

Office of Inspector General

City of New Orleans

Inspection of Taxpayer/City Funding to Orleans Parish Sheriff's Office in 2011

**E. R. Quatrevaux
Inspector General**

Final Report

June 6, 2013

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



ED QUATREVAUX
INSPECTOR GENERAL

May 7, 2013

Re: Inspection of City Funding to Orleans Parish Sheriff's Office in 2011

I certify that the inspector general personnel assigned to this project are free of personal or other external impairments to independence.

A handwritten signature in blue ink, appearing to read 'E.R. Quatrevaux', is positioned above the printed name.

E.R. Quatrevaux
Inspector General

*INSPECTION OF CITY FUNDING TO
ORLEANS PARISH SHERIFF'S OFFICE IN 2011*

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EXECUTIVE SUMMARY

The Inspections and Evaluations Division of the New Orleans Office of Inspector General (OIG) conducted an inspection of the funding of the Orleans Parish Sheriff's Office (OPSO) in 2011. The inspection focused on financial support of the municipal and parish jail system (Jail) and included City budget allocations, City in-kind support, and ad valorem taxes.¹ Inspectors reviewed legal and financial documents relating to 2011 Jail and OPSO funding to develop a detailed budget picture of the fiscal operations of OPSO and to provide information regarding the City's and OPSO's respective responsibilities and authorities for the New Orleans Jail.

The City's 2011 annual operating budget included a single appropriation of \$22,594,000 to the Sheriff's Office; the budget only specified that \$19.4 million of that total was allocated for the Office of the Sheriff and \$3.2 million was allocated for medical expenses. The inspection of Orleans Parish Sheriff's Office funding revealed that:

- The City's 2011 annual operating budget document provided an incomplete account of the funds appropriated to OPSO: the City made a significantly higher investment in the Jail than its 2011 operating budget indicated, because the City provided additional funding to the Jail through budget allocations to other departments.
- OPSO aggregated both revenues and expenditures into categories that did not correspond to specific revenue sources or to Jail expenditures, which made it impossible to connect the City's Jail funding to Jail services and operations. As a result, inspectors were unable to determine whether City monies allocated to OPSO in 2011 appropriately funded only the facilities and services the City was obligated to fund as delineated by state statute and consent decree.

Inspectors also conducted a benchmark analysis of New Orleans's Jail and the Louisville Metro Department of Corrections, which operates a comparable jail serving the same correctional functions as New Orleans's Jail. The benchmark analysis revealed that in 2011 New Orleans's Jail appeared to be adequately funded when compared to the benchmark jail and that OPSO expenditures in total and in certain categories were significantly greater than those for the Louisville Metro Department of Corrections.

¹ In this report, "City" refers to City government and includes both the legislative and administrative branches. The term "Jail" refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; as well as pre-sentencing DOC inmates. In contrast, inspectors use the term Orleans Parish Prison (OPP) to refer to all City and Parish corrections facilities and operations that house and care for *all* inmates, including DOC-sentenced and post-sentenced inmates from other parishes. The City is not financially responsible for the housing and care of these individuals. The term OPP historically referred to the "Old Parish Prison," a facility separate from the City's jail facility, the House of Detention. (Note: In 2011 post-sentencing inmates housed at OPP included federal prisoners; in 2012 the federal government removed all remaining federal prisoners from OPP.)

The OIG's examination of financial support for the Jail revealed a division of responsibility and authority between the City and the Sheriff's Office. For most of its history, the City ran the municipal jail and the Sheriff's Office ran the parish prison. However, beginning in the mid-1970s, OPSO began operating both the municipal Jail and the parish prison. This arrangement placed the financial responsibility for the Jail with the City and the administrative and operational authority over the Jail with the OPSO.

Separating financial responsibility for the Jail from the administrative authority needed to oversee the expenditure of Jail funds resulted in a problematic relationship between the OPSO and the City. Since neither the City nor the Sheriff's Office could be held wholly accountable for both the costs and the conditions of the Jail, neither public entity ensured the safety, security, and efficiency of the Jail.

Based on the report's findings, inspectors recommended that:

- The City should clearly identify all funding for the Jail, including appropriations and in-kind support, in its annual budget.
- The City should withhold funds for the Jail unless OPSO provides a detailed, line-item functional budget that connects City funds to Jail expenditures for which the City is responsible.
- The Jail should not provide long-term housing for State Department of Corrections inmates or prisoners from other parishes.²
- If the City and OPSO cannot agree on a rational, sufficiently detailed budget, the City should take steps to assume control of Jail operations.

² The Jail would continue to house certain DOC inmates for short periods, including any sentenced DOC inmates with open state charges in Orleans Criminal District Court, DOC probation and parole violators, and DOC inmates awaiting transfer to state facilities.

I. OBJECTIVES, SCOPE, AND METHODOLOGY

The Inspections and Evaluations Division of the New Orleans Office of Inspector General (OIG) conducted an inspection of City and local taxpayer funding of the Orleans Parish Sheriff's Office (OPSO) in 2011.³ The inspection focused on the City's financial support of the municipal and parish jail system (Jail).⁴ The City of New Orleans, as the governing body of both the City and the Parish, has financial responsibility only for the Jail.⁵ The purpose of the Jail is to house and care for municipal inmates, both pre- and post-conviction, pre-sentencing Louisiana Department of Corrections (DOC) and federal inmates, individuals awaiting transfer, and individuals incarcerated for failing to pay fines or fees.⁶

The City is responsible by state statute and long-standing consent decrees to provide funding to OPSO for support of OPSO and the Jail; for example, the City is legislatively mandated to pay for OPSO criminal division employee salaries and group insurance; the housing, care, and transportation of municipal inmates and pre-sentencing DOC inmates; the offices and quarters used by OPSO; and other operating costs.⁷ The City also entered into a settlement agreement with OPSO in 2003, agreeing to pay for additional expenses, including criminal division operations, workers' compensation, and fuel, in addition to expenses mandated by state law.⁸

³ In this report, the term "City" refers to City government generally and includes both the legislative and administrative branches. In discussions of financial support to the Jail, the term "City funding" refers to all local public funding (unless otherwise noted), including City budget appropriations, City in-kind support, and other taxpayer support, such as ad valorem taxes.

⁴ In this report, the term "Jail" refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; as well as pre-sentencing DOC inmates (individuals with open charges). In contrast, inspectors use the term Orleans Parish Prison (OPP) to refer to all City and Parish corrections facilities and operations that house and care for *all* inmates, including DOC-sentenced inmates and post-sentenced inmates from other parishes. The City is not financially responsible for the long-term housing and care of these individuals. The term OPP historically referred to the "Old Parish Prison," a facility separate from the City's jail facility, the House of Detention. (Note: In 2011 post-sentencing inmates housed at OPP included federal prisoners; in 2012 the federal government removed all remaining federal prisoners from OPP.)

⁵ La. R.S. 15:304 (requires parishes to pay for arrest, prosecution, and confinement of persons accused of crimes), La. R.S. 15:566 (requires State payments to sheriff or governing authority for feeding and maintaining DOC inmates). The City Council, as the legislative branch of City government, governs the City and has authority over the City's budget.

⁶ La. R.S. 13:5603 (New Orleans City jail shall be operated by the City of New Orleans). The Jail also houses DOC probation and parole violators for brief periods.

⁷ La. R.S. 13:5604 (salaries of criminal sheriff and employees), La. R.S. 13:5559 (group insurance for criminal sheriff and employees), La. R.S. 15:304 (costs associated with criminal defendants), La. R.S. 40:2012.3 (transport of indigent tuberculosis patients), La. R.S. 33: 4714 (sheriff's offices). According to Sheriff's Office and City employees, neither entity could provide information as to what "other expenses" include.

⁸ A settlement agreement entered into with OPSO in 2003 (Hamilton v. Morial, Docket No. 69-2443, E.D. La., *Settlement Agreement*, Doc. No. 1883, March 28, 2003) obligated the City to pay Criminal Sheriff employee salaries and benefits. However, after the merger of the Civil and Criminal Sheriff's Offices in 2010, new legislation stipulated that all previous statutes referencing the Civil Sheriff or Criminal Sheriff of Orleans be read as "Sheriff." The new legislation clearly states that the prior statute requiring the City to pay for Criminal Sheriff employee salaries now be read as "Sheriff," which now includes employees in the civil division (La. R.S. 13:5581).

Inspectors reviewed financial documents relating to the City's 2011 funding of OPSO, the most recent year for which an independent audit was available. Inspectors reviewed City and OPSO budget documents, the 2011 audit performed by outside auditors and on file with the Legislative Auditor,⁹ the auditor's detailed financial work papers, invoices sent to the City by OPSO for per diem,¹⁰ medical, and court services, LED bank and investment account statements, and other 2011 records of financial transactions between the City and OPSO; conducted interviews with the City and OPSO officials; studied legislative authorities and other legal documents; and examined primary historical documents relating to the evolutionary structure and operation of OPSO and its relationship to the Jail.

Our objectives were to:

- Identify the actual amount of funding and in-kind support the City provided to OPSO for Jail and other operations in 2011;
- Determine whether OPSO spent City monies and resources intended for Jail operations appropriately in 2011; and
- Suggest improvements in the oversight and accountability of Jail funding and operations designed to (1) improve the safety and security of the Jail and (2) ensure that public monies are spent efficiently and effectively.

Inspectors were unable to determine whether City monies allocated to OPSO in 2011 appropriately funded only the facilities and services the City was obligated to fund as delineated by state statute and consent decree. OPSO aggregated both revenues and expenses into categories that did not correspond to specific revenue sources or to Jail expenditures, which made it impossible to connect the City's Jail funding to Jail services and operations.

Information regarding funding amounts and OPSO's financial practices contained in this inspection are based on data contained in documents the OIG received from OPSO and the City, from interviews with City and OPSO officials, or from publicly available documents such as audits. Gleaning verifiable numbers from these sources was an arduous, time-consuming task, and inspectors made every effort to be precise and thorough. The conclusions and recommendations contained herein are supported by the overall evidence.

⁹ Pursuant to La. R. S. 24:513.

¹⁰ Inspectors use "per diem" specifically when referring to the amount the City was required to pay by consent decree. The terms "daily rate" or "cost per day" are used when referring to the calculated amount that it cost the jurisdiction per day to house, feed, clothe, and care for an inmate, and to provide related correctional services.

II. INTRODUCTION

The Inspection of City Funding to OPSO is both timely and relevant due to recent civil rights litigation. In April 2012, the Southern Poverty Law Center (SPLC) filed a civil class action lawsuit against Marlin Gusman, Sheriff of the Parish of Orleans. SPLC filed the suit “on behalf of the men, women and youth imprisoned at the Orleans Parish Prison (OPP), to protect them from abusive and unconstitutional conditions of confinement.”¹¹ In September the U.S. Department of Justice (DOJ) also filed a complaint in federal district court alleging that the Sheriff engaged in “a pattern or practice of violating prisoners’ Eighth and Fourteenth Amendment rights” and discrimination against Latino prisoners in violation of Title VI of the Civil Rights Act of 1964.¹² DOJ joined with the SPLC as co-plaintiffs in Jones v. Gusman in December 2012.¹³

At an evidentiary hearing scheduled to begin June 10, 2013, the U.S. District Court, Eastern District of Louisiana, will hear arguments regarding the amount of “initial funding needed to ensure constitutional conditions of confinement at OPP and the sources ... for providing that funding.” New Orleans, as a third-party defendant in the lawsuit, is authorized to present expert testimony and analysis regarding the cost of implementing the “policies, practices, and procedures designed to rectify constitutional violations identified by DOJ.”¹⁴

New Orleans is a consolidated city-parish with a Mayor-Council form of government. In most other city-parish or city-county consolidated governments, a city or cities and any unincorporated areas within the county/parish formally join to establish a city-county/parish government. In New Orleans, the city and parish are coterminous, effectively establishing the City as the single source of local government funding for both city and parish correctional responsibilities.¹⁵

Throughout its history, funding the Orleans Parish Prison system (including the Jail) has been a persistent source of conflict between the City and the Sheriff’s Office. Into the 1970s, the City ran the municipal jail and the Sheriff’s Office ran the parish prison. The parish prison had served two purposes since the early 1800s, when the City was divided into three separate municipalities: (1) to hold individuals charged with state and federal offenses pre-sentencing, and (2) to house individuals convicted of state felony offenses not sentenced to “hard time” in a state penitentiary.¹⁶

¹¹ Jones v. Gusman, 12-859, E.D. La., *Class Action for Declaratory and Injunctive Relief*, Doc. No. 1, April 2, 2012.

¹² Id., *Intervenor Complaint*, Doc. No. 70, September 25, 2012.

¹³ Id., *Motion to Approve Consent Judgment*, Doc. No. 101, December 11, 2012.

¹⁴ Id., *Joint Statement Amending Proposed Consent Judgment*, Exh. 1, Doc. No. 183-2, , March 18, 2013.

¹⁵ City Charter, Preamble, Sec. 1-101 and 1-102.

¹⁶ Charles J. Rowe & Assoc., Architects, for City of New Orleans, “Architectural Program New Parish Prison,” December, 1968, Victor H. Schiro Collection, New Orleans Public Library, LA Division. According to this publication, the parish prison held most individuals convicted of state offenses for less than one year; however 3% of the inmates served one to two years at the parish prison, and 8% served more than two years.

The authorities and responsibilities for the operations and funding of both facilities—as well as the distinct purposes for the two facilities—became less clear over time, evolving as much through custom as by formal agreement or law.¹⁷ Since the 1970s, OPSO has been the keeper of both the municipal Jail (historically the House of Detention or HOD) and the parish prison (Orleans Parish Prison or OPP).¹⁸ Housing and caring for DOC- or federal-sentenced individuals was always the financial responsibility of the State or federal government; it has not been a City or Parish responsibility or a financial burden for which the City should be responsible.

The legal and operational history of the New Orleans-Orleans Parish jail system is long, politically reactive and often contentious. The Jail has been operating under consent decrees since 1969, and the U.S. District Court is considering a new consent judgment and related funding questions. Inspectors' efforts to develop a detailed budget picture of the fiscal operations of OPSO and information regarding the City's and OPSO's respective responsibilities and authorities for the New Orleans Jail are contained herein.

¹⁷ For insight into this evolution, see: New Orleans Department of Police, Bureau of Correction, "Annual Report, 1960," Victor H. Schiro Collection, New Orleans Public Library, LA Division; and "Report of the Orleans Parish Grand Jury to The Honorable Thomas M. Brahney, Jr., Judge, Section 'D,' Criminal District Court for the Parish of Orleans," 1974, Maurice E. "Moon" Landrieu Collection, New Orleans Public Library, LA Division. Between the late 1960s and the early 1970s, the District Attorney directed a number of grand juries to report on public safety "institutions and their problems" in New Orleans. The institutions examined by grand juries included police district stations, Central Lock-up, the House of Detention, the Old Parish Prison, and the Coroner's Office and Morgue, among others.

¹⁸ La. R.S. 15:704, La. R.S. 15:571.13.

III. INSPECTION OF CITY FUNDING OF OPSO IN 2011

What was the actual amount of City Funding to OPSO in 2011?

FINDING 1. IN ITS 2011 Operating Budget, the City appropriated its General Fund allocation to OPSO in one lump sum and did not include all financial support for Jail operations.

The City's annual operating budget included a lump-sum appropriation of \$22,594,000 to the Sheriff's Office. This base budget amount funded the care, custody, and control of inmates in Orleans Parish; the budget document did not clarify that the City was only responsible for local Jail inmates and not sentenced DOC and federal inmates.¹⁹ The budget only specified that \$19.4 million was allocated for the Office of the Sheriff and \$3.2 million was allocated for medical expenses; the aggregated total of \$22.6 million was listed as "other operating" expenditures. No funds were appropriated for personnel, although the majority of the City funding paid OPSO employee salaries.

The City provided additional funding through budget allocations in other departments, although these allocations were not identified as Jail appropriations. For example, the City paid for some services on behalf of OPSO, such as healthcare insurance claims costs and fuel for vehicles; however, these expenditures were not identified anywhere in the budget as OPSO expenditures. Rather, these on-behalf payments for the Jail were included with on-behalf payments for other departments.

The City's annual operating budgeting document for 2011 provided an incomplete account of funds appropriated to OPSO and failed to identify costs by specific function, making it impossible to determine how much money was actually spent on the Jail and other OPSO functions.²⁰ The resulting lack of transparency made it impossible to hold the City accountable for its budgeting decisions. The City also could not prioritize budget decisions or track Jail spending without a budget that identified specific Jail costs based on real numbers.

Inspectors examined City and OPSO audits, invoices, and payment records to determine the actual amount the City spent on the Jail in 2011.

¹⁹ 2011 City of New Orleans Annual Operating Budget.

²⁰ The current administration took office in May 2010 and had to submit the budget to the City Council by October. However, the budget format did not change in later years.

A. CITY'S ACTUAL JAIL EXPENDITURES

Figure 1: Taxpayer/City Financial and In-Kind Support to OPSO for the Jail in 2011²¹

Expenditure Category	Actual Spending
Inmate Per Diem	\$16,587,088
Inmate Medical	\$3,188,293
Court Services ²²	\$2,879,258
Electronic Monitoring Program	\$339,121
Employee Healthcare Claims Costs	\$3,213,329
Workers' Compensation	\$489,607
Unemployment Insurance	\$31,013
Utilities	\$314,631
Fuel	\$753,036
Sheriff Pension and Relief Fund	\$723,844
Water from Sewerage & Water Board	\$453,234
Ad Valorem Taxes (for debt repayment) ²³	\$7,047,750
Sub-total of City Funding to Jail	\$36,020,206
Security Contract w/City*	\$1,605,905
Admin Fees for Sheriff sales*	\$52,500
TOTAL	\$37,678,611

City funding to OPSO in 2011 totaled a minimum of \$37,678,611, which is \$15 million more than the \$22,594,000 the City identified as appropriated to OPSO in its 2011 operating budget.

Not all of the approximately \$38 million paid to OPSO funded Jail activities; an estimated \$36,020,206 of the \$38 million total was for Jail operations. The remaining \$1.7 million included the security contracts with the City and the administrative payments for OPSO's civil division property sales.²⁴

²¹ The term "Jail" refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; and pre-sentencing DOC inmates. Inspectors included the ad valorem taxes collected for OPSO debt repayment in the total amount spent by the City. La. R.S. 13:5901 designates the sheriff the ex officio CEO of a special district (Law Enforcement District) created for providing AVT funding to OPSO. The sheriff may call an election in which the voters authorize ad valorem taxes for OPSO operations. See La. R.S. 5902, 5903(D), 5908, 5909, and 5911.

