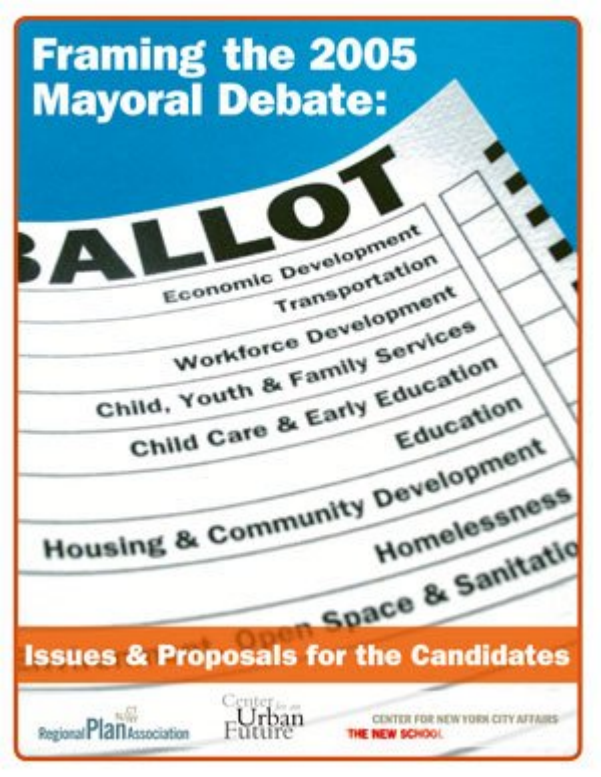


Report - August 2005

Framing the 2005 Mayoral Debate: Issues & Proposals for the Candidates

This report, which the Center for an Urban Future produced in partnership with the Regional Plan Association and the Center for New York City Affairs, is designed to inform candidates and educate voters about nine key issues that New York's next mayor will face over the next four years, from education and economic development to child welfare and homelessness.

by Center for an Urban Future, Regional Plan Association and the Center for New York City Affairs

This is an excerpt. Click here to read the full report (PDF).

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This report was written by David Jason Fischer, Alyssa Katz and Tara Colton from the Center for an Urban Future; Chris Jones, Jeffrey Zupan and Robert Pirani from Regional Plan Association; Andrew White and Sharon Lerner from the Center for New York City Affairs at Milano Graduate School; and Norman Fruchter from the New York University Institute for Education and Social Policy. It was edited by David Jason Fischer and designed by Jeff Ferzoco. Alex Yablon, Jonathan Bowles and Mia Lipsit provided additional research and editorial support.

The authors wish to thank the many New York civic leaders and policymakers who generously gave their time and insights during the preparation of this report.

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Framing the Debate

In an ideal world, candidates in the quadrennial race for the New York City mayoralty would compete with one another to

propose the best new ideas for improving the city. They would clearly state their priorities and drive an informed and interactive debate about the future. But instead of a policy debate, our mayoral elections more often play out along lines of personality, race, ethnicity, and scandal. Even in the wake of the horrific events of September 11th, the media coverage of the short general election campaign did not leave much room for argument over the issues.

Our three organizations – Regional Plan Association, the Center for New York City Affairs at Milano Graduate School andthe Center for an Urban Future – have come together in an effort to elevate the conversation and frame a set of critical issues facing the city for the mayoral campaign of 2005. It is our hope that this set of concise and accurate appraisals of current problems and pragmatic options for improvement will offer a valuable tool for New Yorkers seeking thoughtful feedback on core issues from the candidates and provide a common, substance-based framework for the media covering the campaign.

We don't pretend that this Policybook covers every issue of importance to the city. The document offers no discussion of public safety, homeland security or health care costs, for example. Considerations of brevity, space, and the specific expertise of the three partner organizations all informed these decisions. The issues included are those that each of our organizations, within our areas of expertise, thought were most relevant and resonant with a large segment of the public in New York City, and with the media who do so much to shape popular perceptions of the candidates and the race.

