



BGR Outlook on Jefferson

The Parish Council, the Sheriff, and the District Attorney

March 1998

Quick View of the Report

- ❖ Despite the fact Jefferson Parish continues to a good job of controlling costs, expenditures will exceed revenues in 1998.
- ❖ Parish operating revenues will increase less than one-half of one percent, while expenditures will decline 3.3 percent.
- ❖ Operating deficits in 1997 and 1998 could cause the Parish's budget reserves to drop to \$21.2 million by the end of 1998.
- ❖ Construction of the new Parish jail is expected to begin in 1998 with an estimated final cost of \$17.5 million. Over \$7.5 million is in a special fund to be used for construction.
- ❖ The previous and current DA's have contributed \$4.8 million for the new jail.
- ❖ The DA's Expense Fund revenues will increase 9.4 percent in 1998 totaling \$2.3 million. Expenditures will total \$1.7 million.
- ❖ The DA will pay for additional office and personnel expenses that are normally an obligation of the Parish out of the DA's Expense Fund.



BGR Outlook on Jefferson

Introduction

Preface

This report is the fourth in BGR's program of governmental oversight and monitoring of Jefferson Parish governments. This report provides updated budgetary information on the Parish Council, District Attorney, and Sheriff. BGR gratefully acknowledges the cooperation and assistance of Jefferson Parish officials, the Sheriff, and the District Attorney in the provision of information for this report.

Introduction and Overview

This year is not a blockbuster budget year for Jefferson Parish. In 1997, projected operating revenues declined, while projected expenditures rose exceeding estimated revenues (final audited figures will not be available till June 1998). On the positive side, operating revenues are expected to increase slightly in 1998. Expenditures will, however, continue to exceed revenues. Thus, for the second year in a row, Jefferson Parish will be required to dip into reserves to cover operating deficits.

The operating deficits of \$19.1 million in 1997 and \$10.0 million in 1998 will be funded from a reserve the Parish has been carrying. This reserve, which was \$50.4 million at the end of 1996, may drop to \$21.2 million by the end of 1998.

A contributing factor to the slow growth in revenues is the decline in the metro area population. In 1997 the metro area population declined from 1,292,214 to 1,289,035 or 0.2 percent. Orleans Parish saw a drop of 1.5 percent in population, while Jefferson Parish saw a 0.6 percent decrease. According to James Michael of Louisiana Tech University, economic growth in both parishes has not been strong enough to lure new residents, thus reflecting a stagnation in both economies.

Parish funding of the district attorney's office, sheriff's office, and parish correctional center, as mandated by the State, will consume 16.6 percent of the parish's General Fund.

The Sheriff is expected to enact some mid-year budget amendments in early 1998. The amendments are necessary to account for a shortfall in motor vehicle taxes, increased supplemental pay, and supplements to the Insurance Fund to cover costs and payments related to various lawsuits.

The construction of the parish's new jail is expected to begin in 1998. The total cost of the jail is estimated at \$17.5 million. The design is underway, and there is over \$7.5 million in a special parish fund to be used for construction.

Part of the funding is a result of promises from the current and previous District Attorneys to provide money for the new jail. Thus far, the district attorney's office has contributed \$4.8 million for this purpose. The transfers for the jail were a result of the sizable fund balance the previous District Attorney had accumulated over the years.

Although the DA has kept his promise to help fund the jail, the DA was late in producing a 1998 budget as required by Louisiana state law. The new DA did make an appearance, the first for a DA in many years, at the parish council administrative budget hearing. The DA actively participated in discussion of the parish funding of the DA's office and discussed the DA's expense fund. The DA has also agreed to pay for the additional personnel budgeted expenses, as well as providing and paying for its own new office space, therefore reducing the expenses the Parish is obligated to pay.

