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**REPORT TO THE SUBCOMMITTEE ON
INTERGOVERNMENTAL RELATIONS
COMMITTEE ON
GOVERNMENT OPERATIONS
UNITED STATES SENATE**

**Case Studies Of Revenue Sharing
In 26 Local Governments**

ENCLOSURE T

↓ New Orleans, Louisiana

D. 2792

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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ABBREVIATIONS

EEOC Equal Employment Opportunity Commission
GAO General Accounting Office

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SUMMARY

S. 2512

At the request of the Chairman, Subcommittee on Inter-governmental Relations, Senate Committee on Government Operations, GAO conducted case studies on general revenue sharing at 26 selected local governments throughout the country, including New Orleans, Louisiana.

For the period January 1, 1972, through June 30, 1974, New Orleans was allocated a total of \$44,620,024 in revenue sharing funds, or \$75.18 per capita. Of this amount, \$40,009,424 was received by June 30, 1974, and \$4,610,600 was received in July 1974. Revenue sharing payments were equivalent to about 27.8 percent of New Orleans' own tax collections.

The Chairman's letter listed seven areas on which the Subcommittee wanted information. Following is a brief description of the selected information GAO obtained on each area during its review of New Orleans.

1. The specific operating and capital programs funded in part or in whole by general revenue sharing in each jurisdiction. As of June 30, 1974, New Orleans had expended \$25,663,995 of its revenue sharing funds. An additional \$15,101,571 was appropriated and budgeted for capital purposes. Of the funds expended, \$23,277,216 was designated as used for operations and \$2,386,779 for capital programs. The city failed to designate in its accounting records the specific operations and maintenance expenses funded by revenue sharing, and, therefore, GAO was unable to identify operational uses of the funds. In capital programs, the city designated \$45,000 as being used for public safety, \$253,555 for environmental protection, \$212,942 for public transportation, \$160,336 for recreation, \$182,265 for libraries, and \$1,532,681 for general public buildings. Within these capital designations numerous individual specific applications were made. Although the city questions the need for change, it intends to amend its accounting practices to designate operations and maintenance expenses funded with revenue sharing.

2. The fiscal condition of each jurisdiction, including its surplus or debt status. New Orleans' operating

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fund balances gradually increased from \$0.5 million in 1969 to \$4.6 million in 1973. Its outstanding debt had increased from \$151 million to \$165 million during the same period. Actuarial studies indicate that the city will have to take drastic measures to meet its overall pension/retirement liabilities. Its outstanding debt was about 69 percent of the ceiling imposed by State statute.

3. The impact of revenue sharing on local tax rates and any changes in local tax laws, and an analysis of local tax rates vis-a-vis per capita income. Before January 1, 1975, the city was at its statutory maximum for levying property tax millage for general purposes and bond redemption and interest. The new State constitution, effective as of January 1, 1975, does not establish any maximum for these purposes. However, any millage increases for these or any other purposes must be approved by a voter referendum. Before July 1, 1974, the city sales tax was at its statutory maximum. On that date, the State legislature authorized the city to levy an additional 1 percent sales tax. The city does not intend to seek voter approval of a higher sales tax because the present tax is already higher than those of some readily accessible shopping areas in adjacent parishes (counties). The city is prohibited by both the old and the new State constitution from levying a municipal income tax. City officials said receipt of revenue sharing funds did not affect taxes, but, without the funds, city services would have been reduced.

The percentage of a family's income that is paid to the city of New Orleans, other local governments--including the school district--and to the State government increases slightly as family income increases. The tax burden for a family of four increased from 5.4 percent of family income to 5.5 percent and 5.8 percent as family income increased from \$7,500 to \$12,500 and \$17,500, respectively.

4. The percentage of the total local budget represented by general revenue sharing. Revenue sharing funds comprised about 2.5 percent of New Orleans' 1972 budget and 15.7 percent of its 1973 budget, or 1.7 and 11.3 percent, respectively, of the combined city and school district budgets.

5. The impact of Federal cutbacks in three or four specific categorical programs and the degree, if any, that revenue sharing has been used to replace those cutbacks. In calendar years 1971, 1972, and 1973, New Orleans received \$13.1, \$19.8, and \$18.8 million, respectively, in Federal aid other than revenue sharing. Most Federal grants were for manpower, Model Cities activities, and capital programs. The city used about \$57,000 from its general fund to partially offset Federal reductions in its recreational and Model Cities programs. The city expects to offset certain discontinued categorical projects with an anticipated \$4.1 million in funds under the Comprehensive Employment Training Act and about \$14.8 million in community development revenue sharing funds.

6. The record of each jurisdiction in complying with the civil rights, Davis-Bacon, and other provisions of the law. The city and the State have organizational units to deal with charges of discrimination. The State unit refers complaints involving New Orleans residents to the city's human relations committee, which has established procedures to settle grievances or refer applicable ones to the city civil service commission. This 5-member commission, appointed by the city council from persons recommended by university officials, reviews appeals of adverse personnel actions, and its decisions are binding on the city.

The city expects to adopt an affirmative action plan in the near future. The proposed plan provides for a 5-year achievement period with provisions to eliminate, by progressive annual rates, minority employment disparities. Also, the city civil service commission has an affirmative action plan to improve employment opportunities for minorities.

According to the 1970 census, the civilian labor force in New Orleans consisted of 221,532 persons, of which 41.2 percent were female, 38.9 percent were blacks, and 4.6 percent were Spanish language individuals. As of June 30, 1974, the city employed 9,385 persons, exclusive of 767 unclassified and contractual employees. Of the 9,385, 20.5 percent were females, 34 percent were black, and 1.2 percent were "other" minorities. The statistics indicated overall

disparities in the employment of females and "others," and certain functions and job categories had either low or high proportions of females, blacks, and others.

In commenting on these comparisons, city officials said that since 1970, significant progress in hiring blacks and women for city government had been made and was continuing. They said it was impossible to quickly change the racial and sexual mix of departments fully staffed with civil service personnel; change must occur through attrition over a long period of time.

As of January 8, 1975, the U.S. Equal Employment Opportunity Commission listed 84 complaints of employment discrimination against the city because of race, sex, religion, and national origin. Of these, only five had been closed; two were withdrawn and three were outside the commission's jurisdiction. There were no civil rights suits or administrative or judicial orders, closed or pending, regarding the city's use of revenue sharing funds in employment.

As of June 30, 1974, the city had financed 39 capital projects which cost over \$2,000 and for which revenue sharing funds exceeded 25 percent of the total cost of each, making them subject to the Davis-Bacon provision of the Revenue Sharing Act as implemented by Office of Revenue Sharing regulations. The city's bureau of internal audit is responsible for monitoring only construction projects costing over \$25,000 for compliance with the act. However, city officials said all capital projects subject to the Davis-Bacon provision are monitored through preaward procedures to assure that the projects comply with the provision when applicable.

Regarding the prevailing wage provision of the Revenue Sharing Act, the city pays all of its employees according to established pay schedules.

7. Public participation in the local budgetary process, and the impact of revenue sharing on that process. The city's budgetary process requires public hearings before the city council. City officials said some public interest groups appeared before the council advocating specific uses of revenue sharing funds; the council granted or denied funds after hearing the requests.

Several public interest groups GAO contacted wanted the city to emphasize social program expansion and encourage more citizen participation in the planning process. They also felt civic groups should try harder to influence budget decisions on revenue sharing and implied that the public is not adequately informed about the revenue sharing program.

CHAPTER 1

INTRODUCTION

The State and Local Fiscal Assistance Act of 1972 (Public Law 92-512), commonly known as the Revenue Sharing Act, provides for distributing about \$30.2 billion to State and local governments for a 5-year program period beginning January 1, 1972. The funds provided under the act are a new and different kind of aid because the State and local governments are given wide discretion in deciding how to use the funds. Other Federal aid to State and local governments, although substantial, has been primarily categorical aid which generally must be used for defined purposes. The Congress concluded that aid made available under the act should give recipient governments sufficient flexibility to use the funds for their most vital needs.

On July 8, 1974, the Chairman, Subcommittee on Intergovernmental Relations, Senate Committee on Government Operations, requested us to conduct case studies on general revenue sharing at 26 selected local governments throughout the country. The request was part of the Subcommittee's continuing evaluation of the impact of general revenue sharing on State and local governments. The Chairman requested information on

- the specific operating and capital programs funded by general revenue sharing in each jurisdiction;
- the fiscal condition of each jurisdiction;
- the impact of revenue sharing on local tax rates and tax laws, including an analysis of tax burden on residents of each jurisdiction;
- the percentage of the total budget of each jurisdiction represented by general revenue sharing;
- the impact of Federal cutbacks in several categorical programs and the degree, if any, that revenue sharing has been used to replace those cutbacks;

--the record of each jurisdiction in complying with the civil rights, Davis-Bacon, and other provisions of the law; and

--public participation in the local budgetary process and the impact of revenue sharing on that process.

New Orleans, Louisiana, is one of the 26 selected local governments, which include large, medium, and small municipalities and counties as well as a midwestern township.

BACKGROUND INFORMATION ON NEW ORLEANS

New Orleans is about 110 miles from the mouth of the Mississippi River. Its boundaries are coterminous with Orleans Parish (County) and it occupies about 363 square miles, 200 of which are land area. With a 1970 population of 593,471, New Orleans ranked as the 19th largest city in the United States.

New Orleans is one of the largest seaports in the United States; about 35 percent of the local labor force is directly involved in port activities.

Industrial activity in the New Orleans area is dominated by shipbuilding, petrochemicals, petroleum refining, food processing, and primary metals production. About 870 other manufacturing operations give the area a diversified industrial base.

New Orleans is also a major tourist and convention center. In a recent year, nearly 4 million people visited the city, and over 600 conventions were held.

In 1970 median family income in the city was \$5,572. This is extremely low, ranking New Orleans as 48th of the 50 largest U.S. cities. By comparison, the median family income of the New Orleans Standard Metropolitan Statistical Area (a 4-parish area, including Orleans) was \$7,033.

The 1970 census reported 21.6 percent of the families in New Orleans had incomes below poverty level. This was the highest incidence of poverty among the 50 largest U.S. cities.

The city is governed by a mayor-council form of government. The mayor is aided by a chief administrative officer whom he appoints. The mayor is elected for a 4-year term and is limited to two consecutive terms.

