

CITY HALL



**ON**  
**THE BALLOT**

A Report from the Bureau  
of Governmental Research

*Extending the New Orleans City Council's  
Budget Review*

*October 14, 2023 Election*

*Orleans Parish*



# ON THE BALLOT

A Report from the Bureau  
of Governmental Research

**IN BRIEF**

## Extending the New Orleans City Council's Budget Review, October 14, 2023

### OVERVIEW

On October 14, New Orleans voters will decide whether to amend the city charter to double the City Council's minimum time to review the mayor's proposed operating and capital budgets from one month to two months. If approved, these changes will take effect January 1, 2024. This means the longer period would not come into play until fall 2024 for the council's review of the 2025 budgets.

The City Council has found the current review period does not give it enough time to effectively evaluate the proposed bud-

gets. For 2023, the City's operating budget totals \$1.5 billion and funds more than 50 City and parish entities. Additionally, the 2023-27 capital plan totals \$420 million, with \$300 million slated for 2023.

The City Council proposed the charter amendment to improve its ability to analyze the mayor's budget proposals. The council also said that the longer window could enhance public engagement in the budget review process. The City administration supports the amendment.

### REPORT HIGHLIGHTS

- New Orleans' city charter gives the council a minimum of 30 days to review the proposed budgets, hold public hearings and negotiate any changes with the administration. BGR finds this is less time than in most similar-sized cities. Out of 24 peer cities with laws specifying minimum periods for council budget review, 18 (75%) gave their councils at least 14 days more than New Orleans and eight of these gave their councils at least 30 more days.
- The proposed amendment would require the mayor to submit the operating and capital budgets to the City Council by October 1, rather than the current November 1 deadline. The deadline for the council to approve the budgets would remain December 1. This would provide an additional 31 days for review, compared to the median of seven extra days that New Orleans' mayors have voluntarily provided during the past 20 years.
- The City Council's careful exercise of its tax and spending oversight depends, in part, on having adequate time to study and understand the mayor's budget proposals. The current 30-day period forces the council to juggle the budget review in a month with holidays, other council meetings, and its obligations to set tax rates for the City and certain other governmental entities. The extended time for budget review would allow the council to conduct a deeper analysis of appropriations, better understand each department's funding and thoroughly assess the long-term impacts of the budget. This could lead to better fiscal management and more responsible appropriation of City funds.





- Within the budget process, public engagement helps to define community priorities, strengthen relationships between the public and their elected officials, and build stronger support for the resulting decisions. The short timeline makes engagement difficult for citizens and news media. Hearings for the 2023 budget averaged about 5 hours a day over 12 days. Extra time for review could help improve public engagement and make hearings more accessible.
- However, more effective council review and public input would depend on how the council structures the extended review period. If voters approve the charter change, the amendment's sponsor has suggested that the council develop and test a new review process informally before adopting any new procedure.
- The administration would see no major impact from the proposed change. It would adapt its preparation schedule to meet the earlier submission deadline.

## 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.

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

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# INTRODUCTION

On October 14, New Orleans voters will decide whether to amend the city charter to double the City Council’s minimum time to review the mayor’s proposed operating and capital budgets from one month to two months. If approved, these changes will take effect January 1, 2024. This means the longer period would not come into play until fall 2024 for the council’s review of the 2025 budgets.

The City Council proposed the charter amendment to improve its ability to analyze the mayor’s budget proposals. The council also said that the longer window could

enhance public engagement in the budget review process. The City of New Orleans (City) administration supports the amendment.<sup>1</sup>

The purpose of this report is to provide voters with an independent, nonpartisan analysis to help them make an informed decision on the proposed amendment. The report begins with an overview of how the amendment would change the current budget processes. It then analyzes the necessity of the proposal and its potential effectiveness. The report concludes with BGR’s position on the proposed amendment.



# BACKGROUND

## OVERVIEW OF THE PROPOSITION

The charter requires a minimum 30-day City Council review period before the council must adopt the operating and capital budgets on December 1. The proposed amendment seeks to move up three deadlines in the charter for the mayor’s budget submissions to the council:

- *Operating Budget.* The mayor’s deadline to propose the operating budget would change from November 1 to October 1.
- *Capital Budget and Plan.* The mayor’s deadline to propose the annual capital budget and 5-year capital plan would change from November 1 to October 1.

The amendment would also move up the deadline for the City Planning Commission (Planning Commission) to recommend the capital plan to the mayor from October 15 to September 15.

Overall, if voters approve the proposition, the council’s minimum budget review period will increase from 30 days to 61 days.

The City Council proposed the amendment to address concerns about the current process. These include the limited time in the current review process to understand the budget requests of more than 50 entities and seek additional information.

