October 9, 2025

The Honorable Chris Kapenga
Chair
Senate Committee on Licensing, Regulatory Reform, and Federal Affairs

The Honorable Amanda M. Nedweski
Chair
Assembly Committee on Government Operations, Accountability, and Transparency

The Honorable Andre Jacque
Vice-Chair
Senate Committee on Licensing, Regulatory Reform, and Federal Affairs

The Honorable Shae A. Sortwell
Vice-Chair
Assembly Committee on Government Operations, Accountability, and Transparency

Chairs Kapenga and Nedweski, Vice Chairs Jacque and Sortwell, and all members of the Senate Committee on Licensing, Regulatory Reform, and Federal Affairs, and the Assembly Committee on Government Operations, Accountability, and Transparency, on behalf of Americans for Prosperity, the nation's largest grassroots organization dedicated to breaking barriers to opportunity, thank you for the opportunity to appear before you. It is an honor and pleasure to have the opportunity to discuss with you today one of the most critical governmental issues of our time, yet one that is often overlooked or forced to take a backseat position. That issue, of course, is regulatory process reform broadly and, more specifically Senate Bill 277 and Assembly Bill 274. For the sake of clarity, I will refer to this bill as S.B. 277 moving forward.

My name is Graham Owens and I am a Policy Fellow with Americans for Prosperity where my portfolio covers, among other issues, advocating for policies that reduce the burden of outdated and overly complex regulations that hinder business growth and economic development. My testimony today is informed by my years of work as a regulatory attorney in D.C., where I have spent almost a decade working in Congress and federal regulatory agencies, led regulatory policy matters for the National Association of Manufacturers, and even spent years as the President of a small agricultural processing company that I helped build.

Few would question the assertion that major projects require periodical reviews to ensure they are on the right path and achieving the intended outcomes. Yet, few such effective processes exist for regulations. They are promulgated and then stay on the books indefinitely with no mechanism for efficient removal when necessary and with no retrospective review. Only the most controversial regulations typically get reviewed or repealed—often only to be repromulgated by the next Administration—which creates a "regulatory ping-pong" that is often no better than the bad regulation itself.

As such, legislatures at the state and federal level must prioritize creating a mechanism for periodically reviewing regulations to ensure they are achieving their intended goals, that the science backing the regulation has held up, and that they are still necessary. While creating a retrospective review process is fairly straightforward—require agencies to periodically look back on whether their regulatory actions have achieved their intended missions and whether the data and assumptions the regulatory actions were based upon held true—it rarely happens.

That is why S.B. 277 is so important. S.B. 277 would create such a process by requiring Wisconsin regulatory agencies to review their regulations every seven years to determine whether the regulations they oversee and enforce continue to be necessary and provide an efficient mechanism for those agencies to allow unnecessary or outdated regulations to cease to be active. This process is otherwise known "retrospective review" and "sunsetting," respectively. Just as importantly, the bill would afford this legislature—and the constituents who elect you—with an active oversight role in the agencies' decision-making process by requiring each agency to submit to the appropriate standing committees and the Joint Committee for Review of Administrative Rules (JCRAR) a notice of the agency's intent to readopt a chapter. Should no opposition to the readoption occur, the bill also provides for a streamlined process for that regulation to remain on the books, while also affording the agencies an opportunity to repromulgate said regulation even where there is opposition from the legislature.

In other words, this critical legislation would provide agencies with an efficient mechanism to review and remove outdated or duplicative regulations, provide greater oversight of regulatory decisions by elected officials, and provide a mechanism to claw back regulations deemed critical.

So, why is this legislation critical and why does Americans for Prosperity stand in full support? While, admittedly, the vast majority of my work has focused on federal regulatory reform matters—and I do not purport to be an expert on Wisconsin law—the underpinnings of why it is important to create mechanisms for the retrospective review of regulations and efficient sunsetting where necessary remain true at every level of government.

