



Submission of the President's Budget in Transition Years

Michelle D. Christensen

Analyst in Government Organization and Management

May 17, 2012

Congressional Research Service

7-5700

www.crs.gov

RS20752

CRS Report for Congress

Prepared for Members and Committees of Congress

About TheCapitol.Net

We help you understand Washington and Congress.™

For more than 35 years, TheCapitol.Net and its predecessor, Congressional Quarterly Executive Conferences, have been training professionals from government, military, business, and NGOs on the dynamics and operations of the legislative and executive branches and how to work with them.

Our training and publications include congressional operations, legislative and budget process, communication and advocacy, media and public relations, research, testifying before Congress, legislative drafting, critical thinking and writing, and more.

TheCapitol.Net encompasses a dynamic team of more than 150 faculty members and authors, all of whom are independent subject matter experts and veterans in their fields. Faculty and authors include senior government executives, former members of Congress, Hill and agency staff, editors and journalists, lobbyists, lawyers, nonprofit executives, and scholars.

We have worked with hundreds of clients across the country to develop and produce a wide variety of custom, on-site training programs.

All courses, seminars, and workshops can be tailored to align with your organization's educational objectives and presented on-site at your location.

TheCapitol.Net is on the GSA Schedule, 874-4, for custom on-site training:
GSA Contract GS02F0192X.

TheCapitol.Net has more than 2,000 clients representing congressional offices, federal and state agencies, military branches, corporations, associations, news media, and NGOs nationwide.

TheCapitol.Net is a non-partisan firm.

Our blog: [Hobnob Blog](#)—hit or miss ... give or take ... this or that ...

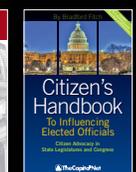


Non-partisan training and publications that show how Washington works.™

PO Box 25706, Alexandria, VA 22313-5706
202-678-1600 • www.thecapitol.net



TheCapitol.Net is on the
GSA Schedule, 874-4,
for custom on-site training.
GSA Contract GS02F0192X



Summary

At the time of a presidential transition, one question commonly asked is whether the outgoing or incoming President submits the budget for the upcoming fiscal year.

Under past practices, outgoing Presidents in transition years submitted a budget to Congress just prior to leaving office, and incoming Presidents usually revised them. Six incoming Presidents—Dwight Eisenhower, John Kennedy, Richard Nixon, Gerald Ford, Jimmy Carter, and Ronald Reagan—revised their predecessor's budget shortly after taking office, while only two Presidents during this period, Lyndon Johnson and George H. W. Bush, chose not to do so.

The deadline for submission of the President's budget, which has been changed several times over the years, was set in 1990 as "on or after the first Monday in January but not later than the first Monday in February of each year." The change made it possible for an outgoing President, whose term ends on January 20, to leave the annual budget submission to his successor.

The three outgoing Presidents since the 1990 change—George H. W. Bush, Bill Clinton, and George W. Bush—exercised this option. Accordingly, the budget was submitted in 1993, 2001, and 2009 by the three incoming Presidents (Bill Clinton for FY1994, George W. Bush for FY2002, and Barack Obama for FY2010).

Before President Barack Obama, the last three incoming Presidents that submitted a budget or revised their predecessor's budget (Ronald Reagan, Bill Clinton, and George W. Bush) did not submit detailed budget proposals during their transitions until early April; however, each of them advised Congress regarding the general contours of their economic and budgetary policies in a special message submitted to Congress in February concurrently with a presentation made to a joint session of Congress.

President Barack Obama followed a comparable approach. He delivered an address on his economic and budget plan to a joint session of Congress on February 24, 2009, and submitted an overview document two days later. He submitted his detailed budget proposal on May 7, 2009, and submitted additional supplemental volumes four days later, on May 11, 2009.

This report will be updated as developments warrant.

Contents

Is the Outgoing or Incoming President Required to Submit the Budget?.....	1
Transition Budgets in Recent Years	2
Statutory Deadlines.....	3
Special Messages to Congress.....	4
Outgoing “Transition” Budgets	5

Tables

Table 1. Timing of Presidential Budget Submissions in Transition Years: Incoming Carter Through Obama Administrations	3
--	---

Contacts

Author Contact Information.....	5
Acknowledgments	5

When a new Congress convenes in January, one of its first orders of business is to receive the annual budget submission of the President. Following receipt of the President's budget, Congress begins the consideration of the budget resolution and other budgetary legislation for the upcoming fiscal year, which starts on October 1.¹

The transition from one presidential administration to another raises special issues regarding the annual budget submission. Which President—the outgoing President or the incoming one—is required to submit the budget, and how will the transition affect the timing and form of the submission? The purpose of this report is to provide background information that addresses these questions.

Is the Outgoing or Incoming President Required to Submit the Budget?