²² An undetermined portion of the Court Services revenues supported Criminal District Court building security in 2011. The City was required to pay this cost by consent decree, although it may not be a function included in corrections services in all jurisdictions.

²³ A small portion of the ad valorem taxes collected by the City on-behalf of OPSO for debt repayment may have been allocated for the capital projects of other agencies; however, we were unable to determine the amount.

²⁴ The approximately \$36 million the City spent on Jail operations includes some workers' compensation and pension coverage of civil division employees. From a list of total 2011 OPSO employees, inspectors determined that approximately eighteen percent were civil division employees and reduced the amounts accordingly.

Also, certain costs, including utilities, fuel, and a portion of personnel costs, subsidized the care of inmates from the State and other parishes. In 2011 OPP housed approximately 500 DOC inmates and between 65-70 prisoners from Plaquemines Parish. DOC and Plaquemines Parish paid OPSO per diems of \$26.39 for housing and primary medical care.²⁵

City's Actual Daily Cost per Inmate

Figure 2: Calculation of the City's Daily Per Inmate Cost in 2011

Total City Funding for Jail		Total Number of Jail Inmate Days		Estimated Per Diem Rate
\$36,020,206	÷	762,216	=	\$47.26

The actual daily rate taxpayers and the City paid to OPSO in 2011 for the housing and care of an inmate was \$47.26.

Inspectors determined that the City paid a total of at least \$47 per day for the housing, security, and care of municipal and pre-sentencing DOC and federal inmates, and home incarcerated adults, in 2011.²⁶ The accounting practices of both the City and OPSO made obtaining a daily rate an arduous and time-consuming task. No single City or OPSO budget document or audit included all of the information necessary to calculate a cost per day for Jail inmates.

Inspectors calculated a verifiable inmate cost per day by dividing the overall amount spent by the City on Jail operations in 2011 by the total number of detainee days (762,216), which was calculated by adding the actual number of municipal and state pre-sentencing inmate jail days (736,622) to the number of electronic monitoring detainee days (25,594).²⁷ The overall amount was based on all expenditures made by the City on behalf of OPSO for Jail operations, as shown in Figure 1.²⁸

²⁵ Cooperative Endeavor Agreement between The Orleans Parish Criminal Sheriff's Office and The Plaquemines Parish Sheriff's Office, 2009. According to the Corrections Division at the Plaquemines Parish Sheriff's Office, OPP was authorized to accommodate up to 100 Plaquemines Parish inmates. The State Department of Corrections paid a per diem of \$24.39 and an additional \$2.00 per day for medical costs.

²⁶ Home incarceration refers to individuals enrolled in the electronic monitoring program.

²⁷ Invoices to the City did not indicate whether DOC inmates were probationers or parolees. Inspectors subtracted the days for which the DOC reimbursed the City to determine the number of municipal inmate days.

²⁸ The cost per day calculation is conservative, because it excluded additional costs associated with services provided by the City at no cost to OPSO. Not included in the estimated \$36 million the City provided OPSO for criminal division function in 2011 were costs associated with the administration of OPSO employee health and workman compensation benefits, facilities, and major building repairs at a rate of about one per year (e.g. mold remediation of jail facility). Including these in-kind services would raise the actual daily rate paid by the City in 2011.

B. BENCHMARK COMPARISON OF OPSO AND LOUISVILLE METROPOLITAN CORRECTIONS JAIL COSTS

For the current inspection, inspectors wanted to determine whether the financial support of the Orleans Parish Sheriff's Office (OPSO) was adequate for OPSO to run a safe and constitutional Jail and conducted a benchmark comparison of New Orleans with a high-functioning corrections department in another city. We identified Louisville, Kentucky as a comparable City due to structural similarities with New Orleans (for detailed methodology, see Appendix A).

Jefferson County and the City of Louisville merged in 2003, creating the Louisville Metro Government, and placing the operation of the county jail under the Louisville Metro Department of Corrections (LMDC). An appointed jail administrator serves as the Department's Director. Louisville Metro has a population 40 percent larger than New Orleans's population, but Louisville Metro's general fund revenues in 2011 were approximately \$496 million, only marginally higher than New Orleans's \$489 million.

Inspectors compared the revenues and expenditures of OPSO and LMDC, two agencies with a similar number of Jail personnel tasked with serving a similar number of municipal and pre-sentencing state inmates. We took extra care, as described in Appendix A, to ensure the revenue and expenditure values for the two jurisdictions, reported in Figure 3, were as accurate and comparable as possible.

The benchmark revenue and expenditure information for OPSO includes all OPSO revenues and expenditures for the Jail.²⁹ For instance, in addition to City funding and in-kind support, it includes grant funding and self-generated revenues from Jail activities, such as booking fees and commissary income (Figure 3).

²⁹ Inspectors relied on OPSO's 2011 proposed budget submission for all expenditure information, excepting debt service (obtained from the 2011 audit), because the agency's 2011 audit did not disaggregate expenditures by sub-category or by personnel, contract, and supply costs. Inspectors used 2011 Louisville Metro Budget documents, Louisville Metro Department of Corrections documents, and phone interviews with Louisville Metro officials to determine appropriate numbers for the benchmark analysis.

Figure 3: Benchmark Comparison of 2011 OPSO Jail and Louisville Metro Corrections³⁰

	New Orleans-Orleans Parish	Louisville Metro
Consolidated Government Population	343,829	597,337
Government Operating Revenues	\$488,370,665	\$495,934,865
Number of Jail Personnel		
<i>Sworn Officers</i>	442	429
<i>Civilian Administration & Staff</i>	217	254
Total Jail Personnel	659	683
Average Daily Jail Populations		
<i>Detainees</i>	2,018	1,992
<i>Electronic Monitoring/Home Incarceration(EMP)</i>	70	525
<i>Alternatives to Incarceration</i>	N/A	34
Jail Revenues		
<i>General Fund and In-Kind Support (from the City)</i>	\$36,020,206	\$49,002,700
<i>Operating Federal & State Grants</i>	\$5,219,613	\$476,900
<i>Self-Generated Funds</i>	\$6,310,033	\$3,517,500
<i>State Supplemental Pay</i>	\$3,074,997	N/A
<i>Transfer In to General Fund*</i>	\$1,500,799	N/A
<i>Investment Income*</i>	\$168,226	N/A
<i>Bond and Note Issue*</i>	\$3,986,000	N/A
Total Jail Revenues	\$56,279,874	\$52,997,100
Jail Expenditures		
<i>Personnel (incl. benefits)</i>	\$37,547,864	\$36,119,100
<i>Contractual Services & Other Charges</i>	\$8,333,500	\$4,280,900
<i>Supplies & Equipment</i>	\$2,829,200	\$1,695,800
<i>Inmate Food</i>	\$4,877,638	\$1,870,000
<i>Inmate Medical</i>	\$5,875,048	\$5,938,000
<i>Legal</i>	\$1,725,924	\$150,000
<i>Debt Service**</i>	\$11,921,065	\$2,987,000
Total Jail Expenditures	\$73,110,239	\$53,040,800

*These revenues and the corresponding debt expenditure may include funds for both operating expenses and capital investments.

**This value reflects the proportion of the debt repayment costs allocated to the Sheriff's Office, excluding other agencies receiving bond proceeds through the Law Enforcement District. According to a memo provided by OPSO, as of May 12, 2012, 98 percent of the 2008 bond allocations to other agencies were not yet sold, indicating that the majority of the debt repayment in 2011 was for Sheriff's office expenditures.

³⁰ The Average Daily Jail Population refers only to inmates for whom the two local jurisdictions were financially responsible. Using total OPSO revenues, the Jail inmate cost per day would have been about \$74 if OPSO had stayed within budget. Instead, OPSO spent closer to \$96 per inmate per day, nearly \$17 million more than available revenues.

The benchmark revealed similar numbers of staff and detained individuals. However, LMDC's corrections staff covered four facilities, while OPSO's staff was spread among as many as eight buildings. A similar number of individuals were also detained in the two jurisdictions' jail facilities: 2,018 and 1,992. However, LMDC enrolls a much larger number of individuals in its electronic monitoring home incarceration program (525 compared to 70 on average per day), which results in cost savings.

OPSO total revenues for Jail operations in 2011 exceeded LMDC's by approximately \$3.3 million: \$56,279,874 compared to \$52,997,100, respectively, but Louisville Metro's general fund contribution to LMDC exceeded the City's contribution to the Jail by \$13 million. OPSO made up much of that difference by collecting nearly double Louisville Metro's amount of self-generated revenues, largely from "other income" and security services. OPSO also collected state supplemental pay for commissioned deputies and generated more than ten times the amount of federal and state grants, some of which funds Jail operating expenses.

Large expenditure variances occurred in the inmate food, contractual services, legal, and supplies categories. OPSO paid more than double LMDC's amount for contractual services, some \$8.3 million. An even greater discrepancy was apparent in the cost of the two jails' respective food services; OPSO spent more than double LMDC's expenditure on food, almost \$3 million more to feed a similar number of inmates. The largest discrepancy in expenditures between OPSO and LMDC was due to the payment of debt service, which accounted for almost one-half the difference.

Louisville Metro Corrections also stayed within budget, suggesting that its executive officers tracked expenses and monitored divisional budgets. OPSO spent almost \$17 million more than its total Jail revenues, \$20 million more than LMDC spent in 2011.

The Jail does not appear to be significantly underfunded given its total revenues. If it is possible to operate safe and secure jail facilities with a similar investment in another city, why has it been necessary for the New Orleans Jail to be governed for the last four decades by consent judgments that address the conditions in which prisoners are held? To begin answering this question, inspectors attempted to determine whether or not the City's money was spent appropriately on Jail operations.

Were City Funds Allocated to OPSO in 2011 Used to Fund Jail Operations?

The Orleans Parish Sheriff's Office did more than just keep the Jail in 2011; the Sheriff also housed and cared for sentenced inmates from Plaquemines Parish, DOC and federal inmates, carried out civil duties, and hosted a number of community service programs (Figure 4).

Figure 4: Examples of Jail and Non-Jail Operations³¹

Jail Operations	Non-Jail Services and Programs
<ul style="list-style-type: none"> • Facility maintenance • Security • Administration • Inmate medical care • Inmate housing • Inmate food and service • Inmate transport • Court services • Electronic Monitoring Program • Commissary 	<ul style="list-style-type: none"> • Civil division (e.g. Delivery of subpoenas, sheriff sales) • Long-term housing and care of sentenced state, federal, and other parish inmates • Contracted services (e.g. security) • Mardi Gras clean up • Inmate work release, Day Reporting Center, Re-Entry • Deputy detail work • Vocational programs • Grant programming (e.g. GED program, D.A.R.E.) • Thanksgiving Day Dinner

As seen in Figure 4, OPSO performed numerous services that were not related to Jail operations. As executive officer of the Civil and Criminal District Courts, the Sheriff handled other criminal and civil matters in addition to keeping the Jail. For example, the civil division of OPSO provided services such as serving citations, summons, subpoenas, and notices; and executing writs, mandates, orders, and judgments as directed by the district court judges.³² The Sheriff also performed community services, such as the annual Thanksgiving Day dinner for the City, hosted a variety of community programs, and operated programs for Department of Correction inmates.

Given OPSO’s wide range of operational and administrative responsibilities beyond the Jail, inspectors examined Sheriff’s Office financial records to determine if the City’s funding for the Jail was spent on Jail functions as opposed to other Sheriff’s Office functions.

FINDING 2. OPSO did not provide a functional budget for the Jail that delineated how it spent City revenues.

Every year the OPSO must present the City with a proposed operating budget delineating the costs of running the Jail by function. OPSO’s 2011 budget submission anticipated 2,800 Jail inmates, and the Sheriff’s Office requested the City to raise the per diem from \$22.39 to \$27 for a total allocation request of \$27,594,000.³³ OPSO also requested increases to the \$3.2 million in medical and \$2.4 million in court services cost allocations.³⁴

³¹ Inmate work release, the Day Reporting Center, and other alternatives to incarceration could be valuable cost-effective offerings for municipal detainees, but they are currently funded only for DOC inmates. However, because revenues are mixed, it is impossible to tell if City funds provide support to those programs as well.

³² La. Code Civ. P. art. 321; La. R.S. 13:5539

³³ The actual average daily number of inmates in 2011 was 2,018.

³⁴ The City agreed to pay the \$22.39 per diem, \$3.2 million in medical, and \$2.4 million in court services costs in 2003. Hamilton v. Morial, Docket No. 69-2443, E.D. La., *Settlement Agreement*, Doc. No. 1883, March 28, 2003.

The budget submission stated that “the inmate per diem of \$22.39 paid by the City of New Orleans is woefully inadequate to meet basic security, food, medical, and other costs, much less provide preventative programming for inmates.” As shown in Figure 1, the City actually spent \$15 million more than the oft-cited \$22.39 per diem; the City’s contribution to OPSO was \$47.26 per inmate per day. The benchmark comparison between New Orleans and Louisville also demonstrates that OPSO was not underfunded in 2011.

The OPSO budget submission listed broad categories for the agency’s revenue sources, aggregating some unspecified revenue sources into the category “other.” Expenditures were listed by “cost center,” the categories of which did not correspond with revenue sources. The budget submission failed to provide sufficient detail about revenue sources and did not clearly show how the funds from each revenue source would be spent.

The proposed budget listed expenditure categories according to OPSO operations, not Jail operations. Even though these categories were further divided into more specific subcategories, as shown in Figure 5, the specification was not useful to the City, because it was not based on Jail operations. Listing expenditure categories specific to Jail operations would have enabled the City to know exactly how its appropriated funds would be spent. The budget submission also included costs associated with non-Jail inmates and other divisions within OPSO for which the City was not financially responsible.

Figure 5: OPSO 2011 Operating Budget Projected Expenditure Categories and Sub-Categories for Jail and Non-Jail Functions

Expense Category	Expense Sub-Category
Central Services	Sheriff Office, Legal, Administration, Planning Compliance & Grants, Internal Affairs, Communications, Risk Management
Court Costs	Transportation, Court Security, Subpoena/Capias
Security Services	Administration Central Security, Honor Guard, Special Operations, K9, Old Parish Prison, House of Detention, Work Release, Conchetta, South White, Mounted, Reserves, Templeman V, Quality Control, Temporary Detention, Nat Hall, Search and Rescue, Tactical, Motorcycle, Honor Guard [sic], Mobile Command, Medical Transport
Administration	Accounting, Payroll, Personnel, Purchasing, Training, Tech Services, Administration
Plant & Maintenance	Old Parish Prison, CCC, House of Detention, Broad, Conchetta, Zaffuto, Fisk School, Inmate Housing, Central Maintenance, Mechanic Shop, South White, Other Facilities, CWA, Intake Processing Center, Templeman V, Store Room Warehouse, Tent City, 3205 Perdido, Bunker, Westbank Office, Nat Hall Village, American Textile Building, Aquaculture
Grants & Special Programs	Special Projects, Young Marines, Day Reporting, Re-Entry Program
Records & Booking	Records & Booking
Inmate Services	Food, Medical, Trust Department

Because OPSO did not budget for specific Jail costs, it was impossible to determine exactly how much of the anticipated revenue from the City would be spent on Jail versus non-Jail functions. For example, most of the sub-categories in Central Services and Administration appeared to include OPSO civil division operations. Also, all of the sub-categories related to the custody of inmates referred to all inmates regardless of type, whether City or sentenced DOC or federal. Because the City was not fiscally responsible for DOC or federal inmate costs, OPSO should have identified the City-funded (Jail) expenses separately from detention costs funded by other revenue sources. OPSO's budget submission also included the expenses for programs either not required by the housing and care of, or available to, City inmates, such as the Young Marines, Day Reporting, and Work Release programs.

Inspectors could not determine how much was actually spent on Jail operations because OPSO did not segregate Jail expenditures from other OPSO expenditures. In fact, no one at either the City or OPSO could know how much it actually costs to run the Jail without the ability to track Jail expenditures by function and activity.

The Local Government Budget Act requires a political subdivision to submit "actual expenditures and estimates of all expenditures to be made the remainder of the year itemized by agency, department, function, and character... ." One purpose of developing a budget by function is to make all expenditures transparent. OPSO would have to provide a functional budget for the Jail separate from other OPSO functions in order to make Jail expenditures visible. OPSO failed to provide the City with a Jail budget that included expenditures itemized by "agency, department, function, and character" according to Jail operations, in violation of the Local Government Budget Act.³⁵

The transparency required by the Local Government Budget Act enables executive and administrative officers to exercise control over their jurisdiction's budget. It would be impossible for either the City or OPSO to determine the various cost elements of the Jail without specific functional budgets. And without knowing the cost of individual functions associated with running a jail cost, it is impossible to prioritize spending decisions. For example, financial information about specific Jail functions and programs would be essential when considering possible correctional alternatives, such as electronic monitoring, work release, or pretrial release services, which should reduce incarceration and its associated high cost.³⁶ Neither the Sheriff nor the City would be able to control Jail costs without this budgetary information.³⁷

³⁵ La. R.S. 39:1305.

³⁶ During the 2013 budget hearings, the City Council demonstrated its commitment to reducing incarceration costs by allocating \$483,000 to New Orleans's pretrial services program, a model program implemented by local jurisdictions across the country to reduce incarceration. Pretrial programs use empirically-tested screening assessments to provide judges with information that helps them make consistent, informed release decisions based on an individual's risk of flight or risk to society rather than an individual's ability to pay bail.

³⁷ Ideally, global criminal justice system planning and budgeting would make it possible to determine the impact of alternatives such as community service or substance abuse treatment programs on (continued on the next page)

Each jail activity or function has costs associated with it. There are direct costs of services, such as housing, food, medical care, and personnel, and programs such as work release. For example, if a jail operates a work release program, the budget should identify all the costs associated with running that program. If it is housed in a particular building, then costs associated with operating that building, such as utilities, should be an expense of the program. And if all utilities are included in one bill, a portion of those costs should be assigned to the program. Program or activity-based budgeting, combined with valid data on program outcomes, would enable a jail administrator to determine a program's cost effectiveness, to eliminate hidden costs, identify activities with higher costs, and exercise control over the budget.

Budgeting is a political activity, and jails must compete with other public safety agencies for limited dollars. Jail administrators must be able to make funding requests based on verifiable information that connects costs with public safety benefits in order to make effective arguments for increased funding.

FINDING 3. The City had no way of knowing how its funds were being spent, because OPSO comingled funds from all operating and some capital revenue sources.

