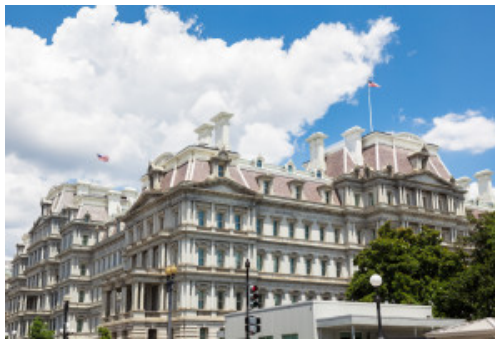


The Coming of the Regulatory Budget

Jim Tozzi | Jan 8, 2016 | *Opinion*

The White House [Office of Management and Budget](#) (OMB) [proposed](#) the first regulatory budget proposal and [regulatory cost accounting](#) legislation in 1979. Subsequently, a number of Presidents and members of Congress have continued to [endorse](#) proposals to create a regulatory budget for the federal government.

Some thirty-six years later, although the idea of a regulatory budget has yet to become law, there has been a resurgence of support for such a budget. Over the last year or so, numerous actions have taken place, which reveal considerable interest in institutionalizing a regulatory budget. These actions have included:



- The *Administrative Law Review's* publication of an article entitled, "The Regulatory Budget Revisited";
- The release of a white paper authored by the research chief of the Administrative Conference of the United States, "[Controlling the Cumulative Costs of Regulation](#)," that reviews various proposed solutions to runaway regulatory costs, including a one-in-one-out regulatory budget;
- Hearings on the issue convened by the [Senate Government Affairs Committee](#) and the [Senate Budget Committee](#);
- The [endorsement](#) of the idea of regulatory budgeting by at least two [candidates](#) for the Republican nomination for president;
- [Discussion](#) of regulatory budgeting on the program at the American Bar Association's [Administrative Law Section](#) annual meeting;
- Recognition in a recent [Council on Foreign Relations](#) publication that regulatory "budgets do force bureaucracies to weigh regulatory decisions more carefully and systematically analyze the existing regulatory stock"; and
- The [adoption](#) of a regulatory budget in Canada.

Why such renewed interest at this time?

The timing in the United States derives in part from the fact that a few powerful elements in the Clinton Administration [attempted](#) to decimate centralized regulatory review only to fail and therefore make it stronger. Consequently, some proponents of centralized review concluded that it was unwise to undertake the implementation of the second most important institutional feature of the regulatory state – the regulatory budget – until the [first one](#) – centralized regulatory review – was safely embedded into its fabric as witnessed by its adoption by a subsequent Democratic administration.

With the advent of the Obama Administration's twilight year, centralized regulatory review has clearly not only survived but it has been a centerpiece of this administration's regulatory program. Centralized review has now been embedded in the regulatory legacy of more than a

MOST POPULAR

[When Management-Based Regulation Goes Global](#)
Dec 23, 2015 | *Opinion*

[Seventh Circuit Finds Wisconsin Abortion Statute Unconstitutional](#)
Dec 10, 2015 | *News*

[The Legal Structure of the Paris Agreement](#)
Dec 21, 2015 | *Opinion*

[Will the Paris Agreement Make a Difference?](#)
Dec 21, 2015 | *Series*

[A New Year of Checks and Balances](#)
Jan 1, 2015 | *Opinion*

FEATURED

[The Coming of the Regulatory Budget](#)
Jan 8, 2016 | *Opinion*

[If It Doesn't Work, Maybe Someone Wants It That Way](#)
Jan 7, 2016 | *Opinion*

[The Elusive Quest for Government "Success"](#)
Jan 6, 2016 | *Opinion*

[Is Government Prone to Fail?](#)
Jan 5, 2016 | *Books, Series*

[Regulatory Year in Review: 2015](#)
Dec 28, 2015 | *Series*

RECENT SERIES

[Is Government Prone to Fail?](#)
January 5, 2016 - January 14, 2016

[Regulatory Year in Review: 2015](#)

half-dozen consecutive presidential administrations.

The accomplishment of these milestones has set the stage for a broader appreciation of legislation that would mandate the implementation of a regulatory budget, as evidenced by the actions noted above.

Clearly interest in regulatory budgeting has started to take off again. Its trajectory seems poised to follow that of [centralized regulatory review](#), which has now become standard operating practice after having been developed and vetted for some fifteen years before being institutionalized during a time when the United States was at the [forefront](#) of regulatory innovation.

A regulatory budget will become part of the regulatory state if there is a national constituency for the concept and for the organization charged with its implementation: namely, the [Office of Regulatory and Information Affairs](#) (OIRA) in the OMB. (To this end, [OIRA teaching modules](#), available through the Center for Regulatory Effectiveness, are being adopted selectively in schools of law, public policy, public administration, political science, and economics.)

Those who oppose the implementation of a regulatory budget may continue to ignore the idea and hope it will go away, the same strategy that many [used](#) during the formulation of the [Data Quality Act](#). In the alternative, opponents may wish to accept that regulatory budgeting is an idea whose time has come and try to [shape](#) its implementation so as to address or even overcome some of opponents' most significant concerns.

December 28, 2015 - December 30, 2015

[Will the Paris Agreement Make a Difference?](#)

December 21, 2015 - December 24, 2015

[A Framework for Regulatory Excellence](#)

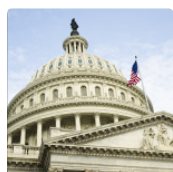
October 21, 2015 - October 23, 2015



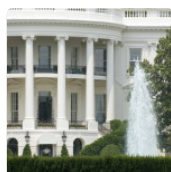
Jim Tozzi

Jim Tozzi served as a regulatory official in five presidential administrations starting with Lyndon Johnson and ending with Ronald Reagan. He is presently the head of the [Center for Regulatory Effectiveness](#).

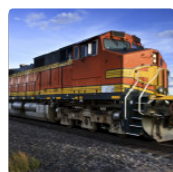
Related Posts



[Finding the Middle Ground in Regulatory Reform](#)



[If It Doesn't Work, Maybe Someone Wants It That Way](#)



[Many Railroads Will Not Have Required Safety Technology by Deadline](#)



[Regulatory Year in Review: 2015](#)

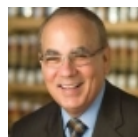
Tagged: [Regulatory Budget](#)

GET REG BLOG'S WEEKLY EMAIL

Email Address*

First Name*

FEATURED CONTRIBUTOR



Peter Shane
Professor Peter M. Shane came to Ohio State in 2003

FEATURED TOPIC: OBAMA

[EPA Adopts Stricter Standards to Clean Up Auto Exhaust](#)
Cary Davis
Mar 26, 2014 | [News](#)

LINKS

[Penn Program on Regulation](#)
[Penn Law](#)
[E-Rulemaking](#)

Last Name*

* = required field

from Carnegie Mellon University's H. John Heinz III School of Public Policy and Management. He is an internationally recognized scholar in administrative law, with a specialty in separation of powers law and has co-authored leading casebooks on each subject. He has served on the faculty at the University of Iowa College of Law and was dean at the University of Pittsburgh School of Law. In addition to his outstanding law teaching and scholarship, Professor Shane has received a National Science Foundation grant for interdisciplinary study related to cyberspace and democracy.

Prospects for an Interstate Cap and Trade for Greenhouse Gases

Jeffrey J. Cook and Sara R. Rinfret

Mar 20, 2014 | Opinion

What We (Should) Talk About When We Talk About Green Growth

Michael A. Livermore

Mar 3, 2014 | Opinion

[More on this topic](#)