

RENEWING EFFICIENCY IN GOVERNMENT BY BUDGETING  
 ACT OF 2024

DECEMBER 18, 2024.—Committed to the Committee of the Whole House on the State  
 of the Union and ordered to be printed

Mr. COMER, from the Committee on Oversight and Accountability,  
 submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 7867]

The Committee on Oversight and Accountability, to whom was referred the bill (H.R. 7867) to amend the Unfunded Mandates Reform Act of 1995 to require the Director of the Office of Management and Budget to establish a limit for the total amount of additional unfunded regulatory costs that may be imposed in a fiscal year, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Renewing Efficiency in Government by Budgeting Act of 2024” or the “REG Budgeting Act of 2024”.

**SEC. 2. REGULATORY BUDGETING.**

(a) REGULATORY BUDGETING.—Title II of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4; 15 U.S.C. 1531 et seq.) is amended by adding at the end the following:

**“SEC. 210. REGULATORY BUDGETING.**

**“(a) LIMIT FOR THE AMOUNT OF ADDITIONAL UNFUNDED REGULATORY COSTS THAT MAY BE IMPOSED EACH FISCAL YEAR.—**

**“(1) ESTABLISHMENT.—**

**“(A) IN GENERAL.—**On or before September 30 of each fiscal year, the Director shall establish—

“(i) a limit on the amount of additional unfunded regulatory costs that may be imposed collectively by the heads of all agencies in the next fiscal year; and

“(ii) as part of the limit established under clause (i), a limit on the amount of additional unfunded regulatory costs that may be imposed individually by the head of each agency in the next fiscal year.

**“(B) ADDITIONAL MATTERS RELATED TO LIMIT.—**The Director may require as part of a limit under subparagraph (A), that cumulative unfunded regulatory costs be reduced, including for the purpose of offsetting any additional unfunded regulatory costs that may be imposed by the heads of agencies during the fiscal year for which the limit is established.

**“(C) CONGRESSIONAL APPROVAL.—**The Director may not establish a limit under subparagraph (A) that allows the head of an agency to impose an additional unfunded regulatory cost unless Congress approves such limit.

**“(2) REPORTS.—**

**“(A) AGENCY-WIDE LIMIT.—**Not later than 7 days after establishing a limit under paragraph (1)(A)(i), the Director shall—

“(i) submit a report that identifies the limit established, and contains a reasoned statement of the basis and purpose of establishing such limit, to the appropriate congressional committees; and

“(ii) publish the report on the website designated under subparagraph (D).

**“(B) AGENCY-SPECIFIC LIMIT.—**Not later than 7 days after establishing a limit under paragraph (1)(A)(ii) with respect to an agency, the Director shall—

“(i) submit a report that identifies the limit established, and contains a reasoned statement of the basis and purpose of establishing such limit, to—

“(I) the appropriate congressional committees; and

“(II) each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill to amend the provisions of law under which the head of the agency is authorized to promulgate rules; and

“(ii) publish the report on the website designated under subparagraph (D).

**“(C) PROHIBITION ON PROMULGATING CERTAIN RULES UNTIL SUBMISSION OF REPORT TO APPROPRIATE CONGRESSIONAL COMMITTEES.—**

“(i) IN GENERAL.—The head of an agency may not finalize a rule that imposes an additional unfunded regulatory cost until the Director submits to the appropriate congressional committees the reports required by subparagraph (A)(i) and subparagraph (B)(i) for the fiscal year in which the rule would be finalized.

“(ii) EXCEPTION.—The prohibition under clause (i) shall not apply to any rule with respect to which the President issues an Executive Order stating that the rule should take effect because the rule is—

“(I) necessary—

“(aa) because of an emergency, including an imminent threat to health or safety;

“(bb) for the enforcement of criminal laws; or

“(cc) for national security; or

“(II) being issued pursuant to a law implementing an international trade agreement.

“(D) DESIGNATION OF WEBSITE.—Not later than 90 days after the date of the enactment of this subsection, the Director shall designate a website through which the Director will publish reports in accordance with subparagraphs (A) and (B).

“(b) RULES RESULTING IN LIMIT BEING EXCEEDED.—

“(1) CONGRESSIONAL APPROVAL.—If the promulgation of any individual rule would result in a limit established under subsection (a)(1)(A) being exceeded, the rule may not go into effect during the fiscal year in which the rule is promulgated unless and until Congress approves such rule during such fiscal year.

“(2) NOTIFICATION.—In the case that the head of an agency determines that finalizing a rule may result in the amount of additional unfunded regulatory costs imposed by the head of the agency during that fiscal year to exceed a limit established under subsection (a)(1)(A), the head of the agency—

“(A) shall submit, before promulgating a general notice of a final rule with respect to such rule, a notification to the Director that includes—

“(i) a justification for exceeding such limit as a result of such rule;

“(ii) by how much the limit will be exceeded as a result of such rule;

and

“(iii) whether the head of the agency identified or considered any alternatives to such rule that would have imposed a lesser amount of additional unfunded regulatory costs, and if so, how much less such amount would have been; and

“(B) may not promulgate such rule until the head of the agency receives from the Director a notification under paragraph (3)(C) with respect to such rule.

