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## Fiscal Year 2018 Report on Regulatory Reform Under Trump

By: [Daniel R. Pérez](#) | October 17, 2018

The Office of Information and Regulatory Affairs (OIRA) published its annual [Regulatory Reform Report](#) this morning, which tracks the results of regulatory agencies' implementation of the president's deregulatory agenda and lists incremental regulatory cost caps for agencies in fiscal year 2019. The report highlights a 12-to-1 ratio of deregulatory actions to regulatory actions for FY 2018. OIRA estimates \$23 billion in net cost savings from 176 deregulatory actions, which include the elimination of numerous regulations, guidance documents, and reductions in paperwork burdens. Regulatory agencies have committed to reducing regulatory costs by \$18 billion in FY 2019.

### Tracking Regulatory Reform under Executive Order 13771

Under the Trump administration, regulatory agencies are currently required to comply with Executive Order 13771 ([EO 13771](#)), issued in January 2017, which directs them to eliminate two rules for every one they issue and to offset the costs of new regulations. The latter component requires each agency to regulate within a [budget](#) limiting the costs it can impose on the regulated public. The administration began by setting an annual cost cap for FY 2017 of \$0 (i.e., additional costs would have to be completely offset by cost savings from deregulation) and it set a target of roughly \$10 billion in cost savings for FY 2018.

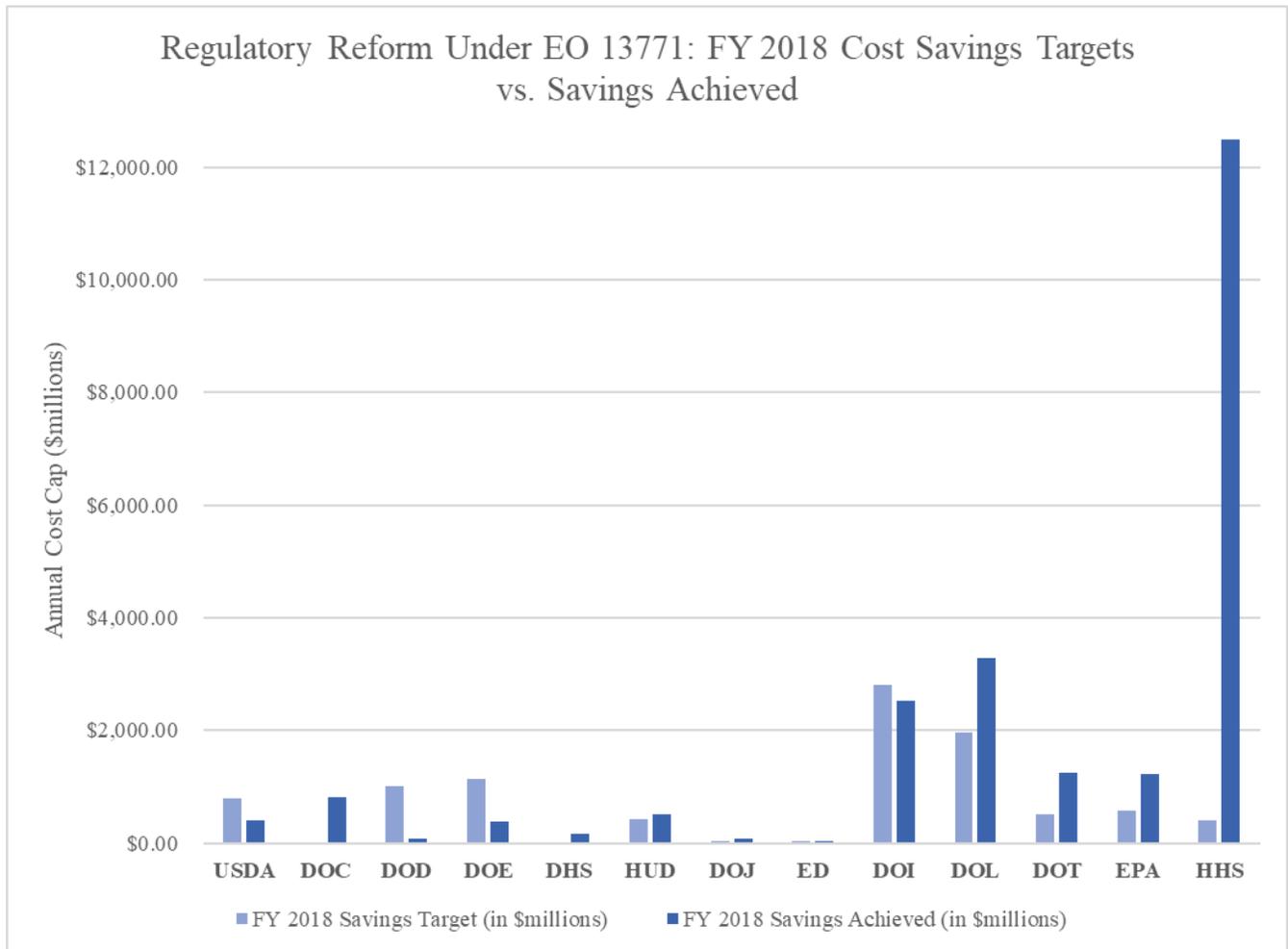
Currently, OIRA's final accounting for FY 2018 estimates approximately \$23 billion in regulatory cost savings. This is substantially larger than its [reported](#) \$8 billion for FY 2017—much of which resulted from Congress's [historic](#) use of the Congressional Review Act ([CRA](#)) to eliminate regulations issued under the Obama administration ([mostly](#)). In this latest report, agencies commit to achieving almost \$18 billion in cost savings for FY 2019.

