

ANNUAL BUDGET REPORT

ORLEANS PARISH SHERIFF'S OFFICE

NEW ORLEANS, LOUISIANA

FOR THE YEAR ENDED

DECEMBER 31, 2011

Orleans Parish Sheriff's Office
 General Fund 2011 Functional Budget

	2011 Budget
Revenues	
City of New Orleans - inmate per diem	\$ 22,882,580
City of New Orleans - medical costs	3,200,000
City of New Orleans - court services	2,442,975
Department of Corrections Louisiana	11,100,000
Federal charges	1,642,500
Out of parish inmate charges	722,000
Grants and other programs	1,555,000
State supplemental pay	2,544,000
On behalf payments health insurance, etc. - City of N.O.	4,000,000
Inmate telephone	1,940,000
Inmate work release fees	1,350,000
Inmate medical co-pays	11,000
Release processing fees	435,000
3% Bail bonds fee	235,000
Municipal and traffic court security	100,000
Other revenue	500,000
	<u>54,660,055</u>
Expenditures-Custody of prisoners	
Central services	11,037,545
Court services	4,257,082
Security services	21,790,426
Administrative services	4,646,980
Records and booking	4,556,889
Inmate services	13,116,003
Grants and special programs	1,345,537
Plant and maintenance	6,315,538
	<u>67,066,000</u>
Deficiency of revenues over expenditures	(12,405,945)
Other Financing Sources	
Transfers in - commissary	600,000
Total Other Financing Sources	<u>600,000</u>
Net Change in Fund Balance	<u>(11,805,945)</u>
Estimated Beginning Fund Balance	(2,589,209)
Estimated Ending Fund Balance	<u>\$ (14,395,154)</u>

Orleans Parish Sheriff's Office
 General Fund
 2011 Expenditure Budget by Cost Center

CENTRAL SERVICES

	Dept Code	Original Budget 2011
Sheriffs Office	1001	7,215,443
Legal Department	1002	1,725,924
Administrative support	1003	579,316
Planning, Compliance and Grants	1004	173,957
Internal affairs	1024	416,654
Communications	1093	545,902
Risk management	1128	380,349
TOTAL CENTRAL SERVICES		11,037,545

COURT SERVICES

Transportation	1045	697,660
Court Security	1046	2,437,509
Subpoenas & Capias	1047	1,121,913
TOTAL COURT SERVICES		4,257,082

SECURITY SERVICES

Admin. Central Security	1018	56,307
Special Operations Division	1019	1,465,535
K-9 Unit	1020	21,000
Security - OPP	1027	4,743,921
Security - HOD	1028	4,180,454
Security - Work Release	1030	1,176,737
Security - Conchetta	1031	2,407,547
Security - South White Street	1068	1,652,617
Mounted Division	1084	24,000
Security - Reserves	1086	500
Security Templeman V	1090	1,888,655
Quality Control Unit	1102	200
Security - Temporary Detention Center	1104	2,340,374
Security - Nat Hall Village	1115	1,184,942
Search and Rescue Division	1122	1,000
Tactical Unit	1123	500
Motorcycle Unit	1124	500
Honor Guard	1125	500
Mobile Command Unit	1126	10,300
Medical Transportation Unit	1131	634,837
TOTAL SECURITY SERVICES		21,790,426

RECORDS AND BOOKING

	Dept Code	Original Budget 2011
Intake and Processing Center	1048	4,556,889
TOTAL RECORDS AND BOOKING		4,556,889

ADMINISTRATIVE SERVICES

Accounting	1005	939,116
Payroll	1006	213,451
Personnel	1007	458,457
Purchasing	1008	332,436
Training	1026	362,927
Technical Services Department	1050	2,144,220
Administrative services	1063	196,373
TOTAL ADMINISTRATIVE SERVICES		4,646,980

INMATE SERVICES

Medical Department	1038	5,875,048
Kitchen	1039	7,069,041
Inmate Trust Department	1064	171,914
TOTAL INMATE SERVICES		13,116,003

GRANTS AND SPECIAL PROGRAMS

Special Projects	1056	150,000
Young Marines	1070	245,537
Day Reporting Center	1073	400,000
Southeast Regional Reentry Program	1114	550,000
TOTAL GRANTS AND SPECIAL PROGRAMS		1,345,537

