Discipline Before Revenue Options

A Response to the MBJ Task Force Fiscal Framework

Prepared for Cardenas for Mayor 2027
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Core message: Chicago’s immediate fiscal problem is not merely insufficient revenue capacity. It is insufficient control over how existing dollars are budgeted, contracted, verified, transferred, and reinvested.

Executive Summary

- The Mayor Task Force correctly identifies a structural fiscal problem, serious pension pressure, and the limits of one-time fixes.
- The report's weakness is sequence: it expands revenue tools before demanding a sufficiently hard standard for operational control.
- The campaign's evidence points first to a control problem: appropriations up 54.3 percent since 2019, Corporate Fund growth up 63.8 percent, contract invoicing up 10.3 percent year over year, transfers up 1,284.4 percent year over year, and material vendor concentration.
- The governing answer is discipline before more revenue options: spending controls, procurement verification, monthly dashboards, operating reviews, and restricted-fund clarity before any new recurring public burden is considered.

At-a-Glance Diagnostic

Indicator	Campaign finding
Appropriations growth, 2019-2026	54.3 percent
Corporate Fund growth, 2019-2026	63.8 percent
Matched-window contract invoicing change	Up 10.3 percent
Matched-window transfer change	Up 1,284.4 percent
Top 10 vendor concentration	32.7 percent of latest-year ordered dollars
Top five department concentration	71.6 percent of spend concentration
Grant utilization snapshot	74.6 percent on $3.47 billion
Payment verification rate in procurement work	24.7 percent

Task Force Assessment Versus Cardenas Framework

Task Force assessment	Campaign Response
Structural deficit is real	Agreed; but structural stress does not eliminate the need for control first
Pension pressure is serious	Agreed; but long-term liabilities do not justify skipping present-tense operating reform
More revenue tools should be available	Only after City Hall demonstrates control over current spending, contracts, transfers, and grants
Administrative modernization can help	Agreed; but modernization must serve a harder operating-control agenda, not merely support larger extraction capacity
Economic development can improve the tax base	Agreed; but growth is a medium-term complement, not a short-term substitute for discipline

1. What the Task Force Gets Right

The Task Force is right that Chicago's fiscal challenge is structural rather than episodic. The report accurately describes a recurring mismatch between the cost of maintaining existing service levels and the pace of recurring revenue growth.

It is also right that pension pressure remains a major driver of budget stress. Long-term liabilities, fixed costs, and contribution discipline all affect fiscal flexibility and credit quality.

The report is further correct that one-time balancing actions do not constitute reform, and that administrative capability, modernization, and economic growth all matter to the city's long-run outlook.

Those points should be acknowledged clearly. The central disagreement is not over whether the city faces pressure. It is over what should happen first.

2. Where the Report Falls Short

The report's principal weakness is that it treats operational control as one lever among many rather than as the threshold condition for a credible fiscal strategy.

Chicago has not yet earned a revenue-first argument. A city that allowed appropriations to rise 54.3 percent from 2019 to 2026 while inflation rose roughly half as fast should first prove that it can control current spending before expanding the public burden.

The same conclusion follows from the campaign's execution data: contracts rose 10.3 percent in the matched mid-year window, transfers rose 1,284.4 percent, the top 10 vendors accounted for 32.7 percent of latest-year ordered dollars, and the top five departments represented 71.6 percent of spend concentration.

The Procurement Reform work sharpens the point. The city's purchasing system showed $26.61 billion in contract awards, only 24.7 percent payment verification, a $20 billion-plus audit gap, 3,790 active vendors, and 42 percent sole-source awards above $1 million. That is not a side issue. It is a first-order fiscal control problem.

3. Why Revenue First Is the Wrong Sequence

A revenue-first model weakens accountability because it gives management more room to postpone hard operating reforms.

A revenue-first model socializes management failure because it asks residents, businesses, drivers, and property owners to absorb the cost of weak internal controls they did not create.

A revenue-first model also delays reform because every new dollar raised without stronger verification reduces urgency to fix procurement leakage, workforce deployment, grant administration, and transfer governance.

