



William J. Clinton Presidential History Project

Briefing Materials

Alice Rivlin

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ALICE M. RIVLIN TIMELINE

Prepared by Stacie Pettyjohn

Miller Center, University of Virginia, 07/15/2002

- 1966-1968** Alice M. Rivlin serves as Deputy Assistant Secretary for Program Coordination at the U.S. Department of Health, Education and Welfare.
- 1968-1969** Rivlin is Assistant Secretary for Planning and Evaluation at the U.S. Department of Health, Education and Welfare.
- 1969-1975** Rivlin takes a position as Senior Fellow at the Brookings Institution.
- 1975-1983** Rivlin serves as the first Director of the Congressional Budget Office (CBO).
- 1983-1987** Rivlin returns to the Brookings Institution as Director of the Economic Studies Program.
- 1992**
- November* It is reported that President-elect Bill Clinton has read Rivlin's book, *Reviving the American Dream*. (*U.S. News and World Report*, 11/30/1992)
- December* Clinton announces the nominations of Alice Rivlin as Deputy Director of the Office of Budget and Management (OMB) and Leon Panetta as Director of the OMB. Press accounts interpret this as indicating that the President-elect is committed to deficit reduction. (*The Washington Post*, 12/16/1993)
- Clinton holds a two-day conference in Arkansas to discuss the nation's economic situation. The meeting's participants include Gore, Rivlin, Panetta, Bentsen, and representatives from corporate America, labor, small businesses, and academia. (*Los Angeles Times*, 12/15/1992; *The New York Times*, 12/15/1992)
- 1993**
- January* On the 7th, Rivlin attends the first gathering of Clinton's economic staff in Little Rock. Rivlin advises Clinton that he, "should be looking at taxing the things we don't want to have happen, pollution and excessive use of energy, as an alternative to taxing the things we do want." She thus indicates that he might want to consider higher gasoline taxes. (*Los Angeles Times*, 01/06/1993, 01/18/1993)

As President-elect Clinton begins to prepare his economic plan, he is caught between his campaign commitments to new programs and a growing deficit. Clinton's economic advisors are reported to be considering raising taxes and cutting spending in existing programs by almost \$200 billion a year to simultaneously allow for new programs and deficit reduction. In her testimony before the Senate, Rivlin comments, "we have to stop living beyond our means...in the end, everybody will have to give up something" to solve the deficit problem. (*Los Angeles Times*, 01/14/1993)

On the 21st, the Senate confirms Rivlin's nomination as Deputy Director of the OMB. At the hearing, Rivlin emphasizes the need to continue the current economic recovery and states that to do so, "we probably need to engage in some stimulus for the economy." (*The Washington Post*, 01/22/1993; *The Wall Street Journal*, 01/14/1993)

The White House shelves the promised middle class tax cut and instead begins preparing an economic stimulus package because as Rivlin points out, "the economic outlook seems to be improving ... but not as fast and as surely as most of us would want." (*The Wall Street Journal*, 01/29/1993)

It is reported that there is concern in the automobile and oil industries that the Clinton administration will raise gasoline taxes. Both Rivlin and Panetta publicly support a higher gas tax as a way to cut the deficit. (*The Christian Science Monitor*, 01/14/1993; *Financial Times (London)*, 01/09/1993)

On the 26th, President Clinton names Hillary Rodham Clinton to head the President's Task Force on National Health Care Reform. Rivlin and Panetta are also members of the task force. (*The Washington Post*, 01/26/1993)

On the 29th, President Clinton and his economic advisors begin a few weeks of meetings to construct the President's economic policy. Participants in the discussions include Clinton, Panetta, Rivlin, Vice President Gore, National Economic Council Director Robert Rubin, Secretary of Labor Robert Reich, Secretary of Commerce Ronald Brown, Director of Communications George Stephanopoulos, Deputy Assistant to the President for Economic Policy Gene Sperling, political advisor Paul Begala, Chair of the Council of Economic Advisers Laura D'Andrea Tyson, Chief of Staff Mack McLarty, Deputy Secretary of the Treasury Robert Altman, Deputy Assistant to the President for Economic Policy W. Bowman Cutter, and Council of Economic Advisers member Alan Blinder. (Elizabeth Drew, *On the Edge: The Clinton Presidency*, New York: Simon and Schuster, 1994, p. 65)