PLANT AND MAINTENANCE - INCLUDING CAPITAL OUTLAYS

Maintenance - OPP	1010	540,000
Maintenance - CCC	1011	11,000
Maintenance - HOD	1012	650,000
Maintenance - Broad	1013	90,000
Maintenance - Conchetta	1014	181,000
Maintenance - Zaffuto Center	1015	33,000
Maintenance - Fisk School	1016	5,500
Maintenance - Inmate Housing Unit	1017	0
Central Maintenance	1035	1,548,028
Mechanic Shop	1037	808,634
Maint. South White	1059	200,000
Maint Other Facilities	1061	446,000
Maintenance - CWA	1080	115,000
Maintenance - IPC	1081	572,000
Maintenance - Templeman V	1087	297,000
Store Room - Warehouse	1099	260,376
Tent City - Maintenance	1105	300,000
Maintenance - 3205 Perdido	1106	35,000
Maintenance - Bunker	1108	7,000
Maintenance - Westbank Office	1109	2,000
Maintenance - Nat Hall Village	1116	150,000
Annex - American Textile Bldg	1120	57,000
Aquaculture	1121	7,000
TOTAL PLANT AND MAINTENANCE - INCLUDING CAPITAL OUTLAYS		6,315,538

TOTAL 2011 EXPENDITURE BUDGET67,066,000

Orleans Parish Sheriff's Office
 Detail Analysis of Budget by Cost Center
 2011

CENTRAL SERVICES	Dept Code	Total 2011 Budget	Total projected number of employees	Personnel 2011 budget	Contractual 2011 budget	Supplies 2011 budget	Capital Outlay 2011 budget
Sheriff's Office	1001	7,215,443	5	651,443	6,562,000	2,000	0
Legal Department	1002	1,725,924	2	64,924	1,658,000	3,000	0
Administrative support	1003	579,316	10	577,716	600	1,000	0
Planning, Compliance and Grants	1004	173,957	2	152,957	1,000	20,000	0
Internal affairs	1024	416,654	8	412,654	3,000	1,000	0
Communications	1093	545,902	9	541,402	500	4,000	0
Risk management	1128	380,349	2	129,849	250,000	500	0
TOTAL CENTRAL SERVICES		11,037,545		2,530,945	8,475,100	31,500	0
COURT SERVICES							
Transportation	1045	697,660	11	695,460	200	2,000	0
Court Security	1046	2,437,509	61	2,433,009	500	4,000	0
Subpoenas & Capias	1047	1,121,913	18	1,105,913	1,000	15,000	0
TOTAL COURT SERVICES		4,257,082		4,234,382	1,700	21,000	0
SECURITY SERVICES							
Admin. Central Security	1018	56,307		19,807	16,500	20,000	0
Special Operations Division	1019	1,465,535	24	1,430,535	5,000	30,000	0
K-9 Unit	1020	21,000			15,000	6,000	0
Security - OPP	1027	4,743,921	81	4,738,921	0	5,000	0
Security - HOD	1028	4,180,454	79	4,158,454	17,000	5,000	0
Security - Work Release	1030	1,176,737	19	1,170,837	3,900	2,000	0
Security - Conchetta	1031	2,407,547	44	2,401,647	3,900	2,000	0
Security - South White Street	1068	1,652,617	38	1,650,617	0	2,000	0
Mounted Division	1084	24,000			6,000	18,000	0
Security Reserves	1086	500			0	500	0
Security Templeman V	1090	1,888,655	40	1,886,655	0	2,000	0
Quality Control Unit	1102	200			0	200	0
Security - Temporary Detention Center	1104	2,340,374	49	2,338,374	0	2,000	0
Security - Nat Hall Village	1115	1,184,942	25	1,182,942	0	2,000	0
Search and Rescue Division	1122	1,000			500	500	0
Tactical Unit	1123	500			0	500	0
Motorcycle Unit	1124	500			0	500	0
Honor Guard	1125	500			0	500	0
Mobile Command Unit	1126	10,300			0	10,300	0
Medical Transportation Unit	1131	634,837	10	633,837	0	1,000	0
TOTAL SECURITY SERVICES		21,790,426		21,612,626	67,800	110,000	0
RECORDS AND BOOKING							
Intake and Processing Center	1048	4,556,889	85	4,519,389	2,500	35,000	0
TOTAL RECORDS AND BOOKING		4,556,889		4,519,389	2,500	35,000	0