The legislative powers of the city are vested in an elected seven-member city council. Five councilmen are elected from districts and two are elected at large. Each councilman is elected for a 4-year term. In 1973 the terms of the councilmen had been extended indefinitely by court action, pending the results of an appeal on court-ordered redistricting. The Department of Justice has twice rejected redistricting plans submitted by the city on the basis that the plans were racially discriminatory. The city appealed the second rejection, and the U.S. Supreme Court had not rendered a decision at the completion of our review in March 1975.

New Orleans' department of streets maintains existing streets and State highways within city limits. The State reimburses the city for maintaining State highways. Funds for maintenance and construction of streets are appropriated from the city's operating and capital funds. Also, under certain circumstances, affected property owners are assessed a share of the cost of paving streets.

Public elementary and secondary education is provided by the Orleans Parish School Board, a quasi-State agency financially and organizationally independent of the city government. The School Board is made up of elected officials. School operations are financed by State and Federal funds, bond proceeds, private donations, and property and sales taxes levied by the School Board. Both the ad valorem dedicated tax millage on real and personal property and the sales tax are collected by the city.

In addition to the public school system, many parochial and private schools provide elementary and secondary education in New Orleans.

The Federal and State governments provide cash payments to city welfare recipients. The city department of welfare administers the city welfare program, which consists of providing emergency relief funds for displaced families, operating various city institutions (such as a home for the aged, a boys' home, and a youth center) and providing funds to private institutions caring for the indigent. Fund sources for operating the city welfare program are the city amusement tax and general fund, user charges from the home for the aged, and donations. The city welfare department also administers a federally funded family counseling and crisis intervention service for families in poverty areas.

City health services are provided through Federal, State, city, and private sources. The city itself operates several health clinics which function as outpatient facilities and medicine dispensaries and are financed through the general operating fund. The State supervises and funds the New Orleans Charity Hospital. Two city hospitals are Federal--the Veterans Administration Hospital and the Public Health Service Hospital.

Police and fire protection are provided by the city police and fire departments, both financed by city general operating fund appropriations and dedicated property tax millage. Commissioned police officers and fire fighting personnel also receive supplemental pay from the State.

Sewerage and water services are provided by the Sewerage and Water Board, a quasi-public agency. The board finances its services from the sale of water, sewerage service charges, bond proceeds, and dedicated property tax millage.

The department of sanitation collects and disposes of garbage, cleans streets, and administers a contract with the Louisiana Society for the Prevention of Cruelty to Animals for removal of stray dogs and cats. These services are financed from user charges and general operating fund appropriations.

Many parkways and parks, and historic Jackson Square, are operated and maintained by the city's parkway and park commission. The city's recreation department is responsible for recreation programs. These services are financed from general operating fund appropriations, user charges, and private donations.

Electricity, gas, and public transportation are provided to city residents by privately owned corporations operating under franchises from the city.

The city's public library board operates the main library, 10 branches, and two bookmobiles. Library services are financed with appropriations from city funds, donations, bequests, and fines.

The State Board of Levee Commissioners of the Orleans Levee District (Levee Board) is responsible for construction of levees, lakefront reclamation, and management of New Orleans Lakefront Airport and other real properties it owns. The Levee Board finances its operations with a dedicated property tax millage, oil and gas royalties, rentals and leases, concessions, income from airport operations, and sales of real estate.

The city owns and manages the New Orleans International Airport in neighboring Jefferson Parish. The city aviation board is responsible for maintenance and operation of the airport and is not dependent upon city funds. It is financed from airport operating revenues, concessions, bond proceeds, and Federal funds. It reimburses the city fire department for fire protection and the police department of a city near the airport for police protection.

New Orleans also helps fund such social service programs as the Metropolitan Council on Aging, which provides free lunch programs, transportation, and other aid to the aged, and the Veterans Outreach program, which provides services to veterans, such as job referrals. Both programs have Federal, State, and city funding. The city also provides funds to such private groups as the Jazz Club and the Young Men's Christian Association for special events.

REVENUE SHARING ALLOCATION

Revenue sharing funds are allocated according to a formula in the Revenue Sharing Act. The amount available for distribution within a State is divided into two portions--one-third for the State government and two-thirds for all eligible local governments within the State.

The local government share is allocated first to the State's county areas (these are geographic areas, not county governments) using a formula which takes into account each county area's population, general tax effort, and relative income. Each individual county area amount is then allocated to the local governments within the county area.

The act places constraints on the allocations to local governments. The per capita amount allocated to any county area or local government unit (other than a county government) cannot be less than 20 percent, nor more than 145 percent, of the per capita amount available for distribution to local governments throughout the State. The act also limits the allocation of each unit of local government (including county governments) to not more than 50 percent of the sum of the government's adjusted taxes and intergovernmental transfers. Finally, a government cannot receive funds unless its allocation is at least \$200 a year.

To satisfy the minimum and maximum constraints, the Office of Revenue Sharing uses funds made available when local governments exceed the 145 percent maximum to raise the allocations of the State's localities that are below the 20 percent minimum. To the extent these two amounts (amount above 145 percent and amount needed to bring all governments up to 20 percent) are not equal, the amounts allocated to the State's remaining unconstrained governments (including county governments) are proportionally increased or decreased.

New Orleans was not raised to the 20 percent constraint or lowered to the 145 percent maximum constraint in any of the first four entitlement periods (January 1, 1972, through June 30, 1974), but constraints applied to other governments in the State resulted in an increase in New Orleans' allocation. Our calculations showed that, if the allocation formula were applied in Louisiana without all the act's constraints, New Orleans' allocation for the period January 1, 1972, through June 30, 1974, would have been \$43,266,299. However, because these constraints were applied, New Orleans' total final allocation was \$44,523,635. Initial allocations and payments to the city for the same period totaled \$44,620,024, including \$4,610,600 received in July 1974. The payment for the next entitlement period will be reduced by \$96,389, the difference between initial and final allocations.

The following schedule shows revenue sharing per capita and revenue sharing as a percentage of adjusted taxes for New Orleans (population of 593,471) and the next two largest cities in Louisiana, Baton Rouge and Shreveport, with populations of 271,922 and 182,064, respectively.

City	Revenue sharing funds received for the period January 1, 1972, through June 30, 1974		
	Received (note a)	Per capita share	As a percent of taxes (note b)
New Orleans	\$44,620,024	\$75.18	27.8
Baton Rouge	18,448,516	67.84	24.7
Shreveport	10,705,848	58.80	29.1

^aIncludes payment received in July 1974 for quarter ended June 30, 1974.

^bFiscal year 1971 and 1972 taxes, as defined by the Bureau of the Census, were used and adjusted to correspond to the 2-1/2-year period covered by the revenue sharing payments.

For the State of Louisiana, the 145 percent constraint for the period covered was \$87.15 per capita. The 20 percent constraint was \$12.02 per capita.

CHAPTER 2

BUDGETING AND PUBLIC PARTICIPATION

IN THE BUDGETARY PROCESS

During fiscal year 1973, the city accounted for a total of 213 separate funds. By definition in the city home rule charter, each fund constitutes moneys, securities, or other property required to be held for a particular purpose or class of purposes. The following table shows the city's 213 funds by major category.

<u>Category of funds</u>	<u>Number of funds</u>
Operating	6
Capital	1
Revolving	14
Trust	12
Trust proceeds	12
Pension	5
Escrow	30
Debt service	2
Deposit	30
Clearing/suspense	4
Agency	95
Reserve	1
Other (Vieux Carre Commission)	<u>1</u>
<u>Total</u>	<u>213</u>

City officials stated, however, that most of the 213 funds are ledger accounts in the bureau of accounting of the department of finance. For example, of the 14 revolving funds, only 3 are actual revolving (operating) funds and the others are "sub-control accounts" in the operating budget.

Within the city's operating funds, the general fund is used to finance most routine city operations. The general fund derives its revenues from taxes, fees, permits, fines, rentals, allocations of funds received from the State, and Federal revenue sharing.

Other operating funds include those for public libraries, public welfare (a boys' home, a youth center, and a home for the aged), parkways and park commission, mosquito control, and drug abuse treatment.

The other city funds are summarized below by major category.

Capital--accounts for moneys received or held to defray costs of capital expenditures. This fund consists primarily of bond proceeds, Federal revenue sharing, and other Federal grants.

Revolving--account for funds provided directly by the city and other sources for operating public enterprises or for work for which the city is to be reimbursed in whole or in part. An example is a fund for operating the New Orleans International Airport. Revenue sources are operating revenues, rental income, charges to city departments, and interest earned on investments.

Trust--consist mainly of donations made for specific purposes. Federal revenue sharing funds are initially accounted for in a trust fund.

Trust proceeds--account for all moneys derived from the interest, dividends, or other earnings of trust funds or from the sale of trust fund assets.

Pension--account for all funds for paying pension or retirement benefits, payments, or refunds, or for providing any reserve. Revenue sources are city and employee contributions and earnings on invested funds.

Escrow--account for moneys paid to or deposited with any officer, department, or board under protest or held subject to the proper determination of the rights of the city.

Debt service--account for revenue used to service the new-series paving certificates and the airport general purpose revenue bonds. Revenue sources are property owners who have had their streets and/or sidewalks paved by the city and airport operations.

Deposit--account for moneys deposited under any ordinance or contract connected with the exercise of any right or privilege or to guarantee performance to the city.

Clearing/suspense--account for moneys held pending payments to other funds as provided by law.

Agency--mainly account for funds of State and Federal grant programs.

Reserve--accounts for funds maintained for the purpose of accumulating a reserve for replacing any capital facility, paying any claim, establishing self-insurance funds, or paying any compensatory amount to any employee. The only reserve fund in 1973 was established in conjunction with the airport general revenue bonds, with revenues being derived from airport operations.

Other--accounts for revenues deposited to any other fund established by the mayor with city council approval. The only such fund established in 1973 was the Vieux Carre Commission fund, whose revenue sources are private donations and transfers from the capital fund. This fund finances restoration of the Vieux Carre (the historical French Quarter).

RELATIONSHIP OF REVENUE
SHARING TO TOTAL BUDGET

Revenue sharing allocations to New Orleans for the period January 1, 1972, through December 31, 1973, totaled \$35,398,826. Of this total, \$30,788,288 was received by December 31, 1973, and \$4,610,598 was received in January 1974. As shown by the following table, about 2.5 percent of New Orleans' 1972 budget and 15.7 percent of its 1973 budget were represented by revenue sharing funds.