February

Clinton sends his budget to Congress and addresses the nation from the Oval Office to explain his three-pronged economic plan. Clinton's initiative includes a \$30 billion stimulus package, \$160 billion devoted to tax breaks and spending programs to encourage long-term investment, and a deficit reduction bill, which would lower the deficit by \$473 billion in five years. (*1993 Congressional Quarterly Almanac*, pp. 81-85)

In the same speech, President Clinton announces that the planned \$62 billion reduction in Medicare and Medicaid spending would be used to reduce the deficit rather than to expand health care to the uninsured. This plan evidently contradicts a campaign promise Clinton made to aid the uninsured and is the product of a compromise between Rivlin and Health and Human Services Secretary Donna Shalala. (*The Washington Post*, 02/19/1993)

On the 23rd, testifying before the House Budget Committee, Rivlin states, "I believe this plan is honest, that it has rejected smoke and mirrors and presents the hard choices that are needed to stabilize our finances while investing in our future." (Hearing of the House Budget Committee, *Federal News Service*, 02/23/1993)

March

On the 3rd, the Clinton administration launches the National Performance Review (NPR), which is intended to "make government work better and cost less." The NPR evaluates the duties and performance of all agencies, and gives especially close scrutiny to the OMB. (Shelley Lynne Tomkin, *Inside OMB: Politics and Process in the President's Budget Office*, Armonk, New York: M.E. Sharpe, 1998, p.231)

April

On the 8th, Clinton submits the details of his 1994 fiscal budget totaling \$1.52 trillion. The proposal exceeds the limits on spending imposed by Congress. (*1993 Congressional Quarterly Almanac*, p. 85)

To finance health care reforms, the Clinton administration and the task force headed by Hillary Rodham Clinton are considering a value-added tax. At a meeting of the National Association of Manufacturers, Rivlin acknowledges that such a tax "is clearly a possible candidate." (*Los Angeles Times*, 04/15/1993)

The stimulus package receives solid opposition from Republican Senators, forcing Clinton to reduce its size in order to court congressional approval. By mid-April Clinton proposes scaling back the stimulus package to around \$12 billion. However, Republican opposition is strong enough to kill the stimulus package with a filibuster. Only \$4 billion for extended unemployment benefits remains from the original proposal. (*The Washington Post*, 04/18/1993; *The New York Times*, 04/22/1993)

May

To counter accusations that new taxes would be spent instead of used to reduce the deficit, Clinton backs the creation of a “deficit reduction trust fund.” (Bob Woodward, *The Agenda: Inside the Clinton White House*, New York: Simon and Schuster, 1994, p. 186)

There are reports of a struggle between Clinton’s economic policy advisors and his health policy advisors. The adoption of a broad health care plan, as health policy advisors advocate, would require additional funds. Panetta and Rivlin are reportedly “intensely skeptical” of the proposals. (*Los Angeles Times*, 05/22/1993)

Reportedly, Rivlin incites the anger of White House Chief of Staff Mack McLarty by calling President Clinton’s new deficit trust fund “a display device.” (*Newsweek*, 05/24/1993)

June

Labor Secretary Robert Reich favors allocating more funds for investment spending to foster economic growth, allegedly bringing him into conflict with deficit hawks Panetta and Rivlin. (*Los Angeles Times*, 06/07/1993)

On the 23rd, the *New York Times* runs an article written by Rivlin titled “Where is the Old Bob Dole?” In the article, Rivlin asks where Bob Dole the “responsible statesman” who “tr[ie]d to tame the deficit” has gone. Rivlin laments that the partisan Bob Dole who attacks the President’s budget with “misleading rhetoric” has replaced the old Bob Dole. The article is purported to be part of a strategy to pressure Senators to support President Clinton’s deficit plan, which is under debate in the Senate this week. (*The New York Times*, 06/23/1993, *Financial Times*-London, 06/24/1993)

August

On the 6th, the budget reconciliation bill is approved by the narrowest of margins. Vice President Gore is needed to break the deadlock in the Senate to pass the plan, 51-50. A night earlier, the plan passed the House by 218-216. No Republicans break ranks to join Democrats in favor of the budget. (*The New York Times*, 08/07/1993; *1993 Congressional Quarterly Almanac*, p. 108)

Clinton signs the budget reconciliation bill on the 10th. The plan is expected to reduce the federal budget deficit by \$496 billion over the next five years. (*1993 Congressional Quarterly Almanac*, p. 108)

September

The initial National Performance Review report is released, and proposes the “Executive Budget Resolution.” The proposal aims to get the President involved early in the budget process in setting spending ceilings. (Tomkin, p. 234)