ADMINISTRATIVE SERVICES							
	Dept Code	Total 2011 Budget	Total projected number of employees	Personnel 2011 budget	Contractual 2011 budget	Supplies 2011 budget	Capital Outlay 2011 budget
Accounting	1005	939,116	15	845,116	89,000	5,000	0
Payroll	1006	213,451	3	136,451	75,000	2,000	0
Personnel	1007	458,457	7	421,457	30,000	7,000	0
Purchasing	1008	332,436	6	309,436	5,000	18,000	0
Training	1026	362,927	4	338,927	7,000	17,000	0
Technical Services Department	1050	2,144,220	6	589,820	1,534,400	20,000	0
Administrative services	1063	196,373	6	195,873	0	500	0
TOTAL ADMINISTRATIVE SERVICES		4,646,980		2,837,080	1,740,400	69,500	0
INMATE SERVICES							
Medical Department	1038	5,875,048	58	4,143,048	1,562,000	170,000	0
Kitchen	1039	7,069,041	26	1,581,291	150,000	5,337,750	0
Inmate Trust Deptment	1064	171,914	4	171,664	0	250	0
TOTAL INMATE SERVICES		13,116,003		5,896,003	1,712,000	5,508,000	0
GRANTS AND SPECIAL PROGRAMS							
Special Projects	1056	150,000		0	0	150,000	0
Young Marines	1070	245,537	6.25	232,537	5,000	8,000	0
Day Reporting Center	1073	400,000	4.00	157,300	126,900	115,800	0
Southeast Regional Reentry Program	1114	550,000	8.00	400,000	50,000	100,000	0
TOTAL GRANTS AND SPECIAL PROGRAMS		1,345,537		789,837	181,900	373,800	0
PLANT AND MAINTENANCE INCLUDING CAPITAL OUTLAYS							
Maintenance - OPP	1010	540,000			140,000	400,000	0
Maintenance - CCC	1011	11,000			11,000	0	0
Maintenance - HOD	1012	650,000			200,000	450,000	0
Maintenance - Work Release	1013	90,000			20,000	70,000	0
Maintenance - Conchetta	1014	181,000			21,000	160,000	0
Maintenance - Zaffuto Center	1015	33,000			15,000	18,000	0
Maintenance - Fisk School	1016	5,500			5,500	0	0
Maintenance - Inmate Housing Unit	1017	0			0	0	0
Central Maintenance	1035	1,548,028	35	1,414,028	14,000	120,000	0
Mechanic Shop	1037	808,634	11	357,634	1,000	450,000	0
Maintenance - South White Street	1059	200,000			85,000	115,000	0
Maint Other Facilities	1061	446,000			426,000	20,000	0
Maintenance - CWA	1080	115,000			65,000	50,000	0
Maintenance - IPC	1081	572,000			172,000	400,000	0
Maintenance - Templeman V	1087	297,000			187,000	110,000	0
Warehouse - Store Room	1099	260,376	4	201,376	39,000	20,000	0
Maintenance - Temporary Detention Center	1105	300,000			150,000	150,000	0
Maintenance - 3205 Perdido	1106	35,000			15,000	20,000	0
Maintenance - Bunker	1108	7,000			5,000	2,000	0
Maintenance - Westbank Office	1109	2,000			0	2,000	0
Maintenance - Nat Hall Village	1116	150,000			85,000	65,000	0
Annex - American Textile Bldg	1120	57,000			47,000	10,000	0
Aquaculture	1121	7,000			5,000	2,000	0
TOTAL PLANT AND MAINTENANCE		6,315,538		1,973,038	1,708,500	2,634,000	0
TOTALS		67,066,000	825	44,393,300	13,889,900	8,782,800	0



Office of the Criminal Sheriff
Parish Of Orleans • State Of Louisiana

Marlin N. Gusman
Sheriff

July 30, 2010

Mr. Andrew D Kopplin
First Deputy Mayor/Chief Administrative Officer
City of New Orleans
1300 Perdido St.
New Orleans, LA 70112

Dear Mr. Kopplin:

Since the Consent Judgment signed as settlement and resolution to the Sheriff's December 21, 1989 Motion in United States District Court Case Civil Action 69-2443, amended by the Settlement Agreement signed and effective March 26, 2003, includes an agreement as to form and amount of city payments for housing inmates.

The Settlement Agreement addresses payment to the Sheriff's Office in three areas:

1. Payments for inmates

Our budget request for these payments is based on our expected City inmate population for 2011. The City per diem is \$22.39 and we estimate the inmate population to be approximately 2,800 for a total of \$22,882,580. The inmate population is driven primarily by the number of arrests made by the police department. We are asking that the City of New Orleans pay a per diem rate of \$27.00 for an estimated total of \$27,594,000.

