The Daily Dish

Checking in on Regulatory Budgets

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Eakinomics: Checking in on Regulatory Budgets

People have different capacities for suspense. I, for example, have been breathless about whether the Trump Administration could hit its regulatory burden targets this year. After all, fiscal 2017 and 2018 were simply remarkable. After 8 years of the Obama Administration increasing the private sector regulatory burden by over $100 billion annually, the current administration held the increase to $5 billion in fiscal 2017 and reduced the burden by $6 billion in 2018. Stunning. The mechanism for achieving control of regulatory burdens was using the Office of Information and Regulatory Affairs to assign each agency a regulatory budget — an amount by which its rulemaking efforts could increase the cost of compliance for the private sector — and those budget targets were either zero or a negative number. The budgets worked better than I ever believed they could.

It just couldn't last.

So I was excited yesterday to see AAF's "A Mid-Fiscal Year Review and Projection of the Regulatory Budget" by Dan Bosch and Dan Goldbeck. And it matched my suspicions when they concluded: "A little more than halfway through the second full fiscal year (FY) of the Trump Administration's regulatory budget, agencies are collectively well behind on reaching the administration's goal of publishing nearly $18 billion in total net savings." But digging a little deeper did not reveal a government-wide explosion in regulatory costs. As the paper nicely documents, most agencies have cut their burdens, just not by the targeted amount for the full year. And many others have simply not changed their burden at all. Indeed, most of the regulatory budget excess stems from two rules. One Treasury rule (from the Tax Cuts and Jobs Act) imposes a burden of $9.6 billion, while the Agriculture Department's National Bioengineered Food Disclosure Standard costs an estimated $5.6 billion.

But the real kicker was this: “This study then, using the fall 2018 Unified Agenda of Regulatory and Deregulatory Actions, projects the administration-wide outcome through the remainder of FY 2019, which ends on September 30. This projection shows that not only will the Trump Administration make up the needed ground and achieve its savings target, it will do so by about $15 billion.”

If so, I stand in amazement once more. Stay tuned for fiscal year 2020.