<u>New Orleans</u>	<u>Calendar year</u>		
	<u>1971</u>	<u>1972</u>	<u>1973</u>
Combined city operating and capital budgets	\$133,050,908	\$144,858,896	\$194,689,264
School district budget	<u>66,307,255</u>	<u>68,839,895</u>	<u>76,344,119</u>
Total (note a)	<u>\$199,358,163</u>	<u>\$213,698,791</u>	<u>\$271,033,383</u>
Revenue sharing payments received	-	\$8,448,471	\$22,339,757
Revenue sharing funds budgeted	-	\$3,673,836	\$30,570,468
Cumulative revenue sharing payments received but not budgeted (note a)	-	\$4,786,382	-
Percentage of city budget represented by revenue sharing	-	2.5	15.7
Percentage of city and school district budgets represented by revenue sharing	-	1.7	11.3

^aFor 1973, New Orleans included in its budget a portion of the entitlement payment received in January 1974.

School district budget data is included in the foregoing table to make the budgets comparable with those of local governments whose responsibilities include operating local school systems. Although independent school districts do not receive revenue sharing funds directly from the Federal Government, the financing of public schools is a major responsibility at the local government level and represents a significant part of the local tax burden.

Revenue sharing funds were budgeted not by department in the operating budget but as part of the total general fund. Revenue sharing funds were budgeted by department and project in the capital budget.

The following schedules show the city's latest revised operating and capital budgets by department or agency for 1972, 1973, and 1974.

Latest Revised Operating Budget

<u>Department/agency</u>	<u>Calendar year</u>		
	<u>1972</u>	<u>1973</u>	<u>1974</u>
	—————(000 omitted)—————		
City council	\$ 327	\$ 337	\$ 385
Mayor's office	3,060	11,074	12,180
Law	407	498	736
Police	19,799	26,394	29,271
Fire	10,337	14,974	17,346
Safety and permits	3,061	3,075	2,169
Sanitation	5,191	5,551	8,056
Streets	4,114	5,379	9,139
Recreation	1,486	1,795	2,386
Welfare	1,652	2,386	2,907
Health	3,919	5,206	5,226
Finance	3,892	4,839	4,872
Property management	7,976	9,661	5,251
Civil service	500	562	593
Utilities	2,000	2,304	3,020
Boards and commissions	10,186	10,916	12,379
Miscellaneous	1,487	2,633	3,780
General services	17,873	20,492	17,119
Judicial and parochial	6,258	9,104	10,858
	<u>\$103,525</u>	<u>\$137,180</u>	<u>\$147,673</u>

^aOperating budgets include revenue sharing funds of about \$3.7 million in 1972, \$15.7 million in 1973, and \$15.7 million in 1974.

Latest Revised Capital Budgets

<u>Department/ agency</u>	<u>Calendar year</u>				
	<u>1972</u>	<u>1973</u>		<u>1974</u>	
	<u>Total</u>	<u>Revenue sharing</u>	<u>Total</u>	<u>Revenue sharing</u>	<u>Total</u>
	(000 omitted)				
Mayor's office	\$ 4,082	\$ 1,791	\$ 9,172	\$ 1,500	\$ 3,679
Police	65	31	431	-	182
Fire	554	185	1,452	650	1,421
Safety and permits	-	-	70	37	37
Sanitation	1,337	219	219	160	746
Streets	8,007	5,008	14,073	1,430	16,713
Recreation	1,883	2,140	5,012	1,612	3,823
Welfare	373	-	14	-	-
Health	33	-	-	450	597
Property management	1,482	3,901	9,245	3,359	5,294
Utilities	689	-	5,484	-	200
Boards and commissions	22,790	1,639	12,338	1,899	7,343
Miscellaneous	39	-	-	-	-
Total	^a <u>\$41,334</u>	<u>\$14,914</u>	<u>\$57,510</u>	<u>\$11,097</u>	<u>\$40,035</u>

^aNo revenue sharing funds were included in the 1972 capital budget.

PUBLIC INVOLVEMENT IN
BUDGETARY PROCESS

The city's normal budgetary process includes (1) preparation of the operating and capital budgets by the mayor, (2) required public hearings on the budget before the city council, and (3) passage of the budgets (including amendments) by the city council, with final approval by the mayor.

Preparation of the city's annual operating budget begins by August 1 of the year preceding the beginning of the city's fiscal year. Budget preparation begins with the mayor's

chief administrative officer preparing the budget request forms to be submitted by various units of the city government. By September 15, all budget request forms are returned to the chief administrative officer, who then prepares the mayor's operating budget. By November 1, the mayor presents the operating budget, together with his budget message, to the city council. The operating budget is included in two ordinances--the budget revenue ordinance and the budget expenditure ordinance. Revenues and expenditures must balance. By December 1, the budget ordinances (including amendments) are passed by the city council and sent to the mayor for final approval. The chief administrative officer is responsible for enforcing the operating budget ordinances.

Preparation of the city's annual capital budget begins by the August 15 preceding each fiscal year. Physical improvements being made or anticipated within the next 5 years are presented to the city planning commission by each unit of city government. The chief administrative officer gives the commission a statement of the funds likely to be available from the general fund and special funds and the amount of bonds which the mayor believes would be proper for the city to issue during each of the next 5 years. The planning commission then prepares the capital program and sets forth a priority listing of projects that are approved by the commission but not currently recommended for funding.

The mayor receives the capital program from the planning commission and prepares a message for the city council stating his recommendations. The chief administrative officer prepares a proposed capital budget ordinance for the first year covered by the capital program. By November 1, the mayor submits to the city council the capital program as prepared by the city planning commission, his capital budget message, and recommendations for a capital budget ordinance. Sufficient copies are supplied for distribution to members of the council and to interested citizens.

The city council is required by the home rule charter to approve a capital program and adopt a capital budget before it passes the annual operating budget ordinance. Passage of the capital budget ordinance constitutes appropriation of the sums specified. Capital budget appropriations lapse at the end of the year in accordance with charter

requirements. By ordinance, however, completed projects are deleted from the budget at the end of the year and all remaining appropriations are carried over into the ensuing year. In effect, a capital budget appropriation remains active until the project is completed. Final approval of the capital budget is given by the council, and the mayor approves the capital budget ordinance as adopted by the council.

To accommodate public participation in the budgetary process, the city

- publishes all required reports to inform the citizenry of planned and actual uses of revenue sharing funds and
- holds required public budget hearings during which citizens or groups can state their views as to how revenue sharing funds and other funds should be used.

We contacted several public interest groups to obtain their views on various aspects of the general revenue sharing program. Their comments are summarized as follows:

- The public has not been adequately informed about the program.
- Citizen participation in the budgeting of general revenue sharing funds has not been encouraged by the city.
- Revenue sharing funds have been used to improve the downtown business district rather than to improve the indigent areas of the city or to expand social programs.
- Public participation in the budgetary process has been limited, and public interest and other organized groups have not made a special effort to influence the manner in which general revenue sharing funds have been used.

City officials responded to the above as follows:

- The planned and actual use reports are published in several newspapers, including a Spanish language and a black newspaper; citizens and civic groups are adequately informed and have the opportunity to know what is planned and done with revenue sharing funds; the assistant chief administrative officer for management and budget personally made general revenue sharing data available to the League of Women Voters of New Orleans, the Urban League, and the Concerned Citizens Group; and specific general revenue sharing information is made available and has been given to individuals, groups, and the news media (newspaper, radio, and television) by telephone on a call-in basis.
- The city has complied fully with all revenue sharing regulations and, while city officials favor the present budgetary process in which the public can express its view on the use of general revenue sharing funds, the mayor thinks it would be a tragic mistake to impose a legal requirement for citizen participation in the general revenue sharing program, as has been done with the community development revenue sharing program.
- To stimulate the local economy and reduce the city's dependence on Federal assistance, the city has used some revenue sharing funds for improving the downtown business district; program regulations do not mandate an expansion of social programs; and revenue sharing funds have enabled the city government to maintain services for the entire city, including indigent areas.
- Some public interest groups did appear before the city council seeking specific use of revenue sharing funds; the council heard their requests and granted or denied funds based on its own decisions.

City officials identified one specific request as having been made by the Greater New Orleans Council on Aging. They said the city council appropriated \$102,000

of general fund money in 1975 but appropriated no revenue sharing funds because the Council on Aging used its appropriation to match a Federal grant.

CHAPTER 3

PROGRAMS FUNDED WITH REVENUE SHARING

For the period January 1, 1972, through June 30, 1974, New Orleans was allocated \$44,620,024 in revenue sharing funds. Of the amount allocated, \$40,009,424 was received by June 30, 1974, and \$4,610,600 was received in July 1974. As of June 30, 1974, interest earned from investment of the funds totaled at least \$1,605,210. The city may have received additional earnings from the investment of revenue sharing funds which had been transferred to the capital fund. However, until January 1975 the city's accounting records did not identify the amounts of such interest earned. (See p. 23.)

Of the funds allocated to New Orleans for the period ended June 30, 1974 (including interest earnings), \$25,663,995 had been expended, \$15,101,571 was appropriated and budgeted for capital, and \$5,459,668 was unbudgeted.

USES OF REVENUE SHARING

The uses of revenue sharing funds described in this chapter are those reflected by New Orleans' financial records. As we have pointed out in earlier reports on the revenue sharing program ("Revenue Sharing: Its Use by and Impact on State Governments," B-146285, Aug. 2, 1973, and "Revenue Sharing: Its Use by and Impact on Local Governments," B-146285, Apr. 25, 1974), fund "uses" reflected by the financial records of a recipient government are accounting designations of uses. Such designations may have little or no relation to the actual impact of revenue sharing on the recipient government.

For example, in its accounting records, a government might designate its revenue sharing funds for use in financing environmental protection activities. The actual impact of revenue sharing on the government, however, might be to reduce the amount of local funds which would otherwise be used for environmental protection, thereby permitting

the "freed" local funds to be used to reduce tax rates, to increase expenditures in other program areas, to avoid a tax increase or postpone borrowing, to increase yearend fund balances, and so forth.

Throughout this case study, when we describe the purposes for which revenue sharing funds were used, we are referring to use designations as reflected by city financial records.