Clinton creates an interagency task force to organize a federal cleanup of the Interior Department's polluted lands. The task force is co-chaired by Rivlin and White House Environmental Policy Office Director Kathleen McGinty. (*Los Angeles Times*, 09/21/1993)

On the 22nd, Clinton unveils his health care proposals during a televised address to a joint session of Congress. The President's health care plans are based on the idea of market competition where patients join government-run health alliances, and doctors, insurers, and hospitals compete for patients. The prospect of health care reform generates excitement in the nation and Congress, specific details about the plan are still to be decided. (*1993 Congressional Quarterly Almanac*, p. 338)

October

Rivlin writes an article for the *Wall Street Journal* claiming that health care reform "can be financed - without smoke and mirrors - primarily by reallocating resources already devoted to health care and does not require large tax increases." (*The Wall Street Journal*, 10/20/1993)

On the 27th, President Clinton presents to Congress his health care legislation with a scaled back version of his original long-term care services proposal. Rivlin comments, "it is a fairly limited benefit." (*Los Angeles Times*, 10/27/1993)

November

With a Federal Reserve Board of Governors seat opening up in January, the White House begins searching for a nominee. It is speculated that Rivlin is on a short list of possible candidates, but she has reportedly told friends that she would rather remain in her current position. (*The New York Times*, 11/16/1993)

On the 19th, President Clinton tells Congress, which has introduced budget-cutting measures that additional savings should be used to fund health care reform, not to reduce further the deficit. Rivlin supports the White House's policy reversal commenting, "substantial additional deficit reduction at this time could slow the growth of the economy at a crucial point in the business and policy cycles." (*The Christian Science Monitor*, 11/22/1993)

December

OMB Deputy Director for Management Philip Lader is moved to the position of White House Deputy Chief of Staff. (*The Washington Post*, 12/12/1993)

On the 23rd, Rivlin withdraws herself from the running for the Federal Reserve vacancy. (*Los Angeles Times*, 12/24/1993)

1994

- February* Clinton sends a \$1.52 trillion budget to Congress. (*The New York Times*, 02/08/1994)
- On the 8th, CBO Director Robert D. Reischauer presents Congress the CBO's analysis of President Clinton's health care plan. The CBO's report asserts that the health care proposal is a massive new government program and not an adapted version of the current system, as Clinton and his allies portrayed it. This assertion seriously damages the President's legislation. (*Los Angeles Times*, 02/09/1994)
- March* On the 1st, an OMB memo circulates that announces the beginning of a reorganization of the department named OMB 2000. As a result of pressure from the Vice President's National Performance Review, the OMB opted to conduct a self-study on how to improve its bureaucracy. OMB 2000 proposes the merger of OMB's budget examining divisions and its management departments into new resource management offices. (Tomkin, pp. 240-241)
- The Balanced Budget Amendment is narrowly defeated in both houses of Congress. (*1994 Congressional Quarterly Almanac*, p. 85)
- May* The House and Senate adopt the budget conference report, which contains a \$1.5 trillion budget resolution for the fiscal year. (*1994 Congressional Quarterly Almanac*, p.82)
- June* On the 27th, President Clinton announces the selection of Rivlin to replace departing OMB Director Panetta, who is leaving to become White House Chief of Staff. (*Los Angeles Times*, 06/28/1994)
- August* On the 8th, Rivlin states that the administration does "not believe it is necessary to sacrifice budget discipline to pass GATT [General Agreement on Tariffs and Trade] in Congress," and that "we fear that if Congress were to reverse the progress that has been made on budget discipline over the past few years, we could lose more than we would gain from the GATT accords." Both houses of Congress are still debating the GATT implementation bill. (*The Washington Post*, 10/05/1994)
- Despite substantial economic growth, the public does not give President Clinton credit for the economic recovery. He continues to slip in the polls and Rivlin is puzzled by this, observing, "when you think back to what was happening in the economy two years ago or less, the projections then were very gloomy," but "now that has turned around. The deficit's coming down very substantially and faster than we thought it would."

