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IBO Releases New Edition of *Budget Options for New York City*

Eliminate the public subsidies for books and transportation for private school students...

Halt the city's use of outside contractors for elevator inspections...

End the tax exemption for Madison Square Garden...

Charge households for garbage collection based on the amount of trash they throw away.

These are examples of some of the more than 70 measures for reducing costs or generating revenue presented in the newest edition of the Independent Budget Office's *Budget Options for New York City*. In this fourth annual edition IBO presents 16 new options and revises and updates other measures considered in the volume.

"While the city's fiscal outlook has improved in recent months, the local economy cannot grow fast enough to keep pace with fast-rising expenditures such as debt service and pensions for city workers," said IBO Director Ronnie Lowenstein. "That makes consideration of savings and revenue options an ongoing necessity."

Lowenstein also noted that even in the best of times, the demands on the city budget are greater than its resources. "Elected officials and the public are constantly making tradeoffs between competing spending and revenue priorities," said Lowenstein. "This volume is designed to help make those critical choices."

For each of the options discussed in the volume, IBO presents arguments for and against the measures. IBO does not recommend any of the options presented in the report. Much like the Congressional Budget Office, which produces a similar volume, IBO analyzes the measures, it does not endorse them.

In addition to producing savings or raising revenue, some of the options presented in the volume also have the potential for improving the quality of life or making the city's tax system fairer. For example, instituting a residential permit parking program could ensure that neighborhood residents are able to find parking spots near their homes. Raising the cap on property tax assessments for one-, two-, and three-family homes would help ease the inequities in the way the city taxes different types of property. Other options, such as bonus pay to reduce sick leave by correction officers, provide incentives to raise the productivity of the city's workforce.

The city has adopted a number of the options presented by IBO since publication of the first volume in 2002. These include the merger of the Department of Employment into the Department of Small Business Services, the redeployment of police officers previously assigned to the “DARE” program, and the reduction in sabbaticals for teachers. Governor George Pataki’s recent budget proposals also included several options similar to those presented by IBO, such as the elimination of a tax break for companies with large investments in machinery or other assets but low net incomes and the swap of the city’s Medicaid burden for a portion of local sales tax revenue.

Budget Options for New York City is available on IBO’s Web site at www.ibo.nyc.ny.us. A free, printed copy of the 80-page report can be obtained by calling 212-44-0632.