According to OPSO's 2011 annual audit, the agency used fund accounting to "to ensure and demonstrate compliance with finance-related laws and regulations." The audit defined a fund as "a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives." OPSO had three categories of Funds: (1) Governmental, (2) Proprietary, and (3) Fiduciary. Inspectors reviewed the 2011 audit and interviewed OPSO staff to understand its Governmental and Proprietary Funds revenue-to-expenditure streams, which accounted for all spendable resources.

OPSO's Governmental Funds consisted of the agency's General Fund, Capital Project Fund, and Debt Service Fund. OPSO deposited most of its revenues into the General Fund, including the bulk of one-time FEMA Recovery Grant monies, over \$60 million, collected in 2011. The second-largest revenue stream was from the City for OPSO Jail costs. According to the audit, the City spent \$28,643,404 on OPSO operating expenses; however, inspectors determined that the City actually spent closer to \$36 million on Jail operations (Figure 1).

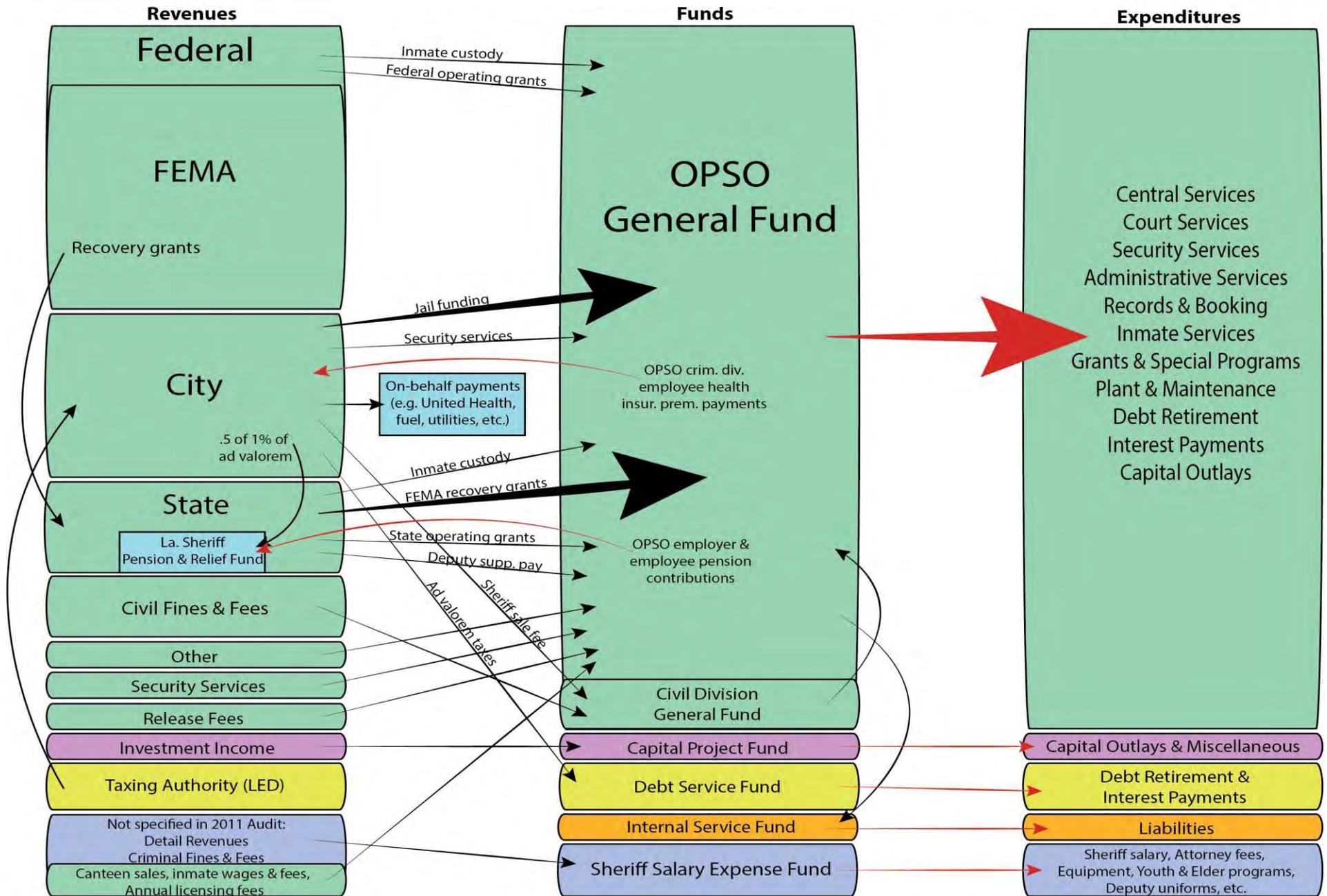
Inspectors reviewed OPSO 2011 financial documents, such as the annual audit and the budget submission to the City, and interviewed OPSO and City staff to understand the operational accounting practices of OPSO. Inspectors then developed a chart of the in- and out-flows of OPSO's revenues and expenditures to illustrate those processes (Figure 6). We wanted to determine whether it was possible to follow the accounting of City funds appropriated to OPSO for Jail operations and determine whether the monies were spent appropriately.

the City's incarceration costs. In many municipalities, criminal justice coordinating agencies provide the structure for this type of planning and coordination.

According to the audit and OPSO staff, all revenues, except ad valorem tax monies, investment income, licensing fees, criminal fines and fees, detail revenues, and other unspecified revenues, were deposited into the OPSO General Fund. Invoices for OPSO expenses were paid from the General Fund as they were received. As a result, OPSO's budgeting practices mixed funds allocated by the City specifically for support of the Jail with other revenues marked for non-Jail operations, and paid for all expenditures (Jail and non-Jail) out of the General Fund, as shown in Figure 6.³⁸

³⁸ OPSO reported that operating and capital revenues were not comingled in the agency's General Fund, but did not provide supporting documentation. The 2011 audit showed both operating and capital funds included in OPSO's General Fund.

Figure 6: In- and Out-Flows of OPSO Funds



*LED refers to the Orleans Parish Law Enforcement District created by La. R.S. 13:5901, and for which the Sheriff is ex officio.

As Figure 6 demonstrates, all revenue sources colored green and designated by black arrows flowed into OPSO's General Fund. From there, money was used to pay for expenses as they arose, indicated by red arrows from the General Fund to OPSO expenditure categories on the right of the diagram. According to OPSO's 2011 budget submission to the City, and as listed under "Expenditures" in Figure 6, the expenses paid for out of the General Fund included the personnel, contract, and supply costs associated with central services, court services, security services, administrative services, records and booking, inmate services, grants and special programs, plant and maintenance, debt retirement, interest payments, and capital outlays.³⁹ As shown in Figure 5, OPSO delineated the costs for each of these major expense categories according to sub-categories that mixed Jail and non-Jail operations.

Figures 5 and 6, when considered together, suggest that OPSO's budget and accounting practices did not provide the City with the information necessary to determine how City funds for the Jail were being spent. Because OPSO failed to budget for spending according to Jail versus non-Jail operations, the City had no way of knowing whether its funding for the Jail was used accordingly.⁴⁰ OPSO also mixed operating revenues with one-time FEMA payments, which were obligated for capital projects. There was no way to determine whether the recovery money was used solely for capital expenses. By law, OPSO is required to provide the City with a useful functional budget so that spending may be tracked; otherwise, the City is authorized not to appropriate funds to OPSO (Refer to Finding 2).

A legislative review and interviews with OPSO staff also revealed omissions in the 2011 audit. For instance, OPSO maintained a Sheriff Salary Expense Fund, authorized by state statute and confirmed by OPSO staff.⁴¹ Revenues from detail work, which were also not reported in the audit, were reportedly deposited in this expense fund and used to purchase uniforms and equipment for deputies. State statute also identifies a series of criminal fines and fees collectible by OPSO, but the audit failed to mention these revenues.⁴²

OPSO staff also told inspectors that civil fines and fees were deposited into the civil division's general fund, from which all civil division expenses were paid. Any surplus was used to offset expenses in the criminal division. And the 2011 audit stated that "the accompanying 2011 financial statements include twelve months of the combined operations of the former Orleans Parish Criminal Sheriff's Office and the former Orleans Parish Civil Sheriff." However, the audit failed to include an expenditure category for civil division costs, suggesting the possibility that comingled funds in OPSO's General Fund could be used to pay for criminal and civil division operations. In other words, City funds, as part of the OPSO General Fund, could have been inappropriately used to pay for civil division operations; similarly, civil fines and fees could be

³⁹ The OPSO annual audit for 2011 did not include the sub-categories or delineate costs according to personnel, contract, and supply, as is provided in OPSO's budget submission for the same year.

⁴⁰ City officials reported that per diem, medical, and court payments were made to OPSO in lump sum form and OPSO spent the money as it wished; the City provided no input or oversight.

⁴¹ La. R.S. 13:5522.

⁴² La. R.S. 13:5599. For the purposes of Figure 6, we assumed the criminal fines and fees revenues were also directed to the Sheriff Salary Expense Fund since they were not mentioned in the audit.

providing additional Jail revenue. There is no way of knowing given the budget information presented to the City by OPSO.

The same logic could be applied to payments for legal fees. State statute authorizes Louisiana Sheriff’s Offices to hire two lawyers, but it prohibits the Office from using local or state government funds to pay for those lawyers. It would be impossible to determine whether funding from either the City or the State is paying the fees for two OPSO lawyers given the comingling of revenues from different sources in OPSO’s General Fund.⁴³

Administrative authority and financial responsibility for the Jail

FINDING 4. The City had financial responsibility for the Jail, and OPSO had administrative authority over the Jail. Since neither the City nor the Sheriff’s Office were wholly accountable for both the costs and the conditions of the Jail, neither entity ensured the safety, security, and efficiency of the Jail.⁴⁴

Inspectors identified the legal authority for the current financial and administrative structure of the Jail in an effort to determine why the City and the Sheriff’s Office have failed to reach a workable arrangement for Jail administration and financing that resulted in a safe and secure facility.

Figure 7: Governance Mandating City Funding of OPSO-Operated Jail

	Administrator	Funding Source	Gov. Authority
City Jail Operations			
Criminal Division Employee Salaries	OPSO	City	La. R.S. 13:5604
<i>Employee Benefits</i>			
Workmen's Compensation & Unemployment	City	City	Consent Decree
Health Insurance	City	City	La. R.S. 13:5559
(Pension)	LSPRF*	Ad valorem taxes	La. R.S. 11:2174
(Deputy Supplemental Pay)	OPSO	State	La. R.S. 33:2218.8
<i>City Inmate Costs</i>			
Housing and Board	OPSO	City	La. R.S. 15:304
City Jail & Kitchen	OPSO	City	La. R.S. 13:5603
Medical Care	OPSO	City	La. R.S. 15:304
Transportation	OPSO	City	La. R.S. 40:2012.3
Court Services	OPSO	City	Consent Decree
Fuel for Transportation	OPSO	City	Consent Decree
Materials & Supplies	OPSO	City	La. R.S. 33:4713
Building, Office, Maintenance, & Utilities	OPSO	City	La. R.S. 33:4714 La. R.S. 15:702

*LSPRF = Louisiana Sheriff Pension & Relief Fund

⁴³ La. R.S. 13:5605. Since at least 1968, OPSO has contracted the services of Usry & Weeks, and later Usry, Weeks & Matthews, APLC. Costs for legal services in 2011 were more than \$1.7 million.

⁴⁴ The term “Jail” refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; and DOC pre-sentencing inmates.

Figure 7 lists Jail expense categories in the first column, the funding source in column three, and the governance that determines the funding source in the last column. The second column shows the entity responsible for the administration of the funding. The table highlights the separation of financial responsibility from administrative authority over Jail expenses and the operations they fund.

Separating financial responsibility for the Jail from the administrative authority needed to oversee the expenditure of funds has engendered an historically adversarial relationship between the Sheriff's Office and the City. Because responsibility and authority for the Jail are divided, neither the City nor the Sheriff's Office could be held wholly accountable for the costs of the Jail and its conditions. In fact, each holds the other responsible for the Jail's poor facilities, medical care, and unsafe conditions, and neither entity has ensured the safety, security, and efficiency of the Jail.

For fifty years, the City and the Sheriff's Office have clashed over funding and conditions in the Jail, beginning with a decade-long struggle between Sheriff Louis A. Heyd, Jr. and Mayor Victor H. Schiro over growing concerns about crowding and untenable conditions in the Orleans Parish Prison. By the end of the 1960s, the deteriorating situation resulted in a 1969 consent decree, *Hamilton v. Schiro*.

The availability of federal grant monies through the Law Enforcement Administration Act enabled the City to build a new municipal corrections facility in New Orleans in the mid-1970s, relieving the crowded conditions in the old facility and improving the relationship between the City and the Sheriff's Office.⁴⁵ The Sheriff's Office established programming, such as the About Face, education-literacy, adult education and high school equivalency diploma, prison art, and job training. It also expanded its property holdings significantly. Skyrocketing arrest and incarceration rates and stiffer sentencing laws increased the demand for inmate housing; OPP became one of the largest urban jail systems in the country.⁴⁶

By the 1980s, however, the situation was again worsening as federal funding diminished. Sheriff Charles C. Foti, Jr. noted that a "steady decline began" in 1980, and his

"office [had] not been left unscathed. In the [last] ten years I have experienced a dramatic increase in prison population. During the last four years, this rising population has not been matched by an increase in available manpower. I have

⁴⁵ City bond sales paid for half the total projected cost of \$13 million; federal funding through the Law Enforcement Assistance Act and state funding through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice each paid \$3.25 million or one quarter of the cost. However, the actual cost was approximately \$14 million. Additional building phases were projected to bring the cost of the entire complex to \$27.7. Clarence Doucet, "Was at \$14 Million—Now: \$27.7 Million," *Times Picayune*, April 26, 1973. The increasing availability of federal and state funding through the Law Enforcement Assistance Act financed both additional programming and a number of improvements in the entire jail complex in the 1970s.

⁴⁶ Charles C. Foti, Jr., Criminal Sheriff, "Orleans Parish Criminal Sheriff's 1988 Report," March 15, 1989, New Orleans Public Library, Louisiana Division.

been forced to house these prisoners in costly pseudo-prisons because of a lack of adequate bedspace. The last real jail was built ten years ago.”⁴⁷

Meeting the growing financial and facilities needs of the Sheriff’s Office proved increasingly difficult.

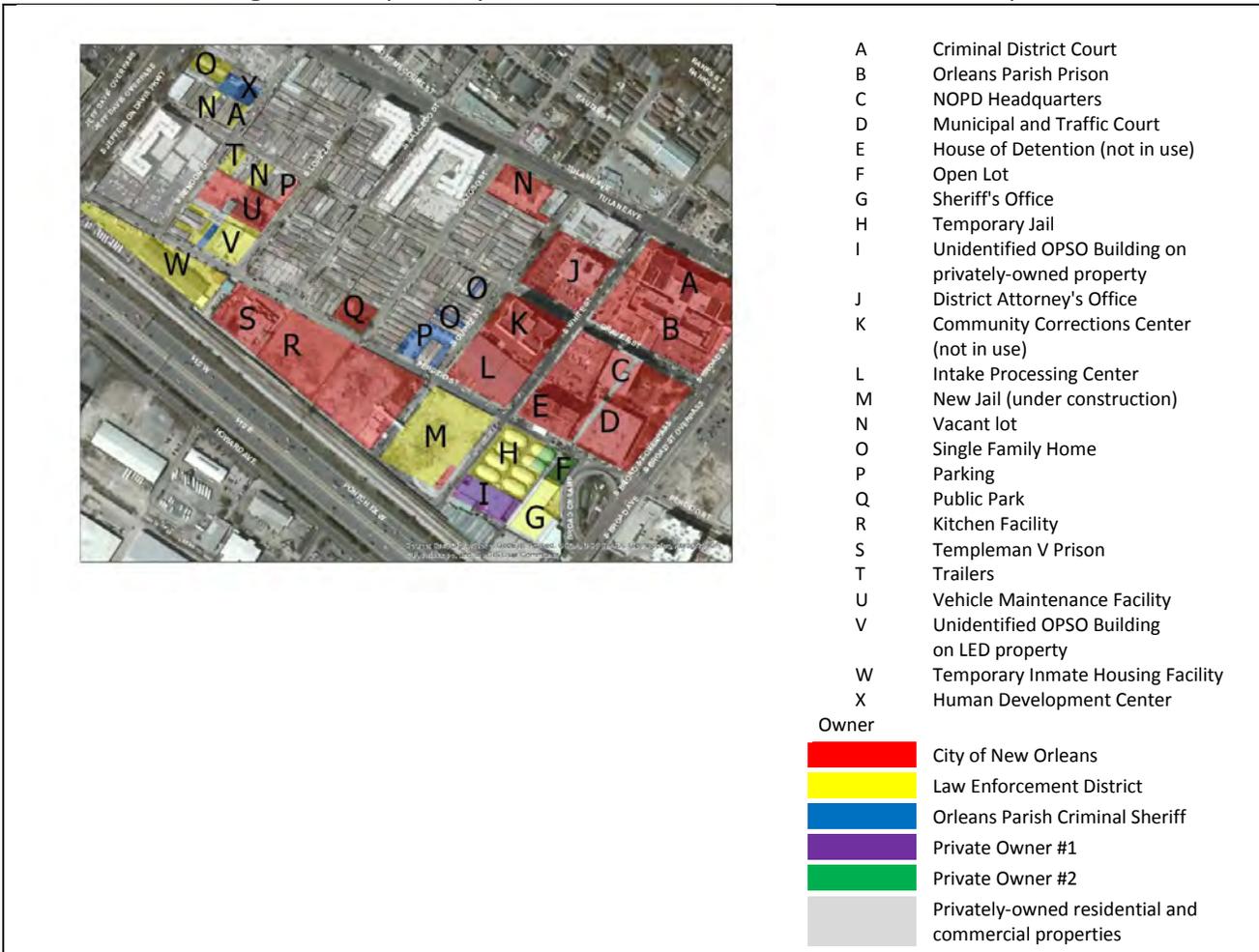
By the late 1990s both parties were again in court. Between 1998 and 2005, the Sheriff’s Office sought to “Enforce Orders of Court” by filing nine motions for Jail Funding Judgment. The motions sought the court’s help in compelling the City to pay OPSO for expenses incurred in the housing of and caring for City inmates. The motions indicated the City’s payments to OPSO were up to three months late at least once a year; amounts owed ran as high as \$6.2 million.⁴⁸

There were additional consequences of the City and OPSO’s failure to cooperate and coordinate efforts to improve the City’s correctional facilities besides the consent decree currently before the court. In May 2012 the U.S. Department of Homeland Security Office of Inspector General (DHSOIG) released a report regarding FEMA’s public assistance grant funding to OPSO, in which it questioned OPSO’s authority to apply for recovery grant assistance for properties it did not own.

