Regulators’ Budget Increases
Consistent with Growth in Fiscal Budget

Report finds that spending on regulatory agencies keeps pace with overall budget.

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Every year, the George Washington University Regulatory Studies Center and the Weidenbaum Center on the Economy, Government and Public Policy estimate the on-budget costs of regulation by examining the portion of the Budget of the United States devoted to developing and enforcing federal regulations. Our time-series data go back to 1960, and offer insights into the growth and changing composition of regulation over the last five-and-a-half decades. This year’s “regulators’ budget” presents the President’s requested budget outlays and staffing in fiscal year (FY) 2016, estimated outlays and staffing for FY 2015, and actual outlays and staffing for the previous 55 years.

We find that the regulators’ budget is growing at approximately the same pace as the overall Budget, 5.3 percent in real (inflation-adjusted) terms in FY 2016 and 4.3 percent in FY 2015. The President’s proposed budget for the regulatory activities tracked here is $66.8 billion in FY 2016.

The Budget also requests increases in federal regulatory agency personnel of 1.2 percent in FY 2016 and 0.2 percent in FY 2015. Staffing at regulatory agencies is expected to exceed 280,500 people in 2016. Staff is growing faster at the agencies devoted to economic regulatory activities (2.9 percent each year) than at those responsible for social regulatory activities. This appears to reverse the trend away from economic regulation of private-sector activities that began in the 1970s.

In general, agencies that are at least partially funded by fees on the entities they regulate continue to grow at a faster rate than those that depend on appropriations from general funding. For example, the Budget indicates that several agencies with independent funding authority within the Departments of Agriculture and Homeland Security, as well as the Food and Drug Administration, the Patent and Trademark Office, the Federal Communications Commission, and the Consumer Financial Protection Bureau will have significant increases in their outlays over the two-year 2015-2016 period.

Some of the largest increases reflect Presidential priorities, such as financial market reform and immigration reform. The President’s continued “support [of] Wall Street Reform implementation across agencies” is evident in the budget increases for the Consumer Financial Protection Bureau, the Securities and Exchange Commission and the Commodity Futures Trading
Commission. The President’s emphasis on immigration reform is reflected in the increasing budgets of agencies such as Customs and Border Protection, Immigration and Customs Enforcement, the Coast Guard, and the Transportation Security Administration. However, the President’s statement in his Budget Message that “no challenge poses a greater threat to future generations than climate change” is less evident in the modest increases in the regulators’ budgets of the environment and energy agencies in 2015 and 2016.

While health care reform is also a Presidential priority, it is not reflected in these data. While the Patient Protection and Affordable Care Act of 2010 granted the Department of Health and Human Services new responsibilities, many of which (such as the regulation of private insurance markets) are within the scope of this report, the President’s Budget does not allow us to distinguish spending and staffing for those activities from the Department’s traditional responsibilities, and we were unable to include them here. The report focuses on agencies whose regulations primarily affect private-sector activities, and expressly excludes budget and staffing associated with regulations that govern taxation, entitlement, procurement, subsidy, and credit functions (such as those of the Internal Revenue Service and the Social Security Administration).

Figures 1 and 2 graphically show the changes in outlays and staffing between 1960 and 2016.

**Figure 1**

*Budgetary Costs of Federal Regulation, Adjusted for Inflation*

Figure 2
Staffing of Federal Regulatory Agencies

Derived from the Budget of the United States Government and related documents, various fiscal years.

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