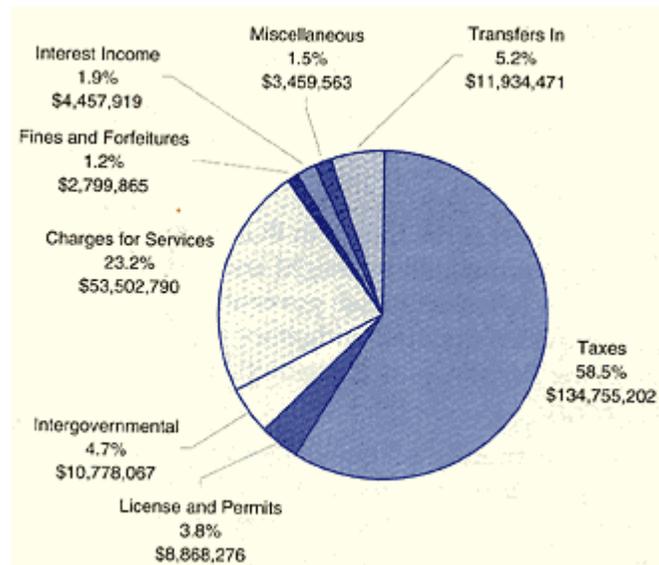


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The Parish

Total revenues are expected to increase from \$230.6 million in 1997 to \$231.5 million in 1998, less than a one-half of one percent increase. See Figures 1 and 2. Revenues will still lag behind the 1996 total of \$233 million.

Figure 1
Jefferson Parish
Total Amended Revenues - 1997
\$230,556,153

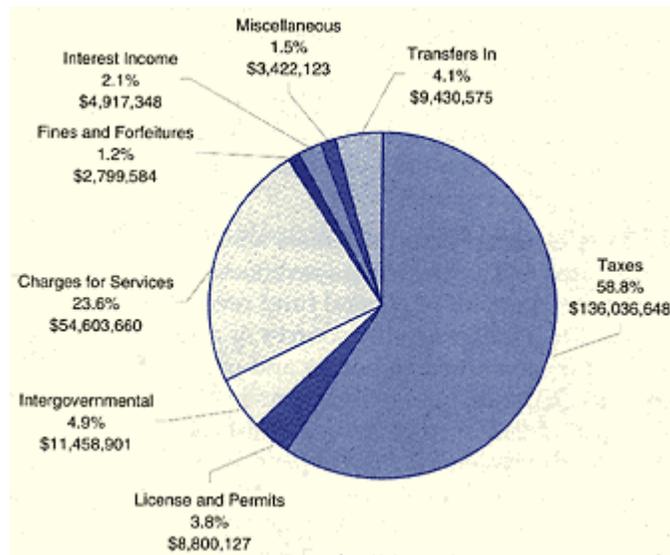


The two largest revenue sources, taxes and charges for services, will both experience very small growth over 1997. The largest source, taxes, will reverse 1997's slight decline and increase by less than one percent, to \$136.0 million. Property taxes, the largest source of tax revenues, will generate 57.3 percent of all tax revenue, or \$77.9 million. Sales tax will total \$55.0 million or 40.4 percent of all taxes. The remaining tax sources, chain store, franchise fees-cable TV, and severance tax will generate the remaining \$3.1 million.

Charges for services, the second largest revenue source, will continue to increase,

rising 2.1 percent to \$54.6 million. Fines and forfeitures, interest income, and miscellaneous revenues, which have dropped dramatically from 1996 to 1997 (39.4 percent), will increase but by only \$420,000 to \$11.1 million. Transfers will equal \$9.4 million, a 21 percent decrease from 1997. The majority of this decrease can be attributed to the fact that \$1.1 million for continued funding for the Jefferson Parish Economic Development Commission (JEDCO) is not included in this adopted budget figure. Subsequent to the adoption of the budget, an amendment was passed to fund JEDCO for \$1.1 million.

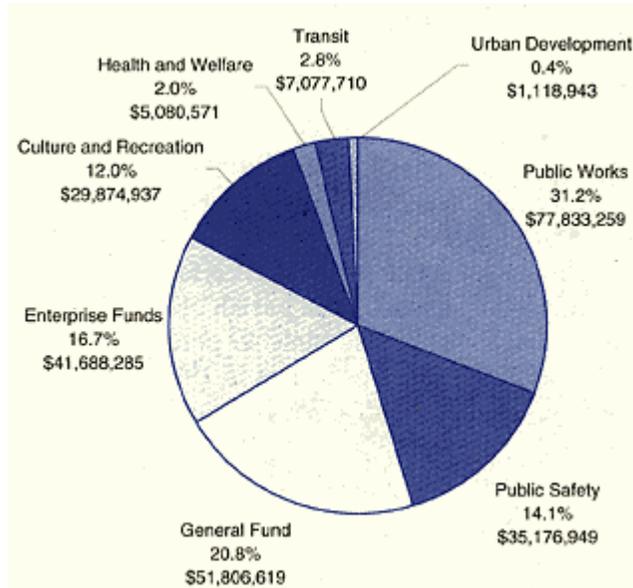
Figure 2
Jefferson Parish
Total Proposed Revenues - 1998
\$231,468,966