Functional uses

The city's accounting records identified the specific capital projects funded in whole or in part with revenue sharing funds, but the accounting system did not identify the operational purposes for which revenue sharing funds were used. Also, we found that the city's actual use reports required by the Office of Revenue Sharing were not based on, and cannot be reconciled to, the accounting records or any other evidence of actual uses of revenue sharing funds.

The following schedule shows the capital purposes as identified in the accounting records and the operational uses as indicated by memorandums prepared by a city administrative analyst. The records show that these memorandums are prepared at irregular intervals after the revenue sharing funds are transferred to the general fund.

<u>Function</u>	<u>Amount expended as of June 30, 1974</u>	
	<u>Capital</u>	<u>Operating</u>
Public safety	\$ 45,000	\$12,978,492
Environmental protection	253,555	1,079,775
Public transportation	212,942	1,000,000
Health	-	277,026
Recreation	160,336	28,294
Libraries	182,265	293,219
Social services for poor or aged	-	52,000
Financial administration	-	347,288
General public buildings	1,532,681	-
Other (note a)	-	<u>7,221,122</u>
Total	<u>2,386,779</u>	<u>23,277,216</u>
Total		<u><u>\$25,663,995</u></u>

^aPay increments for employees of property management department, utilities department, and general services.

Specific uses

As stated above, we were unable to identify the specific operating uses of revenue sharing funds. The following schedule shows the specific uses for which the city expended the \$2,386,779 on capital projects.

	<u>Amount</u>	<u>Total</u>
Public safety:		
Firefighting equipment	\$ <u>45,000</u>	\$ 45,000
Environmental protection:		
New auto pound	30,900	
Improvements to various incinerators	72,866	
Covering materials--sanitation	61,771	
Installation of cranes at two incinerators	19,375	
Moonwalk (part of beautification project for Jackson Square area)	4,893	
Neighborhood street improvement	<u>63,750</u>	253,555
Public transportation:		
Encroachment adjustment	2,342	
Street widening	15,536	
Street construction testing costs	75,000	
Interstate highway service roads	107,564	
Paving and subsurface drainage	<u>12,500</u>	212,942
Recreation:		
Renovation of electrical system and other improvements to municipal yacht harbor	153,676	
Air-conditioning a recreation center	<u>6,660</u>	160,336
Libraries:		
Reference and research books for main library	<u>182,265</u>	182,265
General public buildings:		
Cultural center development (Louis Armstrong Memorial)	67,822	
Parking garage	31,500	
Completion of ninth floor and remodeling of city hall	396,857	
Large community center and Joe Brown park	33,402	
Planning and architectural studies in advance of various capital projects	268,100	
Site acquisition, Farmers Market	700,000	
Improvements to New Orleans Museum of Art	<u>35,000</u>	<u>1,532,681</u>
Total		<u><u>\$2,386,779</u></u>

We found no evidence that the capital projects funded with revenue sharing were discriminatory because of their locations.

Plans for unobligated funds

The \$5,459,668 of unbudgeted revenue sharing funds at June 30, 1974, included the eighth payment of \$4,610,600 for the entitlement period ended at that date but not received until early July 1974. A city official said the amount of unbudgeted revenue sharing funds actually on hand at June 30, 1974--\$849,068--was insufficient to fund an additional capital project.

ACCOUNTING FOR REVENUE SHARING FUNDS

The revenue sharing regulations require that a government receiving entitlement funds shall maintain its fiscal accounts in a manner sufficient to permit the tracing of entitlement funds to a level of expenditure adequate to establish that such funds have not been used in violation of the provisions of the act. In addition, the regulations provide that interest earned on investment of revenue sharing funds is subject to the same restrictions which apply to the revenue sharing funds.

Upon receipt, the city deposits its revenue sharing funds in a separate bank account and accounts for them in a trust fund. While in the trust fund, revenue sharing funds are invested in certificates of deposit. Interest earnings are deposited in the revenue sharing bank account and accounted for in the trust fund. Revenue sharing funds are transferred to either the general or capital fund for expenditure. Methods of accounting for revenue sharing expenditures from these two funds are consistent with the city's methods of accounting for other funds. However, the budgeting and accounting procedures for the general and capital funds are different, as described below.

General fund -- proposed operating expenditures are budgeted by department but not by sources of revenue. Revenue sharing funds are transferred to the general fund without specific expenditure instructions. City officials

said the transfer reimburses expenses previously incurred and paid out of the general fund. A memorandum indicating the functional uses to which the revenue sharing funds are applied is prepared later. However, this memorandum does not identify which specific expenditures are reimbursed, and it cannot be reconciled to the accounting records.

Capital fund -- proposed capital expenditures are budgeted by city department, capital project, and source or sources of funds for each project. Revenue sharing funds are transferred from the trust fund to the capital fund with instructions to apply the funds to specific capital projects. The city accounting records are such that revenue sharing funds expended for capital purposes can be identified to the specific project for which the funds were expended.

The city charter requires its capital fund to have the total amount needed for a specific capital project before a contract can be signed. After revenue sharing funds are transferred to the capital fund, they may remain in the fund for several months before being spent. The city invests its idle capital funds without regard to source, and all interest earned on these investments is transferred to the general fund.

City officials said capital fund procedures were revised, beginning January 1975, to allow revenue sharing funds to remain in the trust fund until actual expenditures are made. Under these new procedures, all interest earned on invested revenue sharing funds will be accounted for in the trust fund.

The accounting records and related memorandums of revenue sharing expenditures are such that city officials agreed that the general and specific operational uses made of revenue sharing funds transferred to the general fund could not be determined. Also, because of the practices relating to capital fund investments, all interest earned on investment of revenue sharing funds is not accounted for in the trust fund.

City officials said, although Office of Revenue Sharing officials had told them during several visits to the city that there was no requirement on the part of a city to trace the revenue sharing dollar to its point of final expenditure, they now realize that the visiting officials were "program" oriented and not "auditors". The officials said they would revise accounting practices to identify the specific operational uses made of revenue sharing funds.

Although city officials intended to make the above changes, they said

- the city had not used any revenue sharing funds in violation of the provisions of the Revenue sharing Act;
- the auditors, by testing general fund expenditures, could confirm such compliance; and
- making these changes was inconsistent with the intent of the general revenue sharing program philosophy of giving local authorities more discretionary powers.

As indicated previously, we recognize that maintenance of accounting records showing the uses of revenue sharing may not be particularly meaningful. However, the regulations require that a recipient government maintain its fiscal accounts in a manner sufficient to permit (1) tracing revenue sharing funds to a level of expenditure adequate to establish that the funds have not been used in violation of the requirements of the act and related regulations and (2) preparing required reports. The accounting records maintained by New Orleans were not adequate for these purposes. However, we believe the changes the city intends to make in its accounting system should assure technical compliance with present regulatory requirements.

Audits of revenue sharing

The city retains the services of two certified public accounting firms to audit its financial statements. These firms audited the city's 1973 financial statements, which included revenue sharing. The audit was of a financial

nature and placed major emphasis on expressing an opinion on the financial statements of the city.

Regarding revenue sharing, the scope of the audit included determining if

- a separate trust fund was established,
- the correct census data was submitted to the Office of Revenue Sharing,
- the same controls used for other funds are applied to revenue sharing, and
- the city complied with the requirements for publishing the planned and actual use reports.

The audit did not cover any other compliance areas, and no adverse findings were reported.

CHAPTER 4

COMPLIANCE PROVISIONS

OF THE REVENUE SHARING ACT

The act provides that, among other requirements, each recipient shall

- create a trust fund in which funds received and interest earned will be deposited. Funds will be spent in accordance with laws and procedures applicable to expenditure of the recipient's own revenues;
- use fiscal, accounting, and audit procedures which conform to guidelines established by the Secretary of the Treasury;
- not use funds in ways which discriminate because of race, color, national origin, or sex;
- under certain circumstances, not use funds either directly or indirectly to match Federal funds under programs which make Federal aid contingent upon the recipient's contribution;
- observe requirements of the Davis-Bacon provision on certain construction projects in which the costs are paid out of the revenue sharing trust fund;
- under certain circumstances, pay employees who are paid out of the trust fund not less than prevailing rates of pay; and
- periodically report to the Secretary of the Treasury on how it used its revenue sharing funds and how it plans to use future funds. The reports shall also be published in the newspaper, and the recipient shall advise the news media of the publication of such report.

Further, local governments may spend funds only within a specified list of priority areas.

For purposes of this review, we gathered selected information relating to the nondiscrimination, Davis-Bacon, and prevailing wage provisions.

NONDISCRIMINATION PROVISION

The act provides that no person in the United States shall, on the ground of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with general revenue sharing funds.

Although New Orleans does not have a formal written policy regarding nondiscrimination in employment, it advertises as an equal opportunity employer on all employment notifications and advocates a nondiscrimination policy in its dealing with contractors. The city has a human relations committee staff to advise the mayor on discrimination matters.

The State agency responsible for dealing with civil rights issues is the Division of Human Services. This agency refers discrimination complaints to the applicable human relations committee, which, for New Orleans, is the committee in the mayor's office. The city has established procedures to effect settlement of grievances or to refer them to the city civil service commission.

Also, the city civil service commission, on request of any affected employee, may hold hearings and review the basis for adverse personnel actions. In March 1975 the membership of this commission was increased from three to five. The members are appointed by the city council from persons recommended by local university officials. Their rulings are binding on the city and decisions adverse to employees can be appealed to the courts.

As of March 1975, the city was drafting an affirmative action program which would have to be adopted by the city council before becoming a formal city program. The program, which city officials expect will be adopted soon, is to

provide a 5-year achievement period in which the city expects to

- achieve a level of racial employment in city government that is proportionately representative of the city's racial mix;
- serve as an equal employment opportunity model for business and other city agencies;
- secure equal employment opportunity and affirmative action agreements with all local contractors doing business with the city; and
- eliminate minority employment disparities by 20 percent-a-year increments over a 5-year period.

The city civil service commission has an affirmative action plan. This plan outlines the type of prior efforts made and the planned actions of the civil service commission to improve employment opportunities for minorities.