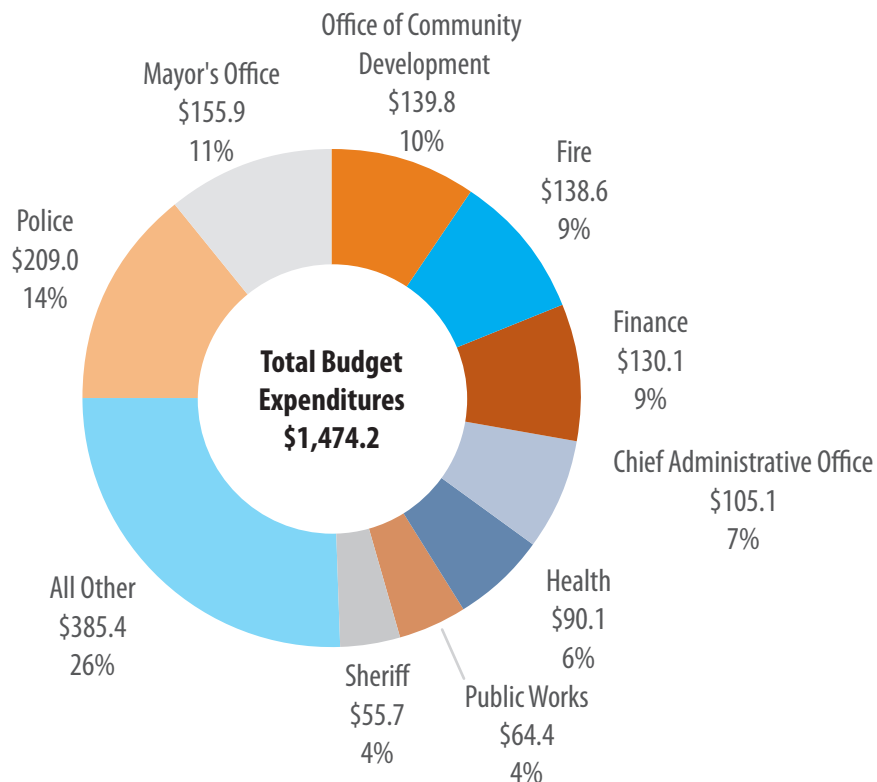
## PREPARING THE OPERATING BUDGET

The City’s annual operating budget funds its departments and agencies, from police and fire protection to libraries and mosquito control. It also provides some funding to several other Orleans Parish government entities, such as the sheriff, district attorney and courts.<sup>2</sup> And the budget pays for contracts with private compa-

nies and organizations that perform certain functions, such as garbage collection, early childhood education, and animal control.

As shown in Chart A, the 2023 budget allocates about \$1.5 billion in revenue from taxes, fees, charges, grants and other sources. The “budget book” detailing this spending plan is nearly 600 pages.<sup>3</sup>

**CHART A: CITY OF NEW ORLEANS BUDGET EXPENDITURES IN 2023 BY AGENCY**  
(\$ in millions)



BGR analysis of City of New Orleans, Adopted 2023 Operating Budget. The total for the Sheriff’s Office, which operates the parish jail, does not include another \$7 million of expenditures paid on its behalf by the City through other parts of the budget. Numbers may not total due to rounding

The City’s fiscal year runs from January 1 to December 31. The process of preparing the annual operating budget usually begins in May with the mayor establishing the administration’s budget priorities for the upcoming year.<sup>4</sup> For more than a decade, mayors have solicited public input in July or August through public meetings and other means.<sup>5</sup> However, the charter does not require this practice.

The charter requires the Chief Administrative Officer (CAO) to make appropriation and expenditure data available to entities seeking operating funds by August 1.<sup>6</sup> In practice, the CAO begins helping these entities develop their budget requests in June.<sup>7</sup>

The CAO meets with departments and other entities typically through September.<sup>8</sup> The charter requires the CAO to prepare a preliminary budget for the mayor’s review and then a final operating budget proposal.<sup>9</sup> The mayor must submit the final proposal along with a budget message and proposed revenue and expenditure ordinances to the City Council by November 1.<sup>10</sup>

Upon receipt of the mayor’s proposal, the council must publish a notice in the official journal (currently *The Times-Picayune / The New Orleans Advocate* newspaper) that summarizes the budget, the revenue forecast and any recommended new sources of revenue or proposed revenue increases. The notice also explains how the public can obtain a copy of the budget and when public hearings will begin.<sup>11</sup> The council must wait until the fifth business day after publication to hold the first of those hearings.<sup>12</sup> In 2022, for example, the mayor submitted the 2023 budget proposal to the council on October 25. The council ran the public notice the next day and held the first hearing on November 1.<sup>13</sup>

During the council’s budget hearings, departments and agencies explain their funding requests. Councilmembers and the public can ask questions and voice their opinions on the proposed budget. Once the hearings end, the council has until December 1 to adopt the operating budget ordinances for revenues and expenditures.<sup>14</sup> It also must adopt ordinances setting property tax levies.<sup>15</sup>

The council may increase, decrease or delete any of the mayor’s proposed appropriations by majority vote, but it cannot add new appropriations without a two-thirds vote.<sup>16</sup> The council must pass a balanced City operating budget.<sup>17</sup> The council sends all budget and tax ordinances back to the mayor for approval.<sup>18</sup> The mayor may veto specific line items, except those to fund an audit or investigation of the executive branch of City government.<sup>19</sup> Once approved by the mayor, the operating budget takes effect on January 1 of the following year. The council can amend the budget by ordinance throughout the year.

## PREPARING THE CAPITAL BUDGET

In addition to an operating budget, the charter requires the City Council to adopt the five-year capital plan and a capital budget ordinance for the upcoming year.<sup>20</sup> The plan details all “permanent physical improvements” that the City plans to finance with funds that “are or may become subject to council control or appropriation” during the next five years.<sup>21</sup> The Planning Commission, a nine-member appointed board that formulates the plan under the charter, notes that the City has interpreted “permanent” as improvements with a normal life of 10 years or longer.<sup>22</sup> The capital plan for 2023-2027 totals \$420 million, with \$300 million slated for 2023.<sup>23</sup>

