

# CRS Report for Congress

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## Proposed and Actual Budget Totals for the Fiscal Years 1980 Through 2001

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### Summary

The federal government rarely forecasts its budget accurately. The complicated combination of factors underlying the President's and Congress' budget proposals almost ensures some difference with the eventual outcome. The underlying assumptions include future economic conditions and technical components of the budget models.

Some of the factors in this process are themselves volatile and susceptible to change, contributing to the ongoing evolution of budget proposals and estimates. The original proposals are necessary and useful indicators of the policy choices proposed by the President and Congress as well as indicators of the general magnitude and direction expected from the federal budget for the upcoming fiscal year.

This report contains a table of proposed, estimated, and actual budget totals for the fiscal years 1980 through 2001. The totals used in the report are based on total receipts and total outlays, not on proposed or approved annual appropriations which provide only a portion of the government's annual spending budget.

This document is updated as new budget data become available. It is not designed to track specific budget legislation.

### Federal Budget Totals: The Data

**Table 1** contains the President's budget proposal (as produced by the Office of Management and Budget, OMB), the reestimates of the President's budget proposal from the Congressional Budget Office (CBO), the Congressional Budget Resolution, and actual total for the fiscal years 1980 through 2001.<sup>1</sup> Where possible and when necessary, the

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<sup>1</sup> The data were taken from: the annual budget documents submitted by the President; the annual CBO report that reestimates the President's budget, *An Analysis of the President's Budgetary Proposals*; the annual congressional budget resolutions; and additional information in the  
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data in the table — including the congressional budget resolution — were adjusted by CRS to reflect unified budget totals rather than the several definitions of “budget” totals that were in use in various years during this period. The information necessary to consolidate the budget data was not available in each instance and is so noted in the table (see for example 1980, 1982, and 1984, among others). In most years, the adjustments were relatively small compared to the size of the totals.

These adjusted totals provide relatively consistent and comprehensive measures of budget data within each year and across time. They eliminate, as much as possible, the differences in the numbers resulting from periodic adjustments in budget accounting practices.

Also note that the adoption of annual appropriations provides only a portion of each year’s budget authority and subsequent outlays. Appropriations are not addressed in this report.

## Why Budget Estimates Change

Aside from policy changes by Congress and the President between the initial budget proposals and the end of the fiscal year, two factors produce changes in the budget totals. First, forecasting future economic conditions is an inexact process and the economic conditions that actually occur should be expected to differ from those originally forecast. Second, modeling the federal budget is inherently difficult and imprecise. The errors in the budget numbers that flow from the problems with modeling are largely unavoidable. Both types of errors tend to be larger with longer-range budget estimates, such as the 5-year or 10-year budget outlook currently included in many official budget reports. Although the errors are generally smaller when made only 15 to 20 months ahead of the end of the fiscal year, they still contribute to some of the differences between the initial budget proposals and the final budget outcome.

Each year, most often in late January or early February, the Administration submits an annual federal budget to Congress for the fiscal year that begins the following October. The budget documents contain what the Administration expects the budget, incorporating the effects of the President’s policy choices, will look like during the next fiscal year (and in subsequent years). The Administration (and Congress) must base its proposed budget on uncertain underlying assumptions, made 20 to 21 months in advance of the end of the next fiscal year. This generally results in the final budget numbers that are different from those originally proposed — even when Congress and the President are in complete agreement on the new year’s policies.

CBO releases an analysis of the President’s budgetary proposals, usually within several months of the President’s budget submission (these are the “reestimates” in the table). The CBO report recasts the Administration’s policy proposals using CBO’s economic forecast and technical estimating assumptions. This annual report is one of several sources that highlight the significant effects that economic and technical assumptions can have on the budget estimates. The choice of economic forecast can have

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<sup>1</sup> (...continued)

February 1988 CBO publication, the *Economic and Budget Outlook: Fiscal Years 1989-1993*.

very noticeable effects on the budget estimates. Differences in the technical assumptions underlying budget estimates also may cause significant differences among the various budget estimates.