Expenditures

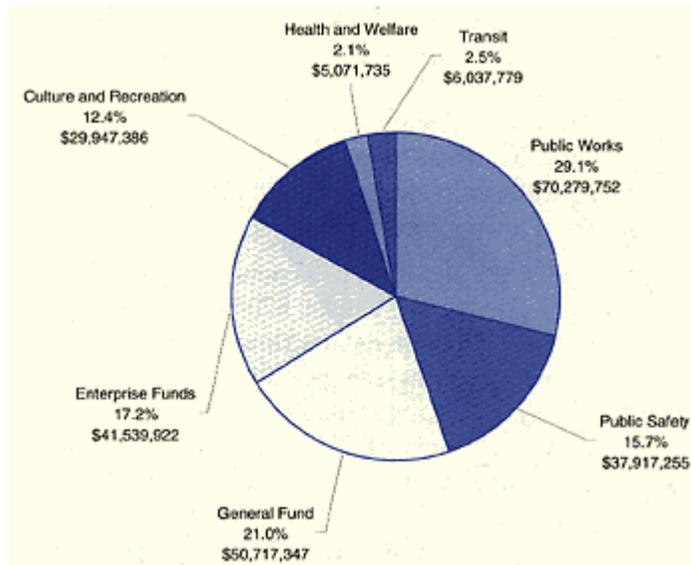
Jefferson Parish continues to do a good job of controlling costs. Total expenditures for 1998 are expected to decline an estimated 3.3 percent from 1997 levels, but will once again exceed revenues. Expenditures will total \$241.5 million in 1998, down from \$249.7 million in 1997, but \$10.0 million in excess of 1998 revenues. See Figures 3 and 4.

Figure 3
Jefferson Parish
Total Amended Expenditures - 1997
\$249,657,273



In 1998, the Parish will expend most of its monies on public works, \$70.3 million. General government functions will account for 21 percent of expenditures or \$50.7 million. Enterprise fund expenditures, those operations that provide goods or services to the general public and are financed by user charges (such as sewerage and water), will total \$41.5 million. The Parish will spend \$37.9 million for public safety functions. The remaining \$41.1 in expenditures will go for culture and recreation, transit, and health and welfare.

Figure 4
Jefferson Parish
Total Proposed Expenditures - 1998
\$241,511,176



The Parish General Fund

The Parish's General Fund is the source of money for general governmental services that do not have dedicated sources of revenue. It does not comprise the major portion of parish spending as one might expect from its name. In 1998, the General Fund will constitute only 21 percent of all parish expenditures.

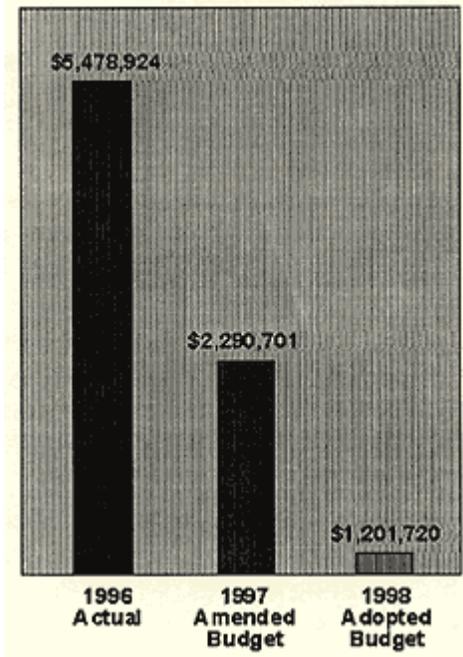
The importance of the General Fund lies in the fact that it is the only source of money for general governmental functions such as the council office and the parish financial administration. It is also the fund used to pay for various criminal justice and parochial expenses mandated by state law, such as some court, jail, and district attorney operations and the office expenses of the parish Registrar of Voters.