Unemployment is back down, we created a lot of jobs. It's hard to see why this hasn't gotten more favorable attention.” (*The Christian Science Monitor*, 08/16/1994)

September

On the 11th, it is reported that the White House is again considering a middle-class tax cut, which was initially sacrificed in favor of deficit reduction the previous year. The tax cut issue raises a divide between Clinton’s advisors who favor the cut as a smart political move, including Begala and political consultant James Carville, and those who view it as poor economic policy, including Rivlin, Bentsen, and Panetta. (*The Washington Post*, 09/11/1994)

On the 26th, Senator George Mitchell (D-ME) announces that there will be no more attempts to pass health care legislation this year. (*Financial Times (London)*, 09/28/1994)

On the 27th, Rep. Newt Gingrich (R-GA) and other Republican candidates for Congress sign a “Contract With America.” Rivlin questions the economic policy of the Contract and doubts that the budget can be balanced following the Contract’s guidelines. (*Financial Times-London*, 09/28/1994)

October

To rally support for the ratification of the GATT, Secretary of Agriculture Mike Espy and Rivlin write letters to farm-state lawmakers pledging \$600 million for agricultural export programs over the next five years. (*The Wall Street Journal*, 10/04/1994)

On the 3rd, Rivlin writes a memo laying out five different plans for reducing the deficit, including one plan that cuts Social Security and Medicare and taxes Social Security benefits. (*1994 Congressional Quarterly Almanac*, p. 91)

On the 7th, the Senate confirms Rivlin’s nomination as Director of the OMB. (*The Washington Post*, 10/08/1994)

On the 21st, Rivlin’s memo concerning deficit reduction titled “Big Choices” is leaked to Republicans who then pass the memo on to the press. The leak incites a firestorm of criticism from Republicans who charge that Clinton is hypocritical for falsely accusing Republicans of planning entitlement cuts while secretly planning to slash benefits. Rivlin responds that the memo was intended "to bring the President up to speed on the debate" and the options "are not necessarily our options." The White House quickly distances itself from the memo and labels it a “catalog” of possible budget tactics rather than real policy alternatives. (*Los Angeles Times*, 10/23/1994; *1994 Congressional Quarterly Almanac*, p. 91; *The Wall Street Journal*, 10/24/1994)

On the 28th, it is reported that Republicans plan on running ads in twenty-five states attacking Rivlin's proposal to cut Social Security and Medicare. (*The Wall Street Journal*, 10/28/1994)

November

Republicans dominate the congressional elections, winning majorities in both houses of Congress. (*1994 Congressional Quarterly Almanac*, p. 3)

On the 15th, in response to proposed Republican tax cuts, Rivlin argues, "if we had a big tax cut right now and people were spending more, the inflation danger would be much more real than it is now," and the deficit would increase, likely causing a recession. Treasury Secretary Lloyd Bentsen states that a middle-class tax cut is desirable as long as it does not inflate the deficit. (*Los Angeles Times*, 11/19/1994)

December

On the 15th, President Clinton reveals a proposal for a \$55 billion tax cut for the middle-class to compete with the plan emerging from the Republican "Contract With America." Reportedly, heated debates take place among Clinton's advisors with Rivlin opposing a tax cut. (*Los Angeles Times*, 12/15/1994, 12/17/1994)

On the 19th, President Clinton, Gore, and Rivlin hold a briefing to explain how reducing government programs will offset the lost revenue from his proposed tax cut. Clinton states that cuts determined by the National Performance Review, which aims to make the government smaller and more responsive, will generate the needed funds. (*Los Angeles Times*, 12/20/1994)

On the 8th, Clinton signs the GATT legislation. (*1994 Congressional Quarterly Almanac* 1994, p. 123)

1995

January

On the 6th, testifying before the Senate Judiciary Committee, Rivlin states that the Republican-proposed Balanced Budget Amendment "would lead to wider swings in the business cycle." Furthermore, Rivlin argues, "we do not believe fiscal policy belongs in the Constitution," and that federal deficit spending during a recession can help to stabilize the economy. (*The Washington Post*, 01/06/1995; *Los Angeles Times*, 01/06/1995)

February

On the 6th, Clinton formally proposes his fiscal year 1996 budget, which continues to run deficits of approximately \$200 billion dollars per year. It is reported that among the White House staff only Rivlin argued that the President should continue to lower the deficit rather than adopting the more politically attractive option of lowering taxes. Rivlin concludes "we now have a deficit that's under control and coming down in relation to the

size of the economy" and the best way to further trim the deficit "is the one that we talked so much about last year, namely, controlling the out-year costs of health care." (*The Washington Post*, 02/04/1995; *The Wall Street Journal*, 02/07/1995)

Testifying before Congress, Rivlin admits that the President's budget proposes no real reform to entitlements. (*1995 Congressional Quarterly Almanac*, p. 2-12)

On the 8th, OMB Chief of Staff Matthew Miller resigns, reportedly because he is dissatisfied with the White House abandonment of its previous commitment to deficit reduction. (*Los Angeles Times*, 02/08/1995)