⁴⁷ Foti, “Orleans Parish Criminal Sheriff’s 1988 Report,” p. 3-4.

⁴⁸ Jones v. Gusman, 12-859, E.D. La., *Exhibit ‘C’—History of Delinquent Funding Motions*, Doc. No. 402-3, April 23, 2013.

Figure 8: Map of City, OPSO, and Law Enforcement District Properties



FINDING 5. The City and OPSO have insufficiently coordinated efforts to improve corrections outcomes and rebuild after Hurricane Katrina; as a result, the U.S. Department of Homeland Security Office of Inspector General recommending that FEMA disallow \$97.4 million of \$104.5 million awarded for rebuilding Jail facilities.

Hurricane Katrina devastated the operations and facilities of the Sheriff's Office, which responded quickly to rebuild the facilities. OPSO⁴⁹ submitted FEMA worksheets for Public Assistance Grant Funds (Funds) to replace corrections facilities lost during the hurricane. The issues raised by OPSO's efforts to obtain the Funds revealed significant consequences stemming from the troubled City-OPSO relationship.

⁴⁹ The Orleans Parish Criminal Sheriff's Office (OPCSO) filed the worksheets before the merger of the civil and criminal offices. OPSO is now the applicant.

DHSOIG's report titled "Legal Responsibility Issues Related to FEMA Public Assistance Grant Funds Awarded to Orleans Parish Criminal Sheriff's Office, Orleans Parish, Louisiana" informed FEMA that it had erroneously obligated \$97.4 million for "work that was related to or funded from projects related to properties that OPCSO does not own."⁵⁰ The report went on to say that "[t]he City owns most of the properties that OPCSO uses for its operations, but does not have a written agreement with OPCSO regarding their use ... [and] FEMA officials acknowledge that legal disputes exist between OPCSO and the City regarding property ownership... ." DHSOIG listed ten properties in question.⁵¹

The growth of OPP over the last several decades resulted in a patchwork of City- and Sheriff or Law Enforcement District-owned properties. Figure 8 depicts the properties scattered over approximately 16 squares between Interstate 10, Broad Street, Tulane Avenue, and Jefferson Davis Parkway. The Assessor lists the City of New Orleans as the owner of the majority of these properties.⁵²

Assessor records indicate that OPSO recently constructed a Warehouse and Kitchen complex on property owned by the City ("R" in Figure 8); the new inmate housing building is being constructed with FEMA funds on a property almost entirely owned by the Law Enforcement District, of which the Sheriff is CEO. DHSOIG has requested "proof of ownership or any type of lease or written agreement regarding legal responsibility" for the projects in question. Additional unresolved questions involved insurance issues; neither FEMA nor the Louisiana Governor's Office of Homeland Security and Emergency Preparedness "knows who is legally responsible for obtaining and maintaining insurance on damaged facilities, which is a condition of funding."

Unless OPSO and the City can reach a "legally binding agreement regarding ownership and legal responsibility for these properties," the DHSOIG recommended that FEMA require "GOHSEP to recover all Federal funds paid to date to the two entities for these properties."

⁵⁰ Report DD-12-12 is available at www.oig.dhs.gov/assets/GrantReports/OIG_DD-12-12_May12.pdf.

⁵¹ The properties in question correspond to letters E, G, L, R, S, U, V, and W, in Figure 8.

⁵² The U.S. Homeland Security OIG attempted to obtain deeds or other legal documentation of ownership, but neither OPSO nor the City provided those documents; the Homeland Security OIG used assessor records to determine property ownership. The City and OPSO are discussing an agreement intended to resolve the issues of property ownership, legal responsibility, and responsibility for insurance raised by the U.S. Homeland Security OIG.

IV. CONCLUSION AND RECOMMENDATIONS

As the governing authority of the City-Parish, it is the City's responsibility to fund Jail operations adequately. The Local Government Budget Act gives the City not only the authority but the responsibility to ensure that OPSO's budget indicates exactly how City money is spent.

The acrimony that has surfaced in current consent decree discussions illustrates the tension created by placing financial responsibility for the Jail with the City and administrative authority over the Jail with the Sheriff's Office. The Sheriff's Office says the City is responsible for the Jail's problems because it underfunds the Jail; the City claims the Sheriff is managing the Jail badly. Neither party uses accurate Jail spending data to make a verifiable case.

The historically litigious relationship between the Sheriff's Office and the City provides little assurance that another consent decree will lead to a safe and secure Jail. The fundamental problem lies with the structural relationship between the City and the Orleans Parish Sheriff's Office.

RECOMMENDATION 1. The City should include all money appropriated or spent on the Jail in its annual budget.

The City should clearly identify all costs for the Jail, both allocated funds and in-kind support, in its Operating Budget so that the total cost of the Jail is readily apparent. This information is essential in order to determine budget priorities and make difficult funding decisions when public dollars are constrained. Further, connecting City revenues directly to Jail expenditures would promote clarity and public accountability.

RECOMMENDATION 2. The City should not appropriate funds for the Jail unless OPSO provides a detailed, line item functional budget that (1) includes both outcome and performance measures, and (2) connects City revenues to the Jail expenditures for which it is responsible.⁵³

OPSO and the City should develop and agree on a Jail budget that adequately funds the Jail. The budget should specify major functions and goals or outcomes for each; progress toward the goals should be assessed through performance measures.⁵⁴ At a minimum, the budget documents should enable the City and its citizens to see clearly how City dollars are being spent and whether a particular Jail function or program is meeting performance objectives.

⁵³ The City Council appropriates City funds by voting to adopt the annual operating budget ordinance, but this recommendation would be difficult to implement without the support of the City administration as well.

⁵⁴ The distinction between outputs and performance measures is important: an output is a measure of a unit of activity and may not provide any measure of the quality of performance; a performance measure gauges progress toward the goal and is a measure of performance quality. "Number of inmates processed" is an output; "Process 90% of inmates within X hours of arrival" is a performance measure.

It is incumbent upon the City to require budget information from OPSO that meets these criteria. Without it, the City should not allocate funds for the Jail. The imposition of a per diem reimbursement structure required by a consent decree has complicated such an effort in the past, but a mandated per diem should not and need not preclude a meaningful budget process. The City is currently paying much more than the mandated per diem, and it can negotiate with OPSO additional funding, including in-kind support, above the amounts mandated in the consent decree. However, this would only be possible if the City clearly identifies all OPSO funding for the Jail in its annual budget documents.

The consent judgment currently before the Court provides the opportunity to move away from a per diem funding structure to a rational budget structure for the Jail. Budgeting for actual, verifiable Jail expenses would be responsive to cost inflation and changing demands on the Jail. In addition, the process of preparing and adopting a budget based on verifiable expenses has the potential to reduce incarceration costs by increasing alternatives to incarceration, such as expanding the Day Reporting Center to include municipal inmates. The City should request that the Court establish a funding structure based on a Jail budget that identifies verifiable expenses related to the Jail instead of the current per diem payment structure.

In addition, the City should aggressively pursue changes in state statutes that require specific payments to the Sheriff's Office. Funding local governmental obligations, such as City/Parish offices and facilities, should be determined locally. State legislation that dictates local policy and establishes unfunded mandates makes it impossible for local governments to budget effectively.

The Jail budget should include revenues from all available sources and all expenditures related to the operation of the Jail to make total Jail costs transparent. OPSO's accounting practices should make it possible to provide running totals of expenditures in each Jail expense category. The current wording in the Amended Proposed Consent Judgment in Jones v. Gusman does not go far enough in this regard. The amended language reads: "Defendant will provide an annual budget for the expenditure of the funds for operation of OPP and an annual audited financial statement to the Monitor, the City and Plaintiffs."⁵⁵ It is unclear whether "operation of OPP" includes only correctional expenditures, and OPP's budget could include numerous costs of running the correctional facilities that are not essential to the housing and care of inmates for whom the City is responsible. The consent decree should make it clear that it is essential to distinguish Jail costs from other OPSO expenditures.

The Agreement also states that the Monitor will "assist in conducting oversight to ensure that funds for implementing this Agreement are allocated to achieve compliance." Given the long

⁵⁵ Jones v. Gusman, 12-859, E.D. La., *Joint Statement Amending Proposed Consent Judgment*, Doc. No. 183-1 (Consent Judgement) and Doc. No. 183-2, March 18, 2013.

history of City-OPSO funding disputes, it would be in the interest of both the City and OPSO to develop a permanent oversight structure independent from the federal monitor.⁵⁶

Finally, it is unclear that OPSO has financial processes and procedures in place for producing detailed budget reporting around identified cost centers related to the Jail. Inspectors' examination of OPSO's financial records indicated an absence of program-specific budgets. The majority of revenues were deposited in a general fund that did not track expenditures by category or by Jail versus non-Jail costs. And OPSO's expenditures surpassed its revenues in 2011, suggesting that expenditures were not monitored.

We recommend that the City develop a budget for OPSO that includes detailed line items for revenues and expenditures by Jail function and activity, goals and performance measures, and allocated amounts. The City could present this budget to OPSO, and it would then be incumbent upon OPSO to provide justifications for any budget requests or changes in allocated funding.⁵⁷

RECOMMENDATION 3. The Jail should not provide long-term housing for State Department of Corrections inmates or for inmates from other parishes.

OPSO has numerous revenue sources and costs related to duties and responsibilities not connected to the Jail, including all civil sheriff functions, some court security services, service of process, and community programs. However, OPSO's budget must separate Jail from other OPSO costs so that the City can determine that its funds are spent appropriately on Jail functions.

In 2011 the City subsidized the housing and care of both DOC inmates and prisoners from other parishes, and it is to the City's advantage not to house inmates other than those for whom it is responsible. Limiting the Jail's population in this way will make it possible for both the City and OPSO to identify true Jail costs and develop an adequate Jail budget. Certainly, the Jail should not house anyone other than the population of inmates for which the City-Parish is responsible until budget issues have been resolved and correctional outcomes for the Jail improve.⁵⁸

⁵⁶ *Id.*, Doc. No. 183-2. It should also be noted that a federal receiver would not necessarily solve the problems outlined in this report; the City and OPSO must develop budgeting and financial oversight capacities that make federal intervention unnecessary. The same argument could also be made for establishing local operational and medical oversight processes for the Jail.

⁵⁷ The Chair of the Multnomah County Board of Commissioners and Chief Executive of the county adopted this strategy for conducting budget discussions with elected sheriffs in Multnomah County, Oregon in order to gain control over incarceration costs in the 1990s. Portland is the county seat of Multnomah County, which is governed by the Multnomah County Home Rule Charter. County Commissioners set salaries for and allocate funds for county-wide offices and services, including, for example, the Sheriff's Office and District Attorney's Office, and the library system and public improvements.

⁵⁸ There is precedent for this action: in 1985, a Federal Court Order directed Kentucky State Corrections to remove state prisoners from what was then the Jefferson County Jail.

RECOMMENDATION 4. Financial responsibility for and authority over the Jail must rest with the same governmental entity. If the City and OPSO cannot agree on a Jail budget that meets the requirements in Recommendation 2, the City should take steps to assume control of Jail operations.

If the City and OPSO cannot agree on a budget for the Jail, we suggest that the City assume both responsibility for and authority over the Jail. There is no historical basis for the assumption that governing through consent decree will result in a safe, secure, or cost effective jail. Rather, this inspection of OPSO's 2011 funding disclosed unmonitored and excessive costs, and a new consent judgment currently under consideration alleges unconstitutional conditions at OPP.

The current structure of Jail governance, with financial responsibility and administrative authority vested in different governmental entities, has provided no incentive to control costs. In 2011 the consent decree's mandated per diem, medical, and other payments gave the City and the Council permission to allocate funds without (1) determining the City's total funding to OPSO, or (2) requiring OPSO to provide a good accounting of how those funds were spent.

If the City and OPSO cannot agree on a rational, detailed functional budget for the Jail, and a financial reporting structure that provides the City with full disclosure regarding the expenditure of its funds, the City should consider assuming operational authority over the jail. There appears to be no legal impediment to the City operating the Jail. In fact, both law and practice appear to distinguish between local jails and parish prisons, giving the City authority to run the local jail.

The 1868 Louisiana Constitution gave the Orleans criminal sheriff "charge of the parish prison."⁵⁹ State statutes provide that "each sheriff shall be the keeper of the public jail of his parish ..."⁶⁰ A statute specific to New Orleans states that the "house of detention or city jail of the city of New Orleans shall be operated by the City of New Orleans through the commissioner of public buildings and parks or by such other official as may be designated by the commission council of the city of New Orleans."⁶¹ The 1960 annual report for the City of New Orleans Department of Police identified the House of Detention as a "Bureau of the Department of Police," placing it under the supervision of Superintendent Joseph I. Giarrusso, and in 1969 the Department of Police proudly unveiled their new House of Detention and Central Lockup. The Sheriff administered the parish prison, receiving funds "appropriated by the City Council of New Orleans."⁶²

⁵⁹ Louisiana State Constitution, 1868, p. 13; <http://archive.org/details/constitutionadop1868loui>. The 1921 and 1974 Louisiana State Constitutions define the criminal sheriff's role as executive officer of the criminal court, but only reference previous constitutions for additional duties of the criminal sheriff. The term "parish prison" is a misnomer; a parish prison is a (county) jail.

⁶⁰ La. R.S. 15:704, La.R.S. 13:5539.

⁶¹ La R.S. 13:5603.

⁶² New Orleans Department of Police, Bureau of Correction, "Annual Report, 1960," Victor H. Schiro Collection, New Orleans Public Library, LA Division; "New Jail Facilities Readied," Times Picayune, December, 20, 1966; and Charles J. Rowe & Assoc., Architects, for City of New Orleans, "Architectural Program New Parish Prison,"

In fact, the source reference for La. R.S. 15:704, the oft-cited state statute identifying the Sheriff as the “keeper of the jail,” dates back to 1870 and has not been amended since then. Given that the City operated the Jail into the 1970s, there would appear to be no legal impediment to the City operating the Jail in the future.

Only within the last forty years has the operation of the Jail been the responsibility of OPSO. A clear distinction historically had been made regarding the difference between the Jail and the parish prison. However, whether the Jail comes under the City’s authority or the two parties reach an agreement regarding a workable funding process, the finances and operations of the Jail will require permanent, local monitoring, professional administration, and conscientious oversight.

December, 1968, Victor H. Schiro Collection, New Orleans Public Library, LA Division. This document clearly delineates the responsibility of the City for the Parish Prison: salaries were paid by the City; City Property Management maintained the “physical plant and vital services;” and operating expenses were based on a “per man per day for each inmate in custody.” There was no budget for capital equipment and such items as laundry or kitchen appliances had to be requested as special appropriations from the City Council.

V. OFFICIAL COMMENTS FROM CITY OF NEW ORLEANS AND ORLEANS PARISH SHERIFF'S OFFICE

City ordinance section 2-1120(8)(b) provides that a person or entity who is the subject of a report shall have 30 working days to submit a written explanation or rebuttal of the findings before the report is finalized, and that such timely submitted written explanation or rebuttal shall be attached to the finalized report.

An Internal Review Copy of this report was distributed on May 7, 2013 to the City of New Orleans and the Orleans Parish Sheriff's Office so that they would have an opportunity to comment on the report prior to the public release of this Final Report. The OIG received comments from both the City and OPSO, which are attached as Appendix B and Appendix C, respectively.

Any errors of fact or substantive concerns raised in the City's and OPSO's comments were addressed in the Final Report by inspectors in a manner consistent with the available evidence.

Appendix A

Benchmark Methodology

Benchmarking is the process of comparing peer groups on a particular measure of interest to identify performance discrepancies. The practice is particularly useful to local governments, because comparing public service performance across municipalities helps identify services that may not perform as well in one locale compared to another.¹ The results may reveal potential areas of concern regarding public services and their costs, and inform logical solutions by simple side-by-side comparison.

Sometimes problem areas in public service are suspected prior to benchmarking, in which case a comparison group that exhibits success in the performance area of interest may be used as a standard against which the local government's observed performance can be assessed. If meaningful discrepancies are discovered between the anchor group's performance and that of a desirable comparison, the comparison group's performance may serve as a useful model for the anchor group.

For the current inspection, we wanted to know whether the financial support of the Orleans Parish Sheriff's Office (OPSO) was adequate for OPSO to run a safe and constitutional Jail, and determined that a benchmark comparison with an already successful corrections department in a city with similarities to New Orleans would help us answer the question. We identified Louisville, Kentucky as a useful peer group due to the following structural similarities with New Orleans:

- The boundaries of the City of Louisville are coterminous with those of Jefferson County, similar to the parallel boundaries for the City of New Orleans and Orleans Parish.
- Despite being 40 percent larger in population than the City of New Orleans, the City of Louisville collected about the same amount in general fund revenues in 2011 (\$489 million and \$496 million, respectively) to support local government operations, including the operation of the Jail system.^{2,3}
- The Louisville Metro Department of Corrections (LMDC) served approximately the same number of municipal and pre-sentencing state inmates as OPSO in 2011 (an average daily population of 1,992 versus 2,018, respectively) with a similar number of Jail employees (683 versus 659, respectively).
- LMDC and OPSO each collected approximately \$50 million in revenues for Jail operations in 2011 across revenue sources.
- In the past few decades, LMDC faced similar ongoing challenges also faced by OPSO, such as chronically overcrowded conditions.⁴ The Louisville jail was also under a long-standing consent decree, from 1985 until 2000.

¹ For the current benchmark, inspectors wanted to compare the service of spending public funds.

² The population in New Orleans in 2011 was estimated at 343,829, while Louisville's population the same year was estimated at 597,337.

³ Jail refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; as well as pre-sentencing DOC inmates.

⁴ Louisville Metro Criminal Justice Commission, "Operational Audit of the Louisville Metro Department of Corrections," June 15, 2012; <http://www.louisvilleky.gov/corrections/>.

Inspectors determined that Louisville Metro’s spending on its Department of Corrections could serve as a model for OPSO due to the success of the LMCD program over recent years. Noting that LMDC was in the “process of pursuing accreditation by the American Correctional Association,” Louisville Metro’s Criminal Justice Commission organized its 2011 audit of LMDC “in a manner consistent with the ACA accreditation process for large jails and utilized the American Correctional Association (ACA) Core Jail Standards as the foundation for the two-day on-site assessment.”⁵ The audit team found LMDC to be in compliance with ACA Core Jail Standards and “fulfilling its mission to manage offenders in a safe, humane and professional manner.” The audit also stated that surveyed stakeholders viewed the operation of LMDC positively and were satisfied with services provided by the department.