As with the operating budget, the development of the capital plan begins in May with the mayor setting the administration’s budget priorities. Under the charter, the Planning Commission’s staff then receives capital budget requests from department heads and a statement from the CAO that lists all available funds and bond revenues for the next five fiscal years.<sup>24</sup> Throughout the summer, the commission staff meets with department heads and holds public hearings on their capital budget requests.<sup>25</sup> As required by the charter, the commission staff develops the capital plan and ensures that all proposed projects are consistent with New Orleans’ master plan.<sup>26</sup> The commission’s board must approve the capital plan and submit it to the mayor by October 15.<sup>27</sup> Once received by the mayor, the CAO prepares the City’s proposed capital budget ordinance with the Planning Commission’s assistance.<sup>28</sup>

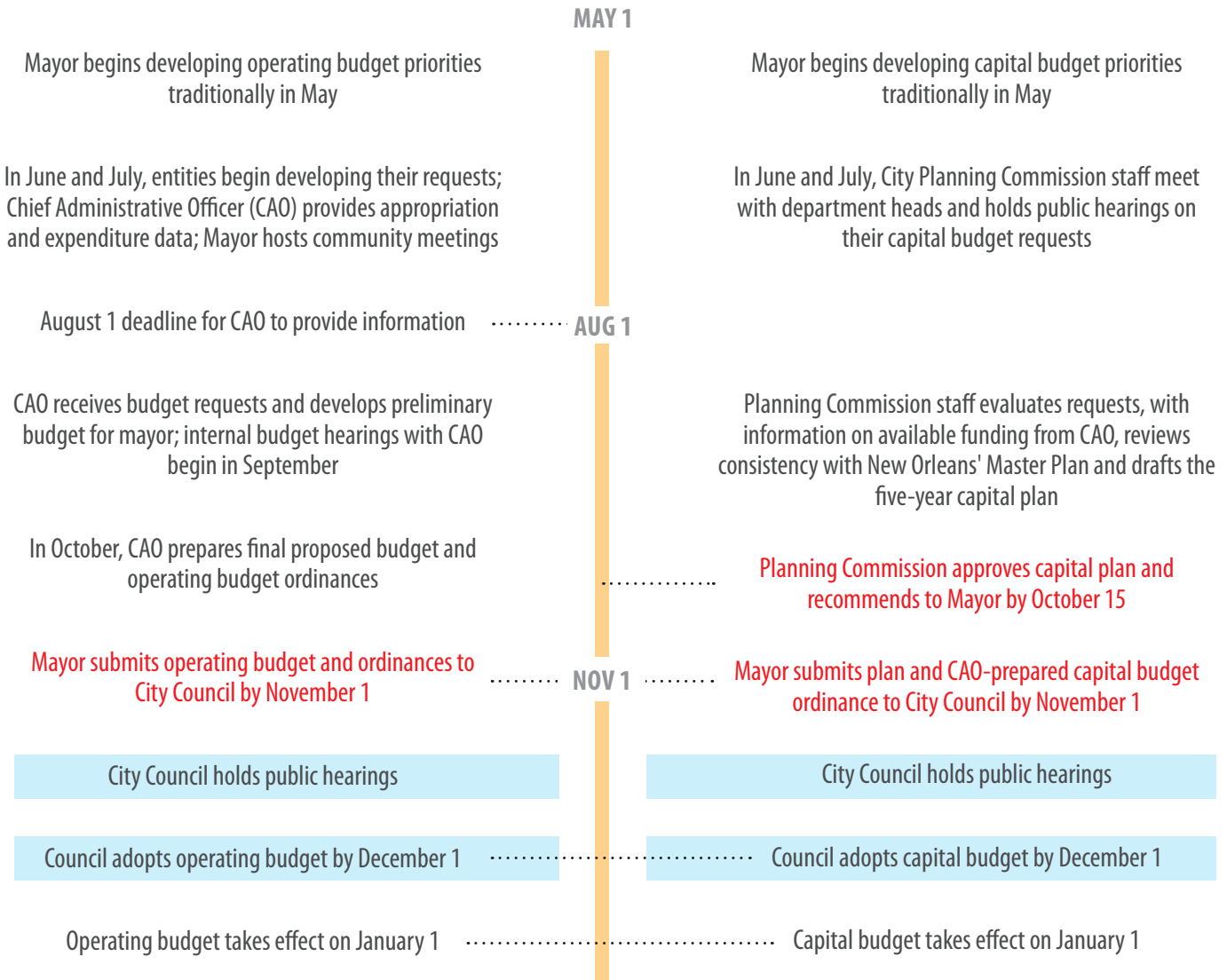
The mayor must submit the capital plan, the proposed ordinance and a capital budget message to the City Council by November 1.<sup>29</sup> The council then holds public hearings, where the Planning Commission staff presents the capital plan. The council has until December 1 to approve the ordinance.<sup>30</sup> The council may amend the capital budget ordinance and the five-year plan, but it must first request and receive a non-binding recommendation from the commission through the mayor.<sup>31</sup> Once adopted by the Council, the capital budget ordinance is sent back to the mayor for approval or veto.<sup>32</sup> Like the operating budget, the approved budget ordinance goes into effect on January 1. The council can amend the budget by ordinance throughout the year.

Chart B illustrates the timeline of budget processes in New Orleans.

## CHART B. NEW ORLEANS BUDGET PROCESS TIMELINES

### Operating Budget Process

### Capital Budget and Plan Process



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

Sources: City of New Orleans Home Rule Charter; City of New Orleans Adopted 2023 Operating and Capital Budgets; Chief Administrative Office Circular Memoranda No. 22-04 and 23-06; information provided by administration and City Council officials.

