

## Regulatory Reform & National Regulatory Budget

*The crushing federal regulatory burden must be reformed with a regulatory budget*

---

### Problem:

Although President Trump recently signed an Executive Order aimed at stemming the tide of increasing regulations, more must be done to address the ever-growing financial and time burden facing America's small businesses by federal regulations.

- The average small-business owner spends at least \$12,000 every year dealing with regulations, as a result, more than half held off on hiring a new employee.
- Regulatory burden falls squarely on the small-business owner, as he/she handles the bulk of federal regulatory compliance.
- When asked to estimate their first year's regulatory costs, the average was a whopping \$83,019.
- Looking at a recent seven-year period, the Government Accountability Office (GAO) found that 35 percent of major rules were issued without the opportunity for public comment and also found that in some cases in which a rule did receive public comments no responses were issued.

### Solution:

Relief from the massive federal regulatory burden can be achieved through proposals such as establishing a national regulatory budget and requiring a cost-benefit analysis of new regulations. NSBA proposes that Congress should:

- Enact a National Regulatory Budget to: obtain estimates of the cost of all existing regulations by agency; create caps for federal agencies on the total economic cost of federal regulations; establish a budget within which federal regulators must stay; and develop an independent agency to oversee the new process
- Support targeted measures to ease regulatory burdens such as S. 951, the Regulatory Accountability Act (RAA), S. 21/H.R. 26, Regulations From the Executive in Need of Scrutiny (REINS) Act, S. 34/H.R. 21, the Midnight Rules Relief Act and S. 584/H.R.5, the Small Business Regulatory Flexibility Improvements Act.
- Require that agencies consider indirect costs and detailed alternatives to minimize any significant adverse impact.
- Require Regulatory Flexibility Analyses as a prerequisite to a final rule being issued.
- Require increased economic analyses and the Office of Information and Regulatory Affairs to enhance its oversight efforts.
- Require that agencies use plain writing when revising or drafting new regulations.
- Allow for increased enforcement flexibility and the ability to grant common-sense exemptions for first-time offenders.
- Streamline paperwork, consolidate forms and harmonize data and due dates.
- Perform and submit cost-benefit analysis on proposed regulations and paperwork.
- Improve information collection by: strengthening the *Paperwork Reduction Act* requirement that agencies' chief information officers review and certify information collection requests; require OIRA to develop stricter approval criteria; limit the number of information requests an agency can issue per year.

### Learn More:

[Read NSBA's latest updates on regulatory reform](#)

[Read NSBA's 2017 Survey on Regulations](#)