

## Growth in Regulators' Budget Slowed by Fiscal Stalemate

*Regulatory Policy Commentary*

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Each year we examine the [\*Budget of the United States Government\*](#) to identify the resources and personnel devoted to developing and enforcing federal regulations that affect private behavior. This year's report, [\*Growth in Regulators' Budget Slowed by Fiscal Stalemate\*](#), presents annual budget outlays and staffing levels from fiscal year 1960 to 2011, as well as estimated levels for fiscal years 2012 and 2013. Though these on-budget costs of regulation represent a small fraction of the full burden of regulations to society (and do not provide information on regulations' benefits) the time-series data presented offer useful insights into the growth and changing composition of regulation over the last half-century.

The estimated regulators' budget for fiscal years 2012 and 2013 reflects regulatory priorities such as homeland security, food and drug regulation, and financial market regulation, as well as the budget compromise reached between the President and Congress in December 2012, and continuing actions to cut domestic spending. As estimated here, the President's proposed budget for regulation seeks \$58.7 billion in FY 2013, a real (inflation-adjusted) decline of 2.1 percent from estimated FY 2012 outlays, which at \$59.1 billion, are 8.6 percent higher than FY 2011.

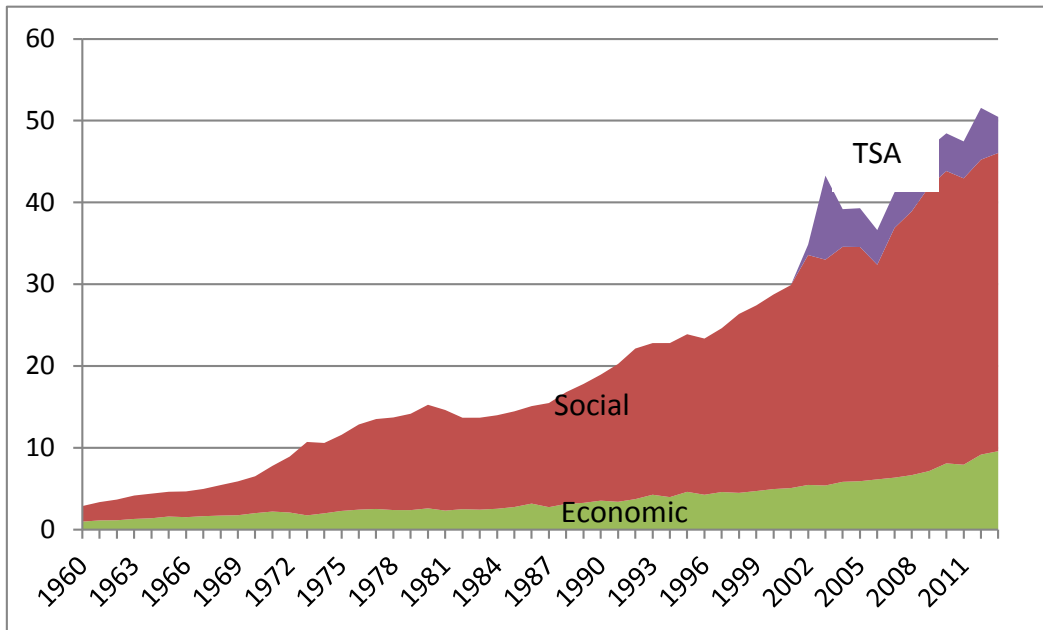
The largest budget increases in 2012 have gone to agencies in the Department of Homeland Security, including the Transportation Security Administration, Customs and Border Patrol (CBP), and the Coast Guard; the Food and Drug Administration (FDA); the Patent and Trademark Office (PTO); the Securities and Exchange Commission (SEC); and the Federal Deposit Insurance Corporation. The President requests additional increases for some of these agencies in 2013 (FDA, CBP, Coast Guard, PTO, SEC) but not others (notably TSA).

The Budget estimates that 283,615 full-time federal employees will administer regulations in 2012, and 290,690 in 2013. These reflect staffing increases of 2.5 percent each year, with additional personnel assigned to develop and enforce homeland security regulations, financial market regulations, and patent and trademark decisions. Personnel assigned to food inspection are projected to decline.

