



Insight

FY 2019 Regulatory Budget Results

DAN BOSCH | DECEMBER 6, 2019

- **Executive agencies published a net total savings of \$13.5 billion in FY19, according to the Trump Administration's calculations.**
- **The Trump Administration's savings target was \$17.9 billion for FY19, following a savings total of \$23.4 billion from the prior fiscal year.**
- **The top savers were the Departments of Health & Human Services, Labor, and Education; 18 of 25 agencies met or exceeded their budgetary goals.**

The Trump Administration released the [results](#) of its fiscal year (FY) 2019 regulatory budget, showing a third consecutive year of net savings. According to data released by the Office of Information and Regulatory Affairs (OIRA), executive agencies published a net total savings of \$13.5 billion among rules subject to the regulatory budget.

The regulatory budget is a cap on the amount of costs the administration's regulations can impose on the economy. The Trump Administration established a negative cap, or a savings target, of \$17.9 billion for FY 2019. The final results for FY 2019 miss the goal by \$4.4 billion and come in under the [FY 2018](#) total of \$23.4 billion. That followed savings of \$8.1 billion in [FY 2017](#), which covered the first eight months of the administration. The savings totals over the three fiscal years sum to \$45 billion. The administration released a table in the results showing cumulative savings at \$50.9 billion. The reason for this discrepancy is not clear.

The Trump Administration says it achieved its FY 2019 savings by issuing 150 deregulatory actions versus 35 significant regulatory actions — a 4.3-to-1 ratio, well ahead of the goal of two-for-one established in [Executive Order 13,771](#). When comparing significant actions only, the ratio falls to 1.7 to 1.

Among individual agencies, 18 of 25 met or exceeded their regulatory budget goal for FY 2019. The top savers were the Department of Health and Human Services (\$11.4 billion), the Department of Labor (\$8 billion), and the Department of Education (\$3.1 billion).

Seven agencies failed to hit their savings targets, and some added net regulatory costs. The two costliest agencies were the Environmental Protection Agency (EPA) (\$8.3 billion) and the Department of Veterans Affairs (\$8.1 billion). EPA's inclusion on this list is surprising given some high-profile deregulatory actions it has finalized over the first three years of the Trump Administration. The [flip](#) of the Affordable Clean Energy rule from deregulatory to regulatory helps explain some of the costs, however, as that rule was expected to provide significant savings. Other notable agencies that missed their target include the Department of Education (which missed its target by \$100 million despite being a big saver) and the Department of the Treasury. According to guidance issued by OIRA in 2017, an agency that fails to achieve its savings goal is supposed to develop a plan for how it plans to address the shortfall in the future.

In October, the American Action Forum (AAF) [projected](#) the Trump Administration's results for FY 2019 to be \$8.6 billion in net savings. This projection was developed by identifying actions published in the Federal Register marked as deregulatory or regulatory for purposes of the regulatory budget. A quick scan of the [list](#) of rules the administration released as part of the FY 2019 results shows a large disparity in the number of rules counted toward the budget, particularly on the deregulatory side, which likely explains a large part of the discrepancy in the administration's results and AAF's projection. More analysis is needed, however, since the administration's list of rules does not include a corresponding cost or savings figure.

Regardless, the economic impact of regulatory activity under the Trump Administration stands in stark contrast to that of previous administrations. AAF's [RegRodeo](#) database has cataloged all final rules (including those of independent agencies and non-significant regulatory actions) published since 2005. The rules issued during the Obama Administration equaled [\\$890 billion](#) in costs over its eight years, an average of about \$111 billion per year. The Trump Administration currently stands at \$22.9 billion in total costs as it nears the three-year mark, an average of \$7.6 billion each year.

The Trump Administration also announced its savings target for FY 2020. With a goal of saving \$51.6 billion in the current fiscal year, the administration would more than double its savings output over its first three years. Expect the trend of reining in regulatory costs to continue.