Congressional Budget Office
Cost Estimate

July 29, 2025

At a Glance

Fair Labor Standards Act Legislation

As ordered reported by the House Committee on Education and the Workforce on April 9, 2025

On April 9, 2025, the House Committee on Education and the Workforce ordered reported four bills and one joint resolution. This document provides estimates for two bills amending the Fair Labor Standards Act (FLSA). Details of the estimated costs of each are discussed in the text.

CBO estimates that enacting H.R. 2262 and H.R. 2270 would not significantly affect direct spending or revenue.

CBO estimates that enacting H.R. 2262 and H.R. 2270 would not significantly increase net direct spending or deficits in any of the four consecutive 10-year periods beginning in 2036.

Bill	Net Increase in the Deficit Over the 2025-2035 Period (Millions of Dollars)	Changes in Spending Subject to Appropriation Over the 2025-2030 Period (Outlays, Millions of Dollars)	Mandate Effects?
H.R. 2262	*	0	No
H.R. 2270	*	0	No

* = between zero and $500,000.

Detailed estimate begins on the next page.

Summary of Legislation

On April 9, 2025, the House Committee on Education and the Workforce ordered reported four bills and one joint resolution. This document provides estimates for two of those bills, H.R. 2262 and H.R. 2270. Both bills would amend the Fair Labor Standards Act (FLSA), which establishes minimum wage, overtime pay, and other standards affecting most private and public-sector employees.

- **H.R. 2262, the Flexibility for Workers Education Act,** would exclude time spent on certain activities from counting as work time under the FLSA. Under current law, attendance at activities such as lectures and training programs do not need to be counted as work time if attendance is voluntary and outside of employee's working hours, the activity is unrelated to the employee's job, and the employee did not perform any productive work. H.R. 2262 would remove the criteria that the activity be unrelated to the employee's job.
- **H.R. 2270, the Empowering Employer Child and Elder Care Solutions Act,** would exclude payments or reimbursements for child and dependent care services from the computation of overtime compensation under the FLSA.

Estimated Federal Cost

The costs of the legislation fall within budget function 500 (education, training, employment, and social services).

Basis of Estimate

For this estimate, CBO assumes that the bills will be enacted before the end of fiscal year 2025. This estimate does not include any effects of interactions among the bills. If both bills were combined and enacted as a single piece of legislation, the estimated costs would be different, but the total increase in the deficit would still be less than $500,000 over the 2025-2035 period.

Both H.R. 2262 and H.R. 2270 amend the FLSA. That law authorizes the Department of Labor (DOL) to impose and collect civil monetary penalties from employers that violate it. Such penalties are recorded in the federal budget as revenues, and a portion can be spent without further appropriation. DOL typically collects less than $10 million per year in civil monetary penalties for FLSA violations.

Enacting each of the bills would result in fewer entities being subject to those penalties. CBO estimates that the reduction in amounts collected would be small and that the decrease in revenues and direct spending, and the resulting net increase in the deficit would be less than $500,000 over the 2025-2035 period.

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 enacting each of the bills would decrease direct spending and revenues by less than $500,000 over the 2025-2035 period.

Increase in Long-Term Net Direct Spending and Deficits

CBO estimates that enacting H.R. 2262 and H.R. 2270 would not significantly increase net direct spending in any of the four consecutive 10-year periods beginning in 2036.

CBO estimates that enacting H.R. 2262 and H.R. 2270 would not significantly increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2036.

Mandates

Neither bill contains an intergovernmental or private-sector mandate as defined in the Unfunded Mandates Reform Act.

Estimate Prepared By

Federal Costs: Meredith Decker

Revenues: Joshua Shakin

Mandates: Erich Dvorak

Estimate Reviewed By

Elizabeth Cove Delisle
Chief, Income Security Cost Estimates Unit

Joshua Shakin
Chief, Revenue Projections Unit

Kathleen FitzGerald
Chief, Public and Private Mandates Unit

Christina Hawley Anthony
Deputy Director of Budget Analysis

Estimate Approved By

Phillip L. Swagel
Director, Congressional Budget Office