Given the apparent success LMDC exhibited in improving its Jail operations, we selected LMDC as our benchmark and compared LMDC’s and OPSO’s spending on correctional functions in 2011. Both governmental agencies had a similar amount of funding for Jail operations in 2011, but they had varying outcomes regarding cost and performance.

Methodology

Inspectors compared the revenues and expenditures of OPSO and LMDC, two agencies with a similar number of Jail personnel tasked with serving a similar number of municipal and pre-sentencing state inmates. We took the following steps to ensure the revenue and expenditure values reported for the two jurisdictions in Figure 3 were accurate and as comparable as possible:

Number of Jail Personnel

LMDC only operates a Jail, so the reported number of personnel was easily retrieved from the City’s budget and LMDC documents located on its website.⁶ The number of personnel employed by OPSO tasked with Jail operations was less clear, because OPSO performs a host of other functions beyond the Jail, including civil division functions. Inspectors reviewed a 2011 personnel list provided by OPSO and removed all non-Jail employees. Employees included in the 442 benchmark count for OPSO Jail operations were those listed by OPSO as assigned to the following divisions: Conchetta facility, Court security, House of Detention security, Intake and Processing, Intensive Incarceration Program, Medical Transport Unit, Municipal and Traffic Court security, Old Parish Prison security, Outside security, Sheriff Visitation Program, Special Operations, Templemen V, Temporary Detention Center, Tents, and Transportation.

Average Daily Jail Populations

The average daily Jail population for LMDC (1,992) was presented in the LMDC Fact Sheet 2011. We calculated OPSO’s daily Jail population by reviewing semi-monthly invoices sent by OPSO to the City for

⁵ Louisville Metro Criminal Justice Commission, “Operational Audit.”

⁶ LMDC documents are available at <http://www.louisvilleky.gov/corrections/> and Louisville Metro’s budget documents are available at http://www.louisvilleky.gov/yourtaxdollarsatwork/2012-13_budget.htm.

inmate per diem charges and Electronic Monitoring Program (EMP) per diem charges. From the inmate per diem invoices, each of which included a list for that billing period of all days an inmate served time in the Jail, we removed the state, federal, and other-parish inmate days indicated as “reimbursed” to the City, leaving a total of 736,622 municipal inmate days for 2011. The EMP invoices for 2011 included charges for 25,594 adult home incarceration days. We added these two numbers together to get a total number of “corrections” days in 2011 for OPSO (762,216).⁷ We divided each value by 365 to get average daily corrections populations monitored by OPSO; on average there were 2,018 inmates per day and 70 home incarcerated per day in 2011.

Jail Revenues

For Jail revenues, we obtained all of LMDC’s values from Louisville 2011 budget documents.⁸ For, OPSO, we were not able to rely on any one financial document. Instead, we culled information from a variety of sources. We looked first at City General Fund (OPSO’s largest operational revenue source) and other jurisdictional in-kind support to OPSO. We calculated the total amount of City financial and other in-kind support for Jail operations as explained in Finding 1 (and listed in Figure 1) of the report for a total of \$36,020,206. We obtained the remaining OPSO revenue values from the agency’s 2011 audit.^{9,10}

Jail Expenditures

LMDC’s expenditures were reported in Louisville’s budget document according to the specific categories of personnel, contract, supplies and equipment, inmate food, inmate medical, and legal. We could not use the actual amounts reported in the OPSO 2011 audit for the expenditure comparison because they were not delineated according to Jail spending categories. Instead, we used OPSO’s 2011 budget proposal to the City, which reported expected expenditures according to OPSO subdivisions and across the spending categories of personnel, contract, and supply (as presented in Figure 5 in the report), allowing for a more straightforward and detailed comparison to LMDC expenditures.

⁷ This value was also used to calculate the estimated cost per day in Figure 2 of the report.

⁸ LMDC’s general fund and jurisdictional in-kind support total of \$49,002,700 was calculated by adding the general fund appropriation presented in Louisville’s budget document (\$46,015,700) and \$2,987,000 in debt repayment revenues.

⁹ The OPSO self-generated funds included revenues collected for security services (\$1,634,068), restitution payments (\$638,839), release processing fees (\$530,986), “other” income (\$2,823,154), and commissary sales (\$682,986).

¹⁰ We included the “transfer in to general fund,” “investment income,” and “bond and note issue” as OPSO revenue sources because these were listed in the 2011 audit as other financing sources for debt repayment not explicitly listed as funding for capital projects.

We began by removing all expenditure subdivisions related to non-Jail functions. For example, we did not include any costs associated with the K9 unit, reserves, quality control, search and rescue, Honor Guard, Mobile Command, payroll, and other categories unrelated to the Jail. Next, we summed the remaining Jail expenditure category amounts to obtain total expected expenditures in personnel, contracts, and supplies. We removed the personnel, contract, and supply costs associated with inmate food, inmate medical, and legal from the corresponding totals, and reported the values separately.¹¹

For the Debt Service expenditure category, we contacted Louisville's General Accounting Office, which provided the LMDC debt service dollar amount paid in 2011 (\$2,987,000). This value reflected repayment of debt acquired due to the building of a new jail facility in the 1990s. For OPSO, we obtained an actual value of \$15,703,725 for 2011 debt repayment from the agency's audit report, but reduced this number by \$3,782,660 to a value of \$11,921,065. The reduction accounted for the portion of the debt repayment allocated to other agencies for a 2001 bond series retired in 2011.¹² The total amount retired was \$7,565,320; because half of the bond proceeds were sold for other agencies, we reduced this value by 50 percent. We attributed the remaining debt service expenditure in 2011 (\$8,138,405) to OPSO because none of the other agencies' 2008 bond proceeds had been sold as of May 15, 2012;¹³ therefore, the remaining debt for the 2008 bond series was due to expenditures made by OPSO.

Conclusion

LMDC is a similar-sized correctional agency operating a safe and constitutional jail. We suggest that the results of this benchmark analysis could serve as a starting point for discussions about ways to improve the safety, security, and cost effectiveness of the New Orleans Jail. For instance, Louisville took responsibility for improving the conditions in, the operations of, and the financial efficiency of its jail by making it a department of the Metro Government. Like Louisville's police department or any other department, LMDC operates within a budget, and its costs and revenues are disclosed in Louisville Metro's budget documents. In this way, Louisville Metro assumed responsibility for both the operational authority over and the financial obligation for the jail, enabling the Metro Government to increase transparency and improve accountability and correctional outcomes.

¹¹ For inmate food expenditures, we reduced the total expected value in the 2011 proposed budget from \$7,069,041 by 31% to \$4,877,638 to account only for the inmate food costs the City was financially responsible for.

¹² The other agencies receiving 2001 bond proceeds were the District Attorney, Criminal District Court, Clerk of Criminal District Court, Juvenile Court, and Municipal and Traffic Courts.

¹³ The other agencies receiving 2008 bond proceeds were the District Attorney, Coroner, Clerk of Criminal District Court, Juvenile Court, and Municipal and Traffic Courts.

Appendix B
CHIEF ADMINISTRATIVE OFFICE
CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU
MAYOR

ANDREW D. KOPPLIN
FIRST DEPUTY MAYOR & CAO

June 5, 2013

Mr. Edouard Quatrevaux
Inspector General
Office of the Inspector General
525 St. Charles Avenue
New Orleans, Louisiana 70130

Dear Inspector General Quatrevaux:

Re: Inspection of City Funding to Orleans Parish Sheriff's Office in 2011 Report

Thank you for preparing the report on City Funding to Orleans Parish Sheriff's Office (OPSO) in 2011, a topic of great significance at the present time. The question of how much the taxpayers of Orleans Parish and separately the City's General Fund support jail operations of the OPSO is one that has been the subject of much debate and this reports sheds important light on that question. As the report notes, the City's general fund contributions are significant and go well beyond just the per diem amount most-often cited as the extent of City support, and do not take into account other taxpayer support and revenue generated by the OPSO. Further, the report points out that the OPSO's internal budget documents lack clarity and that the information the OPSO provides to the City to support its appropriations requests is wholly insufficient.

Please find below some specific responses regarding the report's Findings and Recommendations that relate to the City of New Orleans.

FINDING 1. **In its 2011 Operating Budget, the City appropriated its General Fund allocation to OPSO in one lump sum and did not include all financial support for Jail operations.**

RECOMMENDATION 1. **The City should include all money appropriated or spent on the Jail in its annual budget.**

City of New Orleans Response to Finding # 1 and Recommendation #1.

The appropriation to the OPSO is made to the OPSO as a Department, just as other appropriations are made to city departments or outside agencies. As the report points out,

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additional appropriations that benefit the OPSO are made to Departments such as CAO for overall city expenses such as fuel, worker's compensation, utilities, employee health care, of which a portion supports jail operations.

The City agrees that the departmental nature of the Annual Budget makes it challenging for policy makers and taxpayers to determine all of the resources used to support jail operations at the Orleans Parish Sheriff's Office that are financed by City taxpayers. Therefore, we will include in the OPSO section of future Annual Budget documents supplementary information that presents an overall estimate of resources from all departmental appropriations that are used to support jail operations in order to provide a more robust picture of City support.

FINDING 4. The City had financial responsibility for the Jail, and OPSO had administrative authority over the Jail. Since neither the City nor the Sheriff's Office could be held wholly accountable for both the costs and the conditions of the Jail, neither entity ensured the safety, security, and efficiency of the Jail.¹

City of New Orleans Response to Finding # 4

The City agrees that the jail should be safe and secure, and the City has provided funding to the jail in compliance with the judgment in *Hamilton v. Morial*. As the Sheriff has acknowledged in court testimony and filings, he is the sole manager of the jail and is the "keeper of the jail" under Louisiana law. In an effort to ensure that the funds provided by the City to the Sheriff are used to effectively manage the jail, the City has filed a motion in federal court to appoint a receiver at the jail. The City's motion is still pending.

FINDING 5. The City and OPSO have insufficiently coordinated their efforts to improve corrections outcomes and rebuild after Hurricane Katrina, resulting in U.S. Department of Homeland Security Office of Inspector General recommending that FEMA disallow \$97.4 million of \$104.5 million awarded for rebuilding Jail facilities.

City of New Orleans Response to Finding # 5

Since taking office in 2010, Mayor Landrieu and the City Council worked with the Sheriff and approved ordinances and issued permits necessary for the Sheriff to undertake construction of a new 1438 bed jail. More recently, the City has worked with the Sheriff to determine ownership and legal responsibility for the properties at Orleans Parish Prison in an effort to resolve the DHS OIG recommendation. As a result, the City and the Orleans Parish Sheriff's Office have entered into a Cooperative Endeavor

¹ The term "Jail" refers to the system of facilities used to house and care for inmates for whom the City is financially responsible: municipal inmates, pre- and post-sentencing; and DOC inmates with open state charges.

Agreement outlining agreed upon ownership and legal responsibility for each building that we believe will lead to a resolution of this issue.

Thank you again for preparing this important and timely report.

Sincerely,

A handwritten signature in black ink, appearing to be 'AK', written over a horizontal line.

Andrew Kopplin
First Deputy Mayor & Chief Administrative Officer
City of New Orleans

Cc: Colonel Jerry Sneed, Deputy Mayor, Public Safety
Cedric Grant, Deputy Mayor, Facilities, Infrastructure, and Community Development
Sharonda Williams, City Attorney
Norman Foster, Director of Finance
Cary Grant, Assistant Chief Administrative Officer
Courtney Bagneris, Assistant Chief Administrative Officer

Appendix C



Office of the Sheriff
Parish of Orleans ~ State of Louisiana

Marlin N. Gusman
Sheriff

May 17, 2013

E. R. Quatrevaux
Inspector General
Office of Inspector General
City of New Orleans
1300 Perdido Street
New Orleans, LA 70130

Dear Mr. Quatrevaux:

Thank you for the opportunity to review and respond to the Internal OIG Report. We appreciate that your staff had to review a lot of information in a short period of time.

We would like to comment on the Internal Review of the Orleans Parish Sheriff's Office sent to the City of New Orleans and the Orleans Parish Sheriff's Office on May 7, 2013.

Background

Prior to Hurricane Katrina, the OPSO operated 11 different facilities with a combined bed count of 7,523. After Katrina, all of these buildings were destroyed. The OPSO restored HOD, a city owned building to operation to provide for public safety. Later other buildings owned by the Orleans Parish Law Enforcement District were restored to operation. In 2009, the OPP (a city owned building) was restored to operation.

Currently only one of the buildings (OPP) holding inmates is owned by the City of New Orleans.) The remaining buildings are owned by the Sheriff's LED.

In Footnote 1 the jail includes municipal inmates, sentenced and un-sentenced, inmates sentenced to Parish time, probation and parole violators arrested and later revoked. There are inmates that are sentenced to DOC that have open charges and are awaiting trial in Orleans Parish Criminal Court. (See attached breakdown of DOC inmates housed on open charges.)

In 2011, the OIG examined the billings of the Sheriff's Office to the City of New Orleans. The OIG Report found that all of the billings were accurate and there were no findings. (See OIG Report not attached.)

The City of New Orleans did not provide sufficient funds to support the OPSO and the jail as required by the state statute. As a result, the OPSO was forced to use funds from other sources to make up the shortfall of city funds. In fact, the Civil Division is subsidizing the operations of the jail.

Actual Jail Expenditures

Although the CNO did not provide detailed amounts of city funds, the OPSO budget and audited financial statements showed all sources of funds, including the on behalf payments made by the CNO.

The cost of Court Services should not be included in any calculation of inmate per diem. The CNO is required by a separate state statute to provide court personnel in each section of the court. In addition, the security of the Criminal Court Building is also unrelated to the per diem.

The Electronic Monitoring Program should not be included in any per diem calculation because the individuals, both juvenile and adults, on electronic monitoring are not housed in the jail.

The Healthcare third party premium costs in the amount of \$3, 213, 329 is not reflected in any of the costs received by the Sheriff's Office from the City of New Orleans.. We are unsure where this amount comes from.

The amount of Utilities is higher than the amounts provided by the City of New Orleans. Likewise, the fuel amount is also higher than reported to the OPSO by the City of New Orleans. See attached.

City's Actual Jail Expenditures The per diem calculation included several items that are not properly included in the care and custody of inmates.

\$555,579 for the Electronic Monitoring Program should be reclassified. This program is not part of the Jail Operations and should not be included in the per diem calculation. The juveniles and adults in this program are not housed in our jail.

\$7,047,750 is a millage tax collected to pay General Obligation Bonds for the Law Enforcement District. These General Obligation Bonds were issued for repairing, renovating, improving and constructing facilities. It also includes the equipment and furnishings associated with the previous repairing, etc. The recipients of the proceeds from the General Obligation bonds include the Coroner's Office, Orleans Parish District Attorney, Municipal and Traffic Court, Criminal

District Court, the Clerk of Criminal Court, Juvenile Court and the Orleans Parish Sheriff's Office.

The payments made by the City of New Orleans do not agree with your figures. Please see the attached schedule given to us by Brian Firstley, Budget Administrator for the City of New Orleans. The cost of Benefits for Healthcare was reported at \$4,077,229. "Third Party premium costs" of \$3,213,329 was not reported to us. Please let us know what that amount represents. The Utilities amount reported was \$278,518 not \$588,019. The Fuel amount reported was \$588,019 not \$753,036. Water from the Sewerage & Water Board was not reported to us the amount of \$956,641 was used in the per diem calculation. In fact, the Consent Decree has never included or anticipated the cost of the water from the Sewerage & Water Board.

The report referred to booking fees as "self-generated revenue." There are State Statues which require us to collect these fees and distribute to other Law Enforcement Agencies such as the Clerk of Criminal District Court, District Attorney and the Orleans Public Defender. The Sheriff's Office retains only a small portion of the fees collected. The OPSO retains 33% of 40% of the 3% commercial surety bond fee.

You also stated that "revenues from detail work" were not reported in the audit. The Detail Fund is included in the audited financials of the Sheriff's Office, as are expenditures and revenue generated by the Civil Division.

FINDING 1

The City did not give the OPSO one lump sum, but rather was billed semi-monthly based on the number of inmates. The medical payment is divided in to 26 equal payments, however, as the report indicates the amount of medical expense for city inmates exceeded that amount paid by the city.

It is inaccurate to state that city funds could have been used to pay for civil division operations when, in fact, it was just the opposite. The Civil Division provided funds to pay for the costs of city inmates.

FINDING 2

The Sheriff's office did provide a functional budget to the City of New Orleans that delineated the costs and expenses associated with all of its operations.

OPSO staff worked with the PFM, the city's contractor, to produce a functional budget which was basically ignored in the budgeting process which reverted to the per diem method of providing revenues to the OPSO. See attached.

As is demonstrated, the OPSO clearly spent more money than appropriated on housing and caring for the inmate population that is the responsibility of the city.

OPSO was not in violation of the local government budget act. Attached is the budget submitted to the city with department, function and character.

FINDING 3

As previously stated, the items included in figure 1 of the report are erroneous for the reasons stated. The items specifically allocated by the city for the support of the jail were commingled with other revenue sources.

Figure 6 is factually incorrect. For example, the detail revenues are specified in the audit as are all revenues received by the Sheriff's Office.

All of the fees collected by the Sheriff's Office including criminal fines and fees were reported.

The amounts paid to the Louisiana Sheriff's Pension and Relief Fund are the result of a state statute that is not a part of the per diem paid for the care custody of the inmates. In fact, the funds are not received by the OPSO and instead go directly to the La. Sheriff's Pension and Relief Fund. See Consent Judgement.

The amount paid for the S&WB are also not as reported by the City. We would like to see any documentation for these billings.

In Footnote 18, the ad valorem taxes are levied pursuant to the Law Enforcement District, a separate taxing body. These funds are limited to capital costs and also include capital projects for other criminal justice agencies including the Criminal Court, the Juvenile Court, Clerk of Criminal Court, the Municipal and Traffic Court, and the Coroner's Office. Contrary to the assertion in the footnote, this millage would not revert to the City's general fund, and can only be levied in an amount sufficient to pay the outstanding bonded indebtedness. There is no provision for this millage to be used for operations. In fact, an election for that purpose failed in 1998.

In footnote 20, the state DOC paid 24.39 per day plus 2.00 for medical, and not an additional 2.50 over 26.39 as stated by the inspectors.

Also, in footnote 19, attributing 18% of the civil division employees for Worker's Compensation and pension coverage is erroneous. The City of New Orleans does not pay for any pension coverage for civil division employees or any Sheriff's Office employees. The Civil Division's Worker's Compensation is funded 100% through Blue Cross/Blue Shield.