Rivlin writes a letter to Congress changing the administration's position on a mandatory federal border-crossing fee. The administration now supports allowing each state to decide if it would like to impose the fee. States that do implement the fee will receive federal funds for border infrastructure improvements and to combat illegal immigration. (*The Wall Street Journal*, 02/23/1995)

March

The Senate rejects the Balanced Budget Amendment by two votes. (*1995 Congressional Quarterly Almanac*, p. 2:34)

On the 27th, the Federal Reserve announces Governor John LaWare's resignation to take effect April 30th. Rivlin's name is again mentioned as a possible candidate for the position. (*Los Angeles Times*, 03/28/1995)

April

On the 5th, the House passes the \$189 billion Republican tax cut package. It is reported that Rivlin advises President Clinton to veto the bill if it reaches him. (*Los Angeles Times*, 04/06/1995)

On the 16th, Rivlin suggests that the White House may be willing to reduce the tax cut it proposed the previous year, leaning toward a compromise with moderate Republicans. Rivlin remarks, "In the optimistic scenario, you would end up with a budget that had a smaller and more targeted tax cut, maybe smaller than ours." (*Los Angeles Times*, 05/17/1995)

June

On the 13th, in a television address, President Clinton proposes a spending plan that, like the Republicans, will balance the budget by 2005, instead of the Republican goal of 2002. Included in Clinton's new proposal are modest reforms to the health care system, increasing the chance that some version of health care reform will be passed within the year. Rivlin refrains from labeling the proposal health care reform, instead saying, "It

is clearly a set of steps that will take us in the right direction." (*Los Angeles Times*, 06/14/1995; *The Wall Street Journal*, 06/15/1995)
Rivlin and Panetta meet with House and Senate Republican leaders to discuss the President's proposal for balancing the budget. (*The Washington Post*, 06/15/1995)

On the 22nd, Republicans unveil a joint House-Senate plan to balance the budget by 2002 by cutting spending on many government programs, curtailing growth in others, and proposing \$245 billion in tax cuts over seven years. Although the plan resolves differences between the House and Senate proposals, the President remains opposed to it. Responding to the announcement, Rivlin says, "the Republicans cannot pass a reconciliation bill over a veto...our largest weapon is the veto weapon." (*Los Angeles Times*, 06/23/1995)

July

On the 6th, Rivlin orders federal agencies to freeze any funds that would be cut if a \$16 billion budget trimming bill, currently stalled in the Senate, passes. (*Los Angeles Times*, 07/06/1995)

In a briefing for cabinet officials, Panetta and Rivlin ask the agencies not to take individual action in the event of a government shutdown. Instead, agencies should wait until a government-wide plan is in force. (*The Washington Post*, 07/29/1995)

August

On the 23rd, Rivlin sends a memo to the heads of federal agencies, directing them to be prepared if the new fiscal year begins without Congress passing the budget. (*Los Angeles Times*, 08/24/1995)

September

Rivlin indicates that President Clinton will veto a budget bill that opens the Alaskan wilderness to oil drilling. (*The New York Times*, 09/25/1995)

The administration reaches a deal with Congress to prevent a government shutdown. The agreement gives six weeks reduced allowance to many of the federal agencies whose 1996 appropriations bills are either facing a presidential veto or are still being debated in Congress. (*The New York Times*, 09/28/1995)

October

Rivlin holds a press conference to reveal the results of the OMB's study into House Republican proposals to cut entitlement programs. Rivlin concludes that the proposed cuts would disproportionately hurt the poorest segment of the population with "nearly \$40 billion in cuts to families with children." (Tomkin, p. 273)

The House and Senate each pass their own version of the budget. (1995 *Congressional Quarterly Almanac*, p. 2:44.)

November

Panetta rejects Republican talk of an increase in the debt ceiling, saying that he is trying to prevent Republicans from forcing large cuts in Medicare, education, and the environment. Freshman Republicans reportedly are trying to force the GOP leadership to tie a debt extension, which is needed to prevent a government shutdown, to key items in the GOP agenda. (*The Washington Post*, 11/03/1995)

On the 9th, Congress passes a short-term extension of the debt limit with an attached requirement that the president use CBO estimates, balance the budget in seven years, and implement other Republican initiatives. (1995 *Congressional Quarterly Almanac*, p. 2-65)

The OMB releases a report titled "Potential Poverty and Distributional Effects on Welfare Reform Bills and Balanced Budget Plans" to verify the results of a Health and Human Services study that concluded that more than a million children would fall below the poverty line if a Senate welfare reform plan is passed. It is reported that the President had endorsed the plan. (Tomkin, pp. 273-274)