Because rules can have very [different](#) regulatory impacts, gauging the pace of deregulation using a simple [ratio](#) of deregulatory to regulatory actions may not may not altogether be that useful; two rules can have substantially different effects on the economy (i.e., they could create millions or billions in both costs and benefits). Limiting the count to those actions defined as "significant" under [EO 12866](#), agencies completed 57 deregulatory actions and 14 regulatory actions in FY

2018—a ratio of 4 to 1. For various [reasons](#), it is likely more informative to analyze the overall regulatory budget instead of relying on individual rule counts.

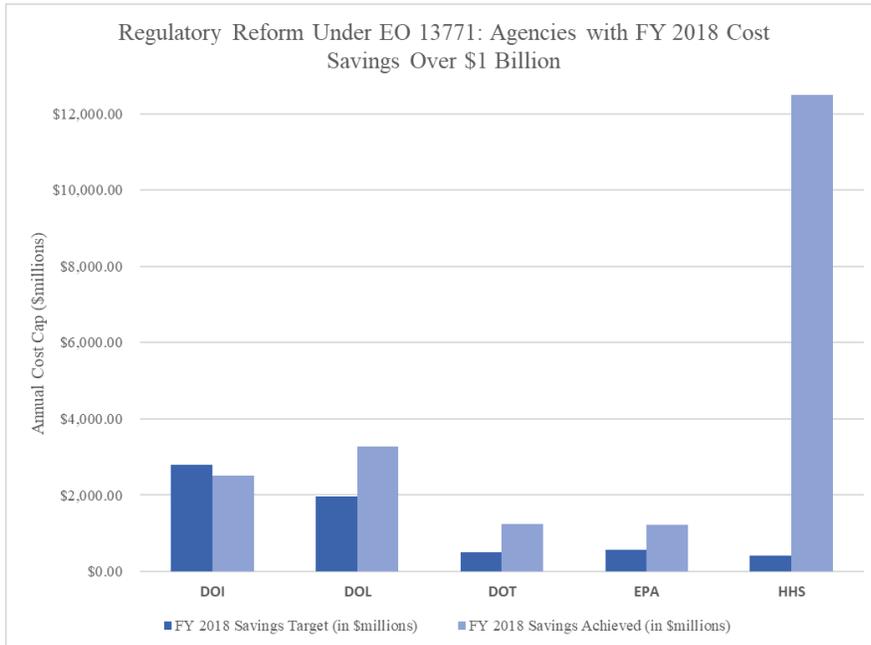
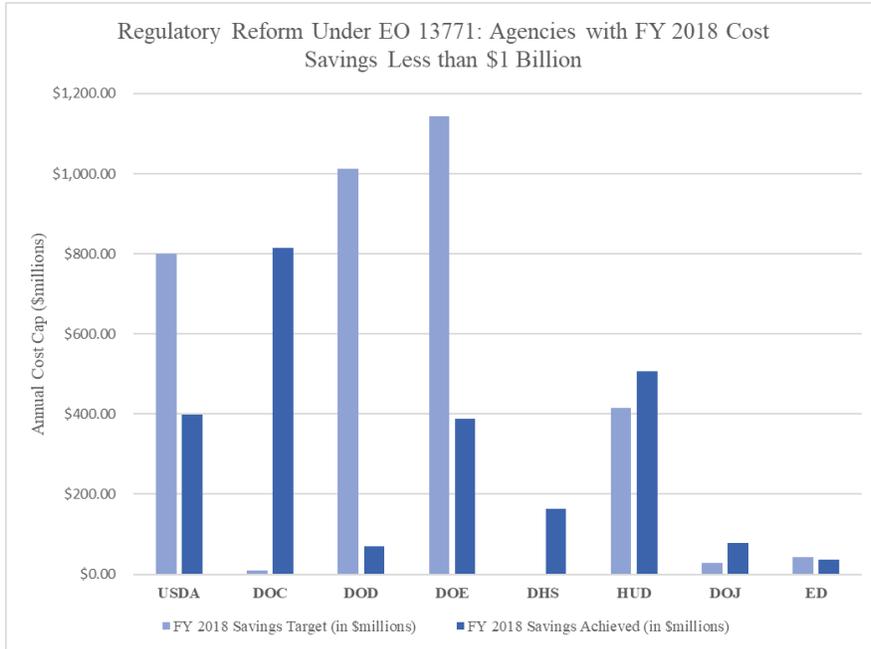
## Regulatory Agency Efforts to Meet Cost Savings Targets

None of the executive regulatory agencies are estimated to have imposed additional net costs on the public for FY 2018. However, agencies also varied in terms of their performance in achieving their respective cost cap targets. The following chart compares FY 2018 cost cap targets with OIRA’s final estimate of cost savings achieved.



Interestingly, the Department of Health and Human Services generated a substantial amount of the total cost savings; the agency expected to generate \$410 million in cost savings for FY 2018, but OIRA’s accounting for HHS reports a cost savings of over \$12 billion (over 50% of total regulatory cost savings). Other agencies estimated to generate substantial cost savings include: the Department of Labor (\$3.3 billion), Department of the Interior (\$2.5 billion), the Department of Transportation (\$1.2 billion), and the Environmental Protection Agency (\$1.2 billion). Several

agencies did not meet their targets including: the U.S. Department of Agriculture, the Department of Defense, the Department of Energy, and the Department of Education.



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**QUESTIONS?**

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