FINDING 4

The report fails to recognize the destruction to the facilities caused by Hurricane Katrina, The flood waters destroyed all jail space. The Sheriff's Office took charge and reopened jail facilities without any assistance from the city. It was necessary to restore public safety so that residents and businesses could return. Currently the OPSO is operating in temporary or outdated facilities which have a demonstrable effect on costs. The OPSO is responsible for the construction of the new facilities and the city has provided no assistance at all. The City should be working closer with the sheriff's office to coordinate housing and inmate needs.

Also attached are the property ownership documents that confirm that the Sheriff's office or LED is the owner of the property where the new warehouse, kitchen and central plant facility is being constructed. We have provided proof of ownership SEE ATTACHED

The only building owned by the city that is being used for housing inmates is the Orleans Parish Prison. It was built in 1929 and suffers from a lack of maintenance, as well as modern correctional systems. It is slated for closure when the the new housing facility being constructed by the Sheriff's Office or LED opens.

FINDING 5

The City of New Orleans and the Orleans Parish Sheriff's have entered into a CEA that details the responsibility party for each project worksheet. See copy attached.

The OPSO recently signed an agreement detailing the properties that are owned by the city and those owned by the sheriff's office LED. a copy is attached for your ready reference. this puts to rest any questions on any property that the OPSO applied and received grant assistance from FEMA .

Comparison of New Orleans and Louisville

The benchmark comparison between Louisville and New Orleans is based on erroneous assumptions.

The comparison between the Louisville Corrections and Orleans Parish Prison glosses over several important distinctions. First, the debt service, as pointed out previously, includes more than jail construction. It includes courtrooms, coroner's office, district attorney's building, juvenile court, municipal and traffic court, clerk of criminal court, etc. Second, the higher cost of food service may be related to the operation of two temporary kitchens in the aftermath of the devastation caused by Hurricane Katrina, which will be alleviated when the new kitchen is completed in June 2013. Third, the age and the condition of the buildings, which the report concedes, number twice as many as Louisville, but is actually three times as many contribute to the added expense of the Orleans operations. The consolidation that will occur when the new housing is completed in January, 2014 will eliminate these out moded facilities.

In comparing Orleans Parish Sheriff's Office to Louisville Metro Corrections, you stated that they receive \$49,002,700 from the City which is considerably more than we receive from the City of New Orleans. Which proves, even if we were similar, the City of New Orleans is grossly underfunding the Orleans Parish Sheriff's Office.

Benchmark Comparison of OPSO Jail & Louisville Metro Corrections

The average Length of Stay in Detention is more than double for Orleans Parish, 47 days as opposed to 20.02 days for Louisville.

The OPSO operates a successful Day Reporting Center with 64 active participants as an alternative to incarceration. There are 30 pending, 12 working participants and one enrolled in a skills training program.

The number of sworn officers of 442 includes court security and subpoena & capias employees not assigned to jail security.

The Civilian administration and staff includes 43 medical and 26 assigned to Food Services. Louisville contracts out both food services and medical services. In fact Louisville utilizes more than 58 inmates in their food operations, as well as contracted staff.

Jail Revenues - Figure 3

The \$5,219,613 is not all related to jail operations. For example, the Day Reporting Center, the Electronic Monitoring Program, the Re-Entry staff, the Byrne grants are examples of grants unrelated to jail operations.

Investment income is not related to any jail operations. For example, some income is earned on Law Enforcement bond proceeds investments, and pension funds.

Jail Expenditures

The \$37,547,864 for personnel includes individuals assigned to other non jail functions. Louisville Metro Corrections does not have any responsibilities outside of the jail operations. Hence, this is not a fair comparison.

Contractual services and other charges of \$8,333,500 includes building repairs and other items not related to jail operations.

Inmate legal

The difference between the amount spent for inmate legal does not take into account that the LMDC utilizes the county attorney's office for representation in most matters. The OPSO does not employ any attorneys for the purpose of representation. This function is contracted as stated in the internal report.

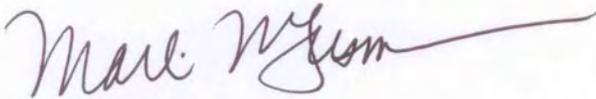
Debt service

As stated previously, the \$15,703,725 includes amounts that are unrelated to jail operations and are not properly part of this analysis.

These are some of the major problems in the report. There are many misstatements throughout the report. I would appreciate the opportunity to provide further details before your report is finalized.

If you have any questions, please contact me at (504)826-7034.

Sincerely,

A handwritten signature in cursive script, reading "Marlin N. Gusman", with a long horizontal flourish extending to the right.

Marlin N. Gusman
Sheriff

MNG/jtl/itb

cc: Andrew D. Kopplin, First Deputy Mayor and CAO
Chief Deputy Jerry Ursin, OPSO

Enclosures

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



INSPECTION OF CITY FUNDING TO ORLEANS PARISH SHERIFF'S OFFICE IN 2011
MANAGEMENT RESPONSE FORM

PLEASE COMPLETE THIS FORM AND RETURN AS SPECIFIED BELOW. SUPPLY YOUR RESPONSES IN THE SHADED BOXES.

PLEASE INDICATE YOUR AGREEMENT OR DISAGREEMENT WITH EACH OF THE FOLLOWING RECOMMENDATIONS BY SELECTING A RESPONSE FROM THE DROPDOWN BOX. IF YOU REJECT OR PARTIALLY ACCEPT THE RECOMMENDATION, PLEASE EXPLAIN WHY IN THE SPACE PROVIDED. PLEASE DESCRIBE EACH ACTION YOUR AGENCY WILL TAKE TO IMPLEMENT THE RECOMMENDATION, OR FIX THE PROBLEM, ALONG WITH THE NAME AND CONTACT INFORMATION OF THE PERSON(S) RESPONSIBLE FOR THE ACTION AND THE COMPLETION DATE (IF ONE IS ALREADY NOT PROVIDED).

RETURN THIS COMPLETED FORM TO [DR. SARAH FONTENELLE](mailto:sfontenelle@nolaOIG.org) AT [SFONTENELLE@NOLAOIG.ORG](mailto:sfontenelle@nolaOIG.org) BY **MAY 17, 2013.**

ENTER NAME HERE:

RECOMMENDATION #1 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
1. The City should include allocations for all money appropriated or spent on the Jail in its annual budget.		Accept
<p>IF YOU <u>REJECT</u> OR <u>PARTIALLY ACCEPT</u> RECOMMENDATION #1, PLEASE EXPLAIN WHY:</p> <p>THERE ARE ALLOCATIONS FOR COURT SERVICES, MEDICAL, AND PER DIEM IN THE CITY BUDGET. ALSO, FUNDS FOR ELECTRONIC MONITORING AND SECURITY CONTRACTS ARE ALLOCATED.</p>		
DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #1 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
1.1 WE PROVIDE A DETAILED BUDGET TO THE CITY AND WORK WITH THE CITY'S BUDGET DEPARTMENT.		
1.2		

RECOMMENDATION #2 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
2. The City should not appropriate funds for the Jail unless OPSO provides a detailed, line item functional budget that (1) includes both outcome and performance measures, and (2) connects City revenues to specific Jail expenditures.		Accept
<p>IF YOU <u>REJECT</u> OR <u>PARTIALLY ACCEPT</u> RECOMMENDATION #2, PLEASE EXPLAIN WHY:</p> <p>THERE IS A CONSENT JUDGEMENT IN PLACE. WE DO PROVIDE THE CITY WITH A DETAILED LINE ITEM FUNCTIONAL BUDGET AND HAVE PREPARED A BUDGET WITH PFM AS REQUESTED BY THE CITY OF NEW ORLEANS.</p>		
DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #2 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
2.1 WE ARE WORKING TO REVAMP THE OPSO'S BUDGET IN ANTICIPATION OF THE OPENING OF THE NEW INMATE HOUSING FACILITY AND THE CLOSURE OF SEVERAL BUILDINGS.		
2.2		

RECOMMENDATION #3 REQUIRING IMMEDIATE ACTION:	RESPONSIBLE PERSON: (NAME AND CONTACT)	RESPONSE CHOICE (SELECT ONE):
3. The Jail should not house State Department of Corrections inmates or prisoners from other parishes		Accept
<p>IF YOU <u>REJECT</u> OR <u>PARTIALLY ACCEPT</u> RECOMMENDATION #3, PLEASE EXPLAIN WHY:</p> <p>THE OPSO BILLS THE CNO FOR MUNICIPAL ARRESTEES, MUNICIPAL SENTENCED, STATE CHARGES SENTENCED TO PARISH TIME, AND INDIVIDUALS ARRESTED ON STATE CHARGES. PROBATION AND PAROLE HOLDS ARRESTED ON MUNICIPAL OR STATE CHARGES ARE ALSO INCLUDED ON THE CITY'S BILL, BUT CAN BE REMOVED AND CREDITED IF THE PROBATION/PAROLE IS REVOKED. EVEN THOUGH THESE INDIVIDUALS ARE NOT BILLED TO THE DOC, THEY MAY HAVE OPEN CHARGES IN CRIMINAL DISTRICT COURT BEING PURSUED BY THE ORLEANS PARISH DISTRICT ATTORNEY. THE OPSO IS ALSO REQUIRED PURSUANT TO STATE STATUE TO HOLD PROBATIONERS THAT ARE INCARCERATED FOR VIOLATION. (SEE ATTACHED BREAKDOWN OF POPULATION.)</p>		
DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #3 OR FIX THE PROBLEM:	RESPONSIBLE PERSON:	COMPLETION DATE:
3.1 DOC INMATES THAT ARE AWAITING TRIAL MAY BE HOUSED IN OTHER FACILITIES AND TRANSPORTED TO NEW ORLEANS ON THE DAY OF TRIAL AND RETURNED		

<p>THAT DAY. HOWEVER, RECENT ORDERS OF THE COURT MAY PROVE THIS TO BE IMPOSSIBLE.</p> <p>APPROXIMATELY 117 INMATES ARE AWAITING TRANSFER TO THE STATE DOC. ROUTINELY DOC INMATES ARE PRESENT ON OPEN CHARGES BEING PROSECUTED BY THE DISTRICT ATTORNEY OF ORLEANS PARISH.</p>		
3.2		
<p>RECOMMENDATION #4 REQUIRING IMMEDIATE ACTION:</p>	<p>RESPONSIBLE PERSON: (NAME AND CONTACT)</p>	<p>RESPONSE CHOICE (SELECT ONE):</p>
<p>4. Financial responsibility for and authority over the Jail must rest with the same governmental entity. If the City and OPSO cannot agree on a Jail budget that meets the requirements in Recommendation 2, the City should take steps to assume control of Jail operations</p>		<p>Accept</p>
<p>IF YOU <u>REJECT</u> OR <u>PARTIALLY ACCEPT</u> RECOMMENDATION #4, PLEASE EXPLAIN WHY:</p> <p>THERE ARE SEVERAL PAROCHIAL OFFICES THAT THE CITY IS RESPONSIBLE FOR FUNDING WHILE AUTHORITY RESTS WITH A SEPARATE GOVERNMENTAL AGENCY. FOR EXAMPLE, THE DISTRICT ATTORNEY, THE CORONER, LOUISIANA SPCA, THE CLERK OF CRIMINAL COURT, AND THE JUDGES CRIMINAL COURT, AVIATION BOARD, INDIGENT DEFENDERS, AND VERA.</p>		
<p>DESCRIBE THE ACTIONS YOU WILL TAKE TO IMPLEMENT RECOMMENDATION #4 OR FIX THE PROBLEM:</p>	<p>RESPONSIBLE PERSON:</p>	<p>COMPLETION DATE:</p>
<p>4.1 WE DO WANT TO AGREE ON A JAIL BUDGET THAT MEETS THE REQUIREMENT OF RECOMMENDATION #2.</p>		
4.2		



Office of the Sheriff
Parish of Orleans ~ State of Louisiana

Marlin N. Gusman
Sheriff

1-26-12

Mr. Brian Firstley, Budget Administrator
City of New Orleans
1300 Perdido Street
New Orleans, Louisiana 70112

Our auditors, Postlethwaite & Netterville, APAC, are conducting an audit of our financial statements as of December 31, 2011. Please furnish directly to them the amounts of the payments by the City of New Orleans on behalf of the Orleans Parish Sheriff's Office for the year ended December 31, 2011.

<u>Description</u>	<u>Amount</u>
Hospitalization	\$4,077,229
Unemployment	31,813
Workmen Compensation Premiums	597,082
Utilities	278,518
Fuel	588,019
Total	\$5,571,862

After completing the above information and signing and dating your reply, please mail it directly to our auditors, Postlethwaite & Netterville, APAC, One Galleria Blvd. Suite 2100, Metairie, Louisiana 70001 in the enclosed return envelope.

Very truly yours,

Julie Langham, CPA
Comptroller
Orleans Parish Sheriff's Office

0-0
0-00
0-00

413-002

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS

STATE OF LOUISIANA

NO. 99-20902

DIVISION "E"

DOCKET NO.

THE BOARD OF TRUSTEES OF THE SHERIFFS' PENSION AND RELIEF FUND

versus

CITY OF NEW ORLEANS, et al.

FILED: _____

DEPUTY CLERK

CONSENT JUDGMENT

CONSIDERING THE FOREGOING MOTION, and considering the consent of the parties to the entry of judgment as set forth below,

IT IS ORDERED, ADJUDGED AND DECREED, that there be judgment on the terms set forth herein, with all defendants hereby dismissed with prejudice, each party to bear his/its own costs.

FIRST, the City of New Orleans agrees that certain amounts are to be paid to plaintiff in full satisfaction of any alleged obligations under La. R.S. 11:2174(A), which the parties agree are as follows:

1. Upon the signing of this Consent Judgment and as a condition to the effectiveness of this judgment, and in full satisfaction of any amounts said to be past due under La. R.S. 11:2174(A), the City of New Orleans shall pay to plaintiff the sum of \$750,000.00 cash.
2. For calendar year 2007, the City of New Orleans shall make contributions to the plaintiff in the amount of 1/2 of 1% of collectible taxes from the total ad valorem tax base on which the City's general alimony is computed, multiplied by 0.15. This amount shall be payable in 2008 as provided in paragraph SECOND.
3. For calendar year 2008, the City of New Orleans shall make contributions to the plaintiff in the amount of 1/2 of 1% of collectible taxes from the total ad valorem tax base on which the City's general alimony is computed, multiplied by 0.25. This amount shall be payable in 2009 as provided in paragraph SECOND.

3. For calendar year 2009, the City of New Orleans shall make contributions to the plaintiff in the amount of $\frac{1}{2}$ of 1% of collectible taxes from the total ad valorem tax base on which the City's general alimony is computed, multiplied by 0.35. This amount shall be payable in 2010 as provided in paragraph SECOND.
4. For calendar year 2010 and thereafter, the City of New Orleans shall make contributions to plaintiff in the amount of $\frac{1}{2}$ of 1% of collectible taxes from the total ad valorem tax base on which the City's general alimony is computed, multiplied by 0.45. This amount shall be payable in 2011 and succeeding years as provided in paragraph SECOND.

For purposes of this paragraph, "collectible taxes" shall mean the ad valorem taxes actually collected by the City. On December 1, 2007, the City will advise the plaintiff of the City's collection experience expressed as a percentage of the ad valorem taxes actually collected compared to ad valorem tax billings for the City's general alimony for the first ten (10) months of 2007 in regard to 2007 taxes. In each succeeding year, the City will report on December 1 the collection experience for the current year and all adjustments to the collection percentage for all prior years, and the contribution in that succeeding year shall include, in addition to the amount calculated for the current year's collected taxes, any adjustment for the collection of any prior years' taxes left uncollected when that year's contribution was originally calculated.

SECOND, the obligations set forth above shall be general obligations of the City of New Orleans. The parties agree that the amounts shall be paid by joint warrant to the State Treasurer from the City's revenue sharing funds, with such payments constituting deductions from the revenue sharing fund for the benefit of the retirement system pursuant to La. Const. art. VII, § 26(C). It is the intent of the parties that the plaintiff will be paid first dollar from available funds after presentment of the warrant and if adequate funds are not on hand, the plaintiff will be paid from revenue sharing funds as and when they become available until the plaintiff's warrant is satisfied in preference to any other distributee. The parties agree that they will approach the legislature in the regular session of 2008 and use their respective best efforts to promote legislation to effect the deductions from the City's revenue sharing funds and to permit the plaintiff to draw its contributions directly from the City's revenue sharing funds held in the State Treasury without the need for the parties to first present a joint warrant to the State Treasurer. In

addition to the contribution calculated in each year as set out in paragraph ONE (1) through (4) above, the City will continue to make annually the contribution from revenue sharing funds currently authorized by the legislature. The plaintiff will not separately seek any increase in the current level of revenue sharing fund contributions and the amount of such contributions shall not exceed the current level except as authorized by the legislature in conjunction with an increase which affects one or more pension systems other than the plaintiff.

THIRD, the City of New Orleans shall annually notify the plaintiff prior to December 1 of each calendar year commencing in 2007 as to the total ad valorem tax base of the City of New Orleans on which the City's general alimony is computed. If the City fails to so notify the plaintiff, the plaintiff may make written demand upon the City Collector of Revenue who shall respond within 20 business days of receipt of such written demand by disclosing the ad valorem tax base. The City agrees to pay all expenses of the plaintiff in any action seeking to compel such disclosure, including reasonable attorneys fees, which expenses shall be payable from the City's revenue sharing funds on the warrant of the plaintiff directed to the State Treasurer.

FOURTH, the parties agree that, except as expressly provided in paragraphs SECOND and THIRD above, no other contributions or payments to the plaintiff are owed by, or shall be paid by, the City to plaintiff pursuant to La. R.S. 11:2174(A).

FIFTH, the terms and conditions of this Consent Judgment will terminate in the event of the repeal, termination or desuetude of the provisions of La. R.S. 11:2174(A) for calculating the amount of the contributions from ad valorem taxes. In the event that adjustments are made under La. R.S. 11:82 to the amount of the aggregate taxes upon which contributions are calculated, the provisions of paragraph SECOND above regarding the ad valorem tax base upon which contributions hereunder are calculated shall be adjusted in like manner.

New Orleans, Louisiana, this 29 day of November, 2007.

MICHAEL G. BAGNERIS
JUDGE
DIVISION "H"
DISTRICT JUDGE

A TRUE COPY

B. Capelhart
DEPUTY CLERK, CIVIL DISTRICT COURT
PARISH OF ORLEANS
STATE OF LA

mt

Boyer, Elizabeth

From: SUSAN POCHE [spoche@corrections.state.la.us]
Sent: Wednesday, April 08, 2009 3:41 PM
To: Elizabeth Boyer
Subject: Re: Per Diem letter

I do not have a copy of a letter. However, the funds to pay for sheriff housing is appropriated by the legislature. Based on the Appropriation Act passed, DOC is legislated as to how much can be paid.