“(3) DETERMINATION BY DIRECTOR.—After receiving a notification under paragraph (2), the Director shall—

“(A) determine whether finalizing such rule during that fiscal year will result in a limit established under subsection (a)(1)(A) being exceeded;

“(B) determine whether the Director agrees with the determination of the head of the agency that such rule should be finalized notwithstanding such limit; and

“(C) submit a written notification to the head of the agency on the determinations made under subparagraphs (A) and (B).

“(4) REPORT TO CONGRESS.—In the case that the Director determines under paragraph (3)(B) that the Director agrees with a determination by the head of an agency to finalize a rule that will result in a limit established under subsection (a)(1)(A) being exceeded, not later than 7 days after the Director submits a notification to the head of an agency under paragraph (3)(C) with respect to such determination, the Director shall submit to the appropriate congressional committees, each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill to amend the provision of law under which the rule is to be promulgated, and the Comptroller General, a notification regarding such determination by the Director that includes—

“(A) the information provided by the head of the agency to the Director under paragraph (2)(A) with respect to such rule; and

“(B) a reasoned statement of the basis and purpose of such determination.

“(c) STATEMENT REGARDING ADDITIONAL UNFUNDED REGULATORY COSTS.—In publishing a general notice of a final rule, the head of an agency shall include in such notice a statement that includes—

“(1) whether the rule will result in the amount of additional unfunded regulatory costs imposed by the agency during the fiscal year in which the rule is finalized to exceed a limit established under subsection (a)(1)(A); and

“(2) in the case that the rule will result in the amount of additional unfunded regulatory costs imposed by the agency during the fiscal year in which the rule is finalized to exceed a limit established under subsection (a)(1)(A)—

“(A) by how much the limit will be exceeded as a result of the rule;

“(B) a justification for exceeding such limit as a result of the rule;

“(C) whether the agency identified or considered any alternatives to the rule that would have imposed a lesser amount of additional unfunded regulatory costs, and if so, how much less such amount would have been;

“(D) that the head of the agency submitted a notification to the Director under subsection (b)(2); and

“(E) the determinations made by the Director under subsection (b)(3) with respect to such rule.

“(d) ANNUAL REPORT.—On or before October 30 of each fiscal year, the Director shall submit to the appropriate congressional committees a report on the administration by the Director of the limits established under subsection (a)(1)(A) for the prior fiscal year, including—

“(1) whether the total amount of additional unfunded regulatory costs imposed by all agencies in the prior fiscal year met or exceeded the limit established under clause (i) of such subsection;

“(2) whether the total amount of additional unfunded regulatory costs imposed by the head of each agency in the prior fiscal year met or exceeded the limit established for such costs under clause (ii) of such subsection;

“(3) a detailed statement that—

“(A) identifies by how much, and as a result of finalizing which rule or rules, any such limit was exceeded; and

“(B) includes a justification for exceeding any such limit as a result of finalizing such rule or rules; and

“(4) a list of each rule with respect to which the Director determined under subsection (b)(3)(B) that the Director agreed with a determination by the head of an agency to finalize the rule notwithstanding a limit established under subsection (a)(1)(A).

“(e) DEFINITIONS.—In this section:

“(1) ADDITIONAL UNFUNDED REGULATORY COST.—The term ‘additional unfunded regulatory cost’ means an unfunded regulatory cost that had not been required to be incurred by a State, local, or Tribal government, or the private sector, as a result of a Federal mandate in a rule during any preceding fiscal year.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Oversight and Accountability of the House of Representatives; and

“(B) the Committee on Homeland Security and Governmental Affairs of the Senate.

“(3) COST.—The term ‘cost’ means—

“(A) a direct cost; or

“(B) a quantifiable cost that can be estimated using the methods and concepts described in Office of Management and Budget Circular A–4 issued on September 17, 2003.

“(4) CUMULATIVE UNFUNDED REGULATORY COSTS.—The term ‘cumulative unfunded regulatory costs’ means all costs required to be incurred by a State, local, or Tribal government, or by the private sector as a result of all Federal mandates included in rules during all preceding fiscal years.

“(5) DIRECTOR.—The term ‘Director’ means the Director of the Office of Management and Budget.

“(6) UNFUNDED REGULATORY COST.—The term ‘unfunded regulatory cost’ means a cost required to be incurred by a State, local, or Tribal government, or by the private sector, as a result of a Federal mandate included in a rule.”.

(b) ANALYSIS OF WHETHER RULE EXCEEDS BUDGET.—Section 202 of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4; 2 U.S.C. 1532) is amended—

(1) in subsection (a)—

(A) in paragraph (4), by striking “; and” inserting a semicolon;

(B) in paragraph (5), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(6) an analysis of whether the proposed rule or final rule, as applicable, may or will result in the total amount of additional unfunded regulatory costs (as that term is defined in section 210) imposed by the head of the agency during the fiscal year in which the rule is issued exceeding a limit established under section 210(a)(1)(A)(ii) for the agency.”; and

(2) in subsection (c), by striking “subsection (a)” each place such term appears and inserting “paragraphs (1) through (5) of subsection (a)”.

