



Testimony of Kevin Kane
Director of Legislative Strategy
The Commonwealth Foundation for Public Policy Alternatives
Hearing on Reining in Regulations
Before the Pennsylvania House Republican Policy Committee
The Honorable David H. Rowe, Chair
June 16, 2025

RE: Regulatory Relief for All Pennsylvanians

Chair Rowe:

Thank you for the invitation to testify, and my thanks to the rest of the committee for your attention to this issue.

My name is Kevin Kane. I am the Director of Legislative Strategy at the Commonwealth Foundation for Public Policy Alternatives, a free-market think tank that advances policy ideas and proposals to help all Pennsylvanians thrive.

Introduction

My testimony today focuses on understanding why we need sweeping regulatory reform in Pennsylvania. Moreover, what good regulatory reform to benefit all Pennsylvanians looks like.

Pennsylvania needs holistic reforms rather than piecemeal changes. Our commonwealth deserves the transformative potential of streamlining regulations for Pennsylvania's economy.

The Pennsylvania Code is extensive with [164,032 regulatory restrictions](#). These are the instances where the Code states the terms "shall," "must," "may not," "prohibited," and "required." The sheer number of regulations alone evidences room for improvement. Nationally, Pennsylvania is the fourteenth [most regulated](#) state.¹

The High Cost of the Status Quo

This vast number of state restrictions stifle innovation and business expansion and prevent Pennsylvanians from reaching their full potential.

The economic repercussions of all these regulations are evident in the challenges faced by the business community. Pennsylvania loses about 361 businesses and 5,195 jobs annually due to the federal regulatory burden.² State regulations impose added burdens. Our research estimates that [if Pennsylvania reduced](#) its regulatory requirements by 36 percent, the

¹ Patrick McLaughlin and Dustin Chambers, "Snapshots of State Regulations, 2024 Edition: Federal and State Rules and Some of Their Unintended Consequences," George Mason University: Mercatus Center, August 6, 2024, https://www.mercatus.org/regsnapshots24?mc_cid=f9ca8a4d4b&mc_eid=75d2475037.

² Dustin Chambers and Colin O'Reilly, "The Regressive Effects of Regulations in Pennsylvania," policy brief, George Mason University: Mercatus Center, January 7, 2021, <https://www.mercatus.org/research/policy-briefs/regressive-effects-regulations-pennsylvania>.



commonwealth could see an increase of \$9.2 billion in gross domestic product (GDP), which amounts to \$1,760 per household and the equivalent of 180,000 new jobs each year.³

In short—the cost of continuing our bloated bureaucracy is enormous.

A Systematic Approach Is Necessary

Making Pennsylvania more attractive to business requires extensive reform—not just picking winners and losers at corny press conferences. Companies, like [Fairlife](#) and [Bechtel](#), have left our state because Gov. Josh Shapiro failed to deliver on his campaign promise to make Pennsylvania better for business.⁴

Addressing these regulations requires a holistic perspective rather than a host of current executive orders aiding “preferred” businesses as they navigate the state bureaucracy. At the end of the day, none of the governor’s programs (i.e., PAYback, Fast Track, or SITES) help improve the business environment for ***all Pennsylvanians***.

Impactful and longer-lasting improvements to our state’s economy require understanding the regulatory environment in the aggregate and the will to reduce Pennsylvania’s overall regulatory burden.

Bipartisan Solutions Exist

Regulatory streamlining has been and continues to be a bipartisan collective effort that transcends party lines. This is evident from the fact that some of the most significant reforms in recent years took place in blue or purple states like Rhode Island and Virginia.

