

LANDER

for Mayor

A Fiscally Responsible City Hall

As part of his plan to make our City better-run, Brad will deliver an honest, effective, and fiscally responsible City Hall.

Introduction

Brad is running for Mayor to build a more honest, efficient city that makes the best use of taxpayer dollars. He will strengthen fiscal reserves to use during economic recessions, drive operational efficiencies, and ensure timely payments to contractors and nonprofits.

The Issue

We can't talk about NYC's financial health without acknowledging the **ominous potential for large federal budget cuts on the horizon**. As Comptroller, [Brad has kept a close eye](#) on the risks the Trump administration poses and fearlessly stood up – when the current Mayor sat silently—to [demand the \\$80M the Trump administration stole](#) from the City coffers in February.

New York City's operating budget, now over \$115 billion, is by far the largest municipal budget in the country and is larger than the budgets of all but four states. The City's capital budget (nearly \$90 billion) and pension funds (over \$285 billion) are also expansive. New York City has a uniquely broad set of taxes and revenues that enable it to provide a broad scope of services. **We can do a great deal with the resources we have – but we have to manage them better.**

In 1975, following the fiscal crisis, the [New York State Financial Emergency Act for the City of New York](#) (FEA) established a framework that has guided the City's fiscal management for nearly 50 years. The City has consistently balanced its budget since FY 1981 and has not issued short-term obligations to sustain its cash balance since FY 2004. Rating agencies and City bond investors consistently rank the City's fiscal management as a credit strength, even when other factors may be seen as vulnerabilities.

Fifty years later, it is time to modernize the City's fiscal framework. The “budget dance” has become repetitive political theater that fails to address the real financial issues facing the City's future. The Mayor proposes a preliminary budget full of fiscal fictions (e.g. significant under-budgeting of expenses like homeless services, uniform overtime, and Carter Cases) and seeks to distract the City Council with marquis cuts to essential services like libraries. **Rather**

than propose, discuss, and implement efficiencies and savings every year, shotgun cuts are proposed on tight timelines that yield pyrrhic savings. Too little attention is paid to long-term fiscal stability such as strengthening the City's Rainy Day Fund.

The City's shameful fiscal incompetence is acutely illustrated by the City's **well-documented failure to pay nonprofit contractors on time** – ultimately harming NYC's social safety net. The [Human Services Council recently identified](#) 68 nonprofit organizations holding over 1,000 city contracts that are struggling to stay afloat due to delayed payments. Over 90% of these organizations report significant payment delays, amounting to a staggering \$365 million in outstanding payments; over 32% had payments delayed for over 6 months; and over 48% of respondents had to take out loans or a line of credit, valued at \$87 million and almost \$6 million in interest payments. However, the Administration provides zero transparency about payment delays.

Moreover, managing New York City has become even more precarious in today's political climate. As President Trump aggressively threatens to destroy the capacity of the federal government to provide basic services, crucial support for urban services and infrastructure will dwindle. A reduction in federal aid would force the City to shoulder an even greater financial burden, exacerbating existing challenges and underscoring the urgent need for a modern, resilient fiscal framework to safeguard essential services and long-term investments.

Brad's Solution

Brad will adopt fiscally responsible policies to ensure that the City accumulates sufficient reserves to use during economic recessions, achieves efficiencies and savings to generate a budgetary cushion while avoiding cuts to vital services. As Mayor, he will conduct more realistic assessments of the City's capital assets, maintain the affordability of the City's debt, and ensure that City contractors get paid on time.

Blueprint for Fiscal Reform and Accountability

As Mayor, Brad will ensure the city's budget reflects true recurring costs by eliminating chronic under-budgeting and establishing a more honest fiscal framework. He will make core elements of the FEA framework permanent—including robust debt service and fiscal monitoring measures—and bolster fiscal stability by setting strict targets and deposit requirements for the Rainy Day Fund, limiting its withdrawals to economic downturns, and restoring the Retiree Health Benefit Trust to its original purpose. Additionally, Brad will integrate regular efficiency reviews and long-term savings plans into the budgeting process, hold agencies accountable for legal claims by shifting financial responsibility, and enforce a policy to keep annual debt service under 15% of city tax revenues using a Capital Stabilization Reserve. Finally, he will modernize the city's infrastructure assessment and capital planning by establishing a comprehensive asset inventory and prioritizing investments based on clear, strategic criteria.