While there was extensive collaboration on all of the material in the report, each organization had the lead responsibility for different sections – the Center for an Urban Future for Education, Housing and Community Development, and Workforce Development; the Center for New York City Affairs for Homelessness, Child Care and Early Education, and Child, Youth and Family Services; and Regional Plan Association for Economic Development, Transportation, and Environment, Open Space and Sanitation.

Each chapter discusses both core issues and proposed solutions. The issues are presented as a series of questions that every mayoral candidate needs to answer. The solutions describe major proposals that civic organizations (including our own), academics and others have recommended to address these issues. Though we have made a conscious effort to present a range of viewpoints, we make no pretense of being unbiased. The leading proposals in each section reflect years of policy research and advocacy by all three of our organizations, as well as input from a network of experts and policy groups.

It is our hope that the Policybook will focus new and substantial discussion on the issue areas we cover, while inspiring the candidates, the press and the voters to think grand thoughts about the future of New York City. Specific policies and proposals are important, but so is vision: our city is in the midst of tremendous economic, demographic and social changes. It is up to the city's leadership to attempt to harness and guide those forces of change, and it is up to the voters – well-informed or not – to choose those leaders.

Crosscutting Issues

A good mayor is more than the sum of his or her policy positions. Leadership, personal integrity and communication skillsare just as important to many voters. This report does not attempt to provide guidance for judging these qualities in a candidate. However, there a few common threads that link together the nine policy areas described in the following pages. How the next mayor addresses these crosscutting challenges will in large measure determine his or her success implementing solutions to issues as wide ranging as homelessness and homelessness.

Fiscal Policy

Most policy solutions eventually come back to money – how much should be allocated to specific services and programsand, by implication, where these resources should come from. The ideas we discuss in this report have a range of fiscal implications. Some, such as better coordination of the city's workforce development programs, could be implemented with little or no cost. Others, such as expanding rent subsidies to families at risk of becoming homeless, can be implemented

either through cost savings or reallocating resources from other programs. Still others, including major transportation investments, would require new resources from taxes, user fees, federal and state aid or other sources, and in several instances the report identifies potential sources that could provide these revenues.

In aggregate, however, there is no getting around the fact that the needs of the city outstrip the resources available to pay for them, and that difficult choices need to be made. Most fiscal analysts agree that the substantial growth in tax and other revenues that has recently benefited the city, much of it related to a sizzling real estate market, is not likely to continue. More probable are large budget deficits, beginning in 2007, which will have to be filled through either reduced spending or higher taxes and fees. Both the New York City and New York State Comptrollers predict that the city's budget gap will average over $4 billion per year from 2007 to 2009. Even these projections do not take into account developments that could increase the gap, such as upcoming collective bargaining with several city employee unions and additional city education spending that could be required as a result of the Campaign for Fiscal Equity (CFE) court decision.

The mayor sets budget and revenue priorities and is the most important player in establishing the city's fiscal policies, but other actors also exercise substantial authority over the budget. Well over half of city expenditures are often characterized as "uncontrollable." Some of these, such as Medicaid or retirement pensions, are mandated by the state or federal governments, while others, like debt service, are the result of past spending commitments. However, as argued by the Citizens Budget Commission in "The Myth of the Uncontrollables," (May 2005), the mayor could play a role in pushing for reform of several of these items. The state legislature also has to approve of changes in income and sales taxes, leaving property taxes and fees as the only major revenue sources completely under the city's control. The City Council also has to approve the budget and usually extracts marginal changes in the mayor's proposal. Finally, the Financial Control Board established during the city's fiscal crises in the 1970s has to certify that the budget is balanced under approved accounting guidelines.

Given the possibility that the next mayor will face a budget shortfall, it is reasonable to ask mayoral candidates how they propose to close these gaps and balance the budget. Often, candidates will not stray far beyond the least controversial or most general recommendations, such as eliminating bureaucratic waste and seeking more money from Washington or Albany. Unfortunately, administrative efficiencies can only solve a small portion of the problem and the political prospects of winning substantially more aid from the state or federal governments are slight. In contrast, organizations like the New York City Independent Budget Office and the Citizen's Budget Commission have identified more focused options for cost savings or new revenues. Some are relatively small in dollar terms, such as consolidating senior citizen centers or eliminating the tax exemption for Madison Square Garden, while others could add up to substantial sums. But nearly all would cause pain for someone and would trigger political resistance.