# ANALYSIS

A charter is the foundational document that creates the framework for municipal government.<sup>33</sup> Similar to a federal or state constitution, a city charter defines how government works at the local level. A well-structured charter is essential to establishing clear roles and responsibilities, delivering effective public services, building and maintaining infrastructure, and promoting public accountability and transparency.

For a proposed charter amendment, BGR conducts an independent analysis of whether the proposal would effectively address a clear problem or need, and whether it is necessary to change the charter to achieve the desired outcomes. For this report, BGR studied the City's budget process and reviewed peer cities' processes, nationally recommended budgeting practices and local governance principles.

BGR finds that peer cities tend to give their councils significantly more time for budget reviews, although there is no standard practice. The additional month proposed for New Orleans could improve the City Council's oversight of City spending and expand opportunities for public participation. However, this would depend on how the council uses the time. The City administration says the longer period would allow it to respond more effectively to council and public questions and requests for more information about the proposed budget.

## LONGER REVIEW PERIODS IN PEER CITIES

BGR did not find general guidelines for the duration of a council's budget review. Instead, the Government Finance Officers Association suggests that cities create a comprehensive budget calendar and other calendars for specific stages of the budget process. This practice supports stakeholder engagement and should aim to give all aspects of the process adequate time for proper completion.<sup>34</sup>

In absence of guidelines, BGR studied the minimum periods allowed by law for council budget review in U.S. cities with similar-sized populations to New Orleans.<sup>35</sup> Each city also has a substantial operating budget. BGR identified 24 cities with such deadlines for budget submission by the mayor or city manager and approval by the city council.

Table 1 shows that 18 (75%) of those peer cities give their councils at least 14 days more than New Orleans for budget review, and eight of these give at least another 30 days. The median period among the peer cities was 46 days, over two weeks longer than in New Orleans.

In addition, BGR found actual budget review periods for some councils may run longer than the legal minimums. For example, St. Paul, Minn., and Henderson, Nev., have minimum council review periods shorter than New Orleans, at 18 days and eight days, respectively. But in practice, St. Paul's mayor submitted the proposed 2023 budget to the council 111 days before the adoption date.<sup>36</sup> Henderson began reviewing budget recommendations for fiscal year 2023 with its council in March 2022, with council adoption occurring two months later.<sup>37</sup>



**TABLE 1: PEER CITIES' MINIMUM PERIODS FOR COUNCIL BUDGET REVIEW**

City	Population (2021)	Operating Budget FY 2023 (\$ millions)	Minimum Days Allowed by Law for Council Budget Review
Honolulu, HI	395,300	\$3,355	105
Colorado Springs, CO	484,000	\$1,140	92
Minneapolis, MN	425,300	\$1,249	90
Aurora, CO	389,300	\$816	90
<b>New Orleans' Proposed Minimum Review Period = 61 days</b>			
Atlanta, GA	496,500	\$2,287	60
Bakersfield, CA	407,600	\$581	60
Cleveland, OH	368,000	\$1,586	60
Corpus Christi, TX	317,800	\$1,400	60
Tulsa, OK	411,400	\$838	53
Wichita, KS	395,700	\$580	50
Pittsburgh, PA	300,400	\$657	50
<b>Peer City Median = A minimum of 46 days allowed by law</b>			
Stockton, CA	322,100	\$900	46
Newark, NJ	307,200	\$885	46
Santa Ana, CA	309,400	\$760	46
Long Beach, CA	456,100	\$3,200	45
Tampa, FL	387,100	\$1,524	45
Lexington, KY	321,800	\$451	45
Virginia Beach, VA	457,700	\$2,456	44
Riverside, CA	317,300	\$1,192	35
Omaha, NE	487,300	\$474	30
Raleigh, NC	469,100	\$920	30
<b>New Orleans (current)</b>	<b>377,000</b>	<b>\$1,474</b>	<b>30</b>
Anaheim, CA	345,900	\$1,880	30
St. Paul, MN	307,200	\$782	18
Henderson, NV	322,200	\$912	8

Sources: Peer city charters and applicable state laws, operating budgets for fiscal year 2023, annual comprehensive financial reports, and other budget materials. Cities with the same number of days are listed from largest to smallest populations, which are rounded from U.S. Census Bureau estimates.

Of course, a majority practice does not necessarily mean it would be a beneficial practice for New Orleans. But it shows how the charter amendment would bring the city more in line with its peers.

## A SIMILAR TREND IN OTHER LARGE PARISHES

BGR also compared New Orleans to three other large Louisiana parish governments and found a similar trend. East Baton Rouge, Jefferson and St. Tammany parishes give their councils 10, 30 and 60 days more, respectively, than New Orleans to review their parish executive’s proposed budgets, as shown in Table 2.

However, the structures of these parish budgets differ

significantly from New Orleans. They have relatively small General Fund budgets because most of their revenues are dedicated to specific purposes and accounted for in special funds.<sup>38</sup> This practice greatly limits each parish’s budget discretion compared to New Orleans, where the majority of revenue is undedicated. In addition, despite its shorter legal minimum for council review, New Orleans offers a more in-depth public hearing process, covering nearly two weeks as discussed below. In contrast, East Baton Rouge holds two hearings with a handful of departments, while Jefferson and St. Tammany hold only the state-required minimum of a single public hearing on the budget before approving it.<sup>39</sup>

**TABLE 2: MINIMUM PERIODS FOR COUNCIL BUDGET REVIEW IN OTHER LARGE PARISHES**

Parish	Population (2021)	Operating Budget (\$ in millions)	Minimum Days Allowed by Law for Council Budget Review
St. Tammany	269,400	\$135	90
Jefferson	433,700	\$616	60
East Baton Rouge	453,300	\$1,041	40
<b>New Orleans (current)</b>	<b>377,000</b>	<b>\$1,474</b>	<b>30</b>

Sources: Parish charters, adopted parish budgets for 2023, and other budget materials. Population figures are rounded from U.S. Census Bureau estimates.