Standing Up to Trump; Leading the City Through Federal Turmoil

[Over \\$100 billion flows from Washington to New York City](#) for a wide variety of government programs, nonprofit services, healthcare, and income security for individuals. While a chunk flows to the City's operating budget (\$9.6 billion), other public entities like NYCHA and H+H (\$4.5 billion), and our capital budget (\$2.6 billion), the vast majority goes directly to individuals for programs like Social Security (\$25 billion) and Supplemental Food benefits (\$4.6 billion), and healthcare providers through Medicare (\$22 billion) and Medicaid (\$32 billion).

We can't predict what will happen, of course. Trump promised during the campaign not to cut entitlements like Social Security and Medicare—so there is certainly reason to believe that the enormous spending cuts used to lower taxes on the wealthy will come from programs that flow directly to cities and states for education, child care and social services, or healthcare for low income New Yorkers.

In addition, Trump's misguided tariffs, mass deportations and more restrictive immigration policies, will raise prices and reduce the city's labor supply, threaten economic growth, and constrain tax revenues. **As Mayor, Brad will:**

- **Convene civic, business, labor, religious, and community leaders** to discuss how we can best prepare to protect New York City and those who may be targeted by the policies of the Trump Administration.
- **Convene a Joint City/State Emergency Task Force** to evaluate impacts and responses in real time and take legal action when appropriate to stop illegal money grabbing, unlawful funding requirements and breaching of contracts.
- **Add at least \$1 billion to the City's General Reserve** to create a **"Protecting NYC"** reserve that specifically addresses urgent funding needs that could arise from federal funding cuts. While the City will not be able to backstop all federal funding losses, the City should be stockpiling some resources to protect our schools and other critical programming over the next four years.
- Continue to **publicly message** that [New Yorkers send more money to Washington in taxes than what we collectively receive back in benefits](#). It continues to be our tax dollars, our democracy, and our future that are at stake.

Eliminate the Chronic Under-Budgeting of Recurring and Non-discretionary Expenses

In current practice, every year OMB presents a preliminary budget which chronically under-budgets key costs including uniformed overtime, homelessness and rental assistance, and special education Carter Cases, (estimated at over \$4.0 billion for FY26). Under the Adams Administration, this has been partially offset by the misleading over-budgeting for services to asylum seekers (estimated at \$1.6 billion for FY26), as part of Adams' scapegoating. **Brad will direct OMB to present a more honest budget in order to facilitate a better process of budget planning, discussion, and negotiation with the City Council.**

Make the Core Features of the FEA Framework Permanent

The core features of the FEA framework could expire if outstanding bonds that contain the State Covenant from subdivision one of section 10-a of the FEA were to be refunded. Brad will work

with partners in Albany to make several of the main features of the FEA framework permanent, including:

- **The General Debt Service Fund**, which retains the City's property taxes upon collection and prioritizes them for payment of GO debt service and any short-term debt.
- The FEA provisions that were added over time to the City Charter (**budget balancing, GAAP accounting, four-year planning**, etc.).
- The fiscal monitoring functions and the annual certification of the Financial Control Board (FCB), with the addition of provisions **enabling fiscal oversight entities to collaborate** more effectively.

Mandate Deposits Into and Limit Withdrawals from the City's Rainy Day Fund

Currently, there are no requirements for annual deposits into the City's Revenue Stabilization Fund (aka Rainy Day Fund) and no target level for the fund itself. Deposits are left to the very end of the "budget dance," and for the past two years no funds were added at all, leaving the fund at less than half of what the City would need in a recession. Brad has proposed the [most detailed blueprint](#) for the Rainy Day Fund's target size, deposits, and conditions for withdrawals, to allow the City to make smarter, less reactive, and less painful choices when faced with budget constraints.

