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Submission of the President's Budget in Transition Years

Updated January 28, 2021

Congressional Research Service
https://crsreports.congress.gov
RS20752

CRS REPORT
Prepared for Members and
Committees of Congress

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, and prior to more recent statutory changes, 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 predecessors' budgets shortly after taking office. 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 most recently 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 five outgoing Presidents since the 1990 change—George H. W. Bush, Bill Clinton, George W. Bush, Barack Obama, and Donald Trump—exercised this option. Accordingly, the budget was submitted in 1993, 2001, 2009, and 2017 by the four incoming Presidents (Bill Clinton for FY1994, George W. Bush for FY2002, Barack Obama for FY2010, and Donald Trump for FY2018). As of this writing, President Joe Biden has not yet reached the statutory deadline for submission of the FY2022 budget.

Before President Donald Trump, the last three incoming Presidents who submitted a budget (Bill Clinton, George W. Bush, and Barack Obama) did not submit detailed budget proposals during their transitions until April or May. 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 Donald Trump followed a comparable approach. He delivered an address on his economic plan to a joint session of Congress on February 28, 2017, and submitted an overview document 16 days later on March 16, 2017. He submitted supplemental volumes of his budget on May 23, 2017.

This report will be updated as developments warrant.

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When a new session of Congress begins 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 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.[2] 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 and codified in Title 31 of the *U.S. Code*, requires the President to submit a budget annually to Congress toward the beginning of each regular session.[3] 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";[4]
- in 1985, to "on or before the first Monday after January 3 of each year (or on or before February 5 in 1986)"; P.L. 101-508 P.L. 93-344 P.L. 101-508[5] and
- in 1990, to "on or after the first Monday in January but not later than the first Monday in February of each year."[6]

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.[7] 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 President's 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 or her successor, an option that the five outgoing Presidents since then (George H. W. Bush, Bill Clinton, George W. Bush, Barack Obama, and Donald Trump) took. 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

[1] For more information on the federal budget process, see CRS Report 98-721, *Introduction to the Federal Budget Process*, coordinated by James V. Saturno.

[2] For more information on presidential transitions, see CRS Insight IN11538, *Presidential Transitions: An Overview*, by L. Elaine Halchin.

[3] P.L. 67-13, Budget and Accounting Act, 1921; June 10, 1921 (42 Stat. 20, at 22); currently codified in part at 31 U.S.C §1105.

[4] P.L. 81-784, Budget and Accounting Procedures Act of 1950; September 12, 1950 (64 Stat. 842).

[5] P.L. 99-177, Balanced Budget and Emergency Deficit Control Act; December 12, 1985 (99 Stat. 1038).

[6], Budget Enforcement Act of 1990; November 5, 1990 (104 Stat. 1388-573).

[7] See CRS, "Constitution Annotated," https://constitution.congress.gov/browse/amendment-20/.

budget revisions. Similarly, the budgets for FY2002, FY2010, and FY2018 were submitted by the incoming Presidents rather than by the outgoing Presidents. For example, the budget for FY2018 was submitted by incoming President Donald Trump instead of the outgoing President Barack Obama.

President Donald Trump submitted an overview of his budget, "America First: A Budget Blueprint to Make America Great Again" on March 16, 2017, 16 days after delivering an address on his economic plans to a joint session of Congress.[8] He submitted his *Appendix*, which contained detailed budget information on May 23, 2017, as well as the *Analytical Perspectives* and the *Major Savings and Reforms* supplemental volumes.[9]