The state of Rhode Island undertook a regulatory streamlining effort throughout the administration of Gov. Gina Raimondo. At the onset of her reforms, there were 1,387 active executive branch agency regulations. State agencies revised, consolidated, or eliminated [77 percent](#) of the regulations in a matter of several years.⁵

In 2020, Virginia Gov. Ralph Northam created a regulatory reduction [pilot program](#) that required two state agencies to create an inventory of their requirements and then cut requirements by 25 percent from baseline levels. In 2022, at the start of his term, Gov. Glenn Youngkin [expanded](#) the program to include nearly all executive branch agencies.⁶ To date, Virginia agencies have

³ James Broughel, “Cutting Red Tape in Pennsylvania,” Commonwealth Foundation, September 18, 2023, <https://www.commonwealthfoundation.org/research/cutting-red-tape-pennsylvania/>.

⁴ Pennsylvania Farm Bureau, “Shapiro Visits Reinford Farms in Mifflintown to Celebrate Dairy Month,” June 13, 2023, <https://pfb.com/shapiro-visits-reinford-farms-in-mifflintown-to-celebrate-dairy-month/>; Williamsport Sun-Gazette, “Bechtel Pulls Out of Renovo Power Plant Project,” April 23, 2023, <https://www.sungazette.com/news/top-news/2023/04/bechtel-pulls-out-of-renovo-power-plant-project/>.

⁵ National Governors Association, “Learning from State Regulatory Streamlining Efforts,” June 2022, https://www.nga.org/wp-content/uploads/2022/07/State_Regulation_Report_June2022.pdf.

⁶ Alex J. Adams and Reeve Bull, “Regulatory Modernization: Lessons from Idaho and Virginia,” Regulatory Transparency Project, May 10, 2024, <https://rtp.fedsoc.org/paper/regulatory-modernization-that-works-lessons-from-idaho-and-virginia/>.



streamlined regulations by more than 20 percent. These changes are saving Virginia businesses and citizens over \$1.2 billion per year.⁷

Pennsylvania Is Growing Less Competitive

While wait times for permits have fallen in recent years, permit approval times still frequently exceed the 14-to-43-day limits set under Pennsylvania's permitting-decision guarantee policy.⁸ And the SPEED program, created last year to streamline complicated permits, is still not operational.

Pennsylvania is falling behind.

Neighboring Ohio passed a law in 2019 requiring state agencies to produce an inventory of state regulatory requirements. In 2022, Ohio used the inventory data to set [a statutory goal](#) of reducing restrictions by 30 percent over three years.⁹ Of its 27 agencies, as of last October, [only four fell short](#) the of 20 percent mark for 2024. Notably, GDP has grown by more than [13 percent](#) since 2022 for the Buckeye State, with over 170,000 added jobs and a \$3,000 median household income increase.¹⁰

Without regulatory streamlining, Pennsylvania risks losing jobs, businesses and talent to its competitors.

The governor says he wants to compete and get things done. Yet, **five bills** to improve the speed and consistency of regulatory processes for all Pennsylvanians [stalled](#) in the Pennsylvania House of Representatives last session.¹¹ And we are headed down the same road in 2025.

Broad-Based Legislation

For the 2025–26 session, the Pennsylvania Senate again advances broad-based regulatory relief for all.

⁷ Reeve T. Bull, "Virginia Proves Regulatory Streamlining Promotes Competitive Markets," May 8, 2025, https://www.realclearpolicy.com/articles/2025/05/08/virginia_proves_regulatory_streamlining_promotes_competitive_markets_1108967.html.

⁸ Pennsylvania Department of Environmental Protection, "Permit Decision Guarantee," accessed June 12, 2025, <https://www.dep.pa.gov/Business/ProgramIntegration/DecisionGuarantee/pages/default.aspx>; James Broughel, "Cutting Red Tape Could Add Billions To Pennsylvania's Economy," *Forbes*, September 20, 2023, <https://www.forbes.com/sites/jamesbroughel/2023/09/20/cutting-red-tape-could-add-billions-to-pennsylvanias-economy/>.