Following the President's budget proposal, Congress produces its annual budget resolution as part of the congressional budget process.<sup>2</sup> The congressional budget resolution "is a plan for guiding subsequent tax and spending decisions."<sup>3</sup> In this instance, proposed policy differences as well as possible differences in underlying economic assumptions (and budget estimating models) may result in differences between the congressional and President's budget plan. Congress may want more or less spending or higher or lower revenues than the President or a different mix of either. And Congress may have a different view of how the economy will perform during the ensuing fiscal year (Congress often uses CBO's economic and technical assumptions in constructing the annual budget resolution.) The result is that Congress is likely to develop a budget plan that differs from what the President proposed.<sup>4</sup>

Implementing the budget resolution requires legislation. Conditions can change between the adoption of the budget resolution and the implementing legislation. The changes – economic, natural disasters, war, or others – may lead Congress (and the President) to adopt legislation that does not follow the outline in the budget resolution. Thus, between the passage of a budget resolution and the adoption of implementing legislation some differences in budget totals are likely to arise.

As the fiscal year passes, the economic and technical assumptions that underlay the original budget estimates from the President and Congress, often differ from the actual results. Changes in the underlying assumptions will change budget numbers, pushing the budget totals away from earlier estimates and proposals. In addition, legislation may be adopted (such as supplemental appropriations) that further alters the budget totals from what was originally envisioned. We should not be surprised then, that the final budget numbers differ by various amounts from the original proposals from the President and Congress.

The budget process itself has, at times, included requirements that have contributed to the differences between the original Administration and congressional budget proposals and the final totals. In FY1990 and FY1991, the budget rules in place set specific deficit targets for budget proposals, targets that were viewed by many as unrealistic and unattainable. The actual deficits for those two years were indeed two to four times larger than the original Administration and congressional proposals. The deficit targets and the budget process were subsequently changed.

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<sup>2</sup> For a thorough exploration of the congressional as well as the federal budget process, see *Manual on the Federal Budget Process*, CRS Report 98-720 GOV.

<sup>3</sup> CBO. *Economic and Budget Outlook: An Update*. Aug. 1987. p. 64.

<sup>4</sup> The budget resolution does not need the President's approval.

**Table 1. Proposed and Actual Budget Totals, FY1980-2001**  
(in billions of dollars)

Fiscal Year	Receipts	Outlays	Deficit(-)/Surplus
<b>1980</b>			
Carter 1/79	\$502.6	\$543.5	-\$41.0
CBO Reestimates 1/79	499.4	540.0	-40.6
Budget Resolution (excl. off-budget) 5/79	509.0	532.0	-23.0
Actual 9/30/80	517.1	590.9	-73.8
<b>1981</b>			
Carter 1/80	600.0	633.9	-33.9
Carter Revised 3/80	628.0	630.2	-2.2
CBO Reestimates 2/80	603.5	622.9	-19.4
Budget Resolution 11/80	613.8	613.6	0.2
Actual 9/30/81	599.3	678.2	-79.0
<b>1982</b>			
Carter 1/81	711.8	757.6	-45.8
Reagan Revision 3/81	650.3	712.0	-61.7
CBO Reest. (Reagan; excl. off-budget) 3/81	654	721	-67
Budget Resolution (excludes off-budget) 5/81	657.8	695.4	-37.6
Actual 9/30/82	617.8	745.8	-128.0
<b>1983</b>			
Reagan 2/82	666.1	773.3	-107.2
CBO Reestimates 2/82	660.1	797.2	-137.1
Budget Resolution 6/82	665.9	769.8	-103.9
Actual 9/30/83	600.6	808.4	-207.8
<b>1984</b>			
Reagan 1/83	659.7	862.5	-202.8
CBO Reestimates (excludes off-budget) 2/83	664.5	840.5	-176.0
Budget Resolution (excludes off-budget) 6/83	679.6	851.2	-171.6
Actual 9/30/84	666.5	851.9	-185.4
<b>1985</b>			
Reagan 2/84	745.1	940.3	-195.2
CBO Reestimates 2/84	741.0	947.0	-206.0
Budget Resolution (excludes off-budget) 9/84	750.9	932.0	-181.2
Actual 9/30/85	734.1	946.4	-212.3
<b>1986</b>			
Reagan 2/85	793.7	973.7	-180.0
CBO Reestimates 2/85	789.0	975.0	-185.0
Budget Resolution (excludes off-budget) 8/85	795.7	967.6	-171.9
Actual 9/30/85	769.2	990.5	-221.2
<b>1987</b>			
Reagan 2/86	850.4	994.0	-143.6
CBO Reestimates 2/86	849.9	1,009.7	-159.7
Budget Resolution 6/86	852.4	995.0	-142.6
Actual 8/30/87	854.4	1,004.1	-149.8
<b>1988</b>			
Reagan 1/87	916.6	1,024.3	-107.8
CBO Reestimates 2/87	905.4	1,039.8	-134.4
Budget Resolution 6/87	932.8	1,040.8	-108.0
Actual 9/30/88	909.3	1,064.5	-155.2
<b>1989</b>			
Reagan 2/88	964.7	1,094.2	-129.5
CBO Reestimates 3/88	955	1,120	-165
Budget Resolution 5/88	964.4	1,099.7	-135.3
Actual 9/30/89	991.2	1,143.7	-152.5
<b>1990</b>			
Reagan 1/89	1,059.3	1,151.8	-92.5
Bush Revisions 2/89	1,065.6	1,156.7	-91.1
CBO Reestimates (Reagan) 2/89 <u>a/</u>	1,070	1,190	-120
Budget Resolution 5/89	1,065.5	1,165.2	-99.7
Actual 9/30/90	1,032.0	1,253.2	-221.2