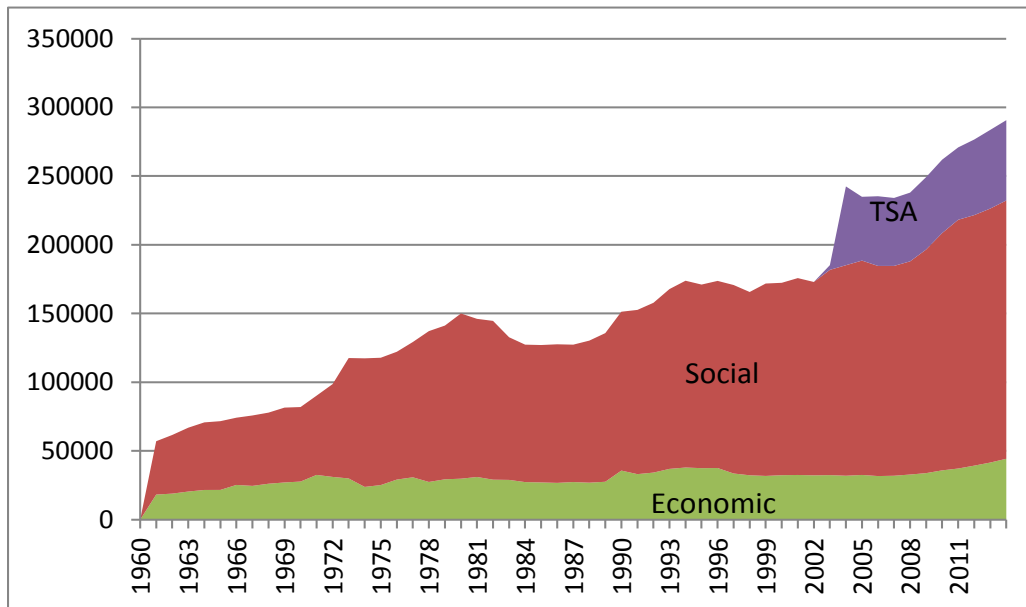
As in past years, this report focuses on agencies whose regulations primarily affect private sector activities. Thus, it excludes agencies that issue regulations governing taxation, entitlement, procurement, subsidy, and credit functions. For example, the Center for Medicaid and Medicare Services, while issuing about one-third of all the final regulations published in a typical year, has traditionally been excluded because its regulations have primarily addressed the allocation of

entitlements. While its new responsibilities under the [Affordable Care Act](#) do include [regulatory activity](#) that is within the coverage of this report, the President’s budget did not allow us to break out spending and staffing on those activities, so they are not included in these data.

**Figure 1**  
**Budgetary Costs of Federal Regulation, Adjusted for Inflation**



**Figure 2**  
**Staffing of Federal Regulatory Agencies**



Source: Weidenbaum Center, Washington University and the George Washington University Regulatory Studies Center. Derived from the *Budget of the United States Government* and related documents, various fiscal years.

**Table 1**  
**Spending Summary for Federal Regulatory Agencies, Selected Years**  
(Fiscal Years, Millions of Dollars in “Outlays”)\*

