



ON THE BALLOT

On the Ballot: October 14, 2023

- New Orleans School Facilities Tax Renewal
- New Orleans Charter Amendments
 - Code Enforcement
 - Budget Process

September 29, 2023



SCHOOL FACILITIES TAX RENEWAL

Background

- Dedicated to the preservation, improvement and capital repair of public school facilities owned by the School District (NOLA Public Schools).
- The tax generated about \$23 million in 2023.
- A 2014 State law that establishes a School Facilities Preservation Program for New Orleans largely governs the tax's use.
- The District administers the Preservation Program.
- The District views the tax as necessary to maintain the quality of its more than 75 school campuses, which it leases to charter school operators.

BGR's Framework for Analysis

- Has the District carefully planned how it will spend the tax revenue and provide financial stewardship and accountability for the public dollars?
- Is the tax an acceptable way to fund the purposes in light of alternative funding options?
- Is there evidence indicating the tax would result in effective outcomes for the public?

Findings – Spending Plan

- The District identified schools' capital needs in comprehensive plans that would guide expenditures of the tax revenue during the next decade.
- The plans specify when major building systems or components will need to be replaced through 2032 and estimate the costs of these projects.
- District will work with schools' charter operators to develop updated capital plans for the remainder of the proposed renewal's 20-year term.
- District officials and facilities experts anticipate a "capital bubble" during the latter half of the renewal's term.
- Without a renewal of the property tax, available sales tax and other funding for school capital repairs and replacements would fall well below the nationally recommended level.

Projected Funding and Expenditures, 2023-2044

Funding

\$ in millions

Balance of program funds at the end of 2022	\$87
Projected 2023-2024 property tax revenue	\$48
Projected 2025-2044 property tax revenue	\$490
Projected 2023-2044 sales tax revenue	\$321
Total	\$946

Expenditures

\$ in millions

Capital projects in first 10-year campus plans	\$223
Unplanned emergency projects	\$220
Capital improvement fund grant projects	\$126
Facilities office operations	\$18
Maintaining required revolving loan fund minimum	\$10
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Subtotal - Current estimated costs, excluding capital projects to be determined in second 10-year capital plans	\$597
Projected revenue available for capital projects in second 10-year campus plans	\$349
Total	\$946

Findings – Stewardship, Alternatives & Outcomes

- State law and District policies provide several oversight mechanisms for use of Preservation Program funds.
- While the District has generally implemented the program with care and transparency, BGR identified areas for accountability improvements.
- Other existing school system funding sources insufficient to replace the tax and fall outside of the Preservation Program law.
- The Preservation Program aligns with expert recommendations for maintaining school quality to support students' well-being and academic growth.
- Program law works to fairly allocate funding for capital needs across all District-owned school campuses.

BGR POSITION

FOR. Renewing the tax is critical to sustain the quality of public school facilities, which is essential for students' health, safety and achievement. The tax provides more than half of the annual revenue for New Orleans' School Facilities Preservation Program. The program funds capital repairs, replacements and improvements that prevent schools from deteriorating prematurely and ensure that buildings continue to meet educational needs.

The School District will use detailed capital plans for each school campus to guide Preservation Program expenditures. Importantly, the State law establishing the Preservation Program allocates revenue to all District-owned school campuses and uses uniform criteria to determine each school's share. This helps ensure fair funding for capital needs and avoids politically motivated decision-making that could result in unnecessary expenditures on well-connected

schools. The program law and District policies also provide several oversight measures that support effective and transparent use of the tax dollars. All expenditures must follow the District's procurement rules, and – except for emergency repairs – be approved by both the School Board and the charter school's governing board.

While revenue from the tax is necessary to adequately maintain school facility quality, uncertainties about the future size of the District's facility footprint and growth in revenue and construction costs make it difficult to assess how well the tax's maximum 4.97-mill rate would align with capital needs during the 20-year renewal. This underscores the importance of the School Board's regular review and right-sizing of the rate if voters renew the tax. And to strengthen public accountability, the District should also improve its annual reporting on Preservation Program revenue and uses as BGR outlines in this report.

