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BGR Analyzes New Orleans Propositions on the October 14 Ballot

Today, the Bureau of Governmental Research (BGR) releases three [On the Ballot reports for the October 14 election](#). The reports are intended to help New Orleans voters make informed decisions on three separate propositions: a property tax renewal for Orleans Parish school facilities and two proposed city charter amendments.

BGR is in favor of all three propositions and has posted the corresponding reports [here on our website](#). Voters in need of a quick overview can [click here](#) to download a single document that compiles our “InBrief” summaries of each report and position statements.

To broaden voter access to this information, 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 that everyone can make an informed choice at the polls.

Property Tax Renewal for New Orleans Public School Facilities

The Orleans Parish School Board is seeking a property tax renewal dedicated to the preservation, improvement and capital repair of school facilities owned by the school district it governs, NOLA Public Schools (the District). If voters approve the proposition, the School Board could continue levying the tax at the current rate of up to 4.97 mills for an additional 20 years. The renewal would take effect in 2025 and expire at the end of 2044. In 2023, the existing tax is projected to generate \$23 million.

Louisiana law establishes a School Facilities Preservation Program for public school buildings in New Orleans and largely governs the tax’s use. The law directs the revenue, along with a portion of the School Board’s 1.5% sales tax, to school renovations, repairs or improvements. The District, which leases its more than 75 school campuses to charter school operators, is responsible for administering the Preservation Program. The

District does not charge charter operators rent, but it requires them to manage and fund routine building maintenance and minor repairs.

The District has identified each school's 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. In the coming years, the District will work with charter school operators to develop and update capital plans for the second decade of the proposed renewal. While that planning process has not started yet, District officials and facilities experts anticipate a "capital bubble" during that timeframe. This refers to when core components of the many schools built or renovated with nearly \$2 billion in federal recovery funds after Hurricane Katrina begin reaching the end of their useful lives. 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.

Based on its analysis, BGR takes the following position. [Click here to read BGR's full analysis on the property tax renewal for public school facilities.](#)

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.

New Orleans Charter Amendment to Reorganize Code Enforcement Functions

The New Orleans City Council has proposed an amendment to the City of New Orleans charter to establish a new “Department of Code Enforcement.” Currently, the City combats blight through a “division of code enforcement.” While the division has its own staff and operations, it is not a full-fledged, stand-alone City department. As a result, it depends on several City departments and offices for administrative, personnel and funding support.

The current approach creates significant problems. It makes it difficult to determine where the division operates within City government, diminishes the autonomy of code enforcement leadership, adds layers of bureaucracy and blurs the lines of accountability. These issues have contributed to a backlog of demolition work and delayed the resolution of blight complaints for roughly 4,000 properties. The current approach also hampers transparency, making it hard to identify the division’s funding sources and track its spending. In addition, both the division of code enforcement and the City’s finance department collect payments for fines and fees, worsening transparency for those collections and how they are later spent in City government.

The proposed amendment would replace the existing division with a new, stand-alone department. This change would consolidate code enforcement functions in a single place and clarify the department’s chain of command. It would also improve transparency, making it easier for the administration, City Council and the public to track funding and spending for code enforcement functions. The potential for improving code enforcement operations drove the City Council to put the amendment on the ballot, and the City administration supports it. While the proposed amendment would not address all budget and financial concerns at the outset, it would lay the groundwork for City officials to address them in the future. If voters approve the proposition, the amendment will take effect January 1, 2024.

Based on its analysis, BGR takes the following position. [Click here to get BGR’s full analysis on the proposed charter amendment to reorganize New Orleans code enforcement.](#)

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 responsiveness, 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.

New Orleans Charter Amendment to Extend the City Council’s Budget Review Period

The New Orleans City Council has also proposed a charter amendment to double its minimum time to review the mayor’s proposed operating and capital budgets from one month to two months. Each year, the mayor prepares an operating and capital budget for the City’s administrative departments and several other Orleans Parish government entities, such as the sheriff, district attorney and courts. All told, the operating budget allocates \$1.5 billion a year in revenue from taxes, fees, charges, grants and other sources. In addition, the City Planning Commission approves a five-year capital plan (which totals \$420 million) and provides it to the mayor to inform the preparation of the City’s annual capital budget. Once the budgets and plan are prepared, the mayor submits them to the City Council by November 1 for review and adoption by December 1. The council has found this 30-day period does not give it enough time to effectively evaluate the proposed budgets.

The charter amendment would move up the mayor’s submission deadline from November 1 to October 1, with a corresponding adjustment to the Planning Commission’s deadline. The current deadline for the council to approve both budgets, December 1, would remain unchanged.

BGR found that the longer timeframe aligns with the review periods used by other councils in peer cities with similar populations. 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. A longer review period in New Orleans would enable the council to conduct a deeper analysis of department and agency funding requests, which could lead to better fiscal management. BGR also finds potential to improve public engagement during the budget process, allowing the council to make budget hearings more accessible. These benefits, however, would depend on how the City Council structures and uses the additional 31 days.

The City administration would adjust its budget preparations to accommodate the earlier deadline. It supports the proposition 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.

If voters approve the proposition, the amendment will take effect January 1, 2024. The City Council’s longer review period would begin in fall 2024 when the council starts its review of the 2025 budgets.

Based on its analysis, BGR takes the following position. [Click here to read BGR’s full analysis on the proposed amendment to extend the City’s Council’s budget review period.](#)

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.

About BGR's *On the Ballot* Series

These reports are 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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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 (504) 525-4152 or visit BGR's website, www.bgr.org.