	1960	1970	1980	1990	2000	2010	2011	(Estimated) 2012	2013	% Change	
<b>Current (Nominal) Dollars</b>											
<b>Social Regulation</b>											
Consumer Safety and Health	\$102	\$222	\$1,252	\$1,839	\$3,650	\$7,389	\$7,699	\$8,634	\$8,976	11.2%	4.0%
Homeland Security	145	335	1,589	3,359	7,874	22,863	23,481	26,166	25,004	11.4%	-4.4%
Transportation	42	177	550	810	1,493	3,062	3,002	3,338	3,094	11.2%	-7.3%
Workplace	36	115	748	1,012	1,428	2,083	2,098	2,103	2,151	0.2%	2.3%
Environment and Energy	29	248	1,919	4,118	6,673	8,345	8,523	8,399	8,363	-1.5%	-0.4%
<b>Total Social Regulation</b>	<b>\$354</b>	<b>\$1,097</b>	<b>\$6,058</b>	<b>\$11,138</b>	<b>\$21,118</b>	<b>\$43,742</b>	<b>\$44,803</b>	<b>\$48,640</b>	<b>\$47,588</b>	<b>8.6%</b>	<b>-2.2%</b>
<b>Economic Regulation</b>											
Finance and Banking	\$40	\$98	\$392	\$1,309	\$1,968	\$3,167	\$3,584	\$4,128	\$4,193	15.2%	1.6%
Industry-Specific Regulation	91	276	486	513	744	1,258	1,290	1,416	1,443	9.8%	1.9%
General Business	48	113	357	727	1,674	3,754	4,102	4,960	5,510	20.9%	11.1%
<b>Total Economic Regulation</b>	<b>\$179</b>	<b>\$487</b>	<b>\$1,235</b>	<b>\$2,549</b>	<b>\$4,386</b>	<b>\$8,179</b>	<b>\$8,976</b>	<b>\$10,504</b>	<b>\$11,146</b>	<b>17.0%</b>	<b>6.1%</b>
<b>GRAND TOTAL</b>	<b>\$533</b>	<b>\$1,584</b>	<b>\$7,293</b>	<b>\$13,687</b>	<b>\$25,504</b>	<b>\$51,921</b>	<b>\$53,779</b>	<b>\$59,144</b>	<b>\$58,734</b>	<b>10.0%</b>	<b>-0.7%</b>
<i>Annualized Percentage Change</i>		11.5%	16.5%	6.5%	6.4%	7.7%	3.6%	10.0%	-0.7%		
<b>Constant (Real) 2005 Dollars</b>											
<b>Social Regulation</b>											
Consumer Safety and Health	\$548	\$912	\$2,618	\$2,544	\$4,114	\$6,936	\$6,795	\$7,527	\$7,711	10.8%	2.4%
Homeland Security	779	1,377	3,322	4,648	8,874	21,154	20,723	22,811	21,480	10.1%	-5.8%
Transportation	226	727	1,150	1,121	1,683	2,705	2,649	2,910	2,658	9.8%	-8.7%
Workplace	194	472	1,564	1,400	1,609	1,890	1,852	1,833	1,848	-1.0%	0.8%
Environment and Energy	156	1,019	4,013	5,698	7,521	7,678	7,522	7,322	7,184	-2.7%	-1.9%
<b>Total Social Regulation</b>	<b>\$1,903</b>	<b>\$4,507</b>	<b>\$12,668</b>	<b>\$15,411</b>	<b>\$23,801</b>	<b>\$40,363</b>	<b>\$39,541</b>	<b>\$42,404</b>	<b>\$40,881</b>	<b>7.2%</b>	<b>-3.6%</b>
<b>Economic Regulation</b>											
Finance and Banking	\$215	\$402	\$820	\$1,811	\$2,218	\$3,229	\$3,163	\$3,599	\$3,602	13.8%	0.1%
Industry-Specific Regulation	489	1,134	1,016	710	839	1,162	1,138	1,234	1,240	8.4%	0.4%
General Business	258	464	747	1,006	1,887	3,695	3,620	4,324	4,733	19.4%	9.5%
<b>Total Economic Regulation</b>	<b>\$962</b>	<b>\$2,000</b>	<b>\$2,583</b>	<b>\$3,527</b>	<b>\$4,943</b>	<b>\$8,086</b>	<b>\$7,922</b>	<b>\$9,157</b>	<b>\$9,575</b>	<b>15.6%</b>	<b>4.6%</b>
<b>GRAND TOTAL</b>	<b>\$2,865</b>	<b>\$6,507</b>	<b>\$15,251</b>	<b>\$18,938</b>	<b>\$28,745</b>	<b>\$48,450</b>	<b>\$47,463</b>	<b>\$51,561</b>	<b>\$50,456</b>	<b>8.6%</b>	<b>-2.1%</b>
<i>Annualized Percentage Change</i>		8.5%	8.9%	2.2%	4.3%	5.4%	-2.0%	8.6%	-2.1%		

\* FY 2012 estimates generally reflect appropriated outlays, while FY 2013 estimates reflect the President’s request to Congress, as presented in the FY 2013 *Budget of the United States Government*. While the percentages reported for the decennial years represent annualized growth rates over the decade, the percentages for fiscal years 2012 and 2013 each represent a one year change.

