



THE CITY OF NEW YORK
INDEPENDENT BUDGET OFFICE

110 WILLIAM STREET, 14TH FLOOR
NEW YORK, NEW YORK 10038
(212) 442-0632 • FAX (212) 442-0350 • EMAIL: ibo@ibo.nyc.ny.us
<http://www.ibo.nyc.ny.us>

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Contact: Doug Turetsky
(212) 442-0629/cell: 917-513-7488

**IBO Releases 2006 Edition of
*Budget Options for New York City***

The New York City Independent Budget Office today released the fifth annual edition of *Budget Options for New York City*. This latest edition reviews more than 60 ways to reduce costs to the city and raise revenue. The volume includes six new measures and many others that have been substantially revised and updated.

“The city’s short-term fiscal outlook looks far better today than it did when we first introduced *Budget Options for New York City* in 2002, a time when the city was mired in recession and struggling in the aftermath of 9/11. But even in the best of times there are not enough resources to meet all of the city’s competing needs,” said IBO Director Ronnie Lowenstein.

“So it remains critical that our city’s funds be collected and used as fairly and effectively as possible,” added Lowenstein.

To that end, some of the options in the volume would do more than save money or increase revenue. Some options could improve the city’s delivery of services or quality of life and some others could have the effect of increasing the equity or efficiency of the city’s tax system. For example:

- Instituting a residential permit parking program could ensure that neighborhood residents have access to parking near their homes.
- Expanding the “bottle bill” could help reduce litter on city streets and in parks.
- Restructuring of the city’s personal income tax could make the tax more progressive and reduce the burden on many lower-and middle-income taxpayers.
- Taxing vacant residential land at the same rate as commercial property could discourage speculation and encourage housing construction.

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.**

New options in this latest volume include eliminating the parking tax abatement for Manhattan residents; shifting 10 percent of foster care children from congregate care to family-based care; eliminating the program that transfers ownership of tax foreclosed, city-owned housing to

tenants; replacing late night service on the Staten Island ferry with buses; renewing the 2003-2005 personal income tax increase for high-income New Yorkers; and selling the remaining city-owned housing stock at market rates.

A number of options presented in prior years have been adopted by the city such as the merger of the Department of Employment into the Department of Small Business Services, the redeployment of police officers who had been assigned to the Drug Abuse Resistance Education Program, the extension of the teacher workday, the creation of a subsidiary insurance company for the Health and Hospitals Corporation, and the replacement of some city tax money by federal funding sources.

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 69-page report can be obtained by calling 212-442-0632.