The Task Force itself states that Chicago cannot tax its way out of structural deficits. That point is correct. Yet the report still devotes substantial structural attention to new revenue generating tools before proving that City Hall has exhausted the discipline side of the ledger.

4. The Cardenas Alternative

George Cardenas offers a rules-based operating model built around sequence, proof, and visible accountability.

The first step is spending discipline: a transparent framework tied to inflation, service demand, and variance to plan.

The second step is procurement reform: centralized authority over major contracts, contract triage, category management, stronger verification, lower sole-source dependence, and public reporting of savings and performance.

The third step is workforce and operating discipline: review staffing deployment, overtime patterns, administrative layering, and service-output alignment before expanding the public burden.

The fourth step is transparency: a monthly citywide dashboard covering appropriations, actual spending, contract awards, invoice payments, transfers, grants, restricted funds, and departmental variances.

Only after those controls are functioning and measurable should policymakers decide whether any additional recurring revenue is justified.

5. The Role of Economic Development

The report's economic-development section contains constructive ideas, especially on permitting reform, corridor support, local purchasing, supplier development, and business engagement.

Those ideas are worth serious consideration. They are not, however, a substitute for near-term fiscal control.

Most economic-development gains materialize over several years and depend on investment cycles, market conditions, and interagency execution. They can complement a discipline agenda. They cannot replace one.

6. Recommended 100-Day Agenda

A Cardenas administration should convert this contrast into a visible first-100-days control package. The objective is to prove quickly that City Hall can govern existing dollars before debating new public burden.

- Launch a Fiscal Transparency Office.
- Publish a monthly dashboard covering appropriations, actuals, contracts, invoice payments, transfers, grants, and departmental variance.
- Freeze or review high-risk discretionary awards pending triage.
- Stand up a category-management and contract-verification team under centralized authority.
- Begin top-department operating reviews focused on the highest-growth agencies.
- Publish a special-funds and grants control map distinguishing restricted from flexible dollars.
- Introduce a spending-discipline ordinance framework.
- Publish a reinvestment map showing where verified savings will go.

7. Bottom Line

The Mayor Task Force is right that Chicago's fiscal challenge is structural and that the city needs a durable path. The report is wrong, however, to move too quickly toward new revenue taxing ideas.

Chicago should not ask more from taxpayers, service users, businesses, and property owners until City Hall proves it can control appropriations growth, verify contracts, reduce procurement leakage, publish meaningful dashboards, and govern grants and transfers with discipline.

The central contrast is simple: the Task Force offers a menu of ways to collect more. George Cardenas offers a governing model for how to control more. In Chicago's current condition, control must come before new taxes.

Revenue Menu Versus Control-First Response

Task Force recommendation	Task Force logic	Cardenas view
Benchmark and potentially increase taxes, fees, and fines	Peer gaps may justify higher burden	Peer benchmarking is not proof that current spending is controlled
Graduated income-tax authorization	Broader progressive revenue authority can relieve pressure	Control failures should be addressed before expanding extraction authority
Resume CPI-based property-tax increases	Indexing stabilizes revenues	Indexing without visible reform invites backlash and weakens legitimacy
Expand sales-tax base to consumer services	Modern tax base should capture services	Do not broaden the base while procurement leakage and verification gaps remain unresolved
Congestion pricing and asset monetization	New recurring or one-time resources can support relief	Complex tools should not precede simpler, controllable internal reforms

Source Backbone:

- Mayor Task Force Final Report, executive framing and structural challenge, PDF pages 4-8.
- Mayor Task Force Final Report, long-term liabilities and pension recommendations, PDF pages 29-37.
- Mayor Task Force Final Report, revenues and expenditures recommendations, PDF pages 46-61.
- Mayor Task Force Final Report, economic development recommendations, PDF pages 66-84.
- Mayor Task Force Final Report, comprehensive recommendation menu, PDF pages 87-92.
- Fiscal Discipline Executive Report, Cardenas for Mayor 2027.
- Procurement Reform Executive Report, Cardenas for Mayor 2027.
- Mid-Year 2026 McKinsey-Style Report, Cardenas for Mayor 2027.
- Chicago Financial Landscape Forecast 2027-2036, Cardenas for Mayor 2027.