(c) EFFECTIVE DATE.—Notwithstanding section 209 of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4; 15 U.S.C. 1531 note), the amendments made by this Act shall take effect on the date of the enactment of this Act.

#### SUMMARY AND PURPOSE OF LEGISLATION

H.R. 7867, the “Renewing Efficiency in Government by Budgeting Act” or “REG Budgeting Act”, amends the Unfunded Mandates Reform Act of 1995 (P.L. 104–4), to require federal regulatory

agencies to use budgeting procedures to constrain unfunded new costs imposed by federal regulations. Specifically, the bill requires the Office of Management and Budget (OMB) to set an annual, government-wide budget that restricts the amount of new, unfunded regulatory costs agencies can impose each fiscal year. The annual regulatory budget must preclude increases in the total unfunded costs of all federal regulations unless Congress approves them. This annual regulatory budget may also require net reductions in total regulatory costs. The bill allows agencies to rescind pre-existing regulations to offset costs of new ones in order to stay within yearly budget caps. OMB must submit each annual regulatory budget to Congress and annually report on compliance with the budget. If OMB fails to submit an annual regulatory budget at the start of a fiscal year, a regulatory moratorium for that fiscal year is imposed until OMB is in compliance.

#### BACKGROUND AND NEED FOR LEGISLATION

As estimated in 2023, the cumulative cost of U.S. federal regulations surpassed \$3 trillion dollars, equal to eleven percent of the U.S. gross domestic product.<sup>1</sup> The costs of federal regulations per employee were estimated to total nearly \$12,800 and \$14,700 per employee for businesses with under 50 employees.<sup>2</sup> The Biden Administration alone has been estimated to have added \$1.6 trillion to the federal regulatory burden as of June 2024.<sup>3</sup> Action clearly is needed by Congress to rein in costs imposed by agencies through new rulemaking.

Regulatory budgeting is a proven tool with bipartisan roots that promises to be able to achieve this goal. In the U.S., regulatory budgeting was proposed at least as early as 1979, by Senator Lloyd Bentsen (D-TX).<sup>4</sup> President Jimmy Carter encouraged the use of regulatory budgeting shortly thereafter.<sup>5</sup> Foreign governments began using regulatory budgets successfully years ago, but in the United States actual implementation first began under President Trump's Executive Order 13771, "Reducing Regulation and Controlling Regulatory Costs" (Jan. 30, 2017).<sup>6</sup>

The 2017 Executive Order 13771 ("Reducing Regulation and Controlling Regulatory Costs") represented serious policy implementation of these regulatory budgeting concepts by the Trump Administration. At its heart, the Executive Order set an annual regulatory cost-cap of net-zero-increases in cumulative federal regulatory costs. Agencies complied with this cap by rescinding old regulations to offset the costs of new ones. The result was a nearly \$200 billion reduction in regulatory costs over the course of the Trump Administration, lifting a significant federal regulatory burden from the

<sup>1</sup>Nicole V. Crain and W. Mark Crain, *The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business* at 4, National Association of Manufacturers (Oct. 2023).

<sup>2</sup>*Id.*

<sup>3</sup>See *Regulation Rodeo: Explore the Data*, American Action Forum, online at <https://www.regrodeo.com/?year%5B0%5D=2024&year%5B1%5D=2023&year%5B2%5D=2022&year%5B3%5D=2021> (last accessed June 26, 2024).

<sup>4</sup>See, e.g., Clyde Wayne Crews, *The Eventual Federal Regulatory Budget Has Bipartisan Roots*, Competitive Enterprise Institute (April 24, 2024), online at <https://cei.org/blog/the-eventual-federal-regulatory-budget-has-bipartisan-roots/>.

<sup>5</sup>*Id.*

<sup>6</sup>See Anthony P. Campau, *Regulatory Budgeting in the U.S. Federal Government: A First-Hand Account of the Initial Experience and Recommendations for Future Regulatory Budgets* at 91-92, Harvard Journal of Law and Public Policy (Summer 2022).

backs of small businesses and other regulated entities.<sup>7</sup> The REG Budgeting Act takes the logical next step following E.O. 13771's success, making regulatory budgeting a permanent feature of the regulatory system.

#### SECTION-BY-SECTION ANALYSIS

##### *Section 1. Short title*

The short title is the Renewing Efficiency in Government by Budgeting Act, or the REG Budgeting Act.