The Budget and Accounting Act of 1921, as amended, requires the President to submit a budget annually to Congress toward the beginning of each regular session (31 U.S.C. §1105a).² This requirement first applied to President Warren Harding for FY1923.

The deadline for submission of the budget, first set in 1921 as “on the first day of each regular session,” has changed several times over the years:

- in 1950, to “during the first 15 days of each regular session”;³
- in 1985, to “on or before the first Monday after January 3 of each year (or on or before February 5 in 1986)”;⁴ and
- in 1990, to “on or after the first Monday in January but not later than the first Monday in February of each year.”⁵

The 20th Amendment to the Constitution, ratified in 1933, requires each new Congress to convene on January 3 (unless the date is changed by the enactment of a law) and provides a January 20 beginning date for a President's four-year term of office. Therefore, under the legal framework for the beginning of a new Congress, the beginning of a new President's term, and the deadline for the submission of the budget, all outgoing Presidents prior to the 1990 change were obligated to submit a budget.

The 1990 change in the deadline made it possible for an outgoing President to leave the annual budget submission to his successor, an option which the three outgoing Presidents since then (George H.W. Bush, Bill Clinton, and George W. Bush) took.

¹ For more information on the federal budget process, see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by Bill Heniff Jr.

² The Budget and Accounting Act of 1921 is P.L. 67-13.

³ The 1950 change was made by the Budget and Accounting Procedures Act of 1950 (P.L. 81-784).

⁴ The 1985 change was made by the Balanced Budget and Emergency Deficit Control Act (P.L. 99-177).

⁵ The 1990 change was made by the Budget Enforcement Act of 1990, which was included in the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508).

Because President George H.W. Bush chose not to submit a budget for FY1994 (and was not obligated to do so), President Bill Clinton submitted the original budget for FY1994 rather than budget revisions. Similarly, the budget for FY2002 was submitted by the incoming President George W. Bush, rather than by outgoing President Bill Clinton. The Office of Management and Budget (OMB) provided considerable advance notice of the plan for FY2002.⁶ President George W. Bush indicated early on that he would not submit a budget for FY2010. In announcing the decision, then-OMB Director Jim Nussle stated:

The FY2010 budget will be submitted by the next President. In order to lay the groundwork for the next Administration, we intend to prepare a budget database that includes a complete current services baseline and to gather information to develop current services program estimates for FY2010 from which the incoming Administration can develop its budget proposals.⁷

President Barack Obama submitted an overview of his budget, “A New Era of Responsibility: Renewing America’s Promise” on February 26, 2009, two days after delivering an address on his economic and budget plan to a joint session of Congress. He submitted his *Appendix*, which contained detailed budget information on May 7, 2009, and additional supplemental volumes, including the *Analytical Perspectives* and the *Terminations, Reductions, and Savings* volume, on May 11, 2009.

Incoming Presidents, except for Warren Harding, Bill Clinton, George W. Bush, and Barack Obama, assumed their position with a budget of their predecessor in place. Under the 1921 act, Presidents may submit budget revisions to Congress at any time. Six incoming Presidents chose to modify their predecessor’s budget by submitting revisions shortly after taking office: Dwight Eisenhower, John Kennedy, Richard Nixon, Gerald Ford, Jimmy Carter, and Ronald Reagan. Six incoming Presidents chose not to submit revisions: Calvin Coolidge, Herbert Hoover, Franklin Roosevelt, Harry Truman, Lyndon Johnson, and George H. W. Bush.⁸

Transition Budgets in Recent Years

During the period beginning with the full implementation of the congressional budget process (in FY1977), six transitions of presidential administration have occurred. As **Table 1** shows, the three outgoing Presidents required to submit a budget during this period (Gerald Ford, Jimmy Carter, and Ronald Reagan) did so on or before the statutory deadline. The three Presidents who were not required to submit an outgoing budget (George H.W. Bush, Bill Clinton, and George W. Bush) each chose to leave the budget submission to his successor.

⁶ See Memorandum from Jacob J. Lew, Director of OMB, M-00-12, “Requirements for Development of the FY2002 Transition Budget,” June 2, 2000, available at http://www.whitehouse.gov/omb/memoranda_2000.

⁷ Memorandum from Jim Nussle, Director of OMB, M-08-17, “Requirements for the FY 2010 Budget Process,” April 7, 2008, available at http://www.whitehouse.gov/omb/memoranda_2008.

⁸ Presidents Coolidge and Hoover each assumed office with a reduced opportunity of time to submit budget revisions. President Coolidge assumed office on August 3, 1923, following the death of President Harding, which effectively prevented him from submitting budget revisions prior to the start of the fiscal year in July. President Hoover was the final President elected prior to the ratification of the Twentieth Amendment in 1933. Consequently, his term did not begin until March.