## IS IT NECESSARY TO CHANGE THE CHARTER?

New Orleans mayors, to varying degrees, have voluntarily submitted their budgets to the council before November 1, giving the council more time for review and public hearings. A mayor can also issue an executive order directing the proposal’s submission by an earlier date.

Chart C shows how many days before the November 1 charter deadline each administration submitted its budget proposal during the last 20 years. The median number of days in advance of the deadline was seven. Last year matched the median, when the mayor submitted the 2023 budget proposals on October 25. This allowed the Council to complete the public notice process and begin budget hearings on November 1.

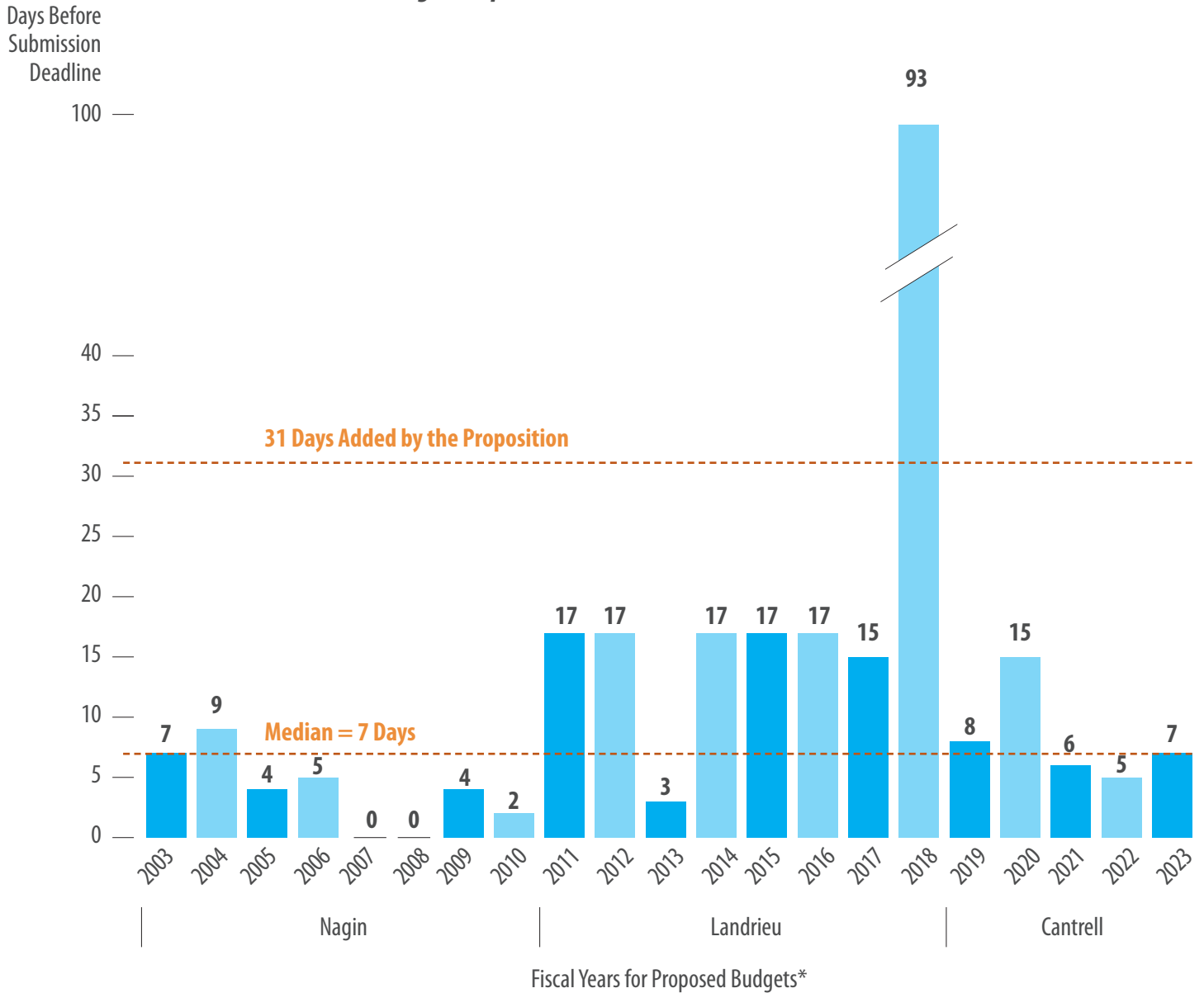
But there is no guarantee that future administrations will continue to submit their budgets before November 1. The proposition asks voters to formally reset the budget deadlines in the City charter, providing an additional 31 days (October 1). The proposed charter amendment would supersede any executive order.

As Chart C shows, the amendment would provide at least two more weeks for council review than even the earliest submission by previous administrations, excluding 2018. That year was an outlier, when the administration submitted the budget three months earlier to avoid conflicts with a new fall election date for municipal offices.



## CHART C: DAYS BEFORE NOVEMBER 1 CHARTER DEADLINE THAT NEW ORLEANS MAYORS PROPOSED BUDGETS TO CITY COUNCIL

*Budget Proposals for Fiscal Years 2003 to 2023*



\* The years on the graph are the fiscal years for each budget. For example, 2003 on the graph represents the budget for the fiscal year 2003 that was approved in fall 2002. In 2018, Mayor Landrieu submitted the budget on July 31, 2017, to avoid conflicts with that year's municipal elections. A new law took effect moving up the elections for mayor and City Council from the spring to the preceding fall.