The House passes a stopgap bill that would keep the government running through December 1st. The bill limits spending, dissolves several small agencies, and raises Medicare premiums. On the 13th Clinton vetoes the short-term extension of the debt limit, forcing Rubin to take extreme measures for the government to avoid defaulting on its debt. Rivlin comments, "It seems sort of stupid to be talking about closing down the federal government," because, "it is stupid. It is unnecessary. Congress is precipitating this crisis because they haven't done their work." (*The Wall Street Journal*, 11/13/1995; *1994 Congressional Quarterly Almanac*, p. 2-65)

The federal government shuts down on the 14th. On the same day, Rivlin, Panetta, and Rubin negotiate with congressional leaders in an attempt to end the financial crisis that has forced the government to shut down. (*Los Angeles Times*, 11/15/1995)

On the 20th, the White House and congressional Republicans reach an agreement to end the government shutdown, passing a stopgap spending bill that will keep the government open until December 15th. The agreement creates more time for negotiations so a final agreement can be reached. (*The Wall Street Journal*, 11/20/1995)

Also on the 20th, the House clears the Republican budget reconciliation bill, sending it to President Clinton. (*1995 Congressional Quarterly Almanac*, p. 2-44)

Panetta and Rivlin begin meetings with Senate Budget Committee chairman Senator Pete Domenici (R-NM), House Budget Committee chairman John Kasich (R-OH), and the Democrats on the two committees to work out a deal to balance the budget. (*The Wall Street Journal*, 11/28/1995)

In an effort to avoid another government shutdown, the Clinton administration proposes to sign all seven outstanding spending bills and to accept most GOP cuts in exchange for the restoration of \$6.8 billion of the \$22 billion requested in the spending bills. (*The Washington Post*, 11/30/1995)

December

On the 6th, Clinton vetoes the budget reconciliation bill, calling the measure "extreme" and charging the plan would "hurt average Americans and help special interests." Clinton proposes his own seven-year balanced budget plan. (*1995 Congressional Quarterly Almanac*, p. 2-59)

On the 15th, it is reported that the chairmen of the House and Senate Budget Committees, Pete Domenici and John Kasich; the ranking Democrats from those panels, James Exon (D-NE) and Martin Sabo (D-

MN); Panetta, and Rivlin meet to try to resolve the balanced budget impasse and prevent another government shutdown, which will begin at midnight if an agreement is not reached. (*The Washington Post*, 12/15/1995)

The federal government shuts down again on the 16th. The shutdown lasts until January 5, 1996.

During the second government shutdown, Rivlin labels Republican demands before resuming talks on balancing the budget “blackmail.” (*The Christian Science Monitor*, 12/18/1995)

1996

January

On the 9th, budget negotiations between the White House and Republican leaders of Congress are again suspended because of President Clinton’s unwillingness to further cut Medicare and Medicaid. Rivlin asserts, “We have already agreed on enough cuts to balance the budget by Congressional Budget Office scoring over seven years -- without a tax cut.” (*The Wall Street Journal*, 01/10/1996)

February

On the 5th, President Clinton submits a placeholder budget until his final budget is ready. (*1996 Congressional Quarterly Almanac*, p. 2-3)

Rivlin and Kathleen McGinty spearhead an initiative to clean up the Everglades, announcing plans to tax Florida sugar growers to finance the cleanup. (*The Wall Street Journal*, 02/16/1996)

On the 22nd, President Clinton announces the nomination of Rivlin as Vice Chair of the Federal Reserve Board of Governors and renominates Alan Greenspan as Chairman. As a result of these nominations, along with the nomination of Laurence Meyer to a seat on the board, it is predicted that the Federal Reserve will continue its cautious policies, instead of pushing for faster economic growth. (*The Washington Post*, 02/23/1996; *The Wall Street Journal*, 02/23/1996)

March

On the 19th, Clinton submits his \$1.6 trillion budget to Congress for the fiscal year 1997. The budget promises to balance the federal budget by 2002 using CBO forecasts and includes large cuts in discretionary spending. While calling for long term spending cuts, the budget asks for an increase in spending in the short term. Rivlin remarks, “these are deep and severe spending cuts that we are proposing.” (*1996 Congressional Quarterly Almanac*, p. 2-4)