The rates are adjusted in accordance with the Appropriations Act. In the 2009 Regular Session, Act 19 was signed into law on 7/13/09. In this act under Agency 451, the legislature appropriated funds to cover sheriff housing. On page 248 of the 342 page bill, the house provided for an increase from FY08 housing cost of \$23.39 per inmate per day to \$24.39 per inmate per day. Additionally, a \$1.00 was added to work release per inmate per day cost.

41 Payable out of the State General Fund (Direct)
42 to the Local Housing of Adult Offenders Program to
43 provide an increase in the reimbursement rate from
44 \$23.39 per inmate per day to \$24.39 per inmate
45 per day \$ 5,322,795

46 Payable out of the State General Fund (Direct)
47 to the Adult Work Release Program to provide an
48 increase in the reimbursement rate of \$1.00 per
49 inmate per day \$ 1,328,600

Below is a link to the Act 19 of Regular Session 2009:
<http://www.legis.state.la.us/billdata/streamdocument.asp?did=505227>

I hope this helps.

Susan J. Poché, CGFM
Dept of Corrections - Chief Fiscal Officer Phone 225.342.6553
Fax 225.342.6568
e-mail: spoche@corrections.state.la.us

"Elizabeth Boyer"
<boyere@opcso.org
>
04/08/2009 02:23
PM

To
<spoche@corrections.state.la.us>

cc

Subject

Per Diem letter

⁴ All facilities are reimbursed at a flat rate of \$23 per day except for work release facilities operated by the sheriffs, which are reimbursed at \$18 and four parishes that earn an additional \$7.00 per inmate per day through approved cooperative endeavors to provide and capitalize additional t for the state. All parishes are also eligible to have approved extraordinary medical expenses reimbursed. Orleans Parish is also reimburse additional per diem of \$2 for medical expenses for state inmates and \$7 for all inmates served by their mental health unit.

⁵ There are different rates based on location of the local facility. The economic base of the county determines the amount the state reimburses county for the housing of state inmates in local jails.

⁶ Inmates perform work duties at these facilities, therefore there is no reimbursement.

⁷ Tennessee uses four methods of reimbursement: contract agreements; reasonable allowable but not to exceed \$35 per inmate per day; fixed rate; flat rate of \$25 per inmate per day.

⁸ All full service local and regional jails are provided the same per diem rates (\$8 per diem for local inmates and \$14 per diem for state felons | personnel costs). Local jail farms, which hold minimum security inmates for various work programs receive \$22 for local inmates and \$28 for s felons as a per diem and no personnel money.

⁹ Average budgeted reimbursement for county jails is \$25.

Source: *Adult Correctional Systems: A Comparative Data Report Submitted to the Fiscal Affairs and Governmental Operations Commi*
Southern Legislative Conference, Council of State Governments, October 1999.

Gusman, Marlin

From: Miller, Jim
Sent: Monday, May 20, 2013 2:41 PM
To: Gusman, Marlin; Ursin, Jerry
Subject: Request for Counts

Parish Sentenced	31	
Weekend Warrior	0	
Probation Violator	219 (Unsentenced/Not Revoked)	
Parole Violator	151 (Unsentenced/Not Revoked)	
DOC with open charges	301	
DOC without open charges	117	
DOC Work Release	72	
DOC Community Service ...	23	
Writs	49	
Reentry		118

Jim Miller
Director, Technical Services Division
Orleans Parish Sheriff's Office
2800 Gravier Street
New Orleans, LA 70119
Office: (504) 827 - 8830
Fax: (504) 827 - 8578
E-mail: jmillersr@opso.us
Web: www.opso.us



This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the Orleans Parish Sheriff's Office. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail. Please notify the sender immediately by e-mail if you have received this e-mail by mistake and delete this e-mail from your system. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited.

MK13-096

COOPERATIVE ENDEAVOR AGREEMENT
BETWEEN
THE CITY OF NEW ORLEANS
AND
THE ORLEANS PARISH SHERIFF'S OFFICE
AND
THE LAW ENFORCEMENT DISTRICT
FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA

THIS COOPERATIVE ENDEAVOR AGREEMENT ("Agreement") is made and entered into by and between, the City of New Orleans ("City"), herein represented by Mitchell J. Landrieu, Mayor, the Orleans Parish Sheriff's Office ("OPSO") represented herein by Sheriff Marlin N. Gusman and the Law Enforcement District for the Parish of Orleans ("LED"), herein represented by Marlin N. Gusman, Ex-Officio Chief Executive Officer, hereunto duly authorized, to be effective as of the 18 day of January, 2013.

RECITALS

WHEREAS, the City is a local government subdivision of the State of Louisiana; and

WHEREAS, the OPSO is a political subdivision of the State of Louisiana; and

WHEREAS, the LED is a political subdivision of the state of Louisiana, created by LA R.S.13:5901; and

WHEREAS, pursuant to the authority contained in Article 7, Section 14(C) of the Louisiana Constitution of 1974, and statutory authority supplemental thereto, the State of Louisiana and its political subdivisions, including the City, OPSO, and LED, may enter into cooperative endeavors with each other, or with any public or private corporation or individual; and further, pursuant to Section 9-314 of the Home Rule Charter of the City of New Orleans, the City may enter into cooperative endeavors with any public or private association, corporation or individual for activities in support of economic growth and other public purposes; and

WHEREAS, Hurricanes Katrina and Rita damaged certain immovable properties ("the Properties") owned by the City, LED¹, and OPSO; and

¹ The LED is a special district of the State of Louisiana and is a taxing district that's purpose is to provide for an additional source of financing to the office of criminal sheriff. The statute also provides that the Criminal Sheriff of the Parish of Orleans shall be ex officio Chief Executive Officer of the district.

WHEREAS, the Properties were at the time of Hurricanes Katrina and Rita under the care, custody and control of OPSO pursuant to LSA R.S. 33: 4714, as well as Louisiana Civil Code Article 3 and its interpreting jurisprudence, and/or owned by OPSO and used by OPSO for the carrying out of the official duties of the OPSO; and

WHEREAS, the City, and OPSO applied to the Federal Emergency Management Agency ("FEMA") for funds that FEMA made available under the Public Assistance Program to repair the disaster damage at the Properties; and

WHEREAS, in an effort to expedite the massive rebuilding and repair effort required after Hurricanes Katrina and Rita, FEMA relied on the assertions of the applicants regarding the eligibility of the Properties for funding for rebuilding and repair of the Properties; and

WHEREAS, the records of the Orleans Parish Assessor revealed apparent discrepancies between the assertions of the applicant and the true owner of the properties, which discrepancies were detailed in a report by the Office of the Inspector General of the U.S. Department of Homeland Security ("DHS-OIG") titled DHS-OIG DD-12-12 (attached hereto for reference as Exhibit A); and

WHEREAS, in Louisiana, it is the records of the Clerk of Court and Recorder of conveyances of the parish in which the immovable property is located that are the source of the public records doctrine which is used to determine ownership by third parties pursuant to Civil Code Article 3338 thru 3353, 517, 1839, 2442, and Revised Statutes 9:2721 thru 9:2729 ; and

WHEREAS, the parties hereto desire to memorialize the fact that there is no actual dispute between the City, OPSO, or LED regarding ownership of the Properties listed in the report titled DHS-OIG DD-12-12 or the legal responsibility under the FEMA Public Assistance Program for the restoration efforts; and

NOW THEREFORE, the City, OPSO, and LED agree as follows:

ARTICLE I OWNERSHIP OF THE PROPERTIES

Ownership of each of the Properties, as reflected by the records of the Clerk of Court and Register of Conveyances of Orleans Parish, is shown on Exhibit "B" and Exhibit "C", attached hereto and made part of this agreement, in the Column entitled "Title Ownership". The Parties hereto certify that all information contained herein, as well as the information contained in the attached Exhibit "B" and Exhibit "C" is true and correct.

**ARTICLE II
LEGAL RESPONSIBILITY**

The legal responsibility for each of the Properties as agreed upon by the City, OPSO, and LED is reflected in Exhibit "B" under the column entitled "Legal Responsibility"² Exhibit "C" attached hereto and made part of this agreement, discusses the status of properties which are part of the Criminal Justice and Public Safety Alternate Project Request.

Article 3 of the Louisiana Civil Code grants custom the force of law and R.S. 33:4714 requires the City to provide suitable offices to the OPSO. The Parties hereto agree that the custom of the Parties in complying with R.S. 33:4714 has always been a joint obligation, as defined by Louisiana Civil Code Articles 1786-1806, to maintain appropriate criminal justice facilities in Orleans Parish. While the details of the specific responsibilities of each party have not been memorialized in a single document, the custom of joint responsibility is evidenced by the joint construction, maintenance, and repair of the criminal justice facilities of the Orleans Parish both prior to and since Hurricanes Katrina and Rita.³

The parties agree that OPSO will continue to operate the facilities in accordance with Louisiana law. The parties further agree that OPSO and the City of New Orleans will continue to maintain and be responsible for repairs now and in the future pursuant to Louisiana law. The parties further agree that they will obtain and maintain insurance pursuant to 44 CFR 206.250 as set forth in exhibit B. The responsibility for insuring each property in the past and currently is as shown on Exhibits B and C.

**ARTICLE III
TERM**

Section 1. This agreement shall remain in effect until terminated by the Parties hereto.

Section 2. Survival of Certain Provisions. All representations and warranties and all responsibilities regarding record retention, access and ownership, cooperation with OIG

² The property at 2620 Tulane Avenue is owned by the State of Louisiana and as such the City is not a proper party to determine the legal responsibility for the facility. The OPSO will enter a separate agreement with the State to evidence its custody and control of the facility.

³ The custom, as it pertains to maintenance and repair of the criminal justice facilities of Orleans Parish, was that the OPSO would undertake maintenance and repairs which could be carried out with the resources of the OPSO and if such resources were insufficient, the City would supplement.

and
City Attorney
City of New Orleans
1300 Perdido St. 5E03
New Orleans, LA 70112

If to OPSO: Marlin Gusman, Sheriff
2800 Gravier Street
New Orleans, LA 70119

If to LED: Marlin Gusman
2800 Gravier Street
New Orleans, LA 70119

Section 2. Notices shall be effective when received by each of the above-referenced individuals at the addresses specified above. Each party shall be responsible for notifying the other in writing that references this Agreement of any changes in the respective addresses set forth above.

Section 3. Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of the City, OPSO, and LED.

ARTICLE VII GENERAL PROVISIONS

Section 1. No Assignment Without Consent. This Agreement is personal to each of the parties hereto, and neither party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party.

Section 2. Audit and Other Oversight. It is agreed that the parties hereto will abide by all provisions of City Code §2-1120, including but not limited to City Code §2-1120(12), which requires the parties contracting with the City to provide the Office of Inspector General with documents and information as requested. In signing this contract, the parties hereto agree that they are subject to the jurisdiction of the Orleans Parish Civil District Court for purposes of challenging a subpoena.

Section 3. Non-waiver. The failure of any of the Parties hereto to insist upon strict compliance with any provision of this Agreement, to enforce any right or to seek any remedy upon discovery of any default or breach of the other party at such time as the initial discovery of the existence of such noncompliance, right, default or breach shall not affect, nor constitute a waiver of, any party's right to insist upon such compliance, exercise such right or seek such remedy with respect to that default or breach or any prior, contemporaneous or subsequent default or breach.

Section 4. Severability. The parties hereto intend all provisions of this Agreement to be enforced to the fullest extent permitted by law. Accordingly, should a court of competent jurisdiction find any provision to be unenforceable as written, the parties intend and desire that the court should reform the provision so that it is enforceable to the maximum extent permitted by law. If, however, the court should find such provision to be illegal and not subject to reformation, such provision shall be fully severable. In such event, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision was never a part hereof, and the remaining provisions of this Agreement shall remain in full force and effect.

Section 5. Exhibits. The following Exhibits shall be and hereby are incorporated into this Agreement as if fully rewritten herein:

Exhibit B - Spreadsheet detailing fee simple ownership, legal responsibility, and project worksheet submissions.

Exhibit C- Details the relationship of the City, OPSO, and LED with regard to Templeman I&II and the Community Corrections Center.

Section 6. Rules of Construction. The headings and captions of this Agreement are provided for convenience only and are not intended to have effect in the construction or interpretation of this Agreement. Whenever herein the singular number is used, the same shall include the plural, where appropriate, and neutral words and words of any gender shall include the neutral and other gender, where appropriate. Neither this Agreement, nor any uncertainty or ambiguity herein, shall be construed or resolved in favor of or against the City, OPSO, nor LED on the basis of which party drafted the uncertain or ambiguous language. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

Section 7. Amendment. No amendment of or modification to this Agreement shall be valid unless and until executed in writing by the duly authorized representatives of both parties to this Agreement.

Section 8. No Third-Party Beneficiaries. This Agreement is entered into for the exclusive benefit of the parties, and the parties expressly disclaim any intent to benefit anyone not a party hereto.

Section 9. Time is of the Essence. The City, OPSO, and LED each acknowledges and agrees that time is of the essence in the performance of this Agreement.

Section 10. Prohibition Against Financial Interest in Agreement. No elected official or employee of the City, OPSO, or LED shall have a financial interest, direct or indirect, in this Agreement. For purposes of this Section, a financial interest held by the spouse, child or parent of any elected official or employee of the City, OPSO, or LED shall be deemed to be a financial interest of such elected official or employee of the City, OPSO, or LED. Any willful violation of this provision shall render this Agreement voidable by City and shall entitle City to recover, in addition to any other rights and remedies available to City.

Section 11. Remedies Cumulative. No remedy set forth in this Agreement or otherwise conferred upon or reserved to any party shall be considered exclusive of any other remedy available to a party. Rather, each remedy shall be deemed distinct, separate and cumulative and each may be exercised from time to time as often as the occasion may arise or as may be deemed expedient.

Section 12. Complete Agreement. The Parties hereto specifically acknowledges that in entering into and accepting this Agreement and rely solely upon the representations and agreements contained in this Agreement and no others. This Agreement supersedes and replaces any and all prior agreements, negotiations and discussions between the parties hereto with regard to the terms, obligations and conditions herein.

***** Remainder of Page Intentionally Blank*****

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the 29 day of JANUARY, 2013.

THE CITY OF NEW ORLEANS

By: [Signature]
Mitchell J. Landrieu, Mayor

Date: 1.29.13

Approved for form and Legality.

By: [Signature]
Law Department

Date: 1/25/13

ORLEANS PARISH SHERIFF'S OFFICE

By: [Signature]
Marlin N. Gusman, Sheriff

Date: 1/22/2013

LAW ENFORCEMENT DISTRICT FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA

By: [Signature]
Marlin N. Gusman,
Ex Officio Chief Executive Officer

Date: 1/22/2013

EXHIBIT B

Attachment to Cooperative Endeavor Agreement

By and Between
The City of New Orleans
 and
The Orleans Parish Sheriff's Office
 and
The Law Enforcement District for the Parish of Orleans,
State of Louisiana

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
1 American Textile Building	819 South Broad	29.95921	-90.093936	199		Proposed lease at 333 St. Joseph St. - Never done	LED	OPSO	OPSO
	819 South Broad			572		Demolition of interior by K & D Earthworks	LED	OPSO	
	819 South Broad			668		Remodel American Textile for two courtrooms	LED	OPSO	
	819 South Broad			11867		Furnishings for Temp Courthouse	LED	OPSO	
	819 South Broad				12612	Repairs to American Textile; Flood Insurance; Alternate project funding elected to PW for vehicles	LED	OPSO	
2 Ball Bond Building	2766 Perdido	29.960293	-90.094312	3034		Demolish wooden trailer	LED	OPSO	OPSO
	2766 Perdido				17739	Replacement of damaged ball bonds bldg; alternate project funding request to admin bldg	LED	OPSO	
3 Broad Street Training Facility	225 South Broad				5912	Repairs to Broad Street Training facility	OPSO	OPSO	OPSO
4 Commissary					4735	Commissary repairs; alternate funding request to cars	LED	OPSO	OPSO
					19545	Vehicles as alt funding from PWs 4735 & 12612 along with content PWs 12373, 13964, and 17690	LED	OPSO	
5 Community Corrections Center (CCC)	See Exhibit C								

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
6 Concheta Women's Prison	2620 Tulane	29.961037	-90.089937	7035		Clean and Dry facility	State	OPSO	OPSO
Concheta Women's Prison	2620 Tulane				384	Force account labor to clean Concheta (20% of whole cost) HOD, phase V, CWA and S, White others	State	OPSO	
Concheta Women's Prison	2620 Tulane				5010	Repair and restore Women's prison	State	OPSO	
Concheta Women's Prison	2620 Tulane				15573	Repair and replace security doors and locks	State	OPSO	
7 CWA Administration Building	2614 Tulane	29.961006	-90.089719	373		Temporary facility by virtue of 2 motor homes	LED	OPSO	OPSO
CWA Administration Building	2614 Tulane			10380		Temporary repairs to relocate personnel such as HVAC, ductwork, interior remodeling	LED	OPSO	
CWA Administration Building	2614 Tulane				380	Force account labor to clean CWA (20% of whole cost) HOD, phase V, Concheta and S, White others	LED	OPSO	
CWA Administration Building	2614 Tulane				9046	Roof repair, faced panel and metal flashing	LED	OPSO	
8 Fish Farm Building	850 South White	29.959252	-90.094801		11580	Contents from fish farm inventory	LED	OPSO	OPSO
9 Fisk Men's Work Release	716 South Rendon	29.963143	-90.098115	12455		Clean up and sanitize interior damage	CTTY/OPCSO	OPSO	
Fisk Men's Work Release	716 South Rendon				5757	Replace damaged structure	CTTY/OPCSO	OPSO	
10 House of Detention/ Central Lockup	2735 Perdido	29.960457	-90.093891	923		Repair generator, replace windows, fire extinguishers, new electrical switches	CITY	OPSO	CITY
House of Detention/ Central Lockup	2735 Perdido			1011		Replace control panels, wiring, light switches; Repair door locks	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido			1048		Repair Fire Pump Controller with transfer switch, 3 HP Jockey Pump with Control Panel	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido			1483		Purchase Sump Pumps, lock set, door, misc. office supplies	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido			4264		Repair of Generator, Air Compressors, lights and fuel pumps	CITY	OPSO	

