2027 Proposed Budget

City of New Orleans

I. 2027: A Balanced, Leaner City Budget

2027 Budget: The Bottom Line

- ~$100M recurring revenue gap compared with 2026 expenditures and 2027 departmental requests
- $77M in significant direct cuts
- $21.55M in available one-time and special-purpose funding
- Only 2% one-time funding vs. 18% in 2026

2027 Budget Starting Point

- Recurring 2027 revenues are $748 million
- 2027 departmental requests totaled $847M, essentially level with projected 2026 departmental spending
- This left a ~$100 million budget gap by itself

2027 Forecast

*2027 revenues are forecasted to be **$763,338,653**, including $15 million from prior-year grant reimbursements.*

Revenue Category	2025 Actuals	2026 REC Budget	2026 Projection	2027 REC Forecast
1A - Property Tax	$184,771,905	$180,672,968	$183,868,128	$183,868,128
1B - Sales Tax	$321,657,349	$306,084,632	$314,843,361	$314,330,715
2 - Licenses and Permits	$82,496,884	$75,661,804	$81,671,422	$83,977,485
3 - Intergovernmental	$28,761,908	$24,498,704	$22,359,336	$15,850,471
4 - Service Charges	$103,232,791	$102,440,488	$98,518,190	$119,339,866
5 - Fines and Forfeits	$13,428,470	$11,839,124	$12,145,145	$11,978,241
6 - Miscellaneous	$38,810,225	$24,290,692	$21,160,869	$18,993,746
TOTAL	**$773,159,532**	**$725,488,412**	**$734,566,451**	**$748,338,653***
		+$160M in one-time revenues	+$160M in one-time revenues	+$15M in one-time revenues

*~$8 million lower than adopted REC forecast due to double counting in a particular revenue category.

RAN Repayment

- The 2026 REC adopted revenues are $885M
- With RAN repayment, total 2026 obligations are $975M
- From an accounting perspective, the RAN is not treated as either revenue or expense
- Total RAN drawdown in 2026 was ~$45M and we also received prior year grant reimbursements not recognized as revenue

Inherited Chaotic, Misleading Budget for 2026

The Moreno Administration faced a serious financial crisis.

- No money to make payroll
- No savings except for emergency Rainy Day Fund
- Costs far exceeding revenues – 2026 budget requests totaled $948M compared to $725M in recurring revenues
- Years of delayed financial management made the situation worse

Fixing the 2026 Budget

The Administration was solution oriented to support 2026 obligations (loan repayment, deferred expenses, and costs of operating the City).

- Spending was curtailed to reduce overall operating expenses
- Overtime spending was reduced by 50% compared to 2025
- Travel costs were reduced by 90% compared to 2025
- Personnel costs reduced by $20 million compared to 2025

Completely Rebuilt City's Reserves

We restored financial reserves in case of emergency needs and to improve the City's bond rating.

- The Caesars deal generated $100M+ in upfront payments from the casino lease renegotiation, which has been placed in an untouched reserve account
  - Since May, these funds have earned $1.3 million in interest

- Similarly, the Rainy Day Fund was not earning interest. It has since been placed in an interest-bearing account and has earned $230,000 since July

- $138 million total in City savings accounts between both funds

Better Management. Better Basic Services.

Better services don't always require more money. They require better management, better coordination and urgency.

12,594 Streetlight Issues Resolved

970 Blocks of Potholes Filled

65 Blocks of Road Repairs

29 Blocks of Sidewalk Repairs

- The Administration launched an aggressive streetlight repair effort to restore dark lights across New Orleans
- Traffic signal repairs were accelerated to address broken or malfunctioning signals
- Smooth Streets was launched to dramatically increase street repairs
- Pothole filling, permanent pavement repairs, and mill-and-overlay work was expanded
- The Administration is hiring 50 additional employees using existing infrastructure dollars to put more crews on the streets and increase repair capacity

Community Input

By meeting residents where they are, the City collected valuable input about their budget priorities for 2027.

- Mayor Moreno and City leaders held seven community budget meetings where residents across the City shared their feedback
  - Recurring themes included streets (surface and subsurface), blight, grass cutting, and expanded economic opportunity

- The City's 2027 Community Budget Survey collected input from residents about their budget priorities
  - Infrastructure and Public Works ranked highest in essential service priorities, followed by Neighborhoods and Quality of Life

Moreno Priorities for the 2027 Budget

Making New Orleans work better every day and creating more opportunity for our people. Residents shouldn't have to fight City Hall to get basic services.

Better Basic Services. Safer Neighborhoods. More Opportunities. A Stronger Economy.

Direct Budget Reductions — $77M

The proposed solution requires $77M in significant direct cuts but also uses $21.55M in available one-time and special funds to avoid even deeper reductions. Cuts are painful.

Budget Reduction Items	Total
CAO Reductions	$19M
Personnel Reductions — 152 FTEs/OT and personnel cost reductions	$23M
Other Operating / Contractual Reductions	$27M
Outside Agency Reductions	$8M

Protecting Essential Services

Budget decisions prioritized protecting first responders and essential City services.