2. Court services

Our projected expenditures for court services are estimated at \$3,900,000 for 2011. We have continued to experience higher cost than in the past due to additional court security required for Criminal Court. The 2003 Agreement limits court billings to \$2,442,975 per annum. Our actual cost for 2009 was \$3,486,131 and we are estimating our 2010 cost to be \$3,250,000. We are asking that the City of New Orleans reimburse the Sheriff's Office for actual cost of Court services.

3. Medical Services

The City's payment for medical services provided to its inmates by the Sheriff, as per the agreement, is \$3,200,000 however; our projected expenditures for city inmates are estimated to be \$4,859,200 for 2011, our estimated cost for 2010 is \$5,540,000 and our actual expenses for 2009 was \$5,589,000. We are asking the City of New Orleans to reimburse the Sheriff's Office the actual cost of Medical Services and to amend the March 26, 2003 Settlement Agreement for the housing and care of inmates so that it can be more in line with 2011 costs.

We have attached our 2011 Budget which details revenues and expenditures by cost center. Although costs have substantially increased, the payments to the Sheriff's office have remained the same. Without an increase, we will not be able to meet our payroll and operating expenses. Unless the City of New Orleans agrees to an increase in per diem and other payments, we will be forced to seek a legal remedy.

We appreciate your attention to our budget request. If you have any questions, please contact me.

Sincerely,

Marlin N. Gusman
Sheriff

MNG/jtl



Office of the Sheriff
Parish of Orleans ~ State of Louisiana

Marlin N. Gusman
Sheriff

July 29, 2010

Honorable Mitchell J. Landrieu, Mayor
New Orleans City Hall
1300 Perdido Street
New Orleans, LA 70112

Re: Orleans Parish Sheriff's Office Faces Unprecedented Financial Shortfall

Dear Mayor Landrieu:

The Orleans Parish Sheriff's Office (OPSO) is facing an unprecedented financial shortfall in fiscal year 2010-2011. As previously documented, our expenditures have exceeded our revenues since Hurricane Katrina, causing us to operate consistently at a deficit. In order to make expenditures including payroll, inmate food, maintenance, and other basic necessities, after depleting our reserves, OPSO has been forced to borrow funds. This loan will be due in 2011, adding to our financial burden.

The reasons for the deficit include:

- One of the lowest inmate per diems in the nation (\$22.39)
- Increased cost of goods, including food, materials, and services
- Outdated, inefficient, scattered site facilities which require heavy manpower and maintenance resources
- Destruction of facilities by Hurricane Katrina/rebuilding process

Prior to the destruction of all OPSO facilities by Hurricane Katrina, OPSO was operating at a minor deficit, spending more per inmate than we were receiving in per diem fees. With the number of inmates being held in 2010 at less than half of the number held in 2005,¹ but with this lesser number of inmates being held in the older, less energy efficient and labor intensive, high-maintenance facilities, OPSO is forced to maintain spending per inmate at near pre-Katrina levels while realizing less income.

Added to these financial burdens is the rising cost of food, medicine, services, and materials, all of which are daily necessities. Since 2005, the Southern Consumer Price Index shows a rise from

¹ A maximum of 3,500 inmate beds in 2010 vs. a maximum of 7,200 in 2010.

187.8 in June 2005 to 211.23 in June 2010, a reflection of the rising costs throughout the nation.² Inflation rates, too, reflect the reduced buying power of the dollar, with an 11.7% loss in 2010 compared to the buying power of a 2005 dollar.³ One of the areas in which rising costs can be clearly seen is in food costs. In 2005, OPSO purchased a year's worth of apricot halves for \$201,725, while in 2010, a year's worth of apricot halves cost \$213,022—a difference of \$11,297⁴. Similar price rises occurred in dairy products, meat, cheese, and even seasonings such as garlic powder.

OPSO hoped to replace less efficient facilities (House of Detention, Orleans Parish Prison, Templeman V, Conchetta, South White Street, Temporary Jail Facility, Food Services) very quickly, and has been working with FEMA to construct all new facilities to American Correctional Association standards. However, although a temporary municipal inmate jail, a temporary booking facility and temporary kitchen have been constructed, permanent new jail facilities have not yet been constructed and are several years in the future.⁵ In the meantime, OPSO must run seven facilities which are spread throughout an eight block area, and must transport inmates daily to medical and court services outside of the secure area.

In order to survive while new facilities are being constructed, OPSO borrowed money for operating expenses, including payroll, accounts payable, and service costs. A \$6M operating expenses loan, from which over \$4M has already been drawn down, will be due in June 2011. A Gulf Opportunity (GO) Zone loan, from which OPSO has drawn over \$2.2M, will also begin principal payment on funds in January 2012 at 4.64%. Currently, as we continue to exceed our income monthly, OPSO will be unable to meet these obligations. Furthermore, when these loans are wholly expended, OPSO will be unable to make payroll and vendor expenses, which will effectively halt all jail operations.

