A Report from the Bureau of Governmental Research

ON THE BALLOT

JEFFERSON PARISH SHERIFF'S OFFICE TAX, APRIL 30, 2022

INBRIEF

The Jefferson Parish Sheriff's Office is asking voters throughout the parish to approve a new 7-mill property tax on the April 30 ballot. The Sheriff plans to use the estimated $28 million in annual tax revenue to raise employee salaries by an average of 25% and fill nearly 250 vacant positions. If approved, the 10-year tax would take effect this year and run through 2031.

The Sheriff said the new revenue is necessary to (1) address mounting problems with retention and hiring that have left the office understaffed, (2) reduce overtime costs and (3) update a salary structure that has had few significant pay increases since Hurricane Katrina. As shown in the chart below, the number of vacancies has increased nearly 150% in the past nine months. The 247 vacancies as of late March represent 17% of the office's 1,474 authorized positions.

More than half of the vacant positions are at the parish jail, and consequently, the jail accounts for a large share of the office's rising overtime costs. The vacancies extend to other key areas of the office's operations, including 911 dispatchers and patrol deputies. The Sheriff's Office links the sharp increase in vacancies to hiring and retention problems, largely driven by a salary structure that has not kept up with other law enforcement agencies and the private sector.

The $28 million from the tax would increase General Fund revenues 21% to $162.5 million. The tax would be the primary funding source for a $36.8 million plan to raise salaries and fill all open positions.

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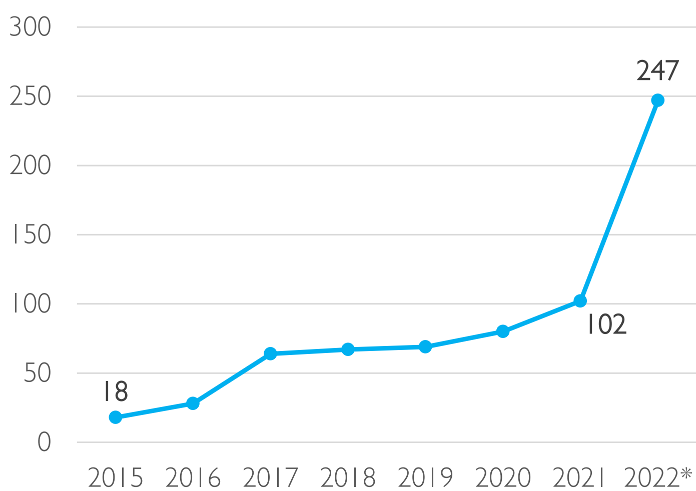
About BGR's *On the Ballot* Series

This report is part of 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 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.



JEFFERSON PARISH SHERIFF'S OFFICE VACANT POSITIONS, 2015-2022

* The 247 figure is for the first nine months of the 2022 fiscal year. (July 1, 2021, through March 25, 2022)

Source: Jefferson Parish Sheriff's Office, Current vs. Authorized Employee Counts on December 31, 2015, through 2021 and on March 25, 2022.

About $5 million would come from projected savings on overtime costs, with another $3.8 million coming from existing General Fund revenues or reserves. The plan would allocate $18.8 million to increase salaries for all Sheriff's Office employees by an average of 25%. The remaining $18 million would cover the cost of filling the vacant positions and provide financial reserves to help maintain the raises and higher staffing levels if revenues decline or costs increase more than expected. If voters approve the tax, the Sheriff's Office would apply $9 million from its current $65.7 million in reserves to implement the raises on July 1, six months before the new tax would be collected.

REPORT HIGHLIGHTS

To analyze the proposition, BGR considered three questions that address the efficient and effective use of public resources: (1) Has the Sheriff's Office carefully planned how it will spend the tax revenue and provide financial stewardship and accountability for taxpayer dollars? (2) Is the tax an acceptable way to fund the purposes in light of alternative funding options? (3) Is there evidence indicating the tax would result in effective outcomes for the public? Based on this analysis, BGR found the following:

- The Sheriff's Office has developed a detailed spending plan to show citizens how would use the tax revenue to fund raises and fill all authorized positions. Executive staff and division leaders evaluated pay scales position by position to align the new salaries with job responsibilities, improve competitiveness, bring most employees above a livable wage of $15 an hour ($31,200 per year), and reduce inconsistencies in pay for clerical staff. This approach avoided the potential inefficiency and ineffectiveness of an across-the-board raise.

- The office's internal deliberations on the pay raise plan relied heavily on informal conversations and supervisors' observations about salary concerns, rather than a third-party study or data from exit interviews or employee surveys. More comprehensive data would have provided additional insights on resignations to help the office confront today's more difficult national environment for recruitment and retention. Also, the office did not finalize the plan until 10 days before the start of early voting on April 16, giving citizens little time to evaluate the tax proposition.

