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S&P Credit FAQ: Big Apple Checks And Balances: Governance Relationship Between New York City And New York State Could Provide Stability Amid Political Change

Zohran Mamdani was elected New York City's mayor on Nov. 4, 2025, and will take office on Jan. 1, 2026. Following an election at any level of government, S&P Global Ratings often receives questions about how political transitions might translate into actual policy changes, and the potential effect on the government's financial health and underlying credit quality.

We believe the evolution of the city-state governance relationship and budget development process that will take shape over the next several months will reveal more about how campaign proposals could translate into governing priorities and budgetary realities. In addition, New York State's relationship with the city includes constitutional and statutory structures, fiscal interdependencies, policy linkages, and oversight requirements that we believe influence the city's operations and financial position. Our base case reflects modest changes in New York City's day-to-day operations and our view that potential policy and budgetary changes will gradually evolve over time, resulting in no near-term impact to our general obligation rating on the city (AA/Stable).

This FAQ examines how the overarching governance framework in which New York City operates and financial management functions play a key role in the city's credit stability, even as political leadership changes, as well as what we are watching.

Continue reading.

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