Prior to the 1990 statutory change, incoming Presidents except for Warren Harding assumed office with budget of their predecessors having already been submitted. After the 1990 change, Presidents Bill Clinton, George W. Bush, Barack Obama, Donald Trump, and Joe Biden took office without a prior submission by the preceding President. If an outgoing President were to submit a budget immediately before leaving office, an incoming President may submit a revised budget request—sometimes known as *budget revisions*—to Congress at any time. Before the 1990 change, six incoming Presidents chose to modify their predecessors' budgets by submitting revisions shortly after taking office: Dwight Eisenhower, John Kennedy, Richard Nixon, Gerald Ford, Jimmy Carter, and Ronald Reagan. During the same period, six incoming Presidents chose not to submit revisions: Calvin Coolidge, Herbert Hoover, Franklin Roosevelt, Harry Truman, Lyndon Johnson, and George H. W. Bush.[10]

Transition Budgets in Recent Years from FY1977 to Present

A watershed for the congressional budget process occurred in 1974 with the enactment of the Congressional Budget and Impoundment Control Act of 1974.[11] Full implementation of the law began with FY1977, which provides a potential starting point for looking at more recent experience with transition year budgets.

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

[8] Office of Management and Budget, *America First: A Budget Blueprint to Make America Great Again, FY2018*, at https://www.govinfo.gov/app/details/BUDGET-2018-BLUEPRINT/.

[9] Office of Management and Budget, America First: A Budget Blueprint to Make America Great Again, FY2018, Appendix, Analytical Perspectives and Major Savings and Reforms, at https://www.govinfo.gov/app/collection/budget/2018.

[10] 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 precluded 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 1929.

[11], Congressional Budget and Impoundment Control Act of 1974; July 12, 1974 (88 Stat. 297), 2 U.S.C. §§601-688. For more information, see CRS Report R46468, *A Brief Overview of the Congressional Budget Process*, by James V. Saturno.

W. Bush, Barack Obama, and Donald Trump) each chose to leave the budget submission to his successor.

Once the original budget for a fiscal year has been submitted, a President or his or her 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, 1977, 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, 1981, respectively.

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

Shaded rows differentiate between the pre- and post- 1990 statutory deadlines.

	Outgoing President[a]				Incoming President[a]		
Fiscal Year	**President**	**Submitted a Budget?**	**Deadline[b]**	**Date of Submission**	**President**	**Submitted a Budget?**	**Date of Submission**
Presidential Transitions After the Congressional Budget and Impoundment Control Act of 1974 and Before 1990 Changes							
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]	—
Presidential Transitions After Statutory Changes Included in the Budget Enforcement Act of 1990							
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
2018	Obama	No	02-06-2017	—[e]	Trump	Yes	03-16-2017
2022	Trump	No	02-01-2021	—[e]	Biden	—[f]	—[f]

Source: Prepared by the Congressional Research Service.

Notes:

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 with 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, FY2010, or FY2018.

f. As of this writing, President Biden has not submitted a budget for FY2022. The statutory deadline has not yet been reached.

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, several original budgets were submitted late without such 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 (FY2002, FY2010, and FY2018) were submitted by incoming administrations 63, 98, and 38 days beyond the deadline, respectively, without the consideration of a measure granting a deadline extension. Presidents George W. Bush and Barack Obama submitted the original budgets for FY2002 and FY2010 on April 9, 2001, and May 7, 2009, respectively. President Donald Trump submitted the original budget for FY2018 on March 16, 2017. President Joe Biden has not yet reached the statutory deadline as of this writing.

Initial Special Messages to Congress After Transitions

Although Presidents Ronald Reagan, Bill Clinton, George W. Bush, Barack Obama, and Donald Trump 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.[12]

Transition-Year Budgets: Special Messages to Congress, Incoming Carter Through Trump 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, *America's New Beginning: A Program for Economic Recovery*, in conjunction with an address to a joint session of Congress.
February 9, 1989	President George H. W. Bush submitted a 193-page message, *Building a Better America*, 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, *A Vision of Change for America*, 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.

[12] 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.

February 28, 2001	President George W. Bush submitted a 207-page budget summary for FY2002 to Congress, *A Blueprint for New Beginnings: A Responsible Budget for America's Priorities*, 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, *A New Era of Responsibility: Renewing America's Promise*, 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.
February 28, 2017	President Trump submitted a 53-page overview of the FY2018 budget, *America First: A Budget Blueprint to Make America Great Again*, 16 days after delivering an address to a joint session of Congress. The document contained the President's priorities and summary tables.