Other parish funds, dedicated to specific purposes, make up the remaining 79 percent of the parish's operating monies. Twenty-nine percent of these non-general fund revenues is used for public work functions, 17.2 percent for enterprise funds, 15.7 percent for public safety, and 12.4 percent for culture and recreation. The remaining 4.6 percent is used for transit and health and welfare functions.

As in the case with total parish expenditures, general fund expenditures will exceed general fund revenues in 1998 as they did in 1997. Thus, the Parish will be dipping into fund reserves, causing the general fund balance to drop to its lowest level in the last three years. See Figure 5.

In 1998 general fund revenues will total an estimated \$49.3 million. Tax revenues will account for over half of general fund revenues at \$26.1 million. Other sources of general fund revenue include license and permit fees at \$8.7 million; intergovernmental revenues at \$3.2 million; and fines, interest, etc. at \$11.2 million. General fund expenditures will total \$50.4 million. A majority of these general fund expenditures, 73.5 percent, are for general governmental expenditures, including general government operations, judicial functions, executive and legislative functions, financial administration, election, and general services. Public safety expenditures will total \$10.3 million, or 20.5 percent of all expenditures. The remaining \$3.0 million will be spent on health and welfare, cultural and recreation, and miscellaneous functions.

Figure 5
Jefferson Parish
General Fund Ending Balances - 1996 - 1998
\$249,657,273



Parish Council Funding of the District Attorney

Louisiana law requires the Parish to fund the most costly portion of the operations of the District Attorney's office, personnel. The Parish is also obligated under state law to provide for office space and certain other operating expenses. These parish obligations accounted for approximately 49 percent of the DA's total operating expenses in 1996 and were paid out of the parish's General Fund. In 1998 the DA's expenses will account for 10.1 percent of the parish General Fund expenditures.

Total parish funding for the DA is expected to increase from \$4.5 million in 1997 to \$5.1 million in 1998, an increase of 13.3 percent. See Figure 6. Parish funding for the DA's office was originally budgeted at \$4.1 million for 1997; the actual expense represents an 8.5 percent increase over the budget in effect six months ago. This can be largely attributed to increased personnel costs. The DA had asked for a mid-year budget amendment totaling \$350,000. This figure funded salary increases for full-time assistant DA's and additional full-time assistant DA's and their support staff. This cost will not be an additional expense to the Parish, however, since the DA will be paying for increases out of the DA's Expense Fund.

In 1998, the funding for DA's personnel will account for 85 percent of total parish-funded expenditures, or \$4.3 million. The number of employees will increase from 160 to 170. The additional staff will include 10 appointed full-time assistant district attorneys and four support staff. However, there will be a decrease in the number of investigators and law clerks. As in 1997, the DA will fund the increase in personnel expenses from the DA's Expense Fund.



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The District Attorney

The DA's office was late in adopting a budget for its own Expense Fund as required under the Louisiana Local Government Budget Act. This act requires independently elected officials, including the DA, to complete and make available to the public for inspection their completed proposed budget no later than 15 days prior to the beginning of each fiscal year. Based on the fact that the DA's budget runs on a calendar year basis, the most current budget should have been completed by December 15, 1997. The 1998 budget request was completed at the end of February. The DA stated that the failure to comply with this process was inadvertent, and due largely to the change in administration and the hiring of new administrative personnel.

The accumulated fund balance for the DA's Expense Fund will be reduced from \$6.9 million in 1995 to an estimated \$5.4 million in 1998. The total cost of running the DA's office amounted to \$3.3 million in 1996. This cost is expected to decrease to \$1.7 million in 1998.

Current Operating Budget: The DA's Expense Fund

Revenues

The DA's Expense Fund revenues are estimated to total \$2.3 million in 1998, a 9.4 percent increase over 1997 amended figures. See Table 1.

The gain in revenues can be attributed to increases in court costs and fines and forfeitures. The 62.3 percent increase in court costs is the result of a new state wide \$10 court fee passed during the last legislative session. Fines and forfeitures will see a 2.3 increase.