Comparison of local government work force and civilian labor force

According to the 1970 census (the most recent detailed information available), the civilian labor force in New Orleans consisted of 221,532 persons. The breakdown of this labor supply by selected minorities and sex is as follows:

Civilian labor force:	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total	130,213	58.8	91,319	41.2	221,532	100.0
Black	47,735	21.5	38,541	17.4	86,276	38.9
Spanish language	6,093	2.8	4,008	1.8	10,101	4.6

Statistical information furnished by the city showed that as of June 30, 1974, the city government employed 10,512 persons. The composition of the city government work force (exclusive of unclassified and contractual employees) was as follows.

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
White	5,119	54.5	963	10.3	6,082	64.8
Black	2,238	23.9	944	10.1	3,182	34.0
Other	<u>101</u>	<u>1.1</u>	<u>20</u>	<u>.1</u>	<u>121</u>	<u>1.2</u>
Total	<u>7,458</u>	<u>79.5</u>	<u>1,927</u>	<u>20.5</u>	^a <u>9,385</u>	<u>100.0</u>

^aThe total city government work force included an additional 767 employees (683 unclassified and 84 contractual employees), but we were unable to obtain sufficient information to include them in the schedule.

During the year ended June 30, 1974, the city hired 1,660 persons, identified as follows.

	<u>Male</u>		<u>Female</u>		<u>Total</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
White	492	29.6	143	8.6	635	38.2
Black	729	43.9	286	17.2	1,015	61.1
Other	<u>6</u>	<u>.4</u>	<u>4</u>	<u>.3</u>	<u>10</u>	<u>.7</u>
Total	<u>1,227</u>	<u>73.9</u>	<u>433</u>	<u>26.1</u>	<u>1,660</u>	<u>100.0</u>

Detailed analyses of the city government work force and new hires, by function and job category, are presented in appendixes I and II. We were unable to prepare a similar analysis of promotions for the year ended June 30, 1974, because the city does not maintain such statistics.

The above employment statistics show a significant difference in the percentage of females in the city government work force (20.5 percent) compared to that in the total civilian labor force (41.2 percent). Although the ratio of blacks in the city government total work force is relatively consistent with that in the total civilian labor force, the statistics in appendix I show certain functions with either low or high proportions of blacks and females. For example, of the 1,034 employees in the fire protection function, 4 percent are black and 1 percent female; of the 1,782 employees in the police protection function, 17 percent are black and 13 percent female. By contrast, of the 1,045 persons in the sanitation and sewage function,

45 percent are black; of the 1,136 persons in the natural resources function, 58 percent are black.

The statistics also indicate low or high proportions of females, blacks, and "others" in certain job categories. For example:

<u>Job category</u>	<u>Percentage of job category as of June 30, 1974</u>		
	<u>Females</u>	<u>Blacks</u>	<u>Other</u>
Officials/administrators	11	8	1
Office/clerical	81	40	1
Service/maintenance	8	56	1

City officials commented on the above statistics essentially as follows:

--To say the statistics indicate overall disparities without stating what the mayor has accomplished since he took office in May 1970 is a gross injustice. The mayor has brought blacks and women into city government as fast as humanly possible. The singling out of the fire department as having only 1 percent female and 4 percent black and the police department as having 17 percent black and 13 percent female is unfair. In 1970 these two major departments were composed mostly of white males. When the mayor assumed office in May 1970, he immediately began to change the racial mix of the entire city government. It is impossible to quickly change the racial and sexual mix of departments which are fully staffed with permanent civil service personnel. Change must occur through attrition. This takes time -- in fact, years -- but it is happening. In view of what existed before general revenue sharing and before the Federal Government considered racial and sexual mix of employees, the mayor and the chief administrative officer take issue with labeling these statistics as an indication of overall disparities.

Appendix II provides data on the composition of employees hired by the city government in the 12-month period ended June 30, 1974. Our analysis of this data shows that, in every functional area and in every job category included on that appendix, the percentage of black new hires was higher than black representation for the same functional area in the city government work force as of June 30, 1974. With respect to those classified as "other," there was no appreciable change in any job category, and the only percentage increase was in the police protection function--where "other" constituted 3 percent of the June 30, 1974, work force and 5 percent of the new hires. Our analysis of females indicated moderately higher ratios in most functions and job categories.

Complaints against the city

As of January 8, 1975, the U.S. Equal Employment Opportunity Commission (EEOC) listed 84 complaints against the city of New Orleans regarding discrimination in employment. These are summarized as follows:

Discharge because of:	
Race	25
Religion	<u>1</u>
	<u>26</u>
Discrimination in hiring based on:	
Race	16
Sex	6
National origin	<u>1</u>
	<u>23</u>
Discrimination in recall because of:	
Race	<u>1</u>
Discrimination in wages based on:	
Race	<u>8</u>
Discrimination in promotions because of:	
Race	<u>5</u>
Demotion because of:	
Race	<u>1</u>

Discrimination in job classifications based on:	
Race	2
Sex	<u>1</u>
	<u>3</u>
Discrimination against representation by a union because of:	
Race	<u>1</u>
Discrimination in qualification and testing because of:	
Race	<u>3</u>
Discrimination by using segregated facilities because of:	
Race	<u>1</u>
Discrimination by using intimidation and reprisals based on:	
Race	<u>3</u>
Discrimination by reprisals based on:	
Race	<u>2</u>
Discrimination in terms and conditions of employment based on:	
Race	2
National origin	<u>1</u>
	<u>3</u>
Other--discrimination in unspecified areas because of:	
Race	<u>4</u>
Total	<u>84</u>

As of January 8, 1975, five of the above cases were closed--two complaints had been withdrawn and three complaints had been determined to be outside the scope of the Commission's jurisdiction.

City officials said they had responded to all complaints EEOC had given them and would make timely responses in the future. They said a recent newspaper article had illustrated

EEOC's huge backlog, and they assumed that this was why so many complaints were still pending.

Civil rights suits

We found no civil rights suits or administrative or judicial orders, closed or pending, against the city regarding the use of revenue sharing funds in employment.

Discussions with civic organizations

We met with representatives of several civil rights and civic organizations within the city, including the National Association for the Advancement of Colored People, the Urban League of Greater New Orleans, the League of United Latin American Citizens, the Lower 9th Ward Neighborhood Development Center, the Irish Channel Community Center, and the Central City Economic Opportunity Center. These organizations saw no discrimination problems in the use of revenue sharing funds in city employment practices.

Services and capital projects

As of June 30, 1974, New Orleans had funded 44 capital projects with revenue sharing funds. As previously discussed, we found no instances of obvious discrimination in the location of capital projects financed in whole or in part with revenue sharing funds. Also, no complaints were filed with EEOC regarding capital projects funded with revenue sharing.

Civil rights and civic organizations were not aware of any discriminatory uses being made of revenue sharing funds. However, the groups said, although they had not closely monitored the uses of revenue sharing funds, they felt the city had not made a significant effort to improve minority conditions and alleviate blighted areas.

DAVIS-BACON PROVISION

The Revenue Sharing Act provides that all laborers and mechanics, employed by contractors and subcontractors to work on any construction project of which 25 percent or more of the cost is paid out of the revenue sharing trust fund, shall be paid wage rates which are not less than rates pre-

vailing for similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

Office of Revenue Sharing regulations implementing this provision require that contracts exceeding \$2,000 shall contain a provision stating the minimum wages to be paid various classes of laborers and mechanics as determined by the Secretary of Labor. Further, the contract shall stipulate that the contractor shall pay wage rates not less than those stated in the specifications, regardless of any contractual relationships alleged to exist between the contractor and such laborers and mechanics. A further contract stipulation is that there may be withheld from the contractor so much of accrued payments as considered necessary by the contracting officer to pay to laborers and employees the difference between wage rates required by the contract and rates actually received.

As of June 30, 1974, the city had financed 39 capital projects subject to the Davis-Bacon provision as implemented by Office of Revenue Sharing regulations. Five additional capital projects, each costing over \$2,000, were financed with less than 25 percent of revenue sharing funds and therefore were not subject to the Davis-Bacon provision.

The city's bureau of internal audit verifies compliance as work progresses on construction projects costing \$25,000 or more to assure that the terms of the contract are met, including the Davis-Bacon provision and a city ordinance regarding the payment of prevailing wages. However, city officials said all capital projects subject to the Davis-Bacon provision are monitored--through a preaward procedure--to assure that required provisions are included in the contracts.

We reviewed several contracts subject to the Davis-Bacon provision and found no evidence of noncompliance. City officials said the Davis-Bacon provision had not affected the cost of capital projects.

PREVAILING WAGE PROVISION

The Revenue Sharing Act provides that certain recipient employees whose wages are paid in whole or in part out of the

revenue sharing trust fund shall be paid at rates which are no lower than the prevailing rates for persons employed in similar public occupations by the recipient government. The individuals covered by this provision are those in any category where 25 percent or more of the wages of all employees in the category are paid from the trust fund.

Most city employees are members of the city civil service, whose salary levels are specified in a permanent uniform pay plan approved by the city council. All classes of public employees are paid according to a scheduled plan.

CHAPTER 5

FINANCIAL STATUS

TREND OF FUND BALANCES

The following schedule shows the ending balances in each of the city's major funds for fiscal years 1969-73.

<u>City fund</u>	<u>Fiscal year</u>				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Operating:					
General	\$ 252	\$ 506	\$ 1,916	\$ 3,419	\$ 4,253
Other	<u>251</u>	<u>370</u>	<u>589</u>	<u>583</u>	<u>375</u>
Total	503	876	2,505	4,002	4,628
Capital	2,272	2,173	13,087	3,184	3,185
Revolving	6,094	7,538	8,161	8,936	9,525
Trust	236	239	257	4,973	10,062
Trust proceeds	400	119	448	569	727
Debt service	721	695	763	811	913
Clearing/suspense	882	1	1	1	1
Agency	480	525	930	1,221	1,968
Other	-	-	-	184	222
Reserve	-	-	-	<u>11</u>	<u>18</u>
Total	<u>\$11,588</u>	<u>\$12,166</u>	<u>\$26,152</u>	<u>\$23,892</u>	<u>\$31,249</u>

The operating fund balances were increased to accumulate funds for a general pay plan amendment. Pay schedules were adjusted in fiscal year 1974.

About two-thirds of the overall incremental increase of about \$29 million during this 5-year period is attributable to the \$10 million increase in the pension/retirement fund (discussed below) and the nearly \$10 million revenue sharing increase in the trust funds.