Sources: City of New Orleans proposed budget books and news articles.

## POTENTIAL TO IMPROVE THE CITY COUNCIL'S REVIEW PROCESS

In a mayor-council government such as New Orleans, the City Council plays a key role through its taxing and spending oversight on the budget. The budget is a legislative means of fiscal control – the “power of the purse” – over the executive branch.<sup>40</sup> Careful exercise of this power depends, in part, on the council having adequate time to study and understand the mayor’s budget proposals.

The current budget process constrains the council’s minimum review period in several ways. While the council can start the review as soon as it receives the proposed budget, it must wait five business days to begin hearings due to the public notice period. In addition, council members must prepare for and conduct regular business meetings in November. These meetings involve topics that are separate from their budget analysis. Weekends and holidays, such as Thanksgiving and Veterans Day, further limit available days for budget hearings and information gathering from departments and agencies. For example, the council had 22 business days in 2022 between receipt of the mayor’s budget on October 25 and adoption on December 1. If the mayor had submitted the budget on the November 1 deadline, the council’s window of available business days would have shrunk to 17 days. This is not much time to evaluate almost \$1.5 billion of operational funding and \$420 million of capital funding for more than 50 City departments, offices and other executive agencies, as well as separate parish offices and other entities.

During November, the council must also juggle budget evaluation with its role as the taxing body for the City and multiple other entities, such as the Sewerage and Water Board of New Orleans and the Audubon Commission. It must approve a separate ordinance levying those property taxes, and determining the appropriate rates is an annual challenge. In addition, during reassessment years such as this year, the council faces a significant increase in its workload. When property values increase as a result of a reassessment, the council must “roll back,” or reduce, rates so that tax revenue for the upcoming year remains the same. It can then “roll forward,” or increase, tax rates as high as the pre-assessment level, but only after a public hearing and with a two-thirds vote.<sup>41</sup> Generally, BGR has advised that the council should make sure any tax proposal, including rolling rates forward, is (1) necessary in the context of potential budget efficiencies and funding alternatives, (2) appropriately sized to the identified need, and (3) likely to advance strategic priorities, assure good financial stewardship and produce effective public outcomes.<sup>42</sup> A constrained council review period can hinder proper application of these criteria.

Furthermore, the current timeframe for council budget review has not fostered cooperation and discussion between mayors and councils.<sup>43</sup> In the past, the two branches have at times butted heads over budget issues.<sup>44</sup> To improve relations, the previous mayor facilitated council review with an executive order shortly after taking office in 2010 that, among other things, required budget submission by October 15, more than two weeks ahead of the current charter deadline. The current mayor removed this specific submission date from the executive order but has continued the practice of early submissions.<sup>45</sup>

The current practice may not allow enough time for complicated budget issues. The council member who sponsored the charter amendment points to recent challenges, such as filling vacant positions within the New Orleans Police Department and elsewhere in City government, as warranting more council attention.<sup>46</sup> In evaluating departmental budget proposals, the amendment’s sponsor told BGR that it is essential to understand which positions are necessary and should remain funded. If this analysis is rushed, it can lead to budget decisions – and financial consequences for taxpayers – without fully understanding the problem at hand.

The extended time for budget review under the proposed amendment could provide multiple opportunities to improve the council’s oversight of City revenues and spending. Council members could use this time to conduct a deeper analysis of line-item appropriations, better understand each department’s funding justifications and thoroughly assess the proposed budget’s long-term impacts. This could lead to better fiscal management and more responsible appropriation of City funds.

However, these outcomes will depend on how the council uses the extra time. The amendment’s sponsor told BGR that the council should develop and test new approaches informally before considering whether to amend the council’s rules and regulations.<sup>47</sup> This would provide flexibility to create an effective process. The council member suggests the expanded review process would, among other things:

- Allow more time for hearings on the NOPD and several independent justice system agencies that the City must fund. Currently, the council must compress those entities into two to three days of marathon hearings.
- Provide a deeper look at key departments’ performance metrics, such as number of catch basins cleaned for the Department of Public Works.
- Help the council to examine more deeply the operational matters that drive core budget requests for departments and agencies.



Ultimately, formalizing a new process may be necessary to ensure the best use of the additional time moving forward. Council discussion and hearings can get sidetracked by politics or other issues that take away from substantive analysis of the budget.<sup>48</sup> If public hearings and council review are not focused on a thorough analysis of the budgets, they will diminish the potential benefits of the proposed amendment.

## LIMITED IMPACT ON THE CITY ADMINISTRATION

It is important for the mayor to have adequate time to develop the budget so it can serve as an effective blueprint for achieving policy objectives and a guide for strategic financial planning.<sup>49</sup>

The proposed amendment would not change the budgeting authority of the mayor and CAO. They would retain their current powers to set the administration's budget priorities, relay information between its departments and the council, and develop the budget proposals. The mayor would also retain the power to veto all or part of the council's approved budget as provided in the city charter.

The administration told BGR it supports the proposal because it will provide more time to effectively respond to questions and requests for information from council members and the public about the proposed budget. The administration does not expect the proposed October 1 submission deadline to significantly constrain its budget preparations. It expects to begin its budget preparation process earlier to accommodate the new deadline. It noted that revenue projections for the upcoming year would still need refinement, but that would occur during the review process.