The remaining sources of revenue will experience declines. Commissions on asset forfeitures will decline an estimated 31.1 percent. From 1997, when the new DA obtained judgements on old cases that had not been collected prior to the new DA taking office. This opportunity will not reoccur in 1998, thus producing the decline. Bond fees will see a 19.3 percent drop in 1998, also a result of the emphasis on enforcement by the new DA to collect on old bond forfeitures, producing higher than usual results in 1997.

Title I-D incentives (child support collections), interest earning, and worthless check fees will decrease an estimated 9.7 percent. The decline in Title I-D incentives is due

to the federal government's paying lower incentive rates, not to lower collections at the local level.

Table 1			
Jefferson Parish District Attorney			
General Expense Fund Operating Revenues 1996 - 1997			
Revenue	1996 Actual	1997 Amended Budget	1998 Requested Budget
Commissions on Fines and Forfeitures	\$344,230	\$435,000	\$445,000
Commissions on Asset Forfeitures	31,595	74,000	51,000
2% Bond Fees	111,220	176,000	142,000
Worthless Checks Fees	173,316	212,000	142,000
Diversion Program Fees	19,000	19,000	19,000
Court Costs	348,688	525,000	852,000
Grants: Department of Health and Human Service Title IV-D Incentive LEAA Education Grant	306,193	286,000	267,000
Interest Earnings	403,254	357,000	304,000
Other Fees	10,981	1,000	1,000
Total	\$1,748,478	\$2,085,000	\$2,282,000
Source: Jefferson Parish 1998 Operating Budget District Attorney of the 24th Judicial District General Purpose Financial Statement and Operating Budget			

Expenditures

The DA's Expense Fund expenditures will total \$1.7 million in 1998, a 35 percent decrease from 1997. See Table 2. The decrease is a result of a 71.3 percent decline in intergovernmental transfers. In both 1996 and 1997 the DA made voluntary payments (transfers) that did not directly affect the DA's office. One is the payment (transfer) to the Parish in fulfillment of the promise made by the previous and current DA to help fund the new jail. The other is the \$600,000 payment that helped fund the Criminal Docket Information Management System (CDIMS). The only transfer that will occur in 1998 will be the reimbursement to the Parish to fund the additional personnel costs the DA agreed to pay for in 1998.

In 1998, the DA will incur additional expenses related to the promise to provide for new office space and the CDIMS. The DA will spend \$575,000 in architectural fees in the planning of the new office. The DA will also spend \$95,000 for the purchase of

a database related to the CDIMS system, plus additional \$110,000 for the purchase of the system.

Declining Fund Balances

Although the DA's expense fund balance is declining due to the voluntary transfers to the Parish, there will still be a sizable ending fund balance of \$5.4 million in 1998. This is 21 percent decline, however, from 1995 when the balance totaled \$6.9 million.

Table 2 Jefferson Parish District Attorney General Expense Fund Operating Expenditures 1996 - 1997			
Expenditures	1996 Actual	1997 Amended Budget	1998 Requested Budget
Office Expenses	\$50,194	\$43,000	\$43,000
Accounting Fees		9,000	9,000
Professional Fees	45,522	16,000	35,000
Travel and Training	14,307	25,000	35,000
Repairs and Maintenance	11,633	3,000	12,000
Capital Outlay	37,389	27,000	96,000
Office Rental			24,000
Intergovernmental Expenditures	3,109,281	2,092,000	600,000
Architectural Fees			575,000
Construction Renovation			20,000
Computers and Software			95,000
CDIMS		390,000	110,000
Furniture and Equipment			50,000
Total	\$3,268,326	\$2,605,000	\$1,704,000
Source: Jefferson Parish 1998 Operating Budget District Attorney of the 24th Judicial District General Purpose Financial Statement and Operating Budget			



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The Sheriff

Like the Parish, the Jefferson Parish Sheriff's Office (JPSO) will have to dip into their fund reserves to cover operating expenditures in 1998. JPSO's operating revenues for fiscal year 1998 are estimated at \$72.4 million, and expenditures are expected to total \$75.2 million. See Tables 3 and 4. The JPSO is on a July 1 - June 30 fiscal year, unlike the Parish and District Attorney, which run on a calendar fiscal year.