##### *Section 2. Regulatory budgeting*

- Subsection (a) adds a new Section 210 to title II of the Unfunded Mandates Reform Act of 1995 (UMRA), including—
  - Subsection (a) requires the Director of the Office of Management and Budget (OMB) to establish by the end of each fiscal year a limit on the amount of additional unfunded regulatory costs that may be imposed collectively by the heads of all federal agencies during the following fiscal year.
    - Also requires the Director to set agency-specific limits for each agency.
    - Provides that the Director may require, as part of the government-wide or any agency-specific limit, that cumulative unfunded regulatory costs be reduced, including to offset any additional unfunded regulatory costs that may be imposed under new agency rules.
    - Further provides that no limit may allow an increase in total unfunded regulatory costs unless approved by Congress.
    - Requires limits established by the Director to be reported to Congress within seven days of establishment.
    - Precludes issuance in any fiscal year of rules that impose unfunded regulatory costs until the Director submits the required reports on the limits established for the year.
    - Allows exemptions from this preclusion for rules necessitated by an emergency, for enforcement of criminal laws, for national security, or to implement an international trade agreement.
  - Subsection (b) requires agencies to consult with the Director when considering finalization of a rule that could impose costs in excess of the limit set under subsection (a).
    - Precludes promulgation of the rule until the Director informs the agency whether the rule would in fact exceed the limit and whether the Director agrees the rule should be promulgated notwithstanding the exceedance.
    - Precludes such a rule from becoming effective until the following fiscal year unless Congress approves the rule during the fiscal year of promulgation.
    - Requires the Director to inform Congress and the Comptroller General within seven days of any determination agreeing that the agency should promulgate a rule

<sup>7</sup>H. Comm. on Oversight and Accountability, Hearing on *Death by a Thousand Regulations: The Biden Administration's Campaign to Bury America in Red Tape* (June 14, 2023), Written Testimony of Anthony P. Campau at 9.

- notwithstanding that it exceeds a limit set under subsection (a).
- Subsection (c) requires agencies to include in general notices of final rulemaking whether the rule will cause a limit set under subsection (a) to be exceeded and, if so—
    - the amount by which the limit would be exceeded;
    - the agency’s justification for exceeding the limit;
    - whether the agency considered less costly alternatives;
    - that the agency consulted with the Director about the exceedance; and
    - the Director’s determinations about the exceedance and whether the rule should be promulgated notwithstanding it.
  - Subsection (d) requires the Director to submit to Congress detailed annual reports on OMB’s administration of unfunded regulatory cost limits set under subsection (a).
  - Subsection (e) establishes definitions of certain terms in the Act, including “additional unfunded regulatory costs,” “cost,” “cumulative unfunded regulatory costs,” and “unfunded regulatory cost.”
  - Subsection (b) amends section 202 of UMRA to require agencies to include, in statements prepared under that section for proposed and final rules, analyses of whether the rule may or will result in the exceedance of a limit on unfunded regulatory costs set under section 210(a).

#### LEGISLATIVE HISTORY

H.R. 7867 was introduced on April 5, 2024, by Representative Pat Fallon. The following Representatives are cosponsors of the bill: James Comer (R–KY) and Virginia Foxx (R–NC). The bill was referred to the Committee on Oversight and Accountability. The Committee on Oversight and Accountability held a related hearing on June 14, 2023. The Committee considered H.R. 7867 at a business meeting on April 10, 2024, and ordered the bill as amended favorably reported by a recorded vote.

#### COMMITTEE CONSIDERATION

On April 10, the Committee met in open session and ordered the bill, H.R. 7867, favorably reported with an amendment in the nature of a substitute, by a roll call vote of 24–19, a quorum being present.

#### ROLL CALL VOTES

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the following roll call vote occurred during the Committee’s consideration of H.R. 7867:

A roll call vote was held on favorably reporting H.R. 7867. The bill was agreed to in a recorded vote of 24–19.

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY  
118TH CONGRESS  
RATIO 26-21  
ROLL CALL

Vote on: Final Passage – H.R. 7867, Renewing Efficiency in Government by Budgeting Act  
Date: 4/10/2024

VOTE #: 6

Republicans	Aye	No	Present	Democrats	Aye	No	Present
MR. COMER (KY) <i>(Chairman)</i>	X			MR. RASKIN (MD) <i>(Ranking Member)</i>		X	
MR. JORDAN (OH)				MS. NORTON (DC)		X	
MR. TURNER (OH)				MR. LYNCH (MA)		X	
MR. GOSAR (AZ)	X			MR. CONNOLLY (VA)		X	
MS. FOXX (NC)	X			MR. KRISHNAMOORTHY (IL)		X	
MR. GROTHMAN (WI)	X			MR. KHANNA (CA)		X	
MR. CLOUD (TX)	X			MR. MFUME (MD)			
MR. PALMER (AL)	X			MS. OCASIO-CORTEZ (NY)		X	
MR. HIGGINS (LA)	X			MS. PORTER (CA)		X	
MR. SESSIONS (TX)	X			MS. BUSH (MO)		X	
MR. BIGGS (AZ)	X			MS. BROWN (OH)		X	
MS. MACE (SC)	X			MS. STANSBURY (NM)		X	
MR. LATURNER (KS)	X			MR. GARCIA (CA)		X	
MR. FALLON (TX)	X			MR. FROST (FL)		X	
MR. DONALDS (FL)	X			MS. LEE of PENNSYLVANIA (PA)		X	
MR. PERRY (PA)	X			MR. CASAR (TX)		X	
MR. TIMMONS (SC)	X			MS. CROCKETT (TX)		X	
MR. BURCHETT (TN)	X			MR. GOLDMAN (NY)		X	
MS. GREENE OF GEORGIA (GA)	X			MR. MOSKOWITZ (FL)	X		
MRS. MCCLAIN (MI)	X			MS. TLAIB (MI)		X	
MRS. BOEBERT (CO)	X			MS. PRESSLEY (MA)		X	
MR. FRY (SC)	X						
MRS. LUNA (FL)	X						
MR. LANGWORTHY (NY)	X						
MR. BURLISON (MO)	X						
MR. WALTZ (FL)							

