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BGR Media Release

For Immediate Release – March 12, 2019

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BGR Examines New Orleans Tax Proposition for Elderly Services

Today, the Bureau of Governmental Research (BGR) releases *On the Ballot: New Orleans Elderly Services Tax Proposal, March 30, 2019*. The report analyzes a March 30 tax proposition in New Orleans to fund services, programs and other assistance for elderly citizens.

This report is the latest in BGR's *On the Ballot* series, which provides voters with objective, nonpartisan analysis of significant ballot propositions in the New Orleans metropolitan area. In producing *On the Ballot* reports, BGR recommends positions consistent with its mission of promoting informed public policy and the effective use of public resources for the improvement of local government. *On the Ballot* reports bring to light the strengths and weaknesses of ballot propositions and assess the potential for government expenditures or actions to efficiently achieve beneficial outcomes for citizens.

The elderly services property tax would be levied citywide at a rate of 2 mills for 5 years, beginning in 2020. It is expected to generate \$6.6 million in the first year. The City of New Orleans would place the tax proceeds in a special fund, and the City Council annually would determine the uses and recipients of the new tax revenue. The proposition contains a broad grant of permissible uses pertaining to elderly services. It does not dedicate tax proceeds to any specific organization.

The City Council proposed the tax to address concerns about inadequate funding of social services for the elderly in New Orleans. BGR's *On the Ballot* report finds significant indicators of a funding need for elderly services. These include lengthy waiting lists for home-delivered meals and other programs. However, the report also raises concerns about whether the proposed tax will effectively address the problem. BGR finds that the proposition lacks the support of a comprehensive, prioritized assessment of the elderly's needs and a clear plan to direct tax funding to high-priority needs. The proposition also lacks an assessment of the City's General Fund as a potential alternative funding source and a clear plan to hold tax-funded service providers accountable

for their performance. The tax proposal also raises questions about its potential for effective outcomes and its place in the overall picture of municipal revenue needs.

In summary, BGR recognizes the need for a solution to provide greater assistance to New Orleans' most vulnerable elderly citizens. However, the proposition does not assure citizens of the effective use of the tax revenue. **Therefore, BGR takes the following position on the tax proposition:**

AGAINST. The millage's goal of improving the quality of life for New Orleans' elderly is important and laudable, particularly in light of the City's relatively high population of elderly residents living alone, with disabilities or with limited financial means. However, the millage proposition does not assure citizens of the effective use of the millage revenue. It provides a broad grant of spending authority to the City Council, which has not put forward any companion ordinance to clarify specific recipients, uses, and accountability and performance measures. This is particularly problematic at a time when the City must confront, and voters must weigh, a host of critical needs competing for tax revenue.

If the City wants to impose a dedicated tax for elderly services, it must develop and provide the public with a prioritized assessment of the needs of the elderly population. It must also commit to use the tax for serving the highest priority needs. In addition, the City administration and City Council should assess and prioritize future municipal revenue needs, including those of the elderly, and it should develop a funding strategy to address them.

Read the full report and two-page summary on BGR's website, www.bgr.org.

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BGR is a private, nonprofit, independent research organization. Since its founding in 1932, it has been dedicated to informed public policy-making and the effective use of public resources in the Greater New Orleans area. For more information, call 525-4152 or visit BGR's website, www.bgr.org.