

Rangel Is Key to Mayor's Poverty Plan

August 31, 2007 - The New York Sun

WASHINGTON — The fate of a key element of Mayor Bloomberg's signature anti-poverty initiative will rest in the hands of a congressman from New York, Rep. Charles Rangel, the Harlem power broker and Democratic chairman of the tax-writing House Ways and Means Committee.

The mayor unveiled his proposal to expand and overhaul the earned

income tax credit in Washington this week, and his administration is now beginning a lobbying effort to bring scholars and lawmakers on board, with the goal of passing legislation in Congress.

Mr. Rangel has shown interest in expanding the tax credit program, which is popular among politicians of both parties, but he has not committed to carrying Mr. Bloomberg's agenda in the House.

"It's absolutely not going to happen if Congressman Rangel doesn't support it. It's just not going anywhere," the president of the Harlem Children's Zone and the co-chairman of an anti-poverty commission Mr. Bloomberg formed in 2006, Geoffrey Canada, said in an interview.

Mr. Rangel will begin efforts to revise the federal tax code almost immediately upon returning next week from the August congressional recess. His office yesterday announced a major hearing for September 6 that will examine a range of tax policy issues, from levies on private equity funds and carried interest by money managers to the alternative minimum tax.

With a long history of fighting for the poor, the chairman is said by many to be personally supportive of Mr. Bloomberg's proposals, which are largely aimed at young minority men. Yet at an estimated price tag of \$8.5 billion, they are expensive, particularly at a time when Democrats in Congress are already eyeing a host of other costly changes to the tax code.

Chairman Rangel is committed to reducing poverty in America and welcomes all thoughts and suggestions on how we can best do that," a spokesman for the House Ways and Means Committee said yesterday, adding that Mr. Rangel "is generally sympathetic to the ideas expressed by the mayor."

Mr. Bloomberg is proposing to significantly enlarge the earned income tax credit to make more and younger adults, particularly men, eligible. Started in the 1970s, the program provides a subsidy for low-income workers and has been credited, in part, with reductions in poverty over the last three decades by creating an incentive for the poor to seek and hold a job. The mayor's plan targets individuals without children living with them, lowering the qualifying age to 21 from 25, and raising the maximum qualifying

income to \$18,000 a year from \$12,000. The change could result in an individual's annual tax credit rising to more than \$1,000 from less than \$100.

The mayor is also pushing to scrap a widely criticized provision that allows unmarried couples to receive more benefits than those who are married.

He is combining the proposed expansion with measures to tighten work requirements and crack down on fathers who haven't fully paid child support by cutting off their eligibility.

The approach of adding incentives for work while also mandating personal responsibility is a "strategy that comports with American social values," said a person who helped the mayor and his aides develop the proposal, Gordon Berlin. Mr. Berlin is the president of MDRC, a nonprofit, nonpartisan social policy research organization that is based in New York and was formerly known as the Manpower Demonstration Research Corporation. Mr. Berlin advocates a similar but costlier expansion of the tax credit program in an upcoming article in the social policy journal, *Future of Children*.

For Mr. Bloomberg, the anti-poverty push is his latest foray into the thorny landscape of national legislative politics, an arena where he has had limited success recently. His aggressive bid to repeal a law restricting the use and sharing of gun trace data failed to get out of House and Senate committees earlier this year. His efforts to secure more federal homeland security funding have resulted in modest gains.

The mayor has, however, succeeded in significantly elevating his national profile, to the point where none of his proposals escape the widespread speculation that he is building a platform for a presidential campaign.

His strategy to expand the earned income tax credit has raised the eyebrows of at least one anti-poverty scholar, Ronald Haskins, the co-director of the Brookings Center for Children and Families, which organized Mr. Bloomberg's speech on Tuesday. In pursuing federal legislation that would overhaul the program nationally, the mayor is foregoing the potentially easier route of seeking funding for a local initiative in New York, Mr. Haskins said.

Why? Mr. Haskins had a one-word answer: "President," he said. "Someone who's thinking about running for president has to make a certain number of national proposals."

Mr. Haskins had high praise for Mr. Bloomberg's tax credit proposal, but he said first trying it in New York or other urban centers would be a better way of testing its effectiveness and building political momentum nationally.

The Bloomberg administration appears headed in a different direction. "I wouldn't rule it out," the city's deputy mayor for health and human services, Linda Gibbs, said in an interview, when asked about the possibility of a pilot program in New York. "It's certainly not what the mayor is proposing," she added.

Ms. Gibbs questioned whether a tax provision could be implemented for individual cities. Mr. Haskins said it would be tricky, but "it could be done."

The city is certainly not averse to local test programs, as a centerpiece of Mr. Bloomberg's local anti-poverty agenda is an experiment to give cash payments as incentives to low-income students and families for working and school attendance and performance. It is also looking for state approval to test a plan to reduce traffic congestion by charging a fee to drive into parts of Manhattan.

The leading Democratic candidates have all issued their own proposals to expand the earned income tax credit, with those of a former North Carolina senator, John Edwards, the most similar to Mr. Bloomberg's. Ms. Gibbs said she was not familiar with the specifics of the other proposals, but she pointed out the mayor's emphasis on personal responsibility measures, which poverty scholars say could draw more support from Republicans.

For his own federal anti-poverty push to succeed, Mr. Bloomberg will need support from the House and Senate, not to mention the Bush administration, but first comes Mr. Rangel. The mayor singled out the chairman by name near the end of his speech on Tuesday, and he praises him when they are together in public, most recently at a birthday fund-raiser for Mr. Rangel at Tavern on the Green earlier this month.

From Ms. Gibbs, the tone was cautious optimism. "There's a strong alignment of interest of the mayor and the chairman around the issue of how to bring minority men into the workforce," she said. "We expect a strong collaboration around this issue in moving it forward."