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Fiscal Year	Receipts	Outlays	Deficit(-)/Surplus
<b>1991</b>			
Bush 1/90 b/	\$1,170.2	\$1,233.3	-\$63.1
CBO Reestimates 3/90	1,068	1,226	-158
Budget Resolution 10/90 b/	1,172.9	1,236.9	-64.0
Actual 9/30/91	1,055.0	1,324.4	-269.4
<b>1992</b>			
Bush 1/91	1,165.0	1,445.9	-280.9
CBO Reestimates 3/91	1,172	1,462	-290
Budget Resolution 5/91	1,169.2	1,448.0	-278.8
Actual 9/30/92	1,091.3	1,381.7	-290.4
<b>1993</b>			
Bush 1/92	1,165.4	1,515.3	-349.9
CBO Reestimates 3/92	1,171	1,503	-332
Budget Resolution 5/92	1,173.4	1,500.0	-326.6
Actual 9/30/93	1,154.4	1,409.5	-255.1
<b>1994</b>			
Bush (baseline, excluding sequester) 1/6/93	1,230.3	1,522.7	-292.4
Clinton 2/17/93	1,250.5	1,513.0	-262.5
CBO Reestimates 3/93	1,242	1,510	-268
Budget Resolution 3/31/93	1,241.8	1,495.6	-253.8
Actual 9/30/94	1,258.6	1,461.9	-203.3
<b>1995</b>			
Clinton 2/7/94	1,353.8	1,518.9	-165.1
Clinton-excluding health care proposals 2/7/94	1,342.2	1,518.3	-176.1
CBO Reestimates 4/94 c/	1,339	1,521	-182
Budget Resolution 5/4/94	1,338.2	1,513.6	-175.4
Actual 9/30/95	1,351.8	1,515.8	-164.0
<b>1996</b>			
Clinton 2/6/95	1,415.5	1,612.1	-196.7
CBO Reestimates 4/95	1,416	1,626	-211
Budget Resolution 6/26/95	1,417.2	1,587.5	-170.3
Actual 9/30/96	1,453.1	1,560.6	-107.5
<b>1997</b>			
Clinton 2/5/96 d/	1,476.4	1,645.2	-168.8
Clinton 3/19/96	1,495.2	1,572.4	-145.6
CBO Reestimates 5/96	1,477	1,633	-156
Budget Resolution 6/7/96	1,468.7	1,622.1	-153.4
Actual 9/30/97	1,579.3	1,601.3	-22.0
<b>1998</b>			
Clinton 2/6/97	1,566.8	1,687.5	-120.6
CBO Reestimates 3/97	1,557	1,703	-145
Budget Resolution 6/4/97	1,601.8	1,692.3	-90.5
Actual 9/30/98	1,721.8	1,652.6	69.2
<b>1999 e/</b>			
Clinton 2/2/98	1,742.7	1,733.2	9.5
CBO Reestimates 3/98	1,751	1,747	4
Budget Resolution, Senate 3/20/98	1,738.4	1,730.0	8.4
Budget Resolution, House 5/27/98	1,755.6	1,721.9	33.7
Actual 9/30/99	1,827.5	1,701.9	125.5
<b>2000</b>			
Clinton 2/1/99	1,883.0	1,765.7	117.3
CBO Reestimates 4/99	1,881	1,768	113
Budget Resolution 4/14/99	1,876.1	1,735.2	140.9
Actual 9/30/00	2,025.2	1,788.8	236.4
<b>2001</b>			
Clinton 2/7/00	2,019.0	1,835.0	184.0
CBO Reestimates 4/00	2,026	1,836	190
Budget Resolution 4/12/00	2,006.3	1,823.2	183.1
Actual 9/30/01	1,991.0	1,863.9	127.1