Roll Call Totals: Ayes: 24 Nays: 19 Present:  
Passed:   X   Failed:

Jim Jordan, Ohio  
CHAIRMAN

Jerrold Nadler, New York  
RANKING MEMBER

ONE HUNDRED EIGHTEENTH CONGRESS

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON THE JUDICIARY

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August 7, 2024

The Honorable James Comer  
Chairman  
Committee on Oversight and Accountability  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Comer:

I write regarding H.R. 7867, the REG Budgeting Act. Provisions of this bill fall within the Judiciary Committee's Rule X jurisdiction, and I appreciate that you consulted with us on those provisions. The Judiciary Committee agrees that it shall be discharged from further consideration of the bill so that it may proceed expeditiously to the House floor.

The Committee takes this action with the understanding that forgoing further consideration of this measure does not in any way alter the Committee's jurisdiction or waive any future jurisdictional claim over these provisions or their subject matter. We also reserve the right to seek appointment of an appropriate number of conferees in the event of a conference with the Senate involving this measure or similar legislation.

I ask that you please include this letter in your committee's report to accompany this legislation or insert this letter in the *Congressional Record* during consideration of H.R. 7867 on the House floor. I appreciate the cooperative manner in which our committees have worked on this matter, and I look forward to working collaboratively in the future on matters of shared jurisdiction. Thank you for your attention to this matter.

Sincerely,

  
Jim Jordan  
Chairman

cc: The Honorable Jerrold Nadler, Ranking Member, Committee on the Judiciary  
The Honorable Jamie Raskin, Ranking Member, Committee on Oversight and Accountability  
The Honorable Jason Smith, Parliamentarian

JAMES COMER, KENTUCKY  
CHAIRMAN

ONE HUNDRED EIGHTEENTH CONGRESS

JANE RASKIN, MARYLAND  
RANKING MEMBER

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND ACCOUNTABILITY

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August 9, 2024

The Honorable Jim Jordan  
Chairman  
House Judiciary Committee  
2138 Rayburn House Building  
Washington, DC 20515

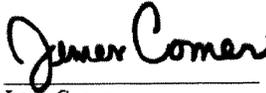
Dear Chairman Jordan:

Thank you for consulting with the Committee on Oversight and Accountability and agreeing to be discharged from further consideration of H.R. 7867, the *Renewing Efficiency in Government by Budgeting Act (REG Budgeting) Act*, so that it may proceed expeditiously to the House Floor.

I agree that by foregoing consideration of H.R. 7867 at this time, you do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that you will be appropriately consulted and involved on this or similar legislation as it moves forward. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

As discussed, I will seek to place a copy of our exchange of letters on this bill in the bill report filed by the Committee on Oversight and Accountability and in the *Congressional Record* during House floor consideration thereof. I appreciate your cooperation regarding this bill and look forward to future opportunities to work together on matters of shared jurisdiction.

Sincerely,



James Comer  
Chairman  
Committee on Oversight and Accountability

cc: The Honorable Mike Johnson, Speaker  
House of Representatives

**The Honorable Jamie B. Raskin, Ranking Member  
Committee on Oversight and Accountability**

**The Honorable Jerrold Nadler, Ranking Member  
House Judiciary Committee**

**Jason Smith, Parliamentarian  
House of Representatives**

## EXPLANATION OF AMENDMENTS

During Committee consideration of the bill, Representative James Comer (R–KY), Chairman of the Committee, offered an amendment in the nature of a substitute that would make certain technical changes to the bill. The amendment in the nature of a substitute passed by voice vote.

## LIST OF RELATED COMMITTEE HEARINGS

In accordance with House Rule XIII, clause 3(c)(6), (1) The following hearing was used to develop or consider H.R. 7867:

On June 14, 2023, the Committee held a hearing titled “Death by a Thousand Regulations: The Biden Administration’s Campaign to Bury America in Red Tape” with Mr. Anthony P. Campau, Principal, Clark Hill Public Strategies; Prof. Casey Mulligan, University of Chicago; Mr. Adam J. White, Senior Fellow, American Enterprise Institute, and Co-Executive Director, the C. Boyden Gray Center for the Study of the Administrative State, George Mason University Antonin Scalia Law School; and Prof. Sally Katzen, New York University School of Law.

(2) The following hearing related to H.R. 7867 was held:

On June 14, 2023, the Committee held a hearing titled “Death by a Thousand Regulations: The Biden Administration’s Campaign to Bury America in Red Tape” with Mr. Anthony P. Campau, Principal, Clark Hill Public Strategies; Prof. Casey Mulligan, University of Chicago; Mr. Adam J. White, Senior Fellow, American Enterprise Institute, and Co-Executive Director, the C. Boyden Gray Center for the Study of the Administrative State, George Mason University Antonin Scalia Law School; and Prof. Sally Katzen, New York University School of Law.

## STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee’s oversight findings and recommendations are reflected in the Background and Need for Legislation section above.

## STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee’s performance goals or objectives of this bill are to codify regulatory budgeting requirements in order to constrain total unfunded costs imposed by federal regulations.

## APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104–1 requires a description of the application of this bill to the legislative branch where the bill relates to the terms and conditions of employment or access to public services and accommodations. This bill does not relate to employment or access to public services and accommodations in the legislative branch.

DUPLICATION OF FEDERAL PROGRAMS

In accordance with clause 3(c)(5) of rule XIII no provision of this bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

The Committee finds that this legislation does not direct the establishment of advisory committees within the definition of Section 5(b) of the appendix to title 5, U.S.C.

UNFUNDED MANDATES REFORM ACT STATEMENT

Pursuant to section 423 of the *Congressional Budget Act of 1974* the Committee has included a letter received from the Congressional Budget Office below.

EARMARK IDENTIFICATION

This bill does not include any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI of the House of Representatives.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate of the bill prepared by the Director of the Congressional Budget Office pursuant to section 402 of the *Congressional Budget Act of 1974*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974*, and pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the cost estimate prepared by the Congressional Budget Office and submitted pursuant to section 402 of the *Congressional Budget Act of 1974*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

**UNFUNDED MANDATES REFORM ACT OF 1995**

\* \* \* \* \*

**TITLE II—REGULATORY  
ACCOUNTABILITY AND REFORM**

\* \* \* \* \*

**SEC. 202. STATEMENTS TO ACCOMPANY SIGNIFICANT REGULATORY ACTIONS.**

(a) **IN GENERAL.**—Unless otherwise prohibited by law, before promulgating any general notice of proposed rulemaking that is likely to result in promulgation of any rule that includes any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted annually for inflation) in any 1 year, and before promulgating any final rule for which a general notice of proposed rulemaking was published, the agency shall prepare a written statement containing—

(1) an identification of the provision of Federal law under which the rule is being promulgated;

(2) a qualitative and quantitative assessment of the anticipated costs and benefits of the Federal mandate, including the costs and benefits to State, local, and tribal governments or the private sector, as well as the effect of the Federal mandate on health, safety, and the natural environment and such an assessment shall include—

(A) an analysis of the extent to which such costs to State, local, and tribal governments may be paid with Federal financial assistance (or otherwise paid for by the Federal Government); and

(B) the extent to which there are available Federal resources to carry out the intergovernmental mandate;

(3) estimates by the agency, if and to the extent that the agency determines that accurate estimates are reasonably feasible, of—

(A) the future compliance costs of the Federal mandate; and

(B) any disproportionate budgetary effects of the Federal mandate upon any particular regions of the nation or particular State, local, or tribal governments, urban or rural or other types of communities, or particular segments of the private sector;

(4) estimates by the agency of the effect on the national economy, such as the effect on productivity, economic growth, full employment, creation of productive jobs, and international

competitiveness of United States goods and services, if and to the extent that the agency in its sole discretion determines that accurate estimates are reasonably feasible and that such effect is relevant and material【; and】;

(5)(A) a description of the extent of the agency’s prior consultation with elected representatives (under section 204) of the affected State, local, and tribal governments;

(B) a summary of the comments and concerns that were presented by State, local, or tribal governments either orally or in writing to the agency; and

(C) a summary of the agency’s evaluation of those comments and concerns【.】; and

(6) *an analysis of whether the proposed rule or final rule, as applicable, may or will result in the total amount of additional unfunded regulatory costs (as that term is defined in section 210) imposed by the head of the agency during the fiscal year in which the rule is issued exceeding a limit established under section 210(a)(1)(A)(ii) for the agency.*

(b) PROMULGATION.—In promulgating a general notice of proposed rulemaking or a final rule for which a statement under subsection (a) is required, the agency shall include in the promulgation a summary of the information contained in the statement.

(c) PREPARATION IN CONJUNCTION WITH OTHER STATEMENT.—Any agency may prepare any statement required under 【subsection (a)】 paragraphs (1) through (5) of subsection (a) in conjunction with or as a part of any other statement or analysis, provided that the statement or analysis satisfies the provisions of 【subsection (a)】 paragraphs (1) through (5) of subsection (a).

