

## REGULATORY BUDGET

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Federal spending, taxes, and the deficit get plenty of attention. But it is equally important to monitor and reduce the nontax expenditures the government imposes. A regulatory budget could help incentivize other reforms like cost analysis and sunsets. It would also allow Congress to allocate regulatory cost authority among agencies and to distinguish among categories like economic, health and safety, and environmental regulations.

A comprehensive regulatory budget should include individual tallies from agencies, paralleling the fiscal budget as much as possible. Congress should specify the total cost budget for which it is willing to be held accountable and should divide it among agencies.

### **Congress should:**

- ◆ Pass the National Regulatory Budget Act. Sen. Marco Rubio (R-Fla.), who recently introduced the National Regulatory Budget Act of 2014, noted that overregulation impedes entry into the middle class by “stifling innovation and competition, depriving workers of opportunities and denying consumers more choices.”

The Rubio version of the National Regulatory Budget Act would also create an Office of Regulatory Analysis.

Budgeting would force agencies to “compete” to ensure that their least effective, more poorly performing mandates save more lives per dollar or correct some alleged market imperfection better than another agency’s rules. That approach should

improve decision making and adherence to congressional intent. Agencies would concentrate on assessing costs, just as the fiscal budget focuses on costs and not on benefits. Although the budget’s compliance cost calculations would be difficult, they would be easier to manage than separate cost and benefit calculations for every rule, which is not being done anyway.

Agencies regulating recklessly could lose the squandered budgetary allocation to a rival agency, or even face agency sunset-ting regulations.

Budgeting can work best within that context: Regulatory Reduction Commission, sunset-ting regulations, and one-in-one-out proposals.

Expert: Wayne Crews

### **For Further Reading**

Wayne Crews, “The Other National Debt Crisis: How and Why Congress Must Quantify Regulation,” *Issue Analysis* 2011 No. 4, Competitive Enterprise Institute, October 2011, <https://cei.org/issue-analysis/other-national-debt-crisis>.  
 ———, *Ten Thousand Commandments 2014: An Annual Snapshot of the Federal Regulatory State*, Washington, DC: Competitive Enterprise Institute, 2014, <https://cei.org/10kc>.  
 ———, *Promise and Peril: Implementing a Regulatory Budget*, Competitive Enterprise Institute, April 1996, <http://cei.org/sites/default/files/Wayne%20Crews%20-%20Promise%20and%20Peril%20Implementing%20a%20Regulatory%20Budget.pdf>.