



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

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**IBO Releases New Edition of Budget Options for New York City
More Than 80 Ways to Reduce Spending or Raise Revenue**

Today, the New York City Independent Budget Office released the 12th annual *Budget Options for New York City*. In this latest volume, IBO examines more than 80 ways for the city to reduce spending or raise revenue, and impartially analyzes the pros and cons of each option. An option's inclusion in the volume does not imply a recommendation, nor does the omission of an idea mean IBO does not consider it viable.

"Although New York City's economy is growing, the city continues to face fiscal challenges," said IBO Director Ronnie Lowenstein. "This volume, with its clear calculations of expected savings or revenues from dozens of budget options as well as the best arguments for and against each of the measures, can help policymakers and the public as they consider ways to meet the city's needs while maintaining budget balance."

The 12th edition contains 11 new items. New options for creating savings and the impact of each in its first year include:

- Eliminating the performance bonus for principals and assistant principals (\$5 million)
- Consolidating building, fire, and housing inspections (\$10 million)
- Calculating city employee pensions without including overtime pay (\$11 million)
- Ending city contributions to union annuity funds (\$138 million)
- Merging separate city employee pension systems (\$21 million)
- Pegging health insurance reimbursement to the lowest cost carrier (\$322 million)

New options for generating revenue and their first year impact include:

- Capping the personal income tax credit at \$10,000 for payers of the unincorporated business tax (\$48 million)
- Eliminating the carryback option for net operating loss deductions (\$5 million)
- Eliminating the cap on the capital tax base of the general corporation tax (\$320 million)
- Imposing development impact fees on construction projects (\$35 million)
- Charging a fee for curbside collection of nonrecyclable bulk items (\$59 million)

The report also contains many options from previous years; they have all been revised, some substantially, and their savings or revenue estimates updated. Once again, IBO does not recommend any of the options—either new or from previous years. Our role is to analyze, not endorse.

The budget options originate in a number of different ways. Some options originated with requests from elected officials, advocates, and others to objectively analyze an idea's potential to cut costs or raise revenue for the city. Other options were generated by IBO's staff, and several have been the subject of public discourse for many years. This year, for the first time, IBO reached out to its online readership via social media for new ideas to reduce spending or raise revenue.

A number of IBO's options have been adopted. For example, in past volumes IBO examined merging the Department of Employment with the Department of Small Business Services, and charging a fee to file a property tax challenge with the Tax Commission. Both were later implemented by the city. IBO also explored including certain Botox treatments as part of the sales tax base, an option recently adopted by New York State that will generate sales tax revenues for both the state and the city.

Budget Options for New York City is available on IBO's Web site at <http://ow.ly/kRzNr>. A free, printed copy of the report can be obtained by calling 212-442-0623.