In congressional budget hearings on the 20th and 21st, Rivlin defends the president’s budget, arguing that it will achieve balance no matter what

scoring mechanism is used. However, to ensure that the budget does reach balance, it includes a trigger mechanism that depends on the size of the deficit in 2000. Congress is skeptical of the mechanism and a House Budget Committee analysis dubs the trigger “the mother of all gimmicks.” (1996 *Congressional Quarterly Almanac*, p. 2:6)

Congress passes the remaining fiscal year 1996 appropriations bills. (1996 *Congressional Quarterly Almanac*, p. 2:3)

On the 28th, Congress clears a measure that raises the statutory ceiling on the national debt. (1996 *Congressional Quarterly Almanac*, p. 2:3)

June

While attempting to fulfill his promise to balance the budget by 2002, the White House assures agencies scheduled for cuts that their funding will remain intact. Critics accuse Clinton of putting off painful budget decisions while Rivlin defends the President’s actions, saying, “the president is committed to the discretionary savings needed to help reach balance in 2002 . . . but will continue to revisit decisions about specific programs one year at a time.” (*The Washington Post*, 06/09/1996)

The nominations of Rivlin and Meyer and the re-nomination of Greenspan remain shelved in the Senate. Senator Tom Harkin (D-IA) is delaying the vote on the Federal Reserve nominees because he wishes to have a debate over the Federal Reserve Board’s policy. Others want to question Rivlin about specifics in the President’s budget. (*The Washington Post*, 06/12/1996)

On the 20th, the Senate confirms the re-nomination of Alan Greenspan as Federal Reserve Chairman and also confirms Rivlin’s nomination as Vice Chair by a vote of 54-41. (*The Wall Street Journal*, 06/21/1996)

October

On the 31st, the Federal Reserve votes to eliminate restrictions on banks’ marketing of brokerage services and to enable loan officers and investment bankers to work together. Rivlin comments, “although the Fed loosened some of the rules,” the remaining rules, “retain some of the protections that were envisioned” in the original legislation. (*The New York Times*, 10/31/1996)

December

The Federal Reserve unanimously votes to allow bank holding companies to earn 25 percent of their revenue from securities underwriting, up from the current 10 percent limit. After Congress failed to pass legislation renovating the banking system, the Federal Reserve was spurred to make this change. Rivlin states, “We hope the next move would be up to Congress to review this whole area.” (*The New York Times*, 12/21/1996)

1997

April

At a conference in North Carolina, Rivlin states that the Federal Reserve is concerned that the economy is growing so rapidly that there is a danger that the growth will lead to inflation. (*The Washington Post*, 04/12/1997)

Rivlin's statement that, "The worry - and the Federal Reserve is always the first to worry - is that with very tight labor markets we could see wages rising more rapidly in the future and, more importantly, prices going up in the future" heightens fears that the Federal Reserve may raise interest rates again this month. (*Financial Times-London*, 05/08/1997)

July

Rivlin, Meyer and Greenspan testify before Congress and give an optimistic forecast for economic growth and inflation. (*The New York Times*, 07/24/1997)

1998

January

Following a fourteen-month study, the Federal Reserve decides against privatizing its check clearing and electronic transfer systems. Rivlin asserts, "The bottom line was we were not convinced the system would be more efficient if the Fed was out of it." (*Financial Times-London*, 01/06/1998)

May

President Clinton announces the nomination of Rivlin to be Chair of the District of Columbia Financial Management Assistance Authority, which is scheduled to remain in control of the District government until the city has balanced its budget for three more years. In the House, legislation is pending that would allow Rivlin to serve simultaneously as chairman of the D.C. financial control board and on the Federal Reserve Board. (*The Washington Post*, 05/08/1998)

On the 29th, President Clinton formally appoints Rivlin to the District of Columbia Financial Management Assistance Authority. (*The Wall Street Journal*, 06/01/1998)

September

On the 1st, Rivlin begins her duties as Chair of the District of Columbia Financial Management Assistance Authority. (*The Washington Post*, 09/01/1998)

November

The D.C. financial control board plans on returning the power to run nearly the entire District government to the winner of the mayoral election. Rivlin advocates transferring power back to the D.C. government, but Congress would not approve the transition of power until Mayor Marion Barry was out of office. (*The Washington Post*, 11/03/1998)

1999

April

Rivlin questions the assumption that inflation necessarily follows fast economic growth and low unemployment and asserts that further studies must be conducted to determine the true nature of the relationship. (*Financial Times*-London, 04/08/1999)

June

On the 3rd, Rivlin announces her departure from the Federal Reserve Board so she can devote more time to her family and to the District of Columbia Financial Management Assistance Authority. Rivlin's departure incites speculation that without her presence the Federal Reserve will raise interest rates later in June. (*The Washington Post*, 06/04/1999)

July

On the 16th, Rivlin's tenure as Vice Chair of the Federal Reserve expires. Upon her departure, Rivlin returns to the Brookings Institution as a Senior Fellow in Economic Studies.