Planning Commission staff told BGR that the proposed amendment would not pose problems for the commission's development of the capital plan. It predicts only a minor shift in its preparation process because the Planning Commission already submits the capital plan about two weeks ahead of the charter deadline of October 15.

## POTENTIAL TO INCREASE PUBLIC ENGAGEMENT

Budgeting decisions and priorities affect the lives of residents citywide. As such, their input is a key part of the budget process. The news media also play a vital role in reporting on the budget and making it digestible for the public. Adequate public engagement builds trust in the decision-making process, defines community priorities, improves outcomes, strengthens relationships between the public and their elected officials, and builds support for the resulting decisions.<sup>50</sup>

The budget process in New Orleans provides different avenues for public involvement. During preparation, the administration hosts a series of community meetings and hearings for members of the public to voice their opinions on budget priorities.<sup>51</sup> And, unlike neighboring parishes and the one hearing minimum in Louisiana law, the City Council offers a series of public hearings on the mayor's budget proposal. This public engagement makes the process more responsive to residents' concerns.

However, this process also poses some problems for public involvement. When the City Council hosts its hearings, they can run for several hours and must cover multiple departments and agencies each day. In the hearings for the 2023 budget, the council held presentations for about 5 hours daily over the course of 12 budget hearing days.<sup>52</sup> Keeping up with this packed schedule may discourage members of the public who have a strong interest to attend these budget proceedings or watch them online.

With at least two months for review under the proposed amendment, the council could consider various ways to improve public engagement. For one, the council could restructure the hearing schedule to incorporate a longer period for public and council review of the proposed budget before budget hearings begin. The hearings themselves could have a more accessible and focused format that supports relevant discussion and public input. Additionally, the expanded review process would allow other pressing City business to receive sufficient attention. A council official told BGR that these days off between budget hearings would allow the public to better digest the topics brought up in previous hearings. Once again, this will depend on the will of the council, as the proposal does not require any new arrangement for public input.

The council and administration could also use the longer council review period to introduce amendments to the proposed budget well in advance of the adoption deadline of December 1. This could help avoid last-minute amendments to the budget ordinances, such as the major appropriation of federal American Rescue Plan Act (ARPA) funds in the 2023 budget.<sup>53</sup> When it was submitted to the council, the mayor's operating budget did not include any ARPA funding. However, without any advance public notice or discussion, the administration and City Council included \$124.2 million in ARPA funding in the budget adopted on December 1. For the 2022 budget as well, many amendments were submitted right before the council's vote, allowing no time for public review. While a longer review period would not necessarily prevent last-minute amendments, it would allow ample time for the council and the administration to make the public aware of possible changes to the budget proposal. This would support the public engagement, transparency and accountability needed to fully realize the benefits of the proposition's changes.

# 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.



# ENDNOTES

- 1 In March, the City Council unanimously approved an ordinance to place the charter amendment on the October 14 ballot and sent it to the mayor for approval. The mayor returned the ordinance without signing it, either to approve or veto, as permitted in the charter. The ordinance became law, allowing the council to move forward with the election. Despite these circumstances, the City administration confirmed its support for the charter amendment in a recent interview with BGR. See City of New Orleans, Home Rule Charter (City Charter) Sec. 3-113 (2), and New Orleans City Council Ord. 29,370 MCS, adopted March 9, 2023.
- 2 The City of New Orleans is the general government for the consolidated city-parish. However, Louisiana law has maintained several separate Orleans Parish offices and functions and requires the City to provide funding to them.
- 3 While the City Council reviews the entire budget book, it adopts relatively short ordinances for budget revenues and expenditures. These show only total personnel and other operating expenditures for each department or entity. It does not adopt the more detailed program expenditures that are shown in the budget book, which allows the administration to adjust spending as needed within the limits of the budget ordinances.
- 4 City of New Orleans, Adopted 2023 Operating Budget, p. 61.
- 5 See, for example, discussion of resident engagement in *Ibid.*, pp. 61 and 65-66.
- 6 City Charter, Sec. 6-102(1) and (2).
- 7 City of New Orleans Chief Administrative Office, Circular Memorandum No. 23-06.
- 8 *Ibid.*
- 9 City Charter Sec. 6-102(3) and (4). Upon receiving the preliminary budget, the mayor may hold hearings with departments and other entities that have submitted requests.
- 10 City Charter Sec. 6-102(4) and (8).
- 11 City Charter Sec. 3-115(1).
- 12 *Ibid.*
- 13 New Orleans City Council meeting agendas and public notice in the official journal, *The Times-Picayune / The New Orleans Advocate*, October 26, 2022.
- 14 City Charter Sec. 3-115(2).
- 15 The City Council serves as the taxing authority for the City of New Orleans' property taxes, as well as those of certain other agencies, such as the Sewerage and Water Board of New Orleans and the Audubon Commission. However, other local government entities, such as the Orleans Parish School Board, levee districts and the Orleans Parish Sheriff, set their own property tax rates.
- 16 City Charter Sec. 3-115(2).
- 17 City Charter Sec. 3-116(1).
- 18 City Charter Sec. 3-113(1).
- 19 City Charter Sec. 3-113(4).
- 20 City Charter Sec. 3-117(1).
- 21 City Charter Sec. 3-117(2).
- 22 City of New Orleans, 2023-2027 Capital Improvement Plan, p. 7. The mayor appoints the members of the Planning Commission with approval of the City Council for terms of nine years, staggered so that the term of one member shall expire each year. City Charter Sec. 5-401.
- 23 Most of the 2023 amount, \$285 million, is FEMA funding for street repairs. The balance is funding dedicated to the Louis Armstrong New Orleans International Airport and the French Market. City Planning Commission, 2023-2027 Capital Improvement Plan, p. 26. However, the City Council authorizes those capital projects in multiple ordinances. It approves separate budget ordinances for the airport and French Market. It approves FEMA reimbursements for street repairs in the operating budget. This limits the City's capital budget ordinance to primarily its bonds proceeds and miscellaneous capital funds. For example, this ordinance totaled only \$400,000 for 2023. New Orleans City Council Ord. 29,272 MCS, adopted December 1, 2022, and information provided by the City Planning Commission.
- 24 City Charter Sec. 6-104 (1-3).
- 25 City Planning Commission, 2023-2027 [Capital Improvement Plan](#).
- 26 City Charter Sec. 5-402(4).
- 27 City Charter Sec. 6-104(1).
- 28 City Charter Secs. 6-104(4) and 5-402(4).

