



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

September 27, 2001

**S. 928  
Older Workers' Rights Restoration Act of 2001**

*As ordered reported by the Senate Committee on Health, Education, Labor,  
and Pensions on September 13, 2001*

S. 928 would deem the receipt of federal funds for any program or activity as a waiver of state sovereign immunity with regard to legal liability under the Age Discrimination in Employment Act when a suit is brought by an employee of that program or activity. Because federal funds provide a significant portion of revenues for state governments (roughly one-quarter), CBO expects that generally states would continue to accept those funds even with the requirement that they waive their sovereign immunity. Therefore, CBO estimates that implementing S. 928 would have no significant impact on the federal budget.

The bill could affect direct spending; therefore, pay-as-you-go procedures would apply. CBO expects that any change in direct spending would be insignificant, however, because it is unlikely that states would choose to not receive federal funds that they collect under current law.

Because the waiver of sovereign immunity under this bill would be a condition for the receipt of federal funds, it would not be an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). States that continue to accept federal assistance may face significant additional costs due to lawsuits brought under the Age Discrimination in Employment Act. CBO has no basis for estimating either the likelihood, number, or outcome of such lawsuits. S. 928 contains no private-sector mandates as defined in UMRA.

The staff contacts for this estimate are Lanette J. Walker (for federal costs) and Leo Lex (for the state and local government impact). The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.