Timelines

- Alice M. Rivlin Timeline, prepared by Stacie Pettyjohn, The Miller Center, University of Virginia, 07/15/02.
- Clinton Administration Timeline, prepared by Robbie Robinson, The Miller Center, University of Virginia, 05/30/2002.
- “The Clinton Presidency: Eight Years of Peace, Progress and Prosperity,”
<http://clinton5.nara.gov/WH/Accomplishments/eightyears-02.html>.

Selected Writings and Public Statements by Alice M. Rivlin

- “Deputy Budget Director Interviewed,” Transcript from *CNN News*, 02/19/1993.
- Alice Rivlin, “Where Is the Old Bob Dole?” *The New York Times*, 06/23/1993.
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ALICE M. RIVLIN SUGGESTED TOPICS

Prepared by Stacie Pettyjohn

Miller Center, 07/15/2002

Joining the Clinton Administration

- Discuss the origins of your relationship with President Clinton.
- Did you play any role in Clinton's 1992 presidential campaign?
- Describe the circumstances surrounding your entry into the Clinton administration.
- How would you characterize your nomination and confirmation process?
- Discuss the December 1992 economic conference in Arkansas.

The Office of Management and Budget

- How did your experiences as Director of the Congressional Budget Office (CBO) prepare you for your work at the Office of Management and Budget (OMB)?
- Discuss your role and responsibilities as Deputy Director and Director of the OMB.
- Describe the range and type of activities that occupied your time as both Deputy Director and Director.
- Comment on your relationships and interactions with members of the White House staff and cabinet, especially members of the Clinton economic team, including Leon Panetta, Robert Rubin, Lloyd Bentsen, Roger Altman, Laura Tyson and Gene Sperling.
- How involved was President Clinton in formulating the specifics of the budget and other OMB policies? Discuss the frequency and nature of your interactions with the President.
- How did you balance the President's budget priorities? Who most influenced the setting of the President's budget priorities and economic agenda?
- Describe the role of the National Economic Council, as competitor for influence over the president's economic agenda and as a body that shared many of the same functions as OMB.
- Discuss the formation of the Clinton administration's first economic plan. What role did political advisers (Paul Begala, James Carville, Mack McLarty, George Stephanopoulos, etc.) play in devising economic policy? Why did deficit-reduction succeed while a stimulus package failed? How did efforts on behalf of the two initiatives differ, if at all?
- Comment on your memo "Big Choices." What effect, if any, did the leaking of the memo have on the President's budget?
- Describe your role and involvement in the major policy initiatives of the administration (GATT, health care reform, etc.).
- Reflect upon the role of an economist in politics. Did having an economist as director of OMB change the department?

Economic Policy, Budgets and Congress

- How would you characterize President Clinton's relationship with Congress during the first year? How did it change over time?
- Assess President Clinton's effectiveness in budget negotiations with Congress.
- Describe your relationship with Congress and the CBO throughout your service at OMB.
- Discuss the 1994 midterm elections and the Republican "Contract with America."
- Comment on the decision to propose a middle class tax cut. What accounted for the decision not to use CBO estimates in the FY 96 budget?
- How would you characterize the 1995 budget negotiations? What did you do to prepare for and manage the government shutdowns? Discuss the internal process that led to the decision to shut the government down.

- Discuss the FY 97 budget, including the trigger mechanism.
- Comment on Republican attempts to pass a Balanced Budget Amendment.

Vice Chair of the Federal Reserve Board of Governors

- Discuss the circumstances surrounding your selection as Vice Chair of the Federal Reserve Board of Governors. Why did you choose to remove yourself from consideration for the earlier vacancy?
- Describe your experiences during your confirmation process.
- Reflect upon the 1990s Federal Reserve under Chairman Alan Greenspan.

The Clinton Presidency in Retrospect

- What do you consider your greatest accomplishments as Director of the OMB?
- What were the strengths and weaknesses of the Clinton administration?
- Discuss your thoughts on President Clinton as a economic policymaker, a public leader and a legislative leader.
- What features of the Clinton administration were missed or misunderstood by the press?
- How should the Clinton administration be viewed by future historians?