- 29 City Charter Sec. 6-104(4).
- 30 Sec. 3-117(1) of the City Charter states that the capital plan (capital program and capital budget) must be approved before the operating budget is ordained. Since the deadline for the operating budget is December 1, the capital plan must be approved on or before that date.
- 31 City Charter Sec. 3-117(2)(b).
- 32 The council separately approves the five-year plan by motion.
- 33 For more information about city charters, visit the National Civic League’s [website](#).
- 34 Government Finance Officers Association, *Recommended Budget Practices*, 1998.
- 35 BGR chose a population range of 300,000 to 500,000 as of 2021; New Orleans was approximately 377,000. The national range included a total of 30 cities but BGR selected only those with a minimum period for council budget review set forth in their city or state laws.
- 36 City of St. Paul, Minn., “Mayor Carter Announces 2023 City Budget Proposal,” [media release](#), August 18, 2022, and Resolution 22-1832, adopting the 2023 budget, December 7, 2022.
- 37 City of Henderson, Nevada, Comprehensive Annual Budget Report, fiscal year 2022-23, p. 36.
- 38 The non-general fund portions of the revenues for East Baton Rouge, Jefferson and St. Tammany are about 70%, 85%, and 90%, respectively. For New Orleans, approximately 40% of its revenues are used for non-general fund purposes.
- 39 Jefferson’s charter requires the parish president to submit the budget to the council at least 60 days before year end, when the council must adopt it. The charter only calls for a public hearing to be held within 30 days after submission. The president’s proposed 2023 budget arrived on October 21, 2022, and received council approval on November 16, immediately following the required public hearing. In St. Tammany, the parish president must propose the budget at least 90 days before year end, when the council must adopt it. The charter calls for a public hearing after a 10-day notice period. The council held the public hearing on December 1, 2022. It took longer than usual to adopt the budget due to a veto by the parish president. Ultimately, the council overrode the president’s budget veto on December 28. BGR analysis of council budget hearing minutes for East Baton Rouge, Jefferson, and St. Tammany parishes in 2022.
- 40 Gauthier, Stephen J., *Governmental Accounting, Auditing and Financial Reporting* (Chicago: Government Finance Officers Association, 2005), p. 361. For more information about the features of a mayor-council form of government, see BGR’s recent webinar and introduction to the topic, [Designing City Governments for Success](#).
- 41 BGR, [Rolling Forward: The Complete Picture](#), November 2010, p. 1.
- 42 Bureau of Governmental Research (BGR), [A Look Back to Plan Ahead: Analyzing Past New Orleans Budgets to Guide Funding Priorities](#), October 3, 2019.
- 43 *Gambit Weekly*, “Fuss and Budget,” December 9, 2008.
- 44 Egger, Bruce, “New Orleans City Council begins budget hearings,” *The Times-Picayune*, October 25, 2010.
- 45 In 2010, Mayor Landrieu signed Executive Order MJL 10-01, which required an early submission of the budget prior to October 15. Mayor Cantrell replaced that executive order in 2018 with Executive Order LC 18-06. It states that the operating and capital budgets shall be submitted to the council “at the earliest possible date, but not later than November 1.” It does not specify an early submission date.
- 46 City staffing reports from New Orleans City Council Budget, Audit, and Board of Review Committee Meeting, June 29, 2023. While City departments show lower vacancy rates, there are still some key gaps, such as those in the health department and with police officers and recruits, that should be analyzed.
- 47 The New Orleans City Council’s rules and regulations can be found at: <https://council.nola.gov/rules/>
- 48 Egger, Bruce, “Budget hearings continue in N.O.: Council plows through spending cuts,” *The Times-Picayune*, November 1, 2010. Hammer, David, “[New Orleans City Councilwoman Stacy head accuses sanitation director of lying about garbage contract](#),” *The Times-Picayune*, November 12, 2008. Chrastil, Nick, “[In city budget hearing, council members say they want public defender funding closer to DA, but it’s unclear where they’ll find the money](#),” *The Lens*, November 11, 2020.
- 49 Fisher, Ronald C., *State and Local Public Finance*, 4th ed. (London: Routledge, 2016) p. 131.
- 50 GFOA, [Rethinking Public Engagement: Why we need to rethink public engagement and design principles for better engagement](#), pp.1-2.

- 51 These community meetings are not required by law. It is a common practice among recent administrations.
- 52 New Orleans City Council meeting minutes for November 2022.
- 53 Bureau of Governmental Research (BGR), [\*Managing the Windfall: Tracking the City of New Orleans' Use of Federal Pandemic Relief Funds\*](#), December 13, 2022.



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