Once the original budget for a fiscal year has been submitted, a President or his successor may submit revisions at any time. Two incoming Presidents during this period (Jimmy Carter and Ronald Reagan) submitted budget revisions and one (George H.W. Bush) did not. The FY1978 revisions by President Jimmy Carter (a 101-page document) were submitted on February 22 and the FY1982 revisions by President Ronald Reagan (an initial 159-page document and a subsequent 435-page document) were submitted on March 10 and April 7, respectively.

Table I. Timing of Presidential Budget Submissions in Transition Years: Incoming Carter Through Obama Administrations

Fiscal Year	Outgoing President ^a				Incoming President ^a		
	President	Submitted a Budget?	Deadline ^b	Date of Submission	President	Submitted a Budget?	Date of Submission
1978	Ford	Yes	01-19-1977	01-17-1977	Carter	Yes (budget revisions)	02-22-1977
1982	Carter	Yes	01-20-1981	01-15-1981	Reagan	Yes (budget revisions)	03-10-1981, 04-07-1981 ^c
1990	Reagan	Yes	01-09-1989	01-09-1989	G.H.W. Bush	No ^d	—
1994	G.H.W. Bush	No	02-01-1993	— ^e	Clinton	Yes	04-08-1993
2002	Clinton	No	02-05-2001	— ^e	G.W. Bush	Yes	04-09-2001
2010	G.W. Bush	No	02-02-2009	— ^e	Obama	Yes	05-07-2009

Source: Prepared by the Congressional Research Service.

- a. The incoming President replaced the outgoing President on January 20 of the applicable calendar year.
- b. The budgets for FY1978 and FY1982 were required to be submitted within 15 days after Congress convened; the budget for FY1990 was required to be submitted by the first Monday in January after Congress convened; and the budgets for FY1994, FY2002, and FY2010 were required to be submitted by the first Monday in February.
- c. President Reagan submitted an initial budget revision on March 10, 1981, and a more detailed budget revision on April 7, 1981.
- d. Although President George H.W. Bush did not submit a revision of President Reagan's FY1990 budget, he submitted a 193-page message to Congress (*Building a Better America*) in conjunction with a joint address to Congress on February 9, 1989. The message included revised budget proposals.
- e. Beginning in FY1992, the deadline for submission of the budget was the first Monday in February. Consequently, the outgoing President was not required to submit a budget for FY1994, FY2002, or FY2010.

Statutory Deadlines

In past years, Congress authorized the submission of a budget for a fiscal year after the statutory deadline by enacting a deadline extension in law. For example, the deadlines for submission of the budgets for FY1981, FY1984, and FY1986 were extended from mid-January to late-January or early-February by P.L. 96-186, P.L. 97-469, and P.L. 99-1, respectively. Beginning in the late 1980s, however, several original budgets have been submitted late without authorization. For FY1991, the budget was submitted a week after a deadline that already had been extended by law (P.L. 101-228). For FY1989, the budget was submitted 45 days after the deadline without the consideration of any measure granting a deadline extension.

The three most recent transition-year budgets (FY1994, FY2002, and FY2010) were submitted 66, 63, and 98 days beyond the deadline, respectively, without the consideration of a measure granting a deadline extension. Presidents Clinton and George W. Bush submitted the original budgets for FY1994 and FY2002 (on April 8, 1993, and April 9, 2001, respectively), and President Obama submitted the FY2010 budget on May 7, 2009.

Special Messages to Congress

Although Presidents Reagan, Clinton, George W. Bush, and Barack Obama did not submit detailed budget proposals until April or May of their first year in office, each of them advised Congress regarding the general contours of their economic and budgetary policies in special messages submitted to Congress in February. Though President George H. W. Bush did not submit an official revision of President Reagan's FY1990 budget, he submitted a message to Congress that contained many of the same elements as budget revisions that had been submitted by previous incoming Presidents. In conjunction, each incoming President since Ronald Reagan has presented his special message on the budget to a joint session of Congress.⁹

Transition-Year Budgets: Special Messages to Congress, Incoming Carter Through Obama Administrations