Source: Prepared by the Congressional Research Service.

Occasional Outgoing "Transition" Budgets After 1990

The five most recent Presidents who were not required to submit outgoing budgets (George H. W. Bush, Bill Clinton, George W. Bush, Barack Obama, and Donald Trump) each chose to leave the budget submission to their successors. Nevertheless, Presidents Bill Clinton and George H. W. Bush sought to facilitate the development of their successors' budgets by providing what might be called a *transition budget* volume to Congress.

On January 6, 1993, just prior to the inauguration of President Bill 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.

Potential Issues for Congress

In the wake of statutory changes in 1990, presidential budget submissions in transition years have more closely corresponded to the arrival of new Presidents. Several potential questions regarding the submission of the President's budget during a transition year may be of interest to the 117th Congress. For the purposes of this report, potential issues can be grouped into two topics:

1. President's budget submission deadlines, and
2. the role of the Office of Management and Budget (OMB) in presidential transitions.

Since the statutory deadline for the submission of the President's budget was changed in 1990 to "on or after the first Monday in January but not later than the first Monday in February of each

year,"[13] all of the subsequent incoming President's budgets have been submitted to Congress late, long after the statutory deadline. Possible questions for Congress related to this issue include:

- Should the deadline for the President's budget submission be changed?
- Do late submissions of the President's budget have implications for the congressional budget process?

In addition, there may be questions related to OMB's role in the submission of the President's budget during a transition year. For example, recently, some observers have noted tensions between OMB and presidential transition teams.[14] According to media reports, the Biden Administration's transition team "'encountered obstruction' and 'roadblocks' from political leadership" at OMB,[15] reportedly experienced less cooperation than OMB had provided during past transitions,[16] and expressed concerns that the alleged lack of cooperation from OMB "could delay the fiscal 2022 budget process."[17] On December 31, 2020, OMB published a letter authored by OMB director Russell Vought that addressed such concerns.[18] Consequently, some relevant questions may include:

- Should the process for submitting the President's budget differ in transition years?
- What is the role of OMB in presidential transitions?
- What lessons could be learned from the potential underlying points of dispute in 2020 and 2021 between OMB and the incoming Biden Administration?
- Do presidential transitions as they relate to budget submissions need to be examined or streamlined?

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[13], Budget Enforcement Act of 1990; November 5, 1990 (104 Stat. 1388-573).

[14] See Eric White, "OMB Takes Offense to Biden Transition Team's Comments on Its Level of Cooperation," *Federal News Network*, January 4, 2021, https://federalnewsnetwork.com/federal-newscast/2021/01/omb-takes-offense-to-biden-transition-teams-comments-on-its-level-of-cooperation/.

[15] See Shawna Chen, "Biden: Transition Team Has 'Encountered Obstruction' from Pentagon," *Axios*, December 29, 2020, https://www.axios.com/biden-trump-transition-defense-obstruction-roadblocks-be691345-19fb-4453-a463-3a8c66473b20.html.

[16] See Niels Lesniewski, "Biden Team Says OMB Undermining Budget Process, COVID Spending," *CQ News*, December 30, 2020, https://plus.cq.com/doc/news-6086935?1&utm_medium=newsletter&utm_source=btmorning.

[17] Lesniewski, "Biden Team Says OMB Undermining Budget Process, COVID Spending."

[18] See OMB, President's Budget, "A Letter to the Biden Transition Team," December 31, 2020, https://www.whitehouse.gov/omb/budget/.

Acknowledgments

This report was originally written by Robert Keith, formerly a Specialist in American National Government at CRS, and updated by Michelle D. Christensen, Analyst in Government Organization and Management. The current author has updated this report and is available to answer questions from congressional clients concerning the report's subject matter.

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