The city government contributes to seven separate pension systems. These include the old and new police pension plans, the old and new fire pension plans, the employees

retirement system, Social Security, and a State plan which certain police personnel can join. Numerous differences in conditions for retirement, definitions of compensation, maximum retirement allowances, and employee contribution rates exist among these plans.

The following table shows the condition of five of the pension funds in terms of unfunded accrued liabilities, as reported in recent actuarial studies.

<u>Pension/ retirement fund</u>	<u>Unfunded accrued liability</u> (millions)	<u>Date of study</u>
Old police (note a)	\$82.2	December 1972
Old fire	84.7	December 1973
New police	.9	December 1972
New fire	.7	December 1973
City employees	35.5	June 1972

^aIn late fiscal year 1974, active city police personnel could elect to transfer from the old or the new city pension plan to a new State pension program. This plan is partly funded by a State tax on insurance premiums. For city members, the city contributes 6 percent, and the employees contribute 7 percent.

Unfunded liability is the difference between the actual assets of the pension system and the assets it would have had if the actuarial requirements (normal cost) had been met currently each year, and if additional amounts had been deposited to fund the costs of liberalization of benefits, unanticipated pay raises, or other unexpected costs. As a result of the above liabilities, the city will have to make large payments into the pension funds in future years.

INDEBTEDNESS

The following schedule shows the outstanding debt of the city for the period 1969-73.

	Fiscal year				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	----- (000 omitted) -----				
City gross outstanding gen- eral obligation bonded debt	\$149,485	\$143,536	\$151,396	\$155,773	\$166,747
Less: Bond prin- cipal available in reserves	<u>2,758</u>	<u>2,758</u>	<u>3,027</u>	<u>3,228</u>	<u>3,546</u>
Total	146,727	140,778	148,369	152,545	163,201
Less: Amounts available from bonds owned by the city	<u>762</u>	<u>743</u>	<u>743</u>	<u>743</u>	<u>734</u>
Total	145,965	140,035	147,626	151,802	162,467
Paving certifi- cates	5,011	4,439	3,404	2,980	2,556
Net city outstanding debt	<u>\$150,976</u>	<u>\$144,474</u>	<u>\$151,030</u>	<u>\$154,782</u>	<u>\$165,023</u>

Borrowing procedures

General obligation bonds, authorized by city council ordinance and approved by both the city board of liquidation and the mayor, must be ratified by vote of the electors. The full faith and credit of the city are pledged for payment of the principal and interest of these bonds.

In addition to bonded debt, the city can incur debt for street paving by issuing paving certificates. The city will pave new streets if 60 percent of the affected property owners sign a petition requesting the paving. If the project is approved, the city pays 60 percent of the cost and the affected property owners must pay the remaining 40 percent.

Prior to 1969, the city's general obligation bonds were rated "A" (upper medium-grade obligations, which possess many favorable investment attributes) by Moody's Investors Service, Inc. Since 1969, these bonds have been rated as

"A1" (possessing the strongest investment attributes within the "A" group).

Since 1964, the city's paving certificates have been rated rated "Baa" (medium-grade obligations that lack outstanding investment characteristics and have speculative characteristics) by Moody's.

We were informed by a city official that in the last 3 years only one bond issue had been rejected by voters. This was a \$3 million issue proposed in 1972 for an auxiliary city hall and park area. We were told the city has had no incomplete subscriptions, and interest rates have been good.

Borrowing restrictions

The issuance of general obligation bonds is limited by State statute to 18 percent of the assessed valuation of real and personal property. There are no legal restrictions on the uses of borrowed funds. The following table shows the city's proximity to the debt limit.

	Calendar year				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	----- (000 omitted) -----				
Assessed value of property	<u>\$1,207,443</u>	<u>\$1,239,288</u>	<u>\$1,261,700</u>	<u>\$1,289,869</u>	<u>\$1,333,195</u>
Debt limit (18 percent of above)	217,340	223,072	227,106	232,176	239,975
City general bonded debt	<u>149,485</u>	<u>143,536</u>	<u>151,396</u>	<u>155,773</u>	<u>166,747</u>
Remaining borrowing capacity	67,855	79,536	75,710	76,403	73,228
City general bonded debt as a percentage of debt limit	68.8	64.3	66.7	67.1	69.5

There is no legal limit to the amount of debt that can be incurred through paving certificates.

TAXATION

Major taxes levied

Following are descriptions of taxes levied by the city, the school district, the Sewerage and Water Board, and the Levee Board.

Sales taxes--2 percent city tax and 1 percent School Board tax on the transfer of title or the possession, exchange, barter, lease, or rental of tangible property for consideration, and on wholesale goods that are not to be sold at retail. These taxes also apply to certain services. In addition, the city and the School Board each receive one-seventh of the 7 percent tax on hotel/motel room rates. The city collects its own share, and the State collects the remaining 6 percent.

Property tax--20.2 mill city tax, 13 mill School Board tax, 5 mill Sewerage and Water Board tax, and a 5.5 mill Levee Board tax on the assessed value of all city real property and motor vehicles registered in the city.

The assessed values of all real property and automobiles are set by the elected assessors for each of seven separate assessment districts. Although the real property valuation methods used by the assessors are generally similar, uniform assessment practices are not required, and we identified some variation in assessment practices.

Six of the assessors generally revalue real property at time of transfer, assessing improved real property at about 25 percent of sales price and unimproved land at about 10 to 20 percent of sales price. These assessors do not relate other real estate assessments to market value but make adjustments after sales or on request of property owners. Downward adjustments can be made, for example, to recognize declining values resulting from neighborhood deterioration.

The seventh assessor makes annual fair market value adjustments and applies to those values percentages similar to those used by the other assessors, except that revenue-producing real property is assessed at 33-1/3 percent of market value.

He makes other exceptions, however, when he decides increased valuations would impose undue burdens on the elderly and underprivileged.

There is a homestead exemption which applies to real property where the taxpayer resides. The exemption--\$2,000 for nonveterans and \$5,000 for veterans--is deducted from the assessed value of the property.

The new State constitution, effective January 1, 1975, requires that all real property be reappraised at fair market value in 1978. At that time, residential property and unimproved land will be assessed at 10 percent of fair market value and all other improvements will be assessed at 15 percent of fair market value. However, farms, timberland, marshland and historical properties will be assessed at 10 percent of their use value.

The tax assessors said assessed values for motor vehicles are scheduled according to year and model, with a maximum valuation of \$800 for a luxury automobile.

They also said, in addition to motor vehicle taxes, businesses pay the same personal property tax rates on average annual inventory valued at 50 to 60 percent of cost, machinery at 25 to 40 percent of cost, furniture and fixtures at 10 to 25 percent of cost, and leasehold improvements at 10 percent of cost.

Two assessors, representing the only districts in which banks are headquartered, levy the personal property tax on bank stocks. These are assessed at 30 percent of the banks' total capital assets less 50 percent of the banks' preceding year real and other personal property assessments.

City utility taxes--3 percent of monthly natural gas and electricity billings under \$1,000. Billings ranging from \$1,000 to \$4,000 are taxed at 1 percent, and amounts over \$4,000 are exempt. A 1 percent utility tax is levied on all telephone billings without regard to the size of the bill.

City amusement taxes--5 percent of admission prices on amusements, such as athletic contests, concerts, lectures, and circuses. Theater and motion picture admissions are taxed at 2 percent.

Changes in taxes

During the period January 1969 through January 1975, major taxes were changed as follows:

Property taxes--the city tax rate was increased from 19 mills to 19.5 mills in 1970 and to 20 mills in 1971, with the increases reserved for general purposes and for bond redemption and interest. In 1973 the rate increased to 20.2 mills, with the 0.2 increase dedicated to the city-owned zoo. In 1975 the levee board tax rate was increased from 2.5 to 5.5 mills.

Hotel/motel occupancy tax--the tax rate was increased effective January 1, 1975, to increase the city's share from 0.5 to 1 percent.

The following schedules show the total tax receipts for the city, School Board, Sewerage and Water Board, and Levee Board for fiscal years 1969-73.

	<u>City Taxes</u>				
	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Sales taxes	\$25,279	\$26,348	\$27,670	\$30,331	\$32,591
Real					
property tax	10,324	10,871	11,440	11,752	12,271
Personal					
property tax	8,070	8,509	8,896	9,099	9,379
Utilities tax	1,169	2,188	2,292	2,467	2,889
Amusement					
taxes	<u>712</u>	<u>730</u>	<u>768</u>	<u>848</u>	<u>813</u>
Total	<u>\$45,554</u>	<u>\$48,646</u>	<u>\$51,066</u>	<u>\$54,497</u>	<u>\$57,943</u>

School Board Taxes

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Sales taxes	\$11,811	\$12,290	\$12,867	\$14,020	\$15,014
Real pro- perty tax	7,064	7,248	7,440	7,639	7,976
Personal pro- perty tax	<u>5,521</u>	<u>5,672</u>	<u>5,788</u>	<u>5,915</u>	<u>6,051</u>
Total	<u>\$24,396</u>	<u>\$25,210</u>	<u>\$26,095</u>	<u>\$27,574</u>	<u>\$29,041</u>

Sewerage and Water Board Taxes

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Real pro- perty tax	\$2,717	\$2,788	\$2,861	\$2,938	\$3,068
Personal pro- perty tax	<u>2,124</u>	<u>2,182</u>	<u>2,226</u>	<u>2,275</u>	<u>2,338</u>
Total	<u>\$4,841</u>	<u>\$4,970</u>	<u>\$5,087</u>	<u>\$5,213</u>	<u>\$5,406</u>

Levee Board Taxes

	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
	(000 omitted)				
Real and per- sonal pro- perty taxes (note a)	\$2,347	\$2,424	\$2,474	\$2,544	\$2,655

^aAvailable data did not provide a breakdown between real and personal property taxes.

Taxing limitations

Prior to January 1, 1975, the city was at its statutory limitation for levying property tax millage for general purposes and bond redemption and interest. We were advised that under the new State constitution, effective January 1, 1975, the city has no statutory maximum for these two purposes. However, increases in tax millage for these and any other purposes must be approved by a voter referendum.

Prior to July 1, 1974, the city was at its statutory limitation for levying sales taxes. On that date, the State legislature authorized the city to levy an additional 1 percent sales tax. Action to levy this increase is also subject to voter approval, which the mayor said the city does not plan to seek.