- **Set a Target** — To stabilize tax revenues for the full length of an average recession, the City should set a target for the Rainy Day Fund of 16% of City taxes. The current level is less than half the target.
- **Set a Minimum Annual Deposit** — The minimum annual deposit into the Rainy Day Fund should be 50% of the revenue growth in the City's "non-property taxes" (all taxes other than the property tax, including the personal income tax, sales tax, business taxes and others) over their trend. Because these taxes tend to fluctuate year-to-year more than property taxes, excess revenues here can more readily be committed to long term savings. If this Office's current revenue forecast is met, according to the formula, the City should deposit nearly \$850 million into the RSF in FY 2025.
- **Restrict Withdrawals** — Restrict withdrawals to economic recessions, evidenced by two consecutive quarterly declines in employment, with some flexibility for catastrophic events (wars, disasters, pandemics) with a significant decline in projected revenues. Limit withdrawals to 5% of peak tax revenues per year, which would enable the City to deplete a fund of the target size over three years, the length of an average recession.
- **Return the Retiree Health Benefit Trust to Mandated Purpose** — Return the Retiree Health Benefit Trust to its mandated purpose of stabilizing funding for retiree health benefits. As the City approaches full funding of its pension promises (a.k.a reduces its Unfunded Actuarial Accrued Liabilities to zero) through a 2010 agreement that ends in 2032, resources should be committed and targets set to fund the City's substantial commitments to its retirees health care.

Make Efficiency Reviews and Long-Term Savings Plans a Regular Feature of the Budget Process

The Mayor has discretion to include Programs to Eliminate the Gap (PEGs) in the quarterly updates to the Financial Plan. However, in current practice, PEGs are not included as a regular, predictable feature of the budget process. Instead, PEGs tend to be mandated to agencies at the

last minute, without adequate time to engage in meaningful long-term planning. As a result, they are predominantly short-term savings, budget re-estimates, and personnel accrual savings. At the same time, the budgets often structurally and unreasonably under-estimate recurring and non-discretionary expenses. To address these weaknesses, under Brad's leadership, the NYC Office of Management and Budget will:

- Make **efficiency and savings planning** a regular part of the annual budget process.
- Work with agencies to set customized, **multi-year savings targets**.
- Include **incentives for agencies to implement efficiencies** that produce recurring rather than one-time savings.
- Require agencies to come up with true **long-term savings plans and the ability to transparently measure progress** when proposing new programs for consideration.
- Establish a **regular reporting cadence** on savings and efficiency initiatives, reviewed by oversight entities, and hold agencies accountable for them.

Hold Agencies Accountable for Judgments and Claims Against the City

Every year, New York City pays out over \$1 billion in judgments and claims against City agencies (e.g. traffic crashes caused by City vehicles, police misconduct, special education Carter Cases, etc). During the Adams Administration, the amount has grown to over \$1.5 billion. Because payments are made from the central budget, agencies have no accountability for the claims they are responsible for and no incentive to reduce them. Brad will move financial responsibility for certain legal claims against the City from the central budget to agency budgets. Where agencies are able to reduce claims payouts, they would be able to keep half the savings of those reductions, giving them an incentive to take steps to reduce those claims.

Ensure that Debt Service Does Not Exceed 15 Percent of City Tax Revenues

Annual debt service as a share of local tax revenue is a key measure of debt affordability. The City's 15 percent threshold is included in the [City's Debt Management Policy](#) and is understood to be a widely accepted benchmark, often cited by the rating agencies and monitors of the City's budget. However, there is currently no procedure for ensuring that the target is maintained. **As Mayor, Brad will:**

- **Adopt a policy requiring that:**
 - **Annual debt service does not exceed 15 percent** of City tax revenues.
 - **The financial plan include an appropriately sized Capital Stabilization Reserve** in each year of the plan. This reserve is already included by the Mayor in each year of the financial plan.
 - **The City deploy the Capital Stabilization Reserve to pre-pay debt service** in any fiscal year within the financial plan where debt service is projected to be above the 15 percent threshold.
- Direct OMB to engage the State Board of Real Property Tax Services and the State Office of Real Property Tax Services in the **review of the methodology for the calculation of Special Equalization Ratios**, which currently leads to an underestimate of the City's Constitutional debt limit.

