

# THE INSIDER

by Erik Engquist and Daniel Massey

## Rangel's demise a big blow to NY

REP. CHARLES RANGEL'S leave of absence from the House Ways and Means Committee puts New York at greater risk of being shortchanged on key legislation, notably health care reform, job-creation bills, tax-code changes and trade agreements.

"It's a very serious blow to New York," says Rep. **Gregory Meeks**, D-Queens. "We send so much money to the federal government and often don't get back what we need. He was our security blanket."

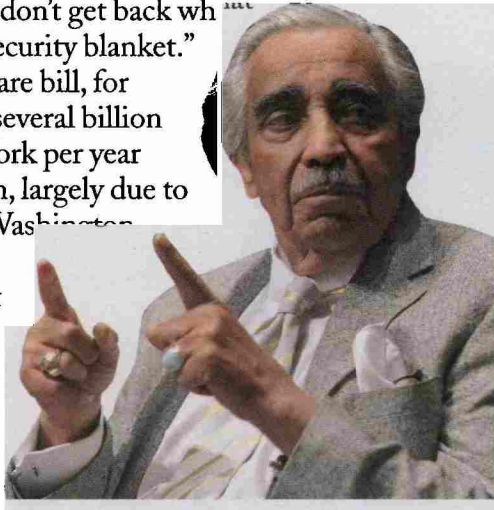
The House health care bill, for example, would bring several billion dollars more to New York per year than the Senate version, largely due to Mr. Rangel (right), a Washington insider says. He also made sure the state got a decent cut of stimulus funding.

"In some states, because the median income is so low, \$150,000 is a lot of

money," says Mr. Meeks. "In New York, if your family is making \$100,000, you're not well-to-do. You're barely middle-class. Charlie understood that."

Several factors mitigate the impact on New York of Mr. Rangel's hiatus, pending the outcome of an ethics investigation. His Ways and Means staff will remain, and House leaders will exercise a good deal of control over the committee. No overhaul of its agenda is expected.

However, the access to Ways and Means that New York companies enjoyed will be lost, adds Mr. Meeks.



Republican senators are **Frank Padavan** of Queens and **Owen Johnson** and **Kemp Hannon** of Long Island, because they are aging senators in districts with many Democrats, says **Doug Forand**, a political consultant who has worked with the Senate Democrats. **Kenneth LaValle**, R-Suffolk, has a credible challenger in Democrat **Regina Calcaterra**.

### \$15 billion worth of city stimulus

FEDERAL STIMULUS SPENDING in New York City totaled about \$10 billion in 2009 and had an overall impact of \$15 billion, a **Fiscal Policy Institute** analysis shows. The funds saved or created 70,000 jobs in the city, which through December had lost 142,900 positions since employment peaked in August 2008. The city needs to add more than 400,000 jobs in the next five years to make up for those losses and accommodate growth in the labor market.



Dr. Richard Daines

### GOP state senators face the faithless

EVEN WITH **David Paterson's** troubles and recent Democratic election losses, state Senate Republicans know they are also at risk in the November election, a GOP consultant says.

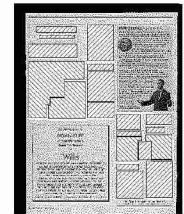
"Everyone's worried," says the consultant. "Voters are angry at government. They have lost their faith in the people leading the country at the city, state and federal levels, with very few exceptions. Given that, an incumbent has to be careful."

The most vulnerable

### Staying relevant to third estate

FORMER QUEENS City Councilman **Eric Gioia**, now in wealth management for J.P. Morgan Chase, says he can maintain the identity he sought as a civil servant—an important consideration in case he runs for office again.

"My job has changed, but who I am remains the same," he says. "I still care deeply about the same things, and I'm still working on them. Yesterday, I was helping a prominent museum secure a line of



credit and a homeless organization find funding.”

Can he remain in the public consciousness?

“I’ll find ways,” Mr. Gioia says.

## **Sweet ending for soda tax?**

STATE HEALTH COMMISSIONER Dr. **Richard Daines** is crisscrossing New York to promote the tax on sugary drinks in the governor’s proposed budget. A similar tax was defeated last year, but Dr. Daines cites several reasons why this year will be different.

The budget forecast is dire, he says, making the prospect of \$450 million in

revenue from the new tax more compelling to lawmakers, who abhor cutting programs. A threat from the governor to cut specific funding lines in health care if the drink tax does not pass has brought support for the tax from institutions that would be hurt by those cuts.

Dr. Daines also notes that public support for taxing sugary drinks has broadened, much in the way that support for cigarette taxes grew until they were readily implemented by legislators. Voters are increasingly aware that sugary drinks are linked to obesity and diabetes, which eat up billions of tax dollars. ■