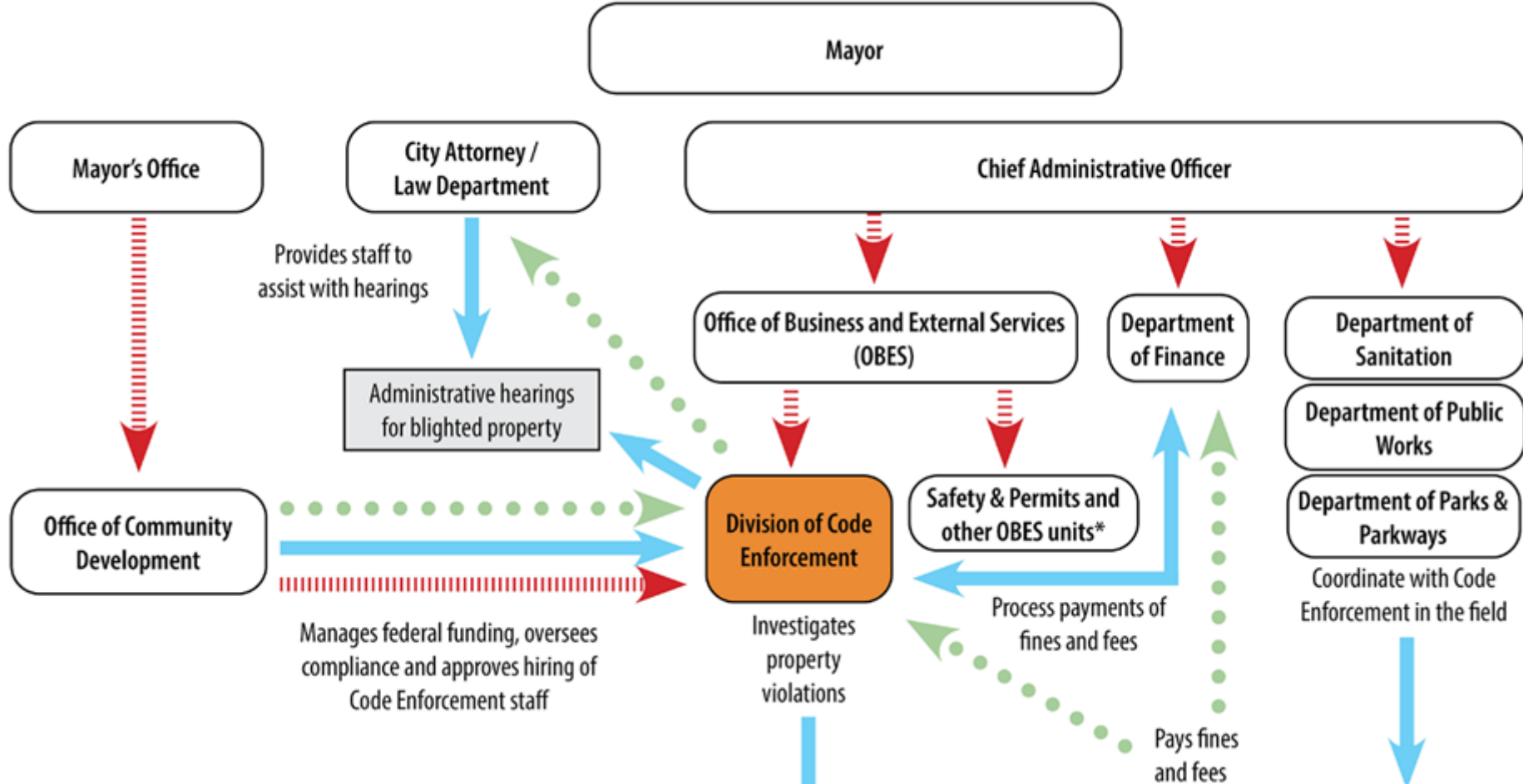
A photograph of a dilapidated building with graffiti and a utility box, overlaid with a semi-transparent dark grey rectangle containing white text. The building has a corrugated metal roof and walls, with various graffiti tags and pieces. A utility box is visible in the foreground, and the ground is concrete with some weeds. The text is centered and reads:

CODE ENFORCEMENT CHARTER AMENDMENT

Background

- The City currently manages blight-related functions through a “division of code enforcement.”
- The division has its own staff and operations, but it is not a stand-alone department. It relies on City departments and offices for administrative and operational support.
- It also receives funding support from a variety of sources, primarily federal grants and revenue generated from fines and fees.

Complex Framework for Code Enforcement



Overview of the Proposition

- The proposition would replace the existing division with a new, charter-defined “Department of Code Enforcement.”
- The proposition would also transfer blight functions currently assigned to the departments of Sanitation and Safety & Permits to the new department.
- The amendment was unanimously passed by the City Council. The City administration has expressed its support for the amendment.

