

H.R. 2694, Pregnant Workers Fairness Act

As ordered reported by the House Committee on Education and Labor on January 14, 2020

| By Fiscal Year, Millions of Dollars | 2020 | 2020-2025 | 2020-2030 |
|--|------|-------------------------------------|---------------------------|
| Direct Spending (Outlays) | 0 | * | * |
| Revenues | 0 | 0 | 0 |
| Increase or Decrease (-) in the Deficit | 0 | * | * |
| Spending Subject to Appropriation (Outlays) | 0 | 3 | not estimated |
| Statutory pay-as-you-go procedures apply? | Yes | Mandate Effects | |
| Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2031? | No | Contains intergovernmental mandate? | Excluded from UMRA |
| | | Contains private-sector mandate? | Excluded from UMRA |
| * = between zero and \$500,000. | | | |

H.R. 2694 would require all public-sector employers and any private-sector employers with more than 15 workers to make reasonable accommodations for the known limitations related to pregnancy, childbirth, or related medical conditions of employees and job applicants.¹ The bill would not require employers to make any accommodation that would impose an undue hardship on business operations. Under the bill, the Equal Employment Opportunity Commission (EEOC) would be required to issue regulations to implement the bill within two years of enactment.

Using information from the EEOC, CBO expects that for the first three years after the regulations are issued, the EEOC would receive roughly 500 more claims related to pregnancy discrimination (an increase of about 20 percent) each year. (The EEOC expects that after three years, the number of pregnancy discrimination claims would return to prior levels as employers comply with the new regulations.) To meet that workload, CBO estimates that the commission would need seven additional employees, at a cost of about

1. Current law provides protections to pregnant workers who are denied reasonable accommodations by their employers. However, the Supreme Court has ruled that a pregnant worker may bring a claim against an employer only if the petitioner can demonstrate that the employer has provided accommodations to workers with similar limitations who are not pregnant (*Young v. United Parcel Service, Inc.*, 575 U.S. 12, 1226 (2015), <https://go.usa.gov/xG4jx>, PDF, 230 KB). H.R. 2694 would allow pregnant workers to bring such claims without meeting that requirement.



\$3 million over the 2021-2025 period. Such spending would be subject to the availability of appropriated funds. For fiscal year 2020, the Congress appropriated about \$390 million for all of the EEOC's operations.

Enacting the bill could affect direct spending by some agencies that are allowed to use fees, receipts from the sale of goods, and other collections to cover operating costs. CBO estimates that any net changes in direct spending by those agencies would be negligible because most of them can adjust amounts collected to reflect changes in operating costs.

CBO has not reviewed H.R. 2694 for intergovernmental or private-sector mandates. Section 4 of the Unfunded Mandates Reform Act excludes from the application of that act any legislative provisions that would establish or enforce statutory rights prohibiting discrimination. CBO has determined that the bill falls within that exclusion because it would extend protections against discrimination in the workplace based on sex to employees requesting reasonable accommodation for pregnancy, childbirth, or related medical conditions.

The CBO staff contacts for this estimate are Sofia Guo (for federal costs) and Lilia Ledezma (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.