First, regulations are very costly, especially for business sectors critical to the Wisconsin economy such as manufacturing and agriculture. According to a 2023 study by the National Association of Manufacturers, the federal regulatory compliance cost-per-employee per year was $29,100 for manufacturing firms, compared with $12,800 for all firms.[1]

These costs are even greater for small businesses who have fewer resources to ensure regulatory compliance and fewer employees to spread the costs across. According to that same study, the regulatory compliance costs per employee per year for manufacturing firms with less than 50 employees was a staggering $50,100, compared with $14,700 for all firms of the same size.[2]

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[1] NICOLE V. CRAIN & W. MARK CRAIN, THE COST OF FEDERAL REGULATION TO THE U.S. ECONOMY, MANUFACTURING AND SMALL BUSINESS: A STUDY CONDUCTED FOR THE NATIONAL ASSOCIATION OF MANUFACTURERS 5 (2023), https://www.nam.org/wp-content/uploads/2023/11/NAM-3731-Crains-Study-R3-V2-FIN.pdf.
[2] *Id.*

Take a moment to let that sink in: small manufacturers are, on average, paying over $50,000 per year simply on regulatory compliance costs. According to the Bureau of Labor Statistics, in 2023 the mean annual wage for manufacturing in Wisconsin was $47,990.[3] That means that small manufacturing firms in Wisconsin are paying more, on average, to comply with regulations than they pay their employees.

And let me speak from experience. As President of a small agriculture processing business, I learned firsthand how difficult it is to navigate the dizzying array of regulatory issues while still making payroll—*and I'm a D.C.-based regulatory attorney*! If it was hard for me, I cannot imagine how other small businesses manage. Having learned firsthand how difficult it is for small businesses to navigate the regulatory environment, after leaving this firm I served as Regulatory and Oversight Counsel for the Senate Small Business Committee under Senator Ernst to fight for small businesses nationwide.

Now, consider these statistics understanding that Wisconsin ranks as the thirteenth most regulated state in the nation and the second most regulated state in the Midwest, with over 165,000 regulatory restrictions in its administrative code—double the restrictions of neighboring states like Michigan. By reducing the regulatory burden, S.B. 277 and the broader Red Tape Reset initiative will make Wisconsin a magnet for businesses, entrepreneurs, and job creators.

This is not to say that there should be no regulations, but rather that it is vital that this body ensure that only those regulations that are absolutely necessary remain active and let those regulations that are no longer necessary fall by the wayside. This is particularly important because it benefits responsible firms that comply with all regulatory responsibilities regardless of age or perceived necessity. By removing outdated and unnecessary regulations, you can ensure these responsible firms are not spending money on regulations this body no longer deems necessary. Given the high costs of regulations, especially on small firms, this should be a clear priority.

This brings me to the second reason why bills such as S.B. 277 are so important—ensuring that the cost-benefit analysis conducted when the regulation was first promulgated has held true. The nature of public policy requires regulators to make assumptions as to the potential costs and benefits of a given regulation. Yet, without a strong retrospective review process, these assumptions are rarely questioned once hard data becomes available. Under S.B. 277, both the agency and the legislature would be able to review hard data every seven years against the initial assumptions made to determine whether the regulation is still necessary, necessary but in need of change, or outright unnecessary or unjustifiable given the new cost-benefit analysis. In the event that a regulation is deemed necessary, S.B. 277 also affords the agency an opportunity to repromulgate the regulation, perhaps this time providing alternatives for small businesses that are less costly or incorporating emerging technologies that can reduce the compliance costs.

Finally, proper legislative oversight of regulatory agencies cuts both ways and is policy neutral. Nothing in S.B. 277 says which types of regulations will be deemed necessary or unnecessary, just that the

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[3] U.S. BUREAU OF LABOR STATISTICS, MAY 2023 STATE OCCUPATIONAL EMPLOYMENT AND WAGE ESTIMATES: WISCONSIN (2023), https://www.bls.gov/oes/2023/may/oes_wi.htm#51-0000.

agencies should be required to review their regulations periodically to determine which are necessary and which are not. Indeed, the legislation even allows for the joint committee to extend the expiration date for a chapter for up to a year if more time is needed to make this determination. Further, as it currently stands, Wisconsin regulatory agencies must spend roughly the same resources and time—all at the taxpayers' expense—to repeal an outdated regulation as it takes to issue a new one. I would guess that many regulators would be happy to remove outdated regulations if these resource restrains were removed. At the federal level, we hear this regularly from agencies.

There is no doubt that many legislators here today might believe this bill is meant to stifle regulation, but I am fairly certain that those same legislators can imagine a time when an executive branch of the opposite party was or will be in charge and you would be happy to have the opportunity to review regulatory actions periodically.

On behalf of Americans for Prosperity, I thank you all for your continued leadership in ensuring Wisconsin and the United States has the most competitive regulatory system in the world. I also thank you for the opportunity to share my thoughts on the need for policy neutral retrospective regulatory review and efficient sunsetting where necessary and I look forward to the opportunity to answer each of your questions.

Sincerely,

Graham Owens
Policy Fellow
Americans for Prosperity