February 22, 1977	President Carter submitted a special message to Congress containing budget revisions for FY1978. The 101-page document included proposed changes to the budget, as well as updated budget summary tables. Unlike his successors, President Carter did not present his proposals to a joint session of Congress.
February 18, 1981	President Reagan submitted a document containing an economic plan and initial budget proposals for FY1982, <i>America's New Beginning: A Program for Economic Recovery</i> , in conjunction with an address to a joint session of Congress.
February 9, 1989	President George H.W. Bush submitted a 193-page message <i>Building a Better America</i> , in conjunction with a joint address to Congress. The message contained select modifications of the FY1990 budget as well as proposals to reform the budget process.
February 17, 1993	President Clinton submitted to Congress a budgetary document, <i>A Vision of Change for America</i> , to accompany his address to a joint session of Congress. The 145-page document outlined the President's economic plan and provided select budget proposals for FY1994.
February 28, 2001	President George W. Bush submitted a 207-page budget summary for FY2002 to Congress, <i>A Blueprint for New Beginnings: A Responsible Budget for America's Priorities</i> , the day after his address to a joint session of Congress. The document contained the President's 10-year budget plan, updated budget summary tables, and proposals for budget process reform.
February 26, 2009	President Obama submitted a 134-page overview of the FY2010 budget, <i>A New Era of Responsibility: Renewing America's Promise</i> , two days after delivering an address on his economic and budget plan to a joint session of Congress. The document contained select proposals for economic stimulus and updated budget summary tables.

Source: Prepared by the Congressional Research Service.

⁹ While not technically State of the Union Addresses, these presentations contain many of the same elements and serve much the same purpose as the State of the Union. As such, they are frequently counted as State of the Union Addresses by scholars. For additional information, see CRS Report R40132, *The President's State of the Union Address: Tradition, Function, and Policy Implications*, by Colleen J. Shogan and Thomas H. Neale.

Outgoing “Transition” Budgets

Though the three Presidents who were not required to submit an outgoing budget (G.H.W. Bush, Clinton, and G.W. Bush) each chose to leave the budget submission to his successor, Presidents Clinton and George H.W. Bush helped facilitate the development of their successor’s budget by providing a “transition budget” volume to Congress.

On January 6, 1993, just prior to the inauguration of President Clinton, President George H. W. Bush submitted to Congress a 573-page, single-volume budgetary document, *Budget Baselines, Historical Data, and Alternatives for the Future*. Instead of constituting a budget in the usual sense, this document provided historical data, baseline budget projections under the status quo, and illustrations of budget projections using alternative economic assumptions and different broad policy outlines.

Similarly, on January 16, 2001, President Clinton prepared a “transition budget” for incoming President George W. Bush, *FY2002 Economic Outlook, Highlights From FY1994 To FY2001, FY2002 Baseline Projections*. The volume was comparable in scope to the one issued for FY1994 by President George H. W. Bush just before he left office, providing revised budget projections and an economic and programmatic update.

Author Contact Information

Michelle D. Christensen
Analyst in Government Organization and
Management
mchristensen@crs.loc.gov, 7-0764

Acknowledgments

This report was originally written by Robert Keith, formerly a Specialist in American National Government at CRS. The analyst listed on the cover has updated this report and is available to answer questions concerning the report’s subject matter.

Learn how Capitol Hill really works

All of our programs and any combination of their topics can be tailored for on-site training for your organization.

For more than 35 years, TheCapitol.Net and its predecessor, Congressional Quarterly Executive Conferences, have been teaching professionals from government, military, business, and NGOs about the dynamics and operations of the legislative and executive branches and how to work with them.

Our custom, on-site training and publications include congressional operations, legislative and budget process, communication and advocacy, media and public relations, research, testifying before Congress, legislative drafting, critical thinking and writing, and more.

- **Diverse Client Base**—We have tailored hundreds of custom on-site training programs for Congress, numerous agencies in all federal departments, the military, law firms, lobbying firms, unions, think tanks and NGOs, foreign delegations, associations and corporations, delivering exceptional insight into how Washington works.™
- **Experienced Program Design and Delivery**—We have designed and delivered hundreds of custom programs covering congressional/legislative operations, budget process, media training, writing skills, legislative drafting, advocacy, research, testifying before Congress, grassroots, and more.
- **Professional Materials**—We provide training materials and publications that show how Washington works. Our publications are designed both as course materials and as invaluable reference tools.
- **Large Team of Experienced Faculty**—More than 150 faculty members provide independent subject matter expertise. Each program is designed using the best faculty member for each session.
- **Non-Partisan**—TheCapitol.Net is non-partisan.
- **GSA Schedule**—TheCapitol.Net is on the GSA Schedule, 874-4, for custom on-site training: GSA Contract GS02F0192X.

Please see our Capability Statement on our web site at TCNCS.com.

Custom training programs are designed to meet your educational and training goals, each led by independent subject-matter experts best qualified to help you reach your educational objectives and align with your audience.

As part of your custom program, we can also provide classroom space, breaks and meals, receptions, tours, and online registration and individual attendee billing services.

For more information about custom on-site training for your organization, please see our web site: TCNCustom.com or call us: 202-678-1600, ext 115.



Non-partisan training and publications that show how Washington works.™

PO Box 25706, Alexandria, VA 22313-5706
202-678-1600 • www.thecapitol.net



TheCapitol.Net is on the
GSA Schedule, 874-4,
for custom on-site training.
GSA Contract GS02F0192X