On the spending side, major cost reduction proposals have targeted city pensions, labor agreements and Medicaid. Advocates of pension reform have cited the relatively high pensions of city and state employees compared to other states, and proposed changes such as higher employee contributions or a later retirement age. Other proposals to hold down labor costs have focused on extracting productivity savings in exchange for salary increases, something most recent mayors have sought with only limited success. Medicaid is a particular challenge, both because the stakes are so large and the mayor's control is so limited, with costs largely dictated by state and federal policymakers. At $4.7 billion, city Medicaid costs are one of the largest and fastest growing parts of the city's budget, rising by 45 percent just since 2001. Although the program provides a critical safety net for the poor, a rising portion goes to middle-class and even wealthy individuals for long term care. And recent reporting by the New York Times indicates that unchecked fraud could be costing billions statewide. The mayor's influence, however, is limited to his ability to lobby for change as the state's most powerful local government leader.

Major revenue increases from higher taxes, water rates, bridge tolls or other sources run the risk of weakening the city's economic competitiveness, but so do deteriorating services or failure to keep up with infrastructure and other improvements being implemented in other cities. Advocates for many of the solutions we discuss in this Policybook argue that higher taxes and fees that pay for well-targeted investments in human and physical infrastructure can pay off in lower costs or increased

revenues over the long run: for example, investments in early childhood education have been shown to reduce criminal activity, drop out rates and other outcomes that raise the costs of city services, and transportation investments can lead to increased economic growth and tax revenues. While reforms to control spending are needed, some tax and fee increases are also likely to be needed to maintain service levels required for a competitive economy. The next mayor will have to balance the potential risks and rewards in terms of impact on both the business climate and quality of life for city residents.

Management Innovation and Efficiency

In addition to fiscal management, a large part of the mayor's job is to effectively run the vast and complicated machinery of government. While new policies and programs may get the lion's share of public attention, most of the city workforce – and the municipal budget – is taken up with the nuts and bolts of a host of city services, such as delivering clean tap water, removing snow from city streets and running city hospitals. Neglecting these basic services can lead to a failed mayoralty. Similarly, management innovations, such as those that helped decrease water rates under Mayor Dinkins, reduce crime under Mayor Giuliani, or led to the 311 service under Mayor Bloomberg, can be an important part of a mayor's legacy. To a large extent, the issues and solutions addressed in these chapters require policy decisions rather than management innovations. However, several suggest strategic reforms that could lead to more effective programs and service delivery. An incentive program that tackles the inequitable distribution of teacher quality across the city could improve educational achievement in low-income neighborhoods, for example. And the skillful reinvestment of savings from reduced use of homeless shelters and foster care in a neighborhood-based safety net could vastly improve the accessibility and quality of basic social services.

Openness and Transparency

How a mayoral administration interacts with other representatives of the public – elected officials, the media, civic and community organizations, as well as individual citizens – is another important barometer of how well it serves the public interest. The administration's willingness to share information allows the public to evaluate its performance, correct excesses and maintain trust in city government. Officials' openness to ideas, critiques and collaborations can lead to stronger policies and greater innovation. In addition, the mayor's relationships with the City Council, labor unions, state officials, and business and civic groups have tremendous bearing on his or her ability to get things done.

The structure of New York City government gives enormous authority to the mayor. Like most chief executives, the instinct of most mayors is to protect and expand the powers of the office – an instinct that generally runs counter to increasing public access to government. But openness has its benefits as well, including the political goodwill that accrues to leaders who operate in a collaborative spirit. Some of the ideas in the chapters that follow suggest ways to encourage a healthy transparency, and effective policies that have a broad base of support.

The tone of a mayoralty is established at the top and generally cuts across the entire administration, and can influence the civic spirit of the entire city. Assessing the candidates' likely approach to leadership, openness and transparency is an important part of judging the fairness and effectiveness of his or her likely policies, as well as how they will be perceived by different constituencies.



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