Note: Numbers may not add to totals due to rounding.

Source: Weidenbaum Center, Washington University and the George Washington University Regulatory Studies Center, derived from the *Budget of the United States Government* and related documents, various fiscal years.

**Table 2**  
**Regulatory Agencies Budgeted for Increases of \$200 Million or More**

<b>Agency</b>	<b>FY 2012 Increase (\$ Millions)</b>	<b>FY 2013 Increase (\$ Millions)</b>
Transportation Security Administration	\$2,142	-2,131
Food and Drug Administration	\$874	\$413
Customs and Border Protection	680	408
Patent and Trademark Office	487	370
Immigration and Customs Enforcement	-381	348
Coast Guard	241	223
Securities and Exchange Commission	341	170
Comptroller of the Currency	219	20
Federal Deposit Insurance Corporation	300	-26

Source: Weidenbaum Center, Washington University and the George Washington Regulatory Studies Center, derived from the Appendix to the Budget of the United States Government, Fiscal Year 2013.

**Table 3**  
**Staffing Summary for Federal Regulatory Agencies, Selected Years**  
(Fiscal Years, Full-time Equivalent Employment)\*

	1960	1970	1980	1990	2000	2010	2011	(Estimated) 2012	2013	% Change	
										2011-12	2012-13
<b>Social Regulation</b>											
Consumer Safety and Health	11,961	14,734	33,201	28,743	31,843	38,616	39,569	39,989	40,538	1.1%	1.4%
Homeland Security	17,514	22,496	35,333	44,158	60,414	142,104	144,783	150,396	153,531	3.9%	2.1%
Transportation	3,928	7,788	8,401	7,550	9,041	9,543	9,604	9,688	9,965	0.9%	2.9%
Workplace	4,151	7,571	17,894	13,610	12,204	12,105	11,940	11,994	12,057	0.5%	0.5%
Environment and Energy	1,265	5,096	20,218	25,414	29,730	31,260	31,364	29,958	30,260	-4.5%	1.0%
<b>Total Social Regulation</b>	<b>38,819</b>	<b>57,685</b>	<b>115,047</b>	<b>119,475</b>	<b>143,232</b>	<b>233,628</b>	<b>237,260</b>	<b>242,025</b>	<b>246,351</b>	<b>2.0%</b>	<b>1.8%</b>
<b>Economic Regulation</b>											
Finance and Banking	2,509	5,618	9,524	15,308	13,317	13,719	15,124	16,483	16,689	9.0%	1.2%
Industry-Specific Regulation	10,300	19,791	12,326	8,234	6,723	6,595	6,648	6,871	7,061	3.4%	2.8%
General Business	5,481	7,181	9,242	9,613	12,515	16,930	17,573	18,236	20,589	3.8%	12.9%
<b>Total Economic Regulation</b>	<b>18,290</b>	<b>32,590</b>	<b>31,092</b>	<b>33,155</b>	<b>32,555</b>	<b>37,244</b>	<b>39,345</b>	<b>41,590</b>	<b>44,339</b>	<b>5.7%</b>	<b>6.6%</b>
<b>GRAND TOTAL</b>	<b>57,109</b>	<b>90,275</b>	<b>146,139</b>	<b>152,630</b>	<b>175,787</b>	<b>270,872</b>	<b>276,605</b>	<b>283,615</b>	<b>290,690</b>	<b>2.5%</b>	<b>2.5%</b>
<i>Annualized Percentage Change</i>		4.7%	4.9%	0.4%	1.4%	4.4%	2.1%	2.5%	2.5%		

\* FY 2012 estimates generally reflect appropriated staffing levels, while FY 2013 estimates reflect the President's request to Congress, as presented in the FY 2013 *Budget of the United States Government*. While the percentages reported for the decennial years represent annualized growth rates over the decade, the percentages for fiscal years 2011 through 2013 each represent a one year change.

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