Analysis

The creation of a new charter-defined department would:

- Consolidate blight-related functions
- Create a clear chain of command
- Increase autonomy and independence for decision making
- Improve transparency and accountability for funding and spending

A charter amendment is the clearest way to improve the current, complex framework.

However, the proposed amendment would not address all budget and finance concerns at the outset.

BGR POSITION

FOR. Blight is a significant concern in many New Orleans neighborhoods. However, the City is poorly positioned to tackle the problem. The existing division of code enforcement lacks the independence of a stand-alone department and suffers from a confusing, opaque budget process. The proposed amendment would replace the division with a new, stand-alone Department of Code Enforcement defined in the City charter. The new department would consolidate current blight-related functions under a single department and director, providing greater decision-making autonomy, accountability, budget clarity and transparency. It would also set the stage for better long-term strategic planning and re-

sponsiveness, ultimately placing the City in a stronger position to combat blight.

However, if voters approve the proposition, the City administration and City Council must address several issues. They should (1) ensure the new department has sufficient and stable funding to perform its duties; (2) establish a comprehensive and transparent process to collect the department's fines and fees; and (3) explore alternative funding options to support the department and lessen its reliance on fines and fees, which can fluctuate and risk encouraging unfair enforcement practices.

CITY HALL

BUDGET PROCESS CHARTER AMENDMENT

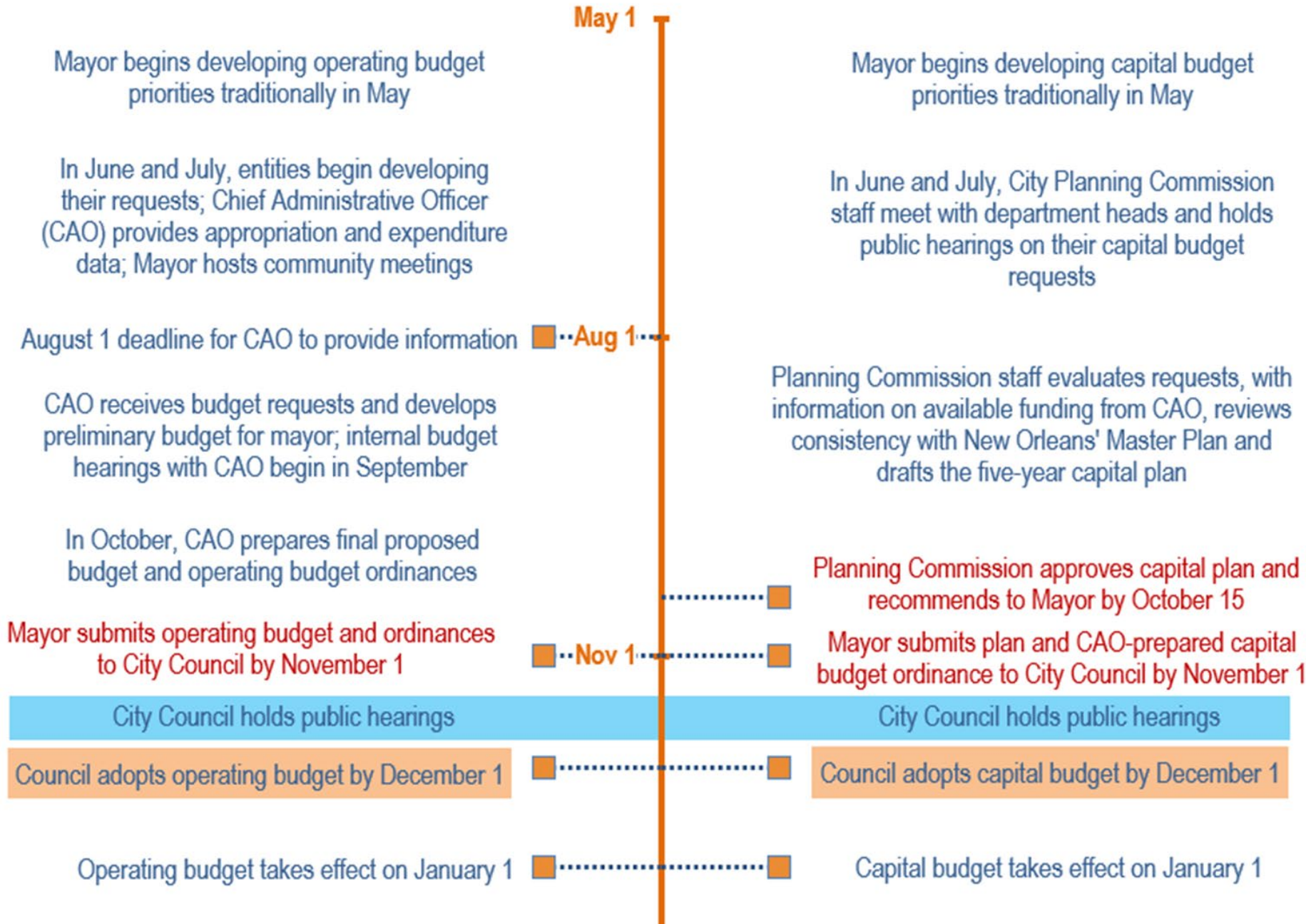


Overview of the Proposition

- The proposition would change the charter's deadlines for the mayor's budget submissions to the City Council, providing an additional month for council review.
- The charter amendment was proposed to address council concerns about the limited time for effective evaluation of the budget. The charter amendment would also enhance public engagement in the budget process.
- The amendment was unanimously passed by the council. The City administration has expressed its support for the amendment.

Operating Budget Process

Capital Budget and Plan Process



New Orleans Budget Process Timelines*

* Red text highlights deadlines that would be moved up one month if voters approve the proposed charter amendment.

Longer Review Period in Peer Cities

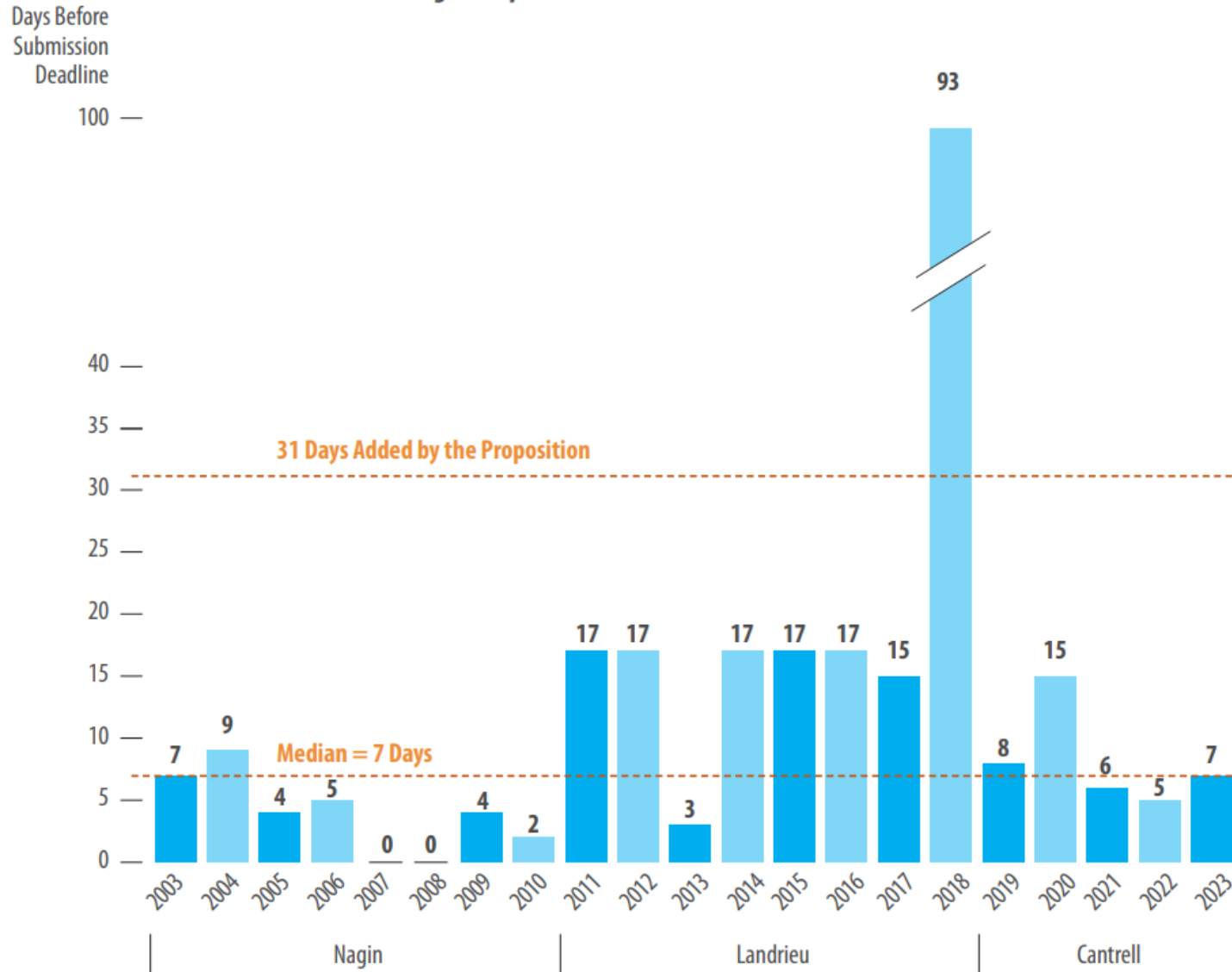
<p>These 8 cities give their councils at least 30 more days than New Orleans</p>	<p>18 (75%)</p> <p>Honolulu, HI Colorado Springs, CO Minneapolis, MN Aurora, CO Atlanta, GA Bakersfield, CA Cleveland, OH Corpus Christi, TX</p>
	<p>Tulsa, OK Wichita, KS Pittsburgh, PA Stockton, CA Newark, NJ Santa Ana, CA Long Beach, CA Tampa, FL Lexington, KY Virginia Beach, VA</p> <p>Cities that give their councils at least 14 more days than New Orleans</p>

