Regulatory Reform under Executive Order 13771: Final Accounting for Fiscal Year 2020

This chart summarizes government-wide compliance with Executive Order (EO) 13771, which requires federal departments and agencies to: (1) issue two deregulatory actions for each new regulatory action; and (2) not exceed a regulatory cost allowance. For fiscal year 2020, this regulatory budget was set individually by agency, with the instruction to propose, consistent with legal obligations, an overall reduction in regulatory costs (see OMB guidance M-17-31). The Administration continued to exceed the requirements of Executive Order 13771 in its fourth year.

- Eliminated \$198.6 billion in overall regulatory costs across the government from 2017-2020.
- Eliminated \$144.0 billion in overall regulatory costs across the government in 2020.
- 3.2 to 1: Agencies issued 145 deregulatory actions and 45 significant regulatory actions in 2020. (Under OMB guidance implementing EO 13771, this ratio is the relevant one for assessing compliance with the EO in 2020.)
- 5.5 to 1: Agencies issued 538 deregulatory actions and 97 significant regulatory actions from 2017-2020.
- 58 deregulatory actions were significant in 2020. Comparing significant deregulatory actions to significant regulatory actions yields a ratio of 1.3 to 1.

The results for Fiscal Year 2020 are presented by agency in Table 1. All accounting below uses the present value, as of 2020, of the costs or cost savings achieved. For a detailed list of regulatory and deregulatory actions completed in Fiscal Year 2020, see this <u>chart</u>. Executive Order 13771 implementation is further explained in the Office of Management and Budget Guidance <u>M-17-21</u>. For questions about specific regulatory actions, please contact the relevant agency.

Table 1. 13771 actions and costs/cost-savings by agency for Fiscal Year 2020.

| Executive Departments and Agencies in FY20 | Deregulatory Actions | Regulatory Actions | Costs/Cost Savings Present Value \$millions |
|---|-------------------------|-----------------------|---|
| Department of Agriculture | 12 | 2 | (\$1,249.2) |
| Department of Commerce | 30 | 3 | (\$46.3) |
| Department of Defense | 3 | 0 | (\$2,322.3) |
| Department of Education | 3 | 2 | (\$5.8) |
| Department of Energy | 2 | 0 | (\$11.3) |
| Department of Health and Human Services | 13 | 10 | \$21,981.9 |
| Department of Homeland Security | 6 | 5 | \$38,949.1 |
| Department of Housing and Urban Development | 5 | 0 | (\$633.1) |
| Department of the Interior | 3 | 0 | \$0.0 |
| Department of Justice | 1 | 0 | (\$0.1) |
| Department of Labor | 11 | 3 | (\$5,452.2) |
| Department of State | 2 | 0 | \$0.0 |

| Department of Transportation | 15 | 1 | (\$96,047.9) |
|--|-----|----|---------------|
| Department of the Treasury | 5 | 7 | (\$1,562.6) |
| Department of Veteran Affairs | 0 | 1 | \$1,413.0 |
| Environmental Protection Agency | 25 | 4 | (\$96,247.9) |
| Equal Employment Opportunity Commission | 0 | 0 | \$0.0 |
| DOD/GSA/NASA (Federal Acquisition Regulation) | 2 | 2 | (\$3,057.4) |
| General Services Administration | 1 | 0 | (\$9.8) |
| National Aeronautics and Space Administration | 1 | 0 | \$0.0 |
| Office of Management and Budget | 0 | 0 | \$0.0 |
| Office of Personnel Management | 0 | 1 | \$118.2 |
| Small Business Administration | 4 | 3 | \$27.4 |
| Social Security Administration | 1 | 1 | \$130.2 |
| United States Agency for International Development | 0 | 0 | \$0.0 |
| Total | 145 | 45 | (\$144,025.9) |

The Administration now has four years of experience implementing Executive Order 13771. Cumulative results for Fiscal Years 2017-2020 are presented in Table 2 and show sustained commitment by agencies over time to generating deregulatory cost savings.