Mid-year budget amendments to the JPSO budget are expected to occur sometime in early 1998. These amendments are necessary to account for a shortfall in motor vehicle taxes, increased supplemental pay from the state, and increases in the Insurance Fund to cover costs and payments related to various lawsuits. The Parish has budgeted \$219,000 to the JPSO in 1998 for reimbursement of expenses of the sheriff as collector of property taxes. This reimbursement is mandated by state law.

Table 3 Jefferson Parish Sheriff's Office General Fund Operating Revenue, FY 1997 - 1998			
General Fund Revenues	FY1996/97 Amended Budget	FY1997/98 Proposed Budget	Percent Change
Taxes: Ad Valorem	\$11,975,000	\$11,975,000	0.00%
Taxes: Sales and Use	14,525,000	14,665,000	0.96%
Federal Funds	714,000	714,000	0.00%
State Grants	6,780,000	6,780,000	0.00%
Other Funds	4,344,000	4,344,000	0.00%
Fees, Charges, and Commissions for Service: Commissions on: Taxes, Licenses, etc.	25,769,500	26,254,500	1.88%
Fees, Charges, and Commissions for Service:	1,257,500	1,260,000	0.20%

State Revenue Sharing			
Fees, Charges, and Commissions for Service: Civil and Criminal Fees	2,508,650	2504,650	-0.16%
Fees, Charges, and Commissions for Service: Court Attendance	150,000	150,000	0.00%
Fees, Charges, and Commissions for Service: Transport of Prisoners	86,000	86,000	0.00%
Fees, Charges, and Commissions for Service: Feeding and Keeping of Prisoners	950,000	925,000	-2.63%
Miscellaneous	2,790,800	2,773,050	-0.64%
Total	\$71,850,450	\$72,431,200	0.81%
Source: Jefferson Parish Sheriff's Office Operating Budget 96/97 - 97/98			



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The Parish Jail

Funding of Operations

One of the many responsibilities of the sheriff is operating the parish jail. In 1996 operational costs totaled an estimated \$9.0 million dollars. Of this, \$5.8 million was paid for by the Sheriff.

The remaining \$3.2 million in jail operations was funded by the Parish and paid out of the Parish General Fund. This is yet another growing obligation of the parish government of which it has little control. The Parish is required by law to provide medical, dental and mental health care and services to inmates housed in the Parish Community Correctional Center; comply with all local, state and federal guidelines regarding medical care; provide CPR training to deputies; maintain accreditation with the National Commission on Health Care; and maintain computer based medical records. The Parish is also responsible for the Correctional Center's general operations including budget preparation and monitoring, database development and upkeep, purchasing and inventory (the Sheriff shares this responsibility). The Parish budgeted \$4.4 million in 1997 and \$3.5 million in 1998 for these operations. The decline is a result of a reduction in the number of housed prisoners. In 1997, the Sheriff contracted with the Orleans Parish Criminal Sheriff to pay for the housing of Jefferson Parish prisoners in the Orleans Parish Jail. This additional expense is not budgeted for in the 1998 figure.

Table 4 Jefferson Parish Sheriff's Office General Fund Operating Expenditures FY 1997 - 1998			
General Fund Expenditures	FY1996/97 Amended Budget	FY1997/98 Proposed Budget	Percent Change
Community Service	\$325,000	\$325,000	0.00%
Salaries and Benefits	50,809,000	50,618,000	-0.38%
Materials and Supplies	4,437,000	4,287,000	-3.38%
General Operating Expenditures	7,496,300	6,806,800	-9.20%
Travel	160,500	163,500	1.87%
Capital Outlay.	4,393,000	3,505,500	-20.20%

Intergovernment	820,500	1,300,000	58.44%
Total	\$68,441,300	\$67,005,800	-2.10%
Transfers Out	4,158,440	8,238,600	98.12%
Total Expenditures	72,599,740	75,244,400	3.64%
Source: Jefferson Parish Sheriff's Office Operating Budget 96/97 - 97/98			

The New Jail

The Parish plans to build a new jail at a cost estimated to be \$17.5. To date, there is approximately \$7.5 million in a special parish fund to be used for construction. The design is underway and construction is expected to begin in 1998.