⁹ Rea S. Hederman Jr., "Ohio is Model for Regulatory Reform," *Buckeye Institute*, September 18, 2023, <https://www.buckeyeinstitute.org/blog/detail/ohio-is-model-for-regulatory-reform#:~:text=That%20legislation%20created%20an%20inventory,by%20subtraction%2C%20as%20they%20say.>

¹⁰ J.D. Davidson, "Ohio Agencies Continue to Cut Regulations," *Center Square*, October 9, 2024, https://www.thecentersquare.com/ohio/article_7bab803e-865c-11ef-b7c8-f7c9c2eb7de5.html; Americans for Prosperity, "Why the Ohio Economy Thrives? Less Bureaucracy, More Freedom," February 7, 2025, <https://americansforprosperity.org/blog/why-ohios-economy-is-thriving-and-why-deregulation-is-to-thank/>.

¹¹ Commonwealth Foundation, "Regulatory Reforms Stalled State House," April 4, 2024, https://commonwealthfoundation.org/research/regulatory-reforms-state-house-pa/#_edn2.



Senate Bill (SB) 159 and **SB 172**, both introduced by Sen. Camera Bartolotta, reform the permitting process within Pennsylvania's Department of Environmental Protection (DEP). The bills provide additional clarity regarding permit appeals and require state Senate reconfirmation of Pennsylvania **Environmental Hearing Board** members after their first term expires.¹²

SB 462, introduced by Sen. Kristin Phillips-Hill, creates a process for reviewing and making recommendations to the General Assembly, the governor, and executive agencies for repeal, modification, or revision of existing regulations. The Transparency, Reform, and Accountability for Pennsylvania (TRAP Act) office will expire five years after its creation to ensure it is able to properly review all regulations and make necessary recommendations but not add to continued bureaucracy in perpetuity.¹³

SB 333, introduced by Sen. Dawn Keefer, would require legislative approval of economically significant regulations defined by the bill as those with an estimated economic impact exceeding \$1 million.¹⁴

SB 444, introduced by Sen. Michele Brooks, would require the legislature to review economically significant regulations three years after implementation to confirm the regulation's need, effectiveness, and efficiency.¹⁵<https://commonwealthfoundation.org/research/regulatory-reforms-state-house-pa/>

These provisions would protect Pennsylvania small businesses from unilateral action by government bureaucrats that impose billions of dollars in costs and stifle economic growth.

Pennsylvania **voters emphatically support** this type of broad regulation reform. Eight out of ten Pennsylvanians support legislative oversight of regulations, and more than two-thirds of voters favor regulatory reviews.¹⁶

Conclusion

Shapiro's budget proposal to increase corporate welfare to \$1.6 billion won't make Pennsylvania more competitive.

Instead, lawmakers must systematically address the commonwealth's regulatory burden and constant delays in permitting processes. Passing the above bills would make Pennsylvania more competitive and save tax dollars. Continuing to improve Pennsylvania's regulatory process means more investment, and ultimately—more prosperity for its residents.

¹² Sen. Camera Bartolotta, Senate Bill 159, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/sb159>; Sen. Camera Bartolotta, Senate Bill 172, Pennsylvania General Assembly, Regular Session 2023–24, <https://www.palegis.us/legislation/bills/2025/sb172>.

¹³ Sen. Kristin Phillips-Hill, Senate Bill 462, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/sb462>.

¹⁴ Sen. Dawn Keefer, Senate Bill 333, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/sb333>.

¹⁵ Sen. Michele Brooks, Senate Bill 444, Pennsylvania General Assembly, Regular Session 2025–26, <https://www.palegis.us/legislation/bills/2025/sb444>.

¹⁶ Commonwealth Foundation, "New Poll: Pennsylvanians Demand Energy Affordability," May 29, 2025, <https://commonwealthfoundation.org/2025/05/29/new-poll-pennsylvanians-demand-energy-affordability/>.



I urge this committee to consider the benefits reaped by other states that have taken proactive steps toward reducing unnecessary regulatory burdens. By doing so, Pennsylvania can unlock the full potential of its people and maintain competitiveness.

Again, thank you. I would be happy to address any questions you may have.

Sincerely,

Kevin Kane