Modernize the City's Approach to Infrastructure Assessment, Capital Planning, and Budgeting

The Comptroller's office conducted an [audit of City's Asset Inventory Management System \(AIMS\)](#), which is supposed to provide an annual assessment of the condition of the City's capital infrastructure, finding that it is insufficient and unreliable and does not accurately identify the true costs of maintaining the structural integrity of the major infrastructure assets of New York City. Brad has proposed a [new system for infrastructure assessment](#), based on best practices across the country, that will accurately identify the true costs of maintaining the structural integrity of the City's major infrastructure assets. The City needs to modernize its capital planning and budgeting process to include better infrastructure assessments (including more effective use of technology) and a process for prioritizing long-term infrastructure investments based on clear criteria that address aging infrastructure, climate resiliency, criticality, and the cost of deferred maintenance. **As Mayor, Brad will:**

- Require the inventory to include pertinent **details about the function, location, structural dependencies, estimated useful life, and most recent condition assessment** of each asset.
- Require that **each agency is responsible for conducting a realistic assessment** of its capital assets based on a protocol developed by the Office of Management and Budget.
- Require the identification of the capital needs to be included in the **10-year capital strategy** based on considerations including the level of deterioration (particularly any asset conditions that jeopardize public safety), the criticality of an asset to an agency function or mission, and federal and state requirements that may apply to certain types of assets.
- Better **utilize the infrastructure assessment** to inform the 10-year capital strategy.

Ensure that Nonprofit Human Service Providers, MWBEs, and Other Vendors Get Paid on Time

Brad sought to address the issue of shamefully late payments to nonprofits and other vendors, even before he became Comptroller. In November 2021, he approached the incoming Adams administration, and by February 2022, Mayor Adams and Comptroller Lander had launched [A Better Contract for New York: A Joint Task Force to Get Nonprofits Paid On Time](#). Acting on Comptroller recommendations, the City Council converted discretionary contracts into multi-year awards to avoid annual re-registration hassles. A key promise was to implement ContractStat—a performance management tool designed to establish clear timeframes, key performance indicators, and transparency in the procurement process.

Three years later, [a new report shows](#) that this tool remains unimplemented, payment delays have worsened with nonprofits now owed tens of millions on registered contracts, and the administration has failed to enforce additional mandated timeframes beyond the existing 30-day review period. **As Mayor, Brad will:**

- **Adopt prompt contracting timelines** for each step of the procurement process.

- **Fulfill the longstanding promise to launch ContractStat to publicly report regularly on how well each contracting and oversight agency is complying** with those timelines. Deadlines work, at least under Brad’s leadership: the Comptroller’s office has [met its 30-day deadline for approving or returning contracts on every single one](#) of the 60,000 contracts it has reviewed this term.
- **Establish Deadlines for Paying Vendors on Time:** Set a formal 90-day maximum reimbursement timeframe for City contractors and require interest penalties for delayed payments, as [recommended by the Human Services Council](#).

The Results

- **Robust fiscal reserves** to better withstand economic recessions.
- **Transparent, realistic budgeting:** Accurate reflection of recurring costs and elimination of fiscal fictions will lead to more honest and effective budget planning.
- **Permanent fiscal framework:** Core FEA provisions—including debt service prioritization, GAAP accounting, and fiscal monitoring—will be institutionalized for long-term stability.
- **Stronger Rainy Day Fund:** Clear deposit targets and controlled withdrawal limits will create a reliable financial cushion during downturns.
- **Debt management discipline:** Debt service will be capped at 15% of City tax revenues through proactive measures like a Capital Stabilization Reserve.
- **Modernized capital planning:** Improved asset inventories and strategic long-term investment criteria will ensure better maintenance and planning of the City’s infrastructure.
- **Operational efficiency and savings:** Regular efficiency reviews and multi-year savings plans will generate sustainable savings without cutting essential services.
- **Agency accountability:** Shifting responsibility for legal claims to individual agencies will incentivize cost reductions and improve fiscal responsibility.
- **Timely payments to contractors:** Mandated contracting timelines and tools like ContractStat will ensure nonprofits, MWBEs, and vendors are paid promptly.
- **Restored retiree health funding:** Reinstating the Retiree Health Benefit Trust to its intended purpose will safeguard essential healthcare funding for retirees.