<p>6 (25%)</p> <p>Riverside, CA Omaha, NE Raleigh, NC Anaheim, CA St. Paul, MN Henderson, NV</p> <p>Cities that give their councils the similar or less time than New Orleans</p>
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- BGR’s analysis of 24 peer cities with legally established budget review periods found that:
 - In 18 (75%) of cities, the council was given at least 14 days more for council review than in New Orleans.
 - In 8 of these 18, councils were given at least 30 more days than New Orleans.
 - A handful of cities gave their councils the same or less time than New Orleans.

History of Budget Submissions by New Orleans' Mayors

Budget Proposals for Fiscal Years 2003 to 2023



- Mayors have typically submitted their budgets to the Council ahead of the November 1 deadline.
- The median number of days in advance of the deadline was seven.
- Except for 2018 (when the budget was submitted early to avoid conflicts with a new fall election date), the proposed extension would significantly improve upon previous early submissions.

Analysis of the Proposition's Impacts

- The longer period would help the council conduct a deeper analysis of appropriations, better understand departments' funding requests, and assess the proposed budget's long-term impacts.
- However, the outcomes of the longer period will largely depend on *how* the council uses this additional time.
- The City administration and City Planning Commission do not expect problems complying with the earlier deadlines.
- The proposed amendment will not change the current budgeting authorities of the mayor and the CAO.
- The longer budget review period would open the door to improving public engagement and making hearings more accessible.

BGR POSITION

FOR. The operating and capital budgets of the City of New Orleans shape its policy decisions and priorities. They also control revenue and spending. Therefore, the City Council should adopt the budgets after careful deliberation and with adequate public input. The proposed charter change would double the council's time to analyze the budget and its important appropriations. The additional month would give the administration more time to respond to the council's questions. This could strengthen accountability and transparency for both branches of City government. The longer period also could increase public and news media engagement to help ensure the budget

responds to the community's needs.

These benefits will depend on how the council uses the extra month. If voters approve the charter amendment, the council should take steps to improve its review process. It should allow additional days for its staff and the public to digest the budget before hearings begin. It should reduce the length of hearing days, creating a more focused, accessible meeting each day. And it should make a good faith effort with the City administration to introduce and publicize any amendments to the proposed budget well in advance of final adoption.

For More Information...

- ✓ [Click here](#) to visit our website to access all BGR publications related to these ballot measures. They include the full reports on the [school facilities tax](#), [code enforcement](#) and [budget review](#) proposition.
- ✓ Voters who need a quick digest can [download a single document that compiles our “InBrief” summaries of each report and position statements.](#)
- ✓ In addition, to broaden voter access to this document, BGR has translated our InBrief summaries into [Spanish](#) and [Vietnamese](#). This is the first time that BGR has offered election information in languages other than English. BGR performs independent governmental research for the benefit of all residents, and we want to make sure everyone can make an informed choice at the polls.

Thank you for your interest in our work, and please share this information with others! To get emails about future BGR ballot reports, [click here](#) to sign up.