The city is specifically prohibited, by both the old and the new Louisiana constitutions, from levying a municipal income tax.

City officials said revenue sharing had no effect on taxation in New Orleans. They stated that revenue sharing helped the city maintain the status quo. If the funds had not been received, services would have been reduced, because the city was taxing near the limits established by the old State constitution and its sales tax rates were already higher than those of some readily accessible suburban shopping areas.

The mayor said the new constitution gives more taxation flexibility to the city, and he is investigating new revenue sources in an attempt to raise an additional \$8 to \$10 million in 1975.

Family tax burden

To illustrate the amount of State and local taxes that a family residing in New Orleans might pay, and the relationship of such taxes to the family's income, we used our own assumptions for three hypothetical families. In each instance, the hypothetical family consists of a nonveteran husband, wife, and two children.

<u>Assumptions</u>	<u>Family</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
Annual income	\$ 7,500	\$12,500	\$17,500
Value of home	18,750	31,250	43,750
Value of car (note a)	1,700	1,800	2,300
Gasoline consumed annually(gallons)	1,000	1,000	1,500

^aFamily C owns two cars.

The following table shows the 1973 State and local tax burden for each of the three assumed families.

<u>Tax</u>	<u>Family</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
City:			
Real property	\$ 53.75	\$116.25	\$ 178.75
Personal property	10.00	12.00	18.00
Sales	62.67	88.00	110.00
School board:			
Real property	34.94	75.56	116.19
Personal property	6.50	7.80	11.70
Sales	31.33	44.00	55.00
Other (local):			
Boards and commissions:			
Real property	20.69	44.75	68.82
Personal property	3.85	4.62	6.93
Total	<u>223.73</u>	<u>392.98</u>	<u>565.39</u>
State:			
Gasoline	80.00	80.00	120.00
Income	9.00	88.00	166.00
Sales	94.00	132.00	165.00
Total	<u>183.00</u>	<u>300.00</u>	<u>451.00</u>
Total	<u>\$406.73</u>	<u>\$692.98</u>	<u>\$1,016.39</u>
Total as a percentage of income	<u>5.4</u>	<u>5.5</u>	<u>5.8</u>

New Orleans residents are also subject to taxes other than those computed in the table, including the amusement and utilities taxes previously discussed.

CHAPTER 6

OTHER FEDERAL AID

FEDERAL AID RECEIVED

The city receives Federal categorical aid in the form of direct grants and grants through the State. In 1971, 1972, and 1973, the city received about \$13.1, \$19.8 and \$18.8 million, respectively, in Federal aid. In 1974 the city expected to receive about \$18.5 million. These amounts do not include revenue sharing funds.

The following schedule shows, by major function, Federal funds the city received or expected to receive in 1971-74.

<u>Function</u>	<u>Year</u>			
	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u> (expected)
	(000 omitted)			
Employment related	\$ 432	\$ 4,697	\$ 5,928	\$ 6,131
Model Cities	7,166	8,857	5,180	4,500
Public safety	781	2,037	2,440	2,694
Capital projects	3,987	3,119	2,714	2,566
Health	298	652	1,020	1,525
Welfare	-	-	877	710
Recreation	252	272	305	71
Miscellaneous	207	172	348	276
Total	<u>\$13,123</u>	<u>\$19,806</u>	<u>\$18,812</u>	<u>\$18,472</u>

REDUCTIONS IN FEDERAL AID
AND IMPACT ON CITY

As shown by the preceding table, the city experienced or expected reductions in Federal support to several program categories, with a net reduction of about \$1.3 million from calendar year 1972 to 1974. Most of the reduction was due to declines in Model Cities funds.

The following schedule shows the most significant funding reductions. While some program cutbacks were offset in part by increased expenditure of city funds, city officials said revenue sharing funds were not used to continue any of the programs that lost Federal support.

<u>Function</u>	<u>1971-72</u>	<u>1972-73</u>	<u>1973-74</u>
		(000 omitted)	(expected)
Model Cities	\$ -	\$3,677	\$680
Recreation	-	-	234
Welfare	-	-	167
Capital projects	868	405	148

Model Cities receipts decreased in 1973 and were expected to decrease in 1974 as a result of cutbacks in funds released by the Department of Housing and Urban Development. The city provided \$25,000 to help offset the reductions, but a number of projects were dropped.

Recreation-related programs were expected to receive less Federal funding in 1974 than in previous years as a result of a determination by the Department of Labor to expand the number of recipient cities without a corresponding increase in total funding. The city prevented curtailments in the summer recreation programs by appropriating \$32,000 from its general fund and by using volunteers.

Welfare-related programs were expected to receive less Federal funding in 1974 as a result of decreases in Model Cities funds that could be used for matching purposes and the curtailment of day care activities for part of the year. The city had taken no action to offset these reductions.

The reductions in Federal aid for capital projects reflect fewer applications by the city rather than cutbacks by the Federal Government.

Although not shown in the preceding schedules, Federal support for categorical grant employment programs will be reduced significantly between fiscal years 1974 and 1975. The major reason is the discontinuance of the Neighborhood Youth Corps program. City officials advised us, however, that they expect to offset reductions in these programs with \$4.1 million of Comprehensive Employment and Training Act funds.

In addition, the city expects to receive about \$14.8 million in community development revenue sharing funds in 1975. This will be the first of three annual payments. The mayor has stated that he wants to use these funds for recreation, housing, human service, environment and beautification programs, and streets and drainage. He added that he chose to use the funds to finish programs already started with other Federal, State, and city moneys and that most of the

first-year funding will be used for purchasing buildings and equipment rather than for social welfare-related activities. All the mayor's proposals must be discussed at public hearings and ratified by the city council before they can be implemented.

CHAPTER 7

SCOPE OF REVIEW

We discussed the revenue sharing program with the mayor and officials in the city's chief administrative office, city attorney's office, auditing department, personnel department, and committee on human relations, and obtained their comments on the implementation and impact of the revenue sharing program in the city. We reviewed the city's accounting and other records pertaining to revenue sharing, including operating and capital budgets; financial statements; audit reports; city and State legal requirements and restrictions regarding taxation, debt, finances, and accounting for funds; equal employment opportunity reports; summary data on discrimination complaints; and personnel reports.

We visited the EEOC district office and obtained information on discrimination complaints filed against city agencies. We also visited the Orleans Parish School Board and obtained information on budgets, revenues, taxation, indebtedness, and Federal grants for the last 5 calendar years.

We met with civic organizations and civil rights groups and obtained their views on the city's use of revenue sharing funds. We also discussed property assessment practices with the city's seven elected tax assessors, and compiled data to indicate the local tax burden of resident families based on certain assumed facts which affect their taxes. Our work was limited to gathering selected data relating to areas identified by the Subcommittee Chairman. Officials of New Orleans reviewed our case study, and we considered their comments in finalizing it.

CITY GOVERNMENT WORK FORCE

NEW ORLEANS, LOUISIANA

JUNE 30, 1974

Function/job category	Male				Female				Total			
	White	Black	Other	Total	White	Black	Other	Total	White	Black	Other	Total
All functions:												
Officials/administrators	172	14	2	188	23	2	-	25	195	16	2	213
Professionals	558	63	14	635	129	75	4	208	687	138	18	843
Technicians	533	70	9	612	60	50	-	110	593	120	9	722
Protective service	1,730	340	37	2,107	26	45	-	71	1,756	385	37	2,178
Paraprofessionals	141	145	6	292	37	183	2	222	178	328	8	514
Office/clerical	203	58	3	264	594	480	13	1,087	797	538	16	1,351
Skilled craft	717	164	16	897	1	1	-	2	718	165	16	899
Service/maintenance	1,065	1,384	14	2,463	93	108	1	202	1,158	1,492	15	2,665
Total	5,119	2,238	101	7,458	963	944	20	1,927	6,082	3,182	121	9,385
Percent	55	24	1	80	10	10	-	20	65	34	1	100
Financial administration:												
Officials/administrators	39	1	1	41	5	1	-	6	44	2	1	47
Professionals	85	8	3	96	24	10	1	35	109	18	4	131
Technicians	22	10	-	32	4	3	-	7	26	13	-	39
Protective service	4	-	-	4	1	-	-	1	5	-	-	5
Paraprofessionals	-	1	-	1	1	2	-	3	1	3	-	4
Office/clerical	119	16	1	136	301	183	6	490	420	199	7	626
Skilled craft	1	-	-	1	-	-	-	-	1	-	-	1
Service/maintenance	121	13	1	135	57	6	-	63	178	19	1	198
Total	391	49	6	446	393	205	7	605	784	254	13	1,051
Percent	37	5	-	42	37	20	1	58	75	24	1	100
Police protection:												
Officials/administrators	9	3	-	12	2	-	-	2	11	3	-	14
Professionals	99	3	5	107	7	5	1	13	106	8	6	120
Technicians	170	4	5	179	1	-	-	1	171	4	5	180
Protective service	964	116	35	1,115	15	24	-	39	979	140	35	1,154
Paraprofessionals	10	-	-	10	1	1	-	2	11	1	-	12
Office/clerical	8	9	-	17	76	76	5	157	84	85	5	174
Skilled craft	29	11	2	42	-	-	-	-	29	11	2	42
Service/maintenance	22	38	1	61	11	14	-	25	33	52	1	86
Total	1,311	184	48	1,543	113	120	6	239	1,424	304	54	1,782
Percent	74	10	3	87	6	7	-	13	80	17	3	100
Fire protection:												
Officials/administrators	36	-	-	36	-	-	-	-	36	-	-	36
Professionals	204	3	-	207	2	-	-	2	206	3	-	209
Technicians	88	2	-	90	-	-	-	-	88	2	-	90
Protective service	644	27	2	673	-	-	-	-	644	27	2	673
Office/clerical	13	1	-	14	6	5	-	11	19	6	-	25
Service/maintenance	1	-	-	1	-	-	-	-	1	-	-	1
Total	986	33	2	1,021	8	5	-	13	994	38	2	1,034
Percent	95	4	-	99	1	-	-	1	96	4	-	100
Streets and highways:												
Officials/administrators	7	-	-	7	-	-	-	-	7	-	-	7
Professionals	21	-	2	23	1	1	-	2	22	1	2	25
Technicians	32	4	-	36	4	-	-	4	36	4	-	40
Protective service	1	-	-	1	-	-	-	-	1	-	-	1
Paraprofessionals	14	1	-	15	-	-	-	-	14	1	-	15
Office/clerical	15	6	-	21	34	12	-	46	49	18	-	67
Skilled craft	158	57	2	217	-	-	-	-	158	57	2	217
Service/maintenance	213	248	1	462	-	-	-	-	213	248	1	462
Total	461	316	5	782	39	13	-	52	500	329	5	834
Percent	55	38	1	94	5	1	-	6	60	39	1	100