Table 2. 13771 actions and costs/cost-savings by agency for the period Fiscal Year 2017-2020.

| Executive Departments and Agencies, FY17-FY20 | Deregulatory Actions | Regulatory Actions | Costs/Cost Savings Present Value \$millions |
|---|-------------------------|-----------------------|---|
| Department of Agriculture | 38 | 5 | (\$4,299.1) |
| Department of Commerce | 69 | 4 | (\$1,144.1) |
| Department of Defense | 11 | 0 | (\$2,430.7) |
| Department of Education | 31 | 2 | (\$3,350.8) |
| Department of Energy | 11 | 1 | (\$92.0) |
| Department of Health and Human Services | 59 | 28 | (\$5,528.5) |
| Department of Homeland Security | 34 | 8 | \$37,153.1 |
| Department of Housing and Urban Development | 9 | 2 | (\$1,644.9) |
| Department of the Interior | 51 | 0 | (\$6,254.2) |

| Department of Justice | 7 | 1 | (\$74.0) |
|--|-----|----|---------------|
| Department of Labor | 37 | 5 | (\$18,150.5) |
| Department of State | 2 | 0 | \$0.0 |
| Department of Transportation | 63 | 6 | (\$100,483.5) |
| Department of the Treasury | 17 | 8 | (\$1,496.5) |
| Department of Veteran Affairs | 7 | 5 | \$9,819.8 |
| Environmental Protection Agency | 69 | 14 | (\$89,196.4) |
| Equal Employment Opportunity Commission | 0 | 0 | \$0.0 |
| DOD/GSA/NASA (Federal Acquisition Regulation) | 6 | 3 | (\$11,420.7) |
| General Services Administration | 3 | 0 | (\$19.2) |
| National Aeronautics and Space Administration | 2 | 0 | (\$5.6) |
| Office of Management and Budget | 0 | 0 | \$0.0 |
| Office of Personnel Management | 2 | 1 | \$118.2 |
| Small Business Administration | 8 | 3 | (\$62.2) |
| Social Security Administration | 1 | 1 | \$130.2 |
| United States Agency for International Development | 1 | 0 | (\$148.2) |
| Total | 538 | 97 | (\$198,579.7) |

The following small agencies did not issue either Executive Order 13771 regulatory or deregulatory actions in fiscal year 2020:

American Battle Monuments Commission; Access Board; African Development Foundation; Commission on Civil Rights; Corporation for National and Community Service; Committee for Purchase from People Who Are Blind or Severely Disabled; Court Services and Offender Supervision Agency; Institute of Museum and Library Services; National Archives and Records Administration; National Endowment for the Arts; National Endowment for the Humanities; National Science Foundation; Office of Government Ethics; Pension Benefit Guaranty Corporation; Privacy and Civil Liberties Oversight Board; Peace Corps; Presidio Trust; Railroad Retirement Board; Special Inspector General for Afghanistan Reconstruction; and the Tennessee Valley Authority.

Executive Order 13771 Regulatory and Deregulatory Actions. Executive Order 13771 regulatory actions are defined as those final actions that both impose costs greater than zero and qualify as "significant" under Section 3(f) of Executive Order 12866 (see M-17-21, Q2). Accordingly, the regulatory actions listed in this table represent a subset of an agency's total regulatory actions. Executive Order 13771 deregulatory actions are defined as any final action that has total costs less than zero (see M-17-21, Q4). Inclusion of a range of deregulatory actions incentivizes agencies to consider modifying or eliminating unnecessary burdens, whether large or small, and is related to similar conventions used in Canada and the United Kingdom in their successful reform efforts.

Accounting Methods under Executive Order 13771. In order to ensure consistent and comparable accounting, the Office of Information and Regulatory Affairs has worked with agencies to apply the same analytical assumptions to the

costs of regulatory actions and to the cost savings of deregulatory actions. <u>Accounting Methods under Executive Order 13771</u> explains the technical details.

Annualized Value v. Present Value. The above chart uses the present value of regulatory and deregulatory actions. Annualized value and present value are different forms of the same summary numbers. With a perpetual time horizon and a 7 percent discount rate, a present value can be transformed into its contemporaneous annualized value by multiplying by 0.07.