At base, our financial troubles stem from a long standing, systematic under-funding of OPSO. 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 to provide preventative programming for inmates. Our local per diem is one of the smallest in the nation; for comparison purposes, in 2000, the average per diem rate for facilities larger than 2000 inmates was \$68.58 per day⁶, while local jail facilities of comparable size currently charge much higher rates, for example, \$74.04 per day (Hillsborough County, FL⁷) and \$58.91 in Davidson County, Tennessee⁸.

This low rate of reimbursement has severely limited the range of services that can be offered, as well as the low compensation of deputy salaries, maintenance of the facilities, and other day to day operations. Currently, any programs, such as drug treatment, re-entry, education, and other services which might rehabilitate inmates are limited in enrollment and are dependant upon short-

² Source: Bureau of Labor Statistics, "Consumer Price Index, Southern Urban, All Items".

³ Source: Bureau of Labor Statistics, "U.S. Inflation Calculator".

⁴ Source: OPSO internal records.

⁵ It should be noted that the planned new facilities do not increase the total number of inmate beds. The new facilities will replace existing inmate beds in older facilities with the same number of spaces, for a net gain of zero.

⁶ Corrections Yearbook, 2002, "Jail Per Diem Average".

⁷ Source: Hillsboroughcounty.org. Facility is 3,613 inmates per Bureau of Justice Statistics, Jail Inmates at MidYear 2009 Statistical Tables.

⁸ Source: "Beyond Capacity: Issues and Challenges Facing County Jails", Tennessee Advisory Commission on Intergovernmental Relations, March 2007. Facility is 3,450 inmates per Bureau of Justice Statistics, Jail Inmates at MidYear 2009 Statistical Tables.

term grant funds or one-term contracts. Employee retention, too, becomes a “hidden expense”, with hourly pay of \$9.69 per hour, 12 hour shifts, and stressful, potentially dangerous working conditions routinely cause large employee turnover. Building maintenance, an ongoing struggle due to older facilities, high traffic volume, and inmate vandalism, also suffers from a lack of resources to truly renovate and modernize facilities. Some facilities still lack air conditioning and heating (HOD), while others have climate control that is aged and inadequate (OPP, Conchetta, South White Street, Templeman V), causing massive and frequent repair costs.

OPSO is also responsible for court security, which frequently requires overtime when courts run into the evening, overnight jury sequestration, and other expensive security needs. Although an annual payment for court security is included in the consent decree, the actual costs of court security consistently exceed the amount⁹. Similarly, although a medical costs payment is allocated via the consent decree, actual annual medical costs are higher than the allowed amount. As with court costs, the cost of medical care is not under OPSO control; OPSO is legally bound to treat all persons in custody, of whom a higher percentage have expensive, chronic health problems such as HIV and kidney failure. Both court and medical stipends were set in 2003 and have not kept up with rising costs.

In short, in the very near future, OPSO may not be able to make our financial obligations. Our options are limited and bleak, and include bankruptcy and ceased operations. Without OPSO, city wide security falters—for example, OPSO holds over a thousand maximum security inmates in our facilities, whose continued secure holding is vital to community safety.

Sincerely,



Marlin N. Gusman
 Sheriff, Orleans Parish

- CC: Andrew D. Kopplin, Chief Administrative Officer, City of New Orleans
 Arnie Fielkow, President, New Orleans City Council
 Jacqueline Bretchtel Clarkson, Vice President, New Orleans City Council
 Susan G. Guidry, District A, New Orleans City Council
 Stacy Head, District B, New Orleans City Council
 Kristin Gisleson Palmer, District C, New Orleans City Council
 Cynthia Hedge-Morrell, District D, New Orleans City Council
 Jon D. Johnson, District E, New Orleans City Council

Criminal Court Costs			
Year:	Amount Compensated by City:	Actual Cost to OPSO:	Overage Paid by OPSO:
2007	\$2,442,978	\$3,942,665	\$1,499,687
2008	\$2,442,978	\$3,782,668	\$1,339,690
2009	\$2,442,978	\$3,375,720	\$932,742*
2010 (projected)	\$2,442,978	\$2,901,215	\$458,237

*This amount does not reflect a one-time payment from the City of New Orleans to make up the deficit, as it was not expected to be a recurring payment.