CITY GOVERNMENT WORK FORCE

NEW ORLEANS, LOUISIANA

JUNE 30, 1974

Function/job category	Male				Female				Total			
	White	Black	Other	Total	White	Black	Other	Total	White	Black	Other	Total
Utilities and transportation:												
Officials/administrators	24	-	1	25	-	-	-	-	24	-	1	25
Professionals	18	-	1	19	1	-	-	1	19	-	1	20
Technicians	92	19	2	113	2	5	-	7	94	24	2	120
Protective service	10	-	-	10	-	-	-	-	10	-	-	10
Paraprofessionals	44	2	2	48	-	1	-	1	44	3	2	49
Office/clerical	19	2	2	23	33	18	-	51	52	20	2	74
Skilled craft	239	39	7	285	-	-	-	-	239	39	7	285
Service/maintenance	129	195	6	330	-	-	-	-	129	195	6	330
Total	575	257	21	853	36	24	-	60	611	281	21	913
Percent	63	28	2	93	4	3	-	7	67	31	2	100
Natural resources:												
Officials/administrators	20	-	-	20	11	-	-	11	31	-	-	31
Professionals	21	8	-	29	30	3	1	34	51	11	1	63
Technicians	28	8	1	37	39	4	-	43	67	12	1	80
Protective service	22	92	-	114	2	10	-	12	24	102	-	126
Paraprofessionals	30	98	1	129	27	128	1	156	57	226	2	285
Office/clerical	9	10	-	19	32	35	1	68	41	45	1	87
Skilled craft	32	12	1	45	1	1	-	2	33	13	1	47
Service/maintenance	162	225	1	388	8	20	1	29	170	245	2	417
Total	324	453	4	781	150	201	4	355	474	654	8	1,136
Percent	29	40	-	69	13	18	-	31	42	58	-	100
Sanitation and sewage:												
Officials/administrators	8	-	-	8	-	-	-	-	8	-	-	8
Professionals	5	1	-	6	-	-	-	-	5	1	-	6
Technicians	32	3	-	35	-	-	-	-	32	3	-	35
Protective service	1	-	-	1	-	-	-	-	1	-	-	1
Paraprofessionals	23	3	2	28	-	-	-	-	23	3	2	28
Office/clerical	-	-	-	-	9	1	-	10	9	1	-	10
Skilled craft	121	14	3	138	-	-	-	-	121	14	3	138
Service/maintenance	364	450	2	816	3	-	-	3	367	450	2	819
Total	554	471	7	1,032	12	1	-	13	566	472	7	1,045
Percent	53	45	1	99	1	-	-	1	54	45	1	100
All other:												
Officials/administrators	29	10	-	39	5	1	-	6	34	11	-	45
Professionals	105	40	3	148	64	56	1	121	169	96	4	269
Technicians	69	20	1	90	10	38	-	48	79	58	1	138
Protective service	84	105	-	189	8	11	-	19	92	116	-	208
Paraprofessionals	21	40	1	62	7	51	1	59	28	91	2	121
Office/clerical	20	14	-	34	103	150	1	254	123	164	1	288
Skilled craft	137	31	1	169	-	-	-	-	137	31	1	169
Service/maintenance	53	215	2	270	14	68	-	82	67	283	2	352
Total	518	475	8	1,001	211	375	3	589	729	850	11	1,590
Percent	33	30	-	63	13	24	-	37	46	53	1	100

GAO note: The jobs in this appendix were categorized by the city using Federal Equal Employment Opportunity Commission definitions.

CITY GOVERNMENT NEW HIRES

NEW ORLEANS, LOUISIANA

YEAR ENDED JUNE 30, 1974

Function/job category	Male				Female				Total			
	White	Black	Other	Total	White	Black	Other	Total	White	Black	Other	Total
All functions:												
Officials/administrators	16	5	-	21	4	2	-	6	20	7	-	27
Professionals	28	12	-	40	16	9	1	26	44	21	1	66
Technicians	27	11	-	38	27	11	-	38	54	22	-	76
Protective service	136	155	4	295	6	18	-	24	142	173	4	319
Paraprofessionals	75	84	1	160	46	168	2	216	121	252	3	376
Office/clerical	7	10	-	17	36	66	1	103	43	76	1	120
Skilled craft	43	24	-	67	-	-	-	-	43	24	-	67
Service/maintenance	160	428	1	589	8	12	-	20	168	440	1	609
Total	492	729	6	1,227	143	286	4	433	635	1,015	10	1,660
Percent	30	44	-	74	9	17	-	26	38	61	1	100
Financial administration:												
Officials/administrators	12	4	-	16	3	2	-	5	15	6	-	21
Professionals	3	2	-	5	-	1	-	1	3	3	-	6
Protective service	-	-	-	-	1	1	-	2	1	1	-	2
Paraprofessionals	18	5	-	23	33	55	1	89	51	60	1	112
Service/maintenance	4	3	-	7	-	-	-	-	4	3	-	7
Total	37	14	-	51	37	59	1	97	74	73	1	148
Percent	25	9	-	34	25	40	1	66	50	49	1	100
Police protection:												
Professionals	1	-	-	1	-	1	1	2	1	1	1	3
Technicians	1	-	-	1	-	-	-	-	1	-	-	1
Protective service	54	15	4	73	-	2	-	2	54	17	4	75
Paraprofessionals	8	-	-	8	-	-	-	-	8	-	-	8
Office/clerical	2	2	-	4	10	20	1	31	12	22	1	35
Service/maintenance	6	12	1	19	-	2	-	2	6	14	1	21
Total	72	29	5	106	10	25	2	37	82	54	7	143
Percent	50	20	4	74	7	17	2	26	57	38	5	100
Fire protection:												
Professionals	-	3	-	3	1	-	-	1	1	3	-	4
Protective service	50	4	-	54	-	-	-	-	50	4	-	54
Office/clerical	-	-	-	-	1	2	-	3	1	2	-	3
Total	50	7	-	57	2	2	-	4	52	9	-	61
Percent	82	11	-	93	3	4	-	7	85	15	-	100
Streets and highways:												
Professionals	8	-	-	8	-	-	-	-	8	-	-	8
Technicians	4	1	-	5	1	-	-	1	5	1	-	6
Paraprofessionals	2	-	-	2	-	-	-	-	2	-	-	2
Office/clerical	1	-	-	1	4	2	-	6	5	2	-	7
Skilled craft	10	10	-	20	-	-	-	-	10	10	-	20
Service/maintenance	39	96	-	135	-	-	-	-	39	96	-	135
Total	64	107	-	171	5	2	-	7	69	109	-	178
Percent	36	60	-	96	3	1	-	4	39	61	-	100
Utilities and transportation:												
Officials/administrators	1	-	-	1	-	-	-	-	1	-	-	1
Professionals	1	-	-	1	-	-	-	-	1	-	-	1
Technicians	3	6	-	9	-	5	-	5	3	11	-	14
Protective service	1	-	-	1	-	-	-	-	1	-	-	1
Paraprofessionals	13	1	-	14	-	1	-	1	13	2	-	15
Office/clerical	-	2	-	2	6	6	-	12	6	8	-	14
Skilled craft	20	5	-	25	-	-	-	-	20	5	-	25
Service/maintenance	30	83	-	113	-	-	-	-	30	83	-	113
Total	69	97	-	166	6	12	-	18	75	109	-	184
Percent	37	53	-	90	3	7	-	10	41	59	-	100

CITY GOVERNMENT NEW HIRES

NEW ORLEANS, LOUISIANA

YEAR ENDED JUNE 30, 1974

Function/job category	Male				Female				Total			
	White	Black	Other	Total	White	Black	Other	Total	White	Black	Other	Total
Natural resources:												
Officials/administrators	2	-	-	2	1	-	-	1	3	-	-	3
Professionals	3	3	-	6	6	1	-	7	9	4	-	13
Technicians	9	-	-	9	21	-	-	21	30	-	-	30
Protective service	12	85	-	97	2	10	-	12	14	95	-	109
Paraprofessionals	13	65	1	79	12	99	-	111	25	164	1	190
Office/clerical	2	4	-	6	8	9	-	17	10	13	-	23
Skilled craft	2	4	-	6	-	-	-	-	2	4	-	6
Service/maintenance	28	77	-	105	7	2	-	9	35	79	-	114
Total	71	238	1	310	57	121	-	178	128	359	1	488
Percent	15	49	-	64	11	25	-	36	26	74	-	100
Sanitation and sewage:												
Paraprofessionals	11	1	-	12	-	-	-	-	11	1	-	12
Office/clerical	-	-	-	-	-	1	-	1	-	1	-	1
Skilled craft	5	1	-	6	-	-	-	-	5	1	-	6
Service/maintenance	50	135	-	185	1	-	-	1	51	135	-	186
Total	66	137	-	203	1	1	-	2	67	138	-	205
Percent	32	67	-	99	-	-	-	1	33	67	-	100
All other:												
Officials/administrators	1	1	-	2	-	-	-	-	1	1	-	2
Professionals	12	4	-	16	9	6	-	15	21	10	-	31
Technicians	10	4	-	14	5	6	-	11	15	10	-	25
Protective service	19	51	-	70	3	5	-	8	22	56	-	78
Paraprofessionals	10	12	-	22	1	13	1	15	11	25	1	37
Office/clerical	2	2	-	4	7	26	-	33	9	28	-	37
Skilled craft	6	4	-	10	-	-	-	-	6	4	-	10
Service/maintenance	3	22	-	25	-	8	-	8	3	30	-	33
Total	63	100	-	163	25	64	1	90	88	164	1	253
Percent	25	39	-	64	10	25	-	36	35	65	-	100

GAO note: The jobs in this appendix were categorized by the city using Federal Equal Employment Opportunity Commission definitions.

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