The \$7.5 million is comprised of donations from the DA's office, video poker proceeds, and interest income. The prior and current DA pledged to provide funding for the new jail and thus far have contributed \$4.8 million for that purpose. Video poker proceeds and interest income contributed the remaining \$2.7 million. Video poker proceeds are estimated to bring in about \$2.0 million per year for the next three years to complete the funding package.

The Parish, Sheriff's Office, and every municipality except Harahan have committed their video poker proceeds for this purpose.



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Conclusions

The state mandate requiring the Parish to pay most of the DA's operating cost and a portion of the Sheriff's expenses ties up a significant portion of the Parish General Fund. Since the General Fund is the only undedicated money available to the parish governing body, a great deal of flexibility in providing local service is sacrificed. The DA has fortunately pledged to help relieve some of the Parish's burden by helping with the funding of additional personnel and office space expenses using excess Expense Fund revenues.

In a 1991 study on the criminal justice agencies in Orleans Parish, BGR recommended that the state legislature transfer the funding obligation of financing court and correctional agencies to the state. The rationale of the recommendation was that state-mandated costs should more appropriately be borne by the state rather than local governments. The Legislative Fiscal Office had made the same suggestion in 1982, and in 1989 the National Center for State Courts echoed that sentiment in a study of the Orleans Parish trial courts. This issue of BGR Outlook on Jefferson provides further evidence supporting these earlier recommendations.

During the data-gathering phase of this study, BGR learned of the neglect of the DA's office to fulfill Louisiana's budgetary requirement to have a budget adopted 15 days prior to the beginning of a new fiscal year. The budget was completed in February. The DA stated that the failure to comply with this process was inadvertent, and due largely to the change in administration and the hiring of new administrative personnel.

Fast Facts about Jefferson Parish

Jefferson Parish	1991	1992	1993	1994	1995
Total Personal	\$8,401,406	\$8,716,830	\$8,683,446	\$9,480,800	\$10,304,080

Income (\$000)	4.64%	3.75%	-0.38%	9.18%	5.84%
Per Capita Personal Income	\$18,572 8.04%	\$19,122 2.96%	\$19,853 3.82%	\$20,769 4.61%	\$21,973 5.80%
Total Employment (full and part-time)	230,474 0.69%	228,829 - 0.71%	234,464 2.46%	\$244,771 4.40%	252,079 2.99%
Number of Proprietors	34,451 1.36%	33,012 - 4.18%	34,521 4.57%	37,489 8.60%	38,016 1.41%
Average Earnings per Job	\$22,454 4.27%	\$23,334 3.92%	\$23,444 0.47%	\$23,888 1.89%	\$24,877 4.14%
Population	452,372 0.91%	455,844 0.77%	455,890 0.01%	456,483 0.13%	456,647 0.04%

Louisiana	1991	1992	1993	1994	1995
Total Personal Income	\$66,283,554 6.20%	\$70,177,150 5.87%	\$73,793,596 5.15%	\$78,129,417 5.88%	\$82,251,928 5.28%
Per Capita Personal Income	\$15,630 5.61%	\$16,423 5.07%	\$17,205 4.76%	\$18,135 5.41%	\$18,960 4.55%
Total Employment (full and part-time)	2,047,084 1.46%	2,057,836 0.53%	2,104,965 2.29%	2,147,717 2.03%	2,205,949 2.71%
Number of Proprietors	301,595 0.72%	294,880 - 2.23%	312,110 5.84%	300,368 - 3.76%	307,608 2.41%
Average Earnings per Job	\$22,494 4.15%	\$23,586 4.85%	\$23,934 1.48%	\$24,691 3.16%	\$25,329 2.58%
Population	4,240,862 0.56%	4,273,011 0.76%	4,289,015 0.37%	4,313,184 0.56%	4,338,072 0.58%

Jefferson Parish (% of LA)	1991	1992	1993	1994	1995
Total Personal Income	12.67%	12.42%	11.77%	12.13%	12.20%
Total Employment (full and part-time)	11.26%	11.12%	11.14%	11.40%	11.43%
Number of Proprietors	11.42%	11.20%	11.06%	12.48%	12.36%
Population	10.67%	10.67%	10.63%	10.58%	10.53% ^X

Source:Center of Business and Economic Research - Northeast Louisiana University