- The Sheriff has deemed all 247 vacant authorized positions necessary to the office's operations after an annual reassessment of staffing needs. If voters approve the tax and the office begins filling positions, it should continuously look for efficiencies and periodically reassess the 100% staffing goal to ensure that all positions remain necessary to fill.

- The tax would create an estimated first-year surplus of $2.5 million, even at full staffing. The Sheriff's Office sought a reasonable financial buffer against unexpected cost increases or revenue declines. But recruiting, hiring and training individuals for law enforcement, jail operations and other positions is a complex process. It will realistically take multiple years to fill all vacancies, making the tax surpluses significantly larger during this lag time. For example, even if the office filled half of the vacant positions in the first year, it could expect an additional $9 million surplus.

- The potential surpluses and the office's sizable existing reserves could warrant consideration of levying the tax at a lower rate until expenditures catch up with revenues. The Sheriff told BGR he will review the millage rate annually and consider levying a lower rate if the pace of hiring is slower than expected and surplus revenue is accumulating. He would also consider not rolling forward the millage rate to limit surplus revenue growth when property assessments rise. The decision would depend on the office's financial situation and the outlook for major technology, equipment or pay raise needs.

- The proposed spending plan does not specify what the office would do with surplus tax revenue. Sheriff's Office officials said some of it could fund additional salary increases for positions that remain difficult to fill. They characterized the proposed raises in the plan as being at the low end of what will likely be necessary to achieve their staffing goals. Still, the lack of a comprehensive plan for what could be substantial surplus revenues fails to give taxpayers assurances about where the money will go. If the office does use surplus revenue for additional raises, it should inform its decisions with data on factors that influence the decisions of applicants and employees.

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INBRIEF

- The Sheriff's Office has shown effective financial stewardship through its track record of clean financial audits, a near 100% tax collection rate and control of operating costs. The office has not received a tax increase in three decades. To address the hiring challenge, it is restructuring its recruitment strategy and outreach to potential applicants. However, it has not developed a plan to report to the public on its use of surplus funds and the effectiveness of its hiring and retention efforts.

JEFFERSON PARISH SHERIFF'S OFFICE VACANCIES BY DIVISION

Division	Authorized positions	Vacant positions	% Vacant
Jail	379	135	36%
Technical Services (911 center and crime lab)	199	38	19%
Patrol	293	30	10%
Other seven divisions	607	44	7%
TOTAL	**1,478**	**247**	**17%**

Source: Jefferson Parish Sheriff's Office, as of March 25, 2022.

- The proposed tax's 10-year duration balances the office's need for a stable revenue stream to cover the increased personnel costs and the public's ability to hold the office accountable for its use of tax revenues through the tax renewal process. The Sheriff's Office points out that, in the event the tax proposition fails, it will be able to afford only a modest pay raise for its more than 1,200 employees from its reserve funds.

- The Sheriff's Office is sustaining the jail and other core operations with significant overtime spending. Failing to address staffing losses in a timely manner could pose greater risk to public safety. To the extent the tax helps the office to attract qualified candidates and stem staffing losses, the Sheriff's Office could maintain and build on its efforts to lower crime and improve public safety outcomes in Jefferson Parish. Potential surplus revenue could allow it to stay competitive on pay, but the office lacks a clear picture of any non-financial factors that may be driving departures and require intervention other than pay raises. If potential surpluses are not deployed effectively, they could unnecessarily increase costs for taxpayers and reduce their tolerance for funding other community priorities.

BGR POSITION

FOR. The Jefferson Parish Sheriff's proposed 7-mill property tax would provide a stable revenue stream to address growing problems with retention and hiring that could pose a risk to public safety. The Sheriff's Office would compete more effectively with other agencies for talented officers, recruits and other employees. Its detailed plan for raising salaries and filling vacant positions would align pay more fairly with employee responsibilities, provide a livable wage for most support staff and reduce overtime costs. The office has also compiled a track record of effective financial stewardship and is putting in place a new strategy for recruitment. A timely response as outlined in the Sheriff's proposal is necessary to prevent the recent spike in resignations from becoming a crisis.

Still, the proposal has some shortcomings that the Sheriff's Office should address. BGR's analysis finds that levying the full 7 mills could generate significantly more revenue than the pay raise plan requires, especially in the early years of the tax. The office should seek to control the accumulation of surplus tax revenue by continuing to develop its recruitment and retention strategy to fill vacancies efficiently and effectively. It should also put in place data collection and analysis techniques to understand employee motivations and help ensure the effectiveness of any future pay raises. While rebuilding its workforce, the Sheriff's Office should look for efficiencies in its authorized positions and publicly document its hiring results and use of surplus revenues. If surpluses persist, the Sheriff should consider lowering the millage rate to avoid overburdening citizens who may themselves be struggling financially. Unnecessarily high taxes in one area can reduce taxpayers' tolerance to finance other needs in the parish.