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
House of Detention/ Central Lockup	2735 Perdido			10999		HOD Stabilization	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido			16370		HOD Temp HVAC repairs	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido			16871		Sizeler Thompson Brown Architect Fee	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido			16939		Purchase of 250kw Generator	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				376	Force Account Labor to clean HOD (20% of whole cost) Phase V, CWA, S. White Detention, Concheta	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				571	Mold Decontamination	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				573	Repair Transformer	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				900	HOD	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				924	HOD	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido				4297	HOD Electrical repairs	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido				10292	Repair the Sprinkler System	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				12452	HOD	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				13742	HOD cleaning and debris removal	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido				16366	Replace 4 tier control panels with relay boards, install 4 power supplies with battery backup, 4 interface boards	CITY	OPSO	
House of Detention/ Central Lockup	2735 Perdido				16472	HOD laundry equipment	CITY	CITY	
House of Detention/ Central Lockup	2735 Perdido				17427	Sizeler Thompson Brown Architect Fee for Main Kitchen Repair	CITY	OPSO	

The Parties hereto certify that all information contained
in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility	
11	Intake Processing Center (IPC)	2800 Perdido	29.960528	-90.094779	358		Trailer Mounted HVAC Equipment	LED	OPSO	OPSO
	Intake Processing Center (IPC)	2800 Perdido			362		Temporary Facility to replace IPC	LED	OPSO	
	Intake Processing Center (IPC)	2800 Perdido			16807		Interior demo of Main Kitchen and repair roof of building	LED	OPSO	
	Intake Processing Center (IPC)	2800 Perdido			17453		Temporary IPC/Warehouse Steeler Thompson Brown Fee	LED	OPSO	
Intake Processing Center (IPC)	2800 Perdido				926	Building Demolition Cost that does not transfer to PV 4876	LED	OPSO		
12	Internal Affairs Office	2750 Perdido			3263		Demolition of metal and brick building, concrete floor, foundation, fence	LED	OPSO	OPSO
	Internal Affairs Office	2750 Perdido				17741	Funds Obligated to Alternate Project to find Admin Building	LED	OPSO	
13	Maintenance Building	3200 Perdido	29.962233	-90.098961		16169	Produce and renovation prior to disaster. Preserving Appeal rights to City	LED	OPSO	OPSO
14	Mechanics Shop	723 South Lopez	29.962727	-90.097767		16353	Replacement of Mechanics shop	CITY/LED	OPSO	OPSO
15	OPCSO Staff Housing	2927 Perdido	29.961134	-90.095349	238		20 bunk house trailers, Hotel rooms (Sept 12, 2005- Feb 28, 2006)	OPSO	OPSO	OPSO
	OPCSO Staff Housing	2923 Perdido			6394		Hotel Rooms (March 1, 2006- March 6, 2006)	OPSO	OPSO	
	OPCSO Staff Housing	2919 Perdido			8784		Interim housing, rental furniture, power utilities for Employees	OPSO	OPSO	
	OPCSO Staff Housing	2901 Perdido			16207		Interim housing units, rental furniture, power utilities for Employees (7/1/06-9/1/06)	OPSO	OPSO	
	OPCSO Staff Housing	2901, 2919, 2923, 2927 Perdido			18074		Demobilization of Bunk house trailers	OPSO	OPSO	
OPCSO Staff Housing	2901, 2919, 2923, 2927 Perdido				676	Demolition of 4 single story houses	OPSO	OPSO		

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
16	OPCSO Studio Bldg 739 South Dupre	29.961481	-90.095679		16084	Repairs to OPCS Studio; Alternate Funds to new Administration Building	OPSO	OPSO	OPSO
17	Orleans Parish Prison 2701 Gravier	29.961505	-90.09214		13948	Repairs	CITY	CITY	
	Orleans Parish Prison 2701 Gravier			10982		Stabilization of building	CITY	CITY	CITY
	Orleans Parish Prison 2701 Gravier			12085		Cleaning and Stabilization	CITY	CITY	
18	Criminal District Court 2700 Tulane	29.961868	-90.09194	668		Build temporary Courtrooms in American textile building	CITY	OPSO	CITY
	Criminal District Court 2700 Tulane			4539		Temp emergency repairs at Criminal District Court	CITY	CITY	
	Criminal District Court 2700 Tulane			7056		Temp HVAC and ventilation at Criminal District Court	CITY	CITY	
	Criminal District Court 2700 Tulane			7906		Temp power to courtrooms	CITY	CITY	
	Criminal District Court 2700 Tulane			12187		Cleaning and stabilization	CITY	CITY	
	Criminal District Court 2700 Tulane			532		Repairs to Criminal District Court	CITY	CITY	
19	Criminal District Court 2700 Tulane				14920	Elevator repairs	CITY	CITY	
	South White Detention 850 South White	29.959455	-90.094526	929		Clean mud, debris, mold	OPSO	OPSO	OPSO
	South White Detention 850 South White			904		Spray and treat for flies and pests	OPSO	OPSO	
	South White Detention 850 South White			359		Force Account Labor to clean S. White (20% of whole cost) Phase V, CVA, HOD, Conchetta	OPSO	OPSO	
	South White Detention 850 South White			651		Repair Hinges of Bilfold gate, replace gate operators, control panels, wiring	OPSO	OPSO	
	South White Detention 850 South White			669		Repair Electrical and mechanical equipment	OPSO	OPSO	
	South White Detention 850 South White			810		Service call for generators	OPSO	OPSO	
	South White Detention 850 South White			6240		Purchase a 24 KW Liebert N-Power, 3 Phase, 3-Wire, 208 Vac UPS	OPSO	OPSO	
	South White Detention 850 South White			15626		Replacement of doors	OPSO	OPSO	

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
20	Templeman 1 & 2	See Exhibit C							
21	Templeman 3 & 4	2928 Perdido	29.960146	-90.094781	16849	Temporary Build out space for items during construction of Templeman III & IV, walk in cooler, shelves	LED	OPSO	OPSO
	Templeman 3 & 4	2928 Perdido			18970	Restore facility to temporarily house prisoners and store equipment	LED	OPSO	
	Templeman 3 & 4	2928 Perdido			1081	Deobligated then to OPSO	LED	OPSO	
	Templeman 3 & 4	2928 Perdido			4876	Replacement of Templeman III and IV	LED	OPSO	
	Templeman 3 & 4	2928 Perdido			17378	Sizeler Thompson Brown fee for repair of facility; not completed	LED	OPSO	
22	Templeman 3 & 4	2928 Perdido			13250	Stabilization of building	LED	OPSO	
	Templeman 5	3100 Perdido	29.961439	-90.097655	1020	Electrical work, transfer switch	LED	OPSO	OPSO
	Templeman 5	3100 Perdido			382	Repair of electronically controlled access gates, repair fire pump, drain water from control room, service generator	LED	OPSO	
	Templeman 5	3100 Perdido			916	Repair Sewer Grinder Control	LED	OPSO	
	Templeman 5	3100 Perdido			930	Repair Templeman 5 Facility	LED	OPSO	
23	Templeman 5	3100 Perdido			2279	Replace Facility security	LED	OPSO	
	Templeman 5	3100 Perdido			10713	Sewer line Cleaning	LED	OPSO	
	Kitchen/Warehouse/ Power Plant	2800 Perdido	29.960879	-90.094702	7884	Removal of refrigerated goods and cleaning and disinfecting	LED	OPSO	OPSO
Kitchen/Warehouse/ Power Plant	2800 Perdido			364	Electrical work to repair mechanical and electrical equipment; another PW written for this work	LED	OPSO		
Kitchen/Warehouse/ Power Plant	2800 Perdido			14071	Construction of Kitchen Warehouse Facility	LED	OPSO		
Kitchen/Warehouse/ Power Plant	2800 Perdido			15625	Security Doors for Facility	LED	OPSO		

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
24 Warehouse	2900 Perdido	29.961117	-90.096996	1042		Demolition of Templerman Warehouse Building	LED	OPSO	OPSO
	2900 Perdido				1267	Removal of slab	LED	OPSO	
25 Temp kitchen at HOD	2735 Perdido	29.960457	-90.093891	8725		HOD Temporary Kitchen Build out	CITY	OPSO	
Temp kitchen at HOD	2735 Perdido			9017		Make Temp Tempmen Kitchen Operational, purchase kitchen equipment, supplies	CITY	OPSO	
26 Vehicle Maintenance Facility	739 South Lopez	29.962727	-90.097767	12619		Tire replacement of Sheriff Vehicles	CITY	OPSO	
Vehicle Maintenance Facility	739 South Lopez				1201	Construction of Vehicle and Maintenance Shop	CITY	OPSO	
27 Women's Work Release	639 South Rendon	29.964075	-90.097807	12800		Clean, debris removal, stabilizing the building, mold remediation	OPSO	OPSO	OPSO
Women's Work Release	639 South Rendon				8597	Repair Building	OPSO	OPSO	
28 800 Bed temporary jail	2700 Perdido	29.95988	-90.094172	16125		Lease of 4 privately owned lots for part of Temporary Jail (10/1/06- 9/30/08)	LED/ Wayne Ducote	US Government	US Government
800 bed temporary jail	2700 Perdido					Lease of 4 privately owned lots for part of Temporary Jail (10/1/08- 3/31/09)	LED/ Wayne Ducote	US Government	
29 500 bed temporary jail	3200 Perdido			6281		Furnishings for 800 bed federal mission assignment jail;	LED	OPSO	OPSO
500 Bed temporary jail	3200 Perdido			19011		Temporary Inmate Housing	LED	OPSO	
500 bed temporary jail	3200 Perdido			19374		Repairs to 800 bed federal mission assignment jail, smoke alarms	LED	OPSO	

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT B

Facility	Pre-Katrina Municipal address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
Miscellaneous				303		6 Jon boats	OPSO	OPSO	OPSO
Miscellaneous				135		Force account labor	OPSO	OPSO	
Miscellaneous				360		Food service for workers	OPSO	OPSO	
Miscellaneous				375		12 vehicles transferred to another PW	OPSO	OPSO	OPSO
Miscellaneous				733		Pick up fuel tanks, A/C misc	OPSO	OPSO	
Miscellaneous				1282		Force account equipment- vehicles	OPSO	OPSO	
Miscellaneous				1320		Food service inmates and deputies	OPSO	OPSO	
Miscellaneous				1373		Search and Rescue	OPSO	OPSO	
Miscellaneous				1677		Force account generators	OPSO	OPSO	
Miscellaneous				2033		Tow vehicles	OPSO	OPSO	
Miscellaneous				4729		Cleaning materials	OPSO	OPSO	
Miscellaneous				6075		Drop off, relocate, haul and service portable containers and toilets	OPSO	OPSO	
Miscellaneous				13223		Relocate animals	OPSO	OPSO	
Miscellaneous				14007		Miscellaneous	OPSO	OPSO	
Miscellaneous				14067		Emergency fuel	OPSO	OPSO	
Miscellaneous				15882		Emergency meals for workers	OPSO	OPSO	
Miscellaneous				15927		Mosquito, pest, rodent control	OPSO	OPSO	
Miscellaneous				15990		Force account generators	OPSO	OPSO	

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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EXHIBIT C

Facility	Pre-Katrina Munciple address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
5	Community Corrections Center (CCC) 2800 Gravier Street	29.961326	-90.094309	15870		Temp restoration of IT and Comm rooms	CITY	OPSO	CITY
	Community Corrections Center (CCC) 2800 Gravier Street				504	Bottom panels of roll up door and the in of electric door operator	CITY	OPSO	
	Community Corrections Center (CCC) 2800 Gravier Street				577	Repairs of emergency generators	CITY	OPSO	
	Community Corrections Center (CCC) 2800 Gravier Street			10999		CCC, HOD, and Templeman 1 Stabilization	CITY	CITY	
	Community Corrections Center (CCC) 2800 Gravier Street			12090		Center stabilization	CITY	CITY	
	Community Corrections Center (CCC) 2800 Gravier Street				13923	Repair of CCC	CITY	CITY	

The CCC is owned by the City with the OPSO occupying a portion of the building with temporary IT and Communication equipment under PW 15870. The City is the owner and is legally responsible for the facility, but will coordinate with the OPSO for the relocation of the equipment, at no cost to the OPSO.

The Parties hereto certify that all information contained in Exhibit "g" and Exhibit "c" is true and correct.


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EXHIBIT C

Facility	Pre-Katrina Municipality address	Latitude	Longitude	Category B	Category E	FEMA Project	Title Ownership	Legal Responsibility	Insurance Responsibility
20 Templeman 1	2926 Perdido	29.960724	-90.096166	15556		Temporary Medical Facility; Not used	CITY	OPSO	CITY
Templeman 1	2926 Perdido			10982		Stabilization of building	CITY	CITY	
Templeman 1	2926 Perdido			12509		Stabilization of building	CITY	CITY	
Templeman 1	2926 Perdido			16126		Purchase, install Modular Medical Clinic; A/E Fee, Security	CITY	OPSO	
Templeman 1	2926 Perdido			17347		Cost Associated with transporting inmates to medical facilities outside OPSO	CITY	OPSO	
Templeman 1	2926 Perdido				1052	Templeman 1 repairs	CITY	CITY	
Templeman 1	2926 Perdido				3977	Templeman 1 repairs	CITY	CITY	
Templeman 1	2926 Perdido				4119	Templeman 1 repairs	CITY	CITY	

Currently, both Templeman 1 and the Community Corrections Center are part of the Criminal Justice and Public Safety Alternative Project Request. If this is approved, it would allow FEMA to fund alternate police, fire and criminal justice facilities.

The Parties hereto certify that all information contained in Exhibit "B" and Exhibit "C" is true and correct.

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**City of New Orleans
2012 Budget Offer**

Lead Department Name:	Orleans Parish Sheriff's Office
Offer Name:	Care, Custody, & Control of inmate population
Collaboration with Other Organizations/Departments:	

Result: (To which Result is this Most related?)

- Public Safety
 Open & Effective Government
 Economic Development
 Sustainable Communities
 Children & Families
 Innovation

Offer Ranking by Department:

Department Ranking of this Offer:	1
Total # of Offers Submitted by Department:	3

Outcome(s) Measure Impacted (List Outcome Measures impacted from RFO)

- A. Violent and total crime rates(UCR offenses)
- B. Effective and efficient care and custody of inmates
- C. Secure and efficient courts

Strategies Impacted (Which strategies does this offer address? List from RFO)

1. Increase effective and efficient deployment of public safety resources.
2. Improve community relations with sheriff's department
3. Engage the community in partnerships to promote public safety and reduce recidivism.
4. Provide service to the courts for timely resolution of criminal cases.
5. Prevent crime by reducing family violence and recidivism.
6. Improve the state of preparedness for disasters.
7. Improve recruitment, training and personnel development.

Offer Performance Measures:

Measure	KPI'	2009 Actual	2010 Actual	2011 Actual	2012 Target
Total number of jury trials OPSO provided security		N/A	228	210	225
Total number of municipal inmates housed daily		2065	2308	2100	2100
Total number of inmates processed		57,611	63,669	36,100	38,000
Tot. inmates proc.w/ State chg.		27,999	33,095	19,000	20,000



**City of New Orleans
2012 Budget Offer**

Total inmate medical appointments		107,251	114,585	103,387	104,000

*Please indicate if an offer performance measure is also a Key Performance Indicator (KPI) by checking the box in the column titled KPI.

<p>Offer Description (What is the service and how will it be provided? Describe any improvements or innovations included in the offer. What difference does this offer make and how will we know? Make a compelling case for your offer.)</p> <p align="center">Enter Offer Description here</p> <p>The Orleans Parish Sheriff's Office is responsible for the care, custody and control over individuals incarcerated within Orleans Parish. We feed the inmates three meals per day; provide recreation, clothing, transportation to and from court, medical services, rehabilitation and education. The Office also is responsible for the booking and processing of individuals arrested within Orleans Parish. In addition, the Office provides building security for all the following, municipal, traffic, civil, 13 criminal courts with 3 deputies per court, building security for criminal court, first parish court and juvenile court. Transfer high risk inmates to and from court.</p>
--

Does this offer reflect a business plan initiative?
Does this offer require IT support?

Yes No
 Yes No

Type of Request

Same as Last Year*	Per diem \$22.39 Court Services-\$2,942,975, Medical Services-\$3,200,000.
Incremental Change from Last Year	(+)Per diem \$4.61, Court\$1.057.025, Medical \$1,659,200.
Brand New Request	\$ Per diem \$27.00, Court Services-\$4,000,000, Medical Services-\$4,859,200.
Other (specify)	\$ City on behalf payments - estimate \$5,400,000



City of New Orleans 2012 Budget Offer

Total	\$34,954,700.**
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*2011 Other Operating Budget plus updated Personal Services
 **This amount is an estimate based on 2100 inmates held per day.
 The inmate population is determined by the number of arrest
 made by the police department.

2012 Expenditure Summary

# of Employees:	
Personal Service Budget:	
Other Operating Expenses:	
Total Budget Request:	
Org. Code(s) Related to Department:	Insert Org. Code*

* For offers covering multiple Org Codes, please provide detailed breakout in table below. (Add additional rows if necessary.)

Org Code	Personal Services	Other Operating
Total		

Source of Funds

Source	Type	Status (Current, Carryover, or Prospective)**	Total Request from Source
General Fund	\$34,954,700.(We have included a per diem amount of \$20,695,500 which is based on an inmate population of 2,100 City inmates)		\$34,954,700
Other Funds(Insert Fund Code)*			



City of New Orleans 2012 Budget Offer

Total Funding Requested	34,954,700
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*Include all Other/Grant Funds which support this offer.

**Grant Funds can be current for 2012, carryover funds, or prospective.

Return on Investment

Answer all of the following questions:

1. What is the return on investment for this offer? Does this activity leverage funds from other services?
2. How do citizens benefit from the provision of this service?
3. What is the impact of not funding this offer?

Enter Return on Investment here

Reduces crime by removing offenders from the streets.

Provides programs to reduce recidivism.

Provides a secure environment for the justice system to operate in.

If violent offenders were not removed from society and incarcerated, the citizens of New Orleans could not be safe.

Efficiency Investment

Answer all of the following questions:

1. Explain how you are efficient in implementing this offer.
2. How could you further build on this efficiency and/or what new ideas do you have to make this offer more efficient?
3. Based on your response to question 2, what additional resources (i.e. staff, technology, or funds) will allow your department to contribute to a greater efficiency for this offer?

Enter Efficiency Investment here

We are in the process of replacing old non-compliant facilities with efficient American Corrections Association approved facilities with the assistance of FEMA.

With adequate funding, we could afford the latest technology and hire the experts to implement this



**City of New Orleans
2012 Budget Offer**

technology.

**One-Time Efficiency Investment
(Refer to question 3 above)**

Total General Fund Requested:	Insert \$34,954,700
Total Other Funds Requested:	
Identify Source of Other Funds:	