



The Daily Dish

Reining in the Regulatory State

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Eakinomics: Reining in the Regulatory State

One of the most remarkable accomplishments of the Trump Administration has been the U-turn it executed on the regulatory front. Recall that over the 8 years of the Obama Administration, it finalized a costly regulation (\$100 million or more in burdens on the private sector) at an average rate of 1.1 per day, for a total cost to the private sector of over \$890 billion. The avalanche of regulatory costs was different in scale, but not character, from previous administrations: the regulatory state only ever expanded.

Enter the Trump Administration which, by executive order, imposed regulatory budgets on the agencies. If the rules finalized by the agency imposed costs greater than the allotted budget, the agency had to find offsetting reductions by eliminating other regulations. This approach was popularized as the “one in, two out” approach to regulations. How did it work out? From his inauguration to the end of fiscal 2017, the total burden rose by only \$5 billion — a far cry of the \$1000+ billion annual burdens for the 8 years prior. Fiscal 2018 was even more dramatic, with the regulatory burden actually falling by \$6 billion.

As [detailed](#) by Dan Bosch and Dan Goldbeck, the Trump Administration established a goal of \$17.9 billion in total savings (across all executive agencies) for its regulatory budget. Although the final results are not yet fully in, Bosch and Goldbeck project that the administration will miss its target, but still cut the regulatory budget by \$8.6 billion in fiscal 2019. The overall reduction masks the fact that agencies spanned the range of outcomes. The Department of Health and Human Services achieved the most net savings (for the second straight year), while the Department of the Treasury added the most costs.

It may have been a miss, but it is still a remarkable accomplishment.