\* \* \* \* \*

**SEC. 210. REGULATORY BUDGETING.**

(a) *LIMIT FOR THE AMOUNT OF ADDITIONAL UNFUNDED REGULATORY COSTS THAT MAY BE IMPOSED EACH FISCAL YEAR.—*

(1) *ESTABLISHMENT.—*

(A) *IN GENERAL.—On or before September 30 of each fiscal year, the Director shall establish—*

(i) *a limit on the amount of additional unfunded regulatory costs that may be imposed collectively by the heads of all agencies in the next fiscal year; and*

(ii) *as part of the limit established under clause (i), a limit on the amount of additional unfunded regulatory costs that may be imposed individually by the head of each agency in the next fiscal year.*

(B) *ADDITIONAL MATTERS RELATED TO LIMIT.—The Director may require as part of a limit under subparagraph (A), that cumulative unfunded regulatory costs be reduced, including for the purpose of offsetting any additional unfunded regulatory costs that may be imposed by the heads of agencies during the fiscal year for which the limit is established.*

(C) *CONGRESSIONAL APPROVAL.—The Director may not establish a limit under subparagraph (A) that allows the head of an agency to impose an additional unfunded regulatory cost unless Congress approves such limit.*

(2) *REPORTS.—*

(A) *AGENCY-WIDE LIMIT.*—Not later than 7 days after establishing a limit under paragraph (1)(A)(i), the Director shall—

(i) submit a report that identifies the limit established, and contains a reasoned statement of the basis and purpose of establishing such limit, to the appropriate congressional committees; and

(ii) publish the report on the website designated under subparagraph (D).

(B) *AGENCY-SPECIFIC LIMIT.*—Not later than 7 days after establishing a limit under paragraph (1)(A)(ii) with respect to an agency, the Director shall—

(i) submit a report that identifies the limit established, and contains a reasoned statement of the basis and purpose of establishing such limit, to—

(I) the appropriate congressional committees; and

(II) each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill to amend the provisions of law under which the head of the agency is authorized to promulgate rules; and

(ii) publish the report on the website designated under subparagraph (D).

(C) *PROHIBITION ON PROMULGATING CERTAIN RULES UNTIL SUBMISSION OF REPORT TO APPROPRIATE CONGRESSIONAL COMMITTEES.*—

(i) *IN GENERAL.*—The head of an agency may not finalize a rule that imposes an additional unfunded regulatory cost until the Director submits to the appropriate congressional committees the reports required by subparagraph (A)(i) and subparagraph (B)(i) for the fiscal year in which the rule would be finalized.

(ii) *EXCEPTION.*—The prohibition under clause (i) shall not apply to any rule with respect to which the President issues an Executive Order stating that the rule should take effect because the rule is—

(I) necessary—

(aa) because of an emergency, including an imminent threat to health or safety;

(bb) for the enforcement of criminal laws; or

(cc) for national security; or

(II) being issued pursuant to a law implementing an international trade agreement.

(D) *DESIGNATION OF WEBSITE.*—Not later than 90 days after the date of the enactment of this subsection, the Director shall designate a website through which the Director will publish reports in accordance with subparagraphs (A) and (B).

(b) *RULES RESULTING IN LIMIT BEING EXCEEDED.*—

(1) *CONGRESSIONAL APPROVAL.*—If the promulgation of any individual rule would result in a limit established under subsection (a)(1)(A) being exceeded, the rule may not go into effect during the fiscal year in which the rule is promulgated unless and until Congress approves such rule during such fiscal year.

(2) *NOTIFICATION.*—In the case that the head of an agency determines that finalizing a rule may result in the amount of additional unfunded regulatory costs imposed by the head of the agency during that fiscal year to exceed a limit established under subsection (a)(1)(A), the head of the agency—

(A) shall submit, before promulgating a general notice of a final rule with respect to such rule, a notification to the Director that includes—

(i) a justification for exceeding such limit as a result of such rule;

(ii) by how much the limit will be exceeded as a result of such rule; and

(iii) whether the head of the agency identified or considered any alternatives to such rule that would have imposed a lesser amount of additional unfunded regulatory costs, and if so, how much less such amount would have been; and

(B) may not promulgate such rule until the head of the agency receives from the Director a notification under paragraph (3)(C) with respect to such rule.

(3) *DETERMINATION BY DIRECTOR.*—After receiving a notification under paragraph (2), the Director shall—

(A) determine whether finalizing such rule during that fiscal year will result in a limit established under subsection (a)(1)(A) being exceeded;

(B) determine whether the Director agrees with the determination of the head of the agency that such rule should be finalized notwithstanding such limit; and

(C) submit a written notification to the head of the agency on the determinations made under subparagraphs (A) and (B).

(4) *REPORT TO CONGRESS.*—In the case that the Director determines under paragraph (3)(B) that the Director agrees with a determination by the head of an agency to finalize a rule that will result in a limit established under subsection (a)(1)(A) being exceeded, not later than 7 days after the Director submits a notification to the head of an agency under paragraph (3)(C) with respect to such determination, the Director shall submit to the appropriate congressional committees, each standing committee with jurisdiction under the rules of the House of Representatives or the Senate to report a bill to amend the provision of law under which the rule is to be promulgated, and the Comptroller General, a notification regarding such determination by the Director that includes—

(A) the information provided by the head of the agency to the Director under paragraph (2)(A) with respect to such rule; and

(B) a reasoned statement of the basis and purpose of such determination.

