mandates would include the costs of modifying employment procedures and posting notices to avoid discriminatory practices. CBO assumes that changes to employment procedures would likely build on ongoing training and updates to personnel manuals. Similarly, the costs of notices would probably be relatively minor and would be made in the course of other routine updates. Therefore, CBO estimates that the costs of complying with these mandates would not exceed the annual thresholds specified in the UMRA for intergovernmental or private-sector mandates (\$75 million and \$150 million in 2013, respectively, adjusted annually for inflation).

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