

Office of Budget History

In December 1943, Secretary Ickes established a Division of Budget and Administrative Management, headed by a Division Chief. This new Division incorporated the Department's budget staff. The budget staff had previously reported to the First Assistant Secretary, who served as budget officer for the Department. The head of the budget staff had carried the title assistant budget officer.

Initially the Division included a Branch of Organization and Methods focused on organizational issues and operating procedures. It also included for a time a Branch of Investigations, an early forerunner of the Office of the Inspector General. In 1950, these functions were removed and the Division was renamed the Division of Budget and Finance.

The Division was later re-titled the Division of Budget and, in 1965, became the Office of Budget. As it had since 1950, the newly renamed Office contained two operating units. A Division of Budget was concerned with formulation, presentation and execution of the Department's budget. A Division of Fiscal Management and Reports handled fiscal policy, management, procedures and controls.

In 1981, a portion of the Fiscal Management Division was combined with the financial systems staff of the Office of Management Consulting to form a new Office of Financial Management. The Office of Budget retained responsibility for budget execution and administration issues, including administrative control of funds.

Through most of its history, the Office of Budget has had direct operating responsibility for the budget of the Office of the Secretary, although from 1972 to 1986 this function was transferred to an Office of Secretarial Operations. Also, for a period of time, initial budget formulation responsibilities were shared with the Office of Policy Analysis, but this function was fully returned to the Office of Budget in 1988.

When initially established in 1943, the Division of Budget and Administrative Management reported to the Under Secretary, a position then held by Abe Fortas. From 1950 to 1971, budget was the responsibility of the Administrative Assistant Secretary, a non-Presidential advice and consent position established by President Truman in Reorganization Plan No. 3 of 1950. The Administrative Assistant Secretary position was abolished in 1971, when Congress established an additional statutory assistant secretary position.

From 1971 to 1973, the Office of Budget reported to an Assistant Secretary for Management and Budget. In 1973, budget responsibilities were separated from management and transferred to an Assistant Secretary for Program Development and Budget. In 1977, this separation was reversed and policy, budget and management functions were combined in a single Assistant Secretary for Policy, Budget and Administration. In 1990, the title of this position was changed to the current Assistant Secretary for Policy, Management and Budget.

Since 1943, there have been fourteen Directors of Budget.