Sources: OMB. Budget of the U.S. Government. various years.  
Conference reports on congressional budget resolutions. various years.  
CBO. Reestimates of the President's budgetary proposals. various years.

**Note:** Negative numbers in the deficit/surplus column indicate deficits. To avoid some confusion and to provide consistency over the years, the actual budget totals shown in the table were all taken from the most recent Administration budget document showing historical budget data. This may increase or decrease the apparent difference between the original proposals and estimates and the actual amounts.

- a/ CBO did not publish an analysis of President Bush's budget proposals. The Reagan and Bush proposals were similar.
- b/ This deficit outcome was required, at the time, by the deficit targets in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended. This act was popularly known as the Gramm-Rudman-Hollings Act.
- c/ CBO excluded the effects of the Administration's health care proposals from its reestimates.
- d/ The Administration submitted a "thematic" overview of the budget to meet statutory requirements. Continuing difficulties in completing work on the FY1996 budget delayed OMB's ability to fully estimate the FY1997 budget at that time.
- e/ Congress did not adopt a budget resolution for fiscal year 1999.

The President's budget documents include a chapter (in the volume called *Analytical Perspectives*) that provides explanations for the changes in the budget that occurred between the initial Administration proposal and the actual budget outcome. The causes of the differences between the original proposals and actual budget outcomes are generally divided into the three categories: policy, economic, and technical. The FY2003 budget document uses the original Clinton Administration FY2001 budget proposals (from February 2000). The results show that differences between the original policy proposals and the actual policies implemented decreased the surplus by \$129 billion, differences between assumed and actual economic conditions increased the surplus by \$32 billion, and changes in technical assumptions increased the surplus by \$40 billion. The combined effect reduced the initial \$184 billion Clinton Administration surplus to the actual surplus of \$127 billion.

Even the final budget figures are not immune from change, although changes are almost always relatively small. Errors may be made in compiling the final budget figures for the year but these are usually minor and corrected quickly. Of more importance are the revisions that may occur if changes are made in budget accounting practices. In each new budget, OMB generally revises historic budget data to conform to current budget accounting practices. The effect of changes in budget accounting can be to change apparently "true" historic budget numbers from one set of historical data to the next. This may confuse the unwary and may complicate budget comparisons when using budget documents from several different years.

## Conclusion

It is not surprising that final budget totals for the federal government do not match those originally proposed by the Administration or Congress. The assumptions, policy, economic, and technical, on which the budget proposals or estimates are based are likely to change over time. The essentially unavoidable changes in these underlying assumptions almost guarantee that the actual outcome for the budget will differ from the original proposals and estimates.