(c) *STATEMENT REGARDING ADDITIONAL UNFUNDED REGULATORY COSTS.*—In publishing a general notice of a final rule, the head of an agency shall include in such notice a statement that includes—

(1) whether the rule will result in the amount of additional unfunded regulatory costs imposed by the agency during the fis-

cal year in which the rule is finalized to exceed a limit established under subsection (a)(1)(A); and

(2) in the case that the rule will result in the amount of additional unfunded regulatory costs imposed by the agency during the fiscal year in which the rule is finalized to exceed a limit established under subsection (a)(1)(A)—

(A) by how much the limit will be exceeded as a result of the rule;

(B) a justification for exceeding such limit as a result of the rule;

(C) whether the agency identified or considered any alternatives to the rule that would have imposed a lesser amount of additional unfunded regulatory costs, and if so, how much less such amount would have been;

(D) that the head of the agency submitted a notification to the Director under subsection (b)(2); and

(E) the determinations made by the Director under subsection (b)(3) with respect to such rule.

(d) **ANNUAL REPORT.**—On or before October 30 of each fiscal year, the Director shall submit to the appropriate congressional committees a report on the administration by the Director of the limits established under subsection (a)(1)(A) for the prior fiscal year, including—

(1) whether the total amount of additional unfunded regulatory costs imposed by all agencies in the prior fiscal year met or exceeded the limit established under clause (i) of such subsection;

(2) whether the total amount of additional unfunded regulatory costs imposed by the head of each agency in the prior fiscal year met or exceeded the limit established for such costs under clause (ii) of such subsection;

(3) a detailed statement that—

(A) identifies by how much, and as a result of finalizing which rule or rules, any such limit was exceeded; and

(B) includes a justification for exceeding any such limit as a result of finalizing such rule or rules;

(4) a list of each rule with respect to which the Director determined under subsection (b)(3)(B) that the Director agreed with a determination by the head of an agency to finalize the rule notwithstanding a limit established under subsection (a)(1)(A).

(e) **DEFINITIONS.**—In this section:

(1) **ADDITIONAL UNFUNDED REGULATORY COST.**—The term “additional unfunded regulatory cost” means an unfunded regulatory cost that had not been required to be incurred by a State, local, or Tribal government, or the private sector, as a result of a Federal mandate in a rule during any preceding fiscal year.

(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term “appropriate congressional committees” means—

(A) the Committee on Oversight and Accountability of the House of Representatives; and

(B) the Committee on Homeland Security and Governmental Affairs of the Senate.

(3) **COST.**—The term “cost” means—

(A) a direct cost; or

*(B) a quantifiable cost that can be estimated using the methods and concepts described in Office of Management and Budget Circular A-4 issued on September 17, 2003.*

*(4) CUMULATIVE UNFUNDED REGULATORY COSTS.—The term “cumulative unfunded regulatory costs” means all costs required to be incurred by a State, local, or Tribal government, or by the private sector as a result of all Federal mandates included in rules during all preceding fiscal years.*

*(5) DIRECTOR.—The term “Director” means the Director of the Office of Management and Budget.*

*(6) UNFUNDED REGULATORY COST.—The term “unfunded regulatory cost” means a cost required to be incurred by a State, local, or Tribal government, or by the private sector, as a result of a Federal mandate included in a rule.*

\* \* \* \* \*

## MINORITY VIEWS

H.R. 7867, the Renewing Efficiency in Government by Budgeting Act, would impose an onerous and duplicative new process on federal agencies and severely restrict federal rulemaking with an illogical, unworkable “regulatory budget” scheme that fails to reflect the true costs and benefits of regulatory protections.

The Unfunded Mandates Reform Act already requires federal agencies to publish detailed statements and cost-benefit analyses prior to issuing a notice of proposed rulemaking if such action may result in significant cost to state, tribal, or local governments. Similarly, Executive Order 13563 already directs federal agencies to conduct periodic retrospective reviews of their rules and consider more effective or improved alternatives. Instead of instilling any beneficial transparency or accountability protections for the public, this bill simply follows the Republican Majority’s continued efforts to limit the ability of federal agencies to protect the public from corporate bad actors and to roll back the important, lifesaving regulatory protections of the Biden-Harris Administration. The bill focuses exclusively on the costs of rules without considering the corresponding benefits, forces agencies to make the impossible choice of rolling back existing protections for the public if they hope to create new ones, and effectively prohibits new regulations without the explicit approval of Congress.

A more transparent, modernized federal rulemaking process would provide greater efficiency and effectiveness, strengthen the democratic process, and ensure that regulatory protections are best designed to meet the needs of the public. That’s why, in April 2023, the Biden-Harris Administration launched a landmark effort to modernize the rulemaking process. These changes include requiring federal officials to proactively seek out the voices of those who are underrepresented in—but still critically affected by—the rulemaking process, considering the interests of future generations, and considering how the costs and benefits of a rule affect different groups of people with different degrees of intensity. In contrast, H.R. 7867 fails to modernize or increase the transparency of the rulemaking process in any productive, meaningful way, and would succeed only in tying the hands of federal agencies from carrying out programs and policies in line with statute.

I strongly oppose this effort to dismantle the regulatory protections that ensure the health and safety of the American people.

JAMIE RASKIN,  
*Ranking Member.*

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