

Pricing Differences Between IBO and the Administration

Items that Affect the Gap

Dollars in millions

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
November 14, 2002 Financial Plan - Gaps	\$ -	\$ -	\$ (939)	\$ (1,291)
Changes to Financial Plan				
Property Tax	(296)	(608)	(633)	(660)
Prepayment	296	(296)	-	-
Adjusted - Gaps	-	(904)	(1,572)	(1,951)
IBO Pricing Differences				
<i>Revenues</i>				
Taxes	421	1,129	965	681
PIT Tax Proposal	-	(183)	(240)	(471)
StaR Reimbursement	18	38	106	80
<i>Total Revenues</i>	<u>439</u>	<u>984</u>	<u>831</u>	<u>290</u>
<i>Expenditures</i>				
	(86)	(289)	(322)	(394)
Total Pricing Differences	353	695	509	(104)
Uncertainties				
Labor Cost Containment	(223)	(600)	(600)	(600)
State/Federal Actions	(230)	(600)	(1,050)	(1,250)
PIT Proposal (IBO estimate)	-	(830)	(444)	232
Total Uncertainties	(453)	(2,030)	(2,094)	(1,618)
Prepayment Adjustment	100	(100)	-	-
IBO Projected Gap	\$ -	\$ (2,339)	\$ (3,157)	\$ (3,673)

SOURCE: IBO.

NOTES: IBO projects a surplus of \$408 million for 2003, \$100 million below the Bloomberg Administration's forecast. The \$408 million is used to prepay 2004 expenditures, leaving 2003 with a balanced budget. Negative pricing differences (in parentheses) widen the gaps, while positive pricing differences narrow the gaps. Pricing differences exclude intra-city revenues and expenditures. IBO's gap estimates assume that actions termed "uncertainties" will not occur.