- No furloughs
- No cuts to NORD or Council on Aging
- Essential services protected
  - Frontline police officers, firefighters and EMS personnel protected as much as possible
  - Sanitation / curbside pickup
  - Street and sidewalk maintenance
  - Streetlight repairs

Why the 2027 Cuts Are Especially Difficult

Departments are being asked to cut again after major reductions were already made in 2026.

- Cuts already made in 2026 compared to 2025 include:
  - Staffing reduced by approximately 200 positions
  - Overtime reduced by $18M year-to-date versus 2025
  - Personnel spending reduced by $20M versus 2025
  - Travel reduced by 90%
  - Offices eliminated and unclassified personnel consolidated
  - Furloughs and tighter controls on contracts and operating expenditures
  - Eligible infrastructure costs shifted from the General Fund to the Capital Fund

Frontline Public Safety: 2026 Expected Spending vs. 2027 Proposed

Agency	2026 Expected Spending Comparison Base	2026 Adopted Reference Only	2027 Proposed Budget Comparison Base	% Change: Expected → Proposed
Emergency Medical Services	$14,949,997	$18,749,997	$16,113,948	+8%
New Orleans Fire Department	$140,536,612	$132,536,612	$127,069,815	-10%
New Orleans Police Department	$170,328,500	$164,328,500	$167,092,729	-2%

For EMS, NOFD and NOPD, the percentage compares expected 2026 spending (including one-time revenues) directly to the 2027 proposed budget. The 2026 adopted budget is shown for reference only.

Projected Spending by Police and Fire

Police and Fire are projecting personnel deficits in 2026 v. adopted budgets, which can be supported by one-time 2026 revenues and are corrected in 2027.

- Projected spending levels are attributable to items like unbudgeted retention pay, large terminal leave payouts, enhanced police recruiting, and an improperly budgeted fire grant
- Additional one-time revenues can support this level of spending in 2026, but it reflects a deficit compared to the adopted budget, which will be corrected in 2027
- The proposed 2027 budget reflects a $16 million (9%) reduction from NOPD's original 2027 budget request, which was $183 million
- NOPD's budget reflects the transfer of parking, booting, and towing that occurred after budget adoption

New Recurring Revenue Proposals Can Mitigate Cuts — But Not Eliminate Them Completely

- Additional recurring revenue could restore some proposed reductions:
  - Roll forward eligible millages: $20M+ General Fund impact
  - Increase nightly STR fee: $4–5M
  - Adjust permit fees for inflation + upfront application fees: $1.5–2M
  - Potential nonprofit fees / parcel fee: amount TBD

- Revenue options do not eliminate the need for a leaner 2027 budget

Balanced. Reserves Restored. Back Above Water.

The City is lean in 2027, but it is balanced, reserves have been restored, and New Orleans is back above water.

"We have reduced the size and cost of government, rebuilt reserves, protected core services, and proposed a balanced 2027 budget. We are lean, and the choices are difficult, but New Orleans is back above water and positioned to move forward."

- Mayor Helena Moreno

II. 2027 Budget Proposal

Only Spending What We Have

2027 budget is reality: maintaining core City services and structural balance were the driving forces behind it.

- The 2027 recurring revenue forecast is $748,338,653 and rises to $763.3 million with one-time revenues from grant reimbursements

- Even with more than $763 million in revenue, $576 million is diverted to the below safety and ongoing obligations:
  - Public health and safety agencies* ($352 million)
  - Outside agencies ($98 million)
  - Healthcare costs ($60 million)
  - Fire pension ($48 million)
  - Debt service ($18 million)

- Given the above, only ~$187 million is remaining for all other City services

**Includes EMS, NOFD, NOPD, NOCEM, PSSS, OPCD, MTRCB, Health, and JJIC*

Items Fixed in the 2027 Budget

The below items were improperly budgeted in 2026 but corrected in 2027.

Category	Expected Spending w/ 2026 One-Time Revenues	2026 Adopted Budget	2027 Proposed Budget	% Variance
Debt Service	$24,000,000	$0	$18,225,473	NA
Retention Pay (heightened in 2026 due to five-year milestones)	$5,000,000	$0	$2,380,920	NA
Terminal Leave (heightened in 2026 due to transition)	$6,000,000	$0	$3,650,000	NA

Public Safety Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Office of Emergency Coordination Management	$3,318,341	$2,744,772	-17%
Public Safety Support / Real-time Crime Center	$7,921,470	$5,559,948	-30%
Orleans Parish Communications District	$17,598,000	$17,301,229	-2%

Health and Human Services Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Health Department	$12,016,204	$5,907,285	-51%
MTRCB	$2,794,046	$3,093,359	11%
Juvenile Justice Intervention Center	$7,796,020	$6,731,563	-14%

Economic Development Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Economic Development	$1,046,299	$1,006,328	-4%
Film	$0	$108,617	NA
Supplier Diversity	$752,528	$585,540	-22%
Cultural Economy	$506,245	$571,513	13%
Nighttime Economy	$186,248	$302,563	62%
Workforce Development	$500,000	$0	-100%
Community Development	$1,302,653	$129,966	-90%

City Services Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
City Planning Commission	$1,513,146	$3,030,347	100%
HDLC + VCC	$1,659,501	$1,687,903	2%
Code Enforcement	$0	$0	NA
Safety and Permits	$6,455,898	$5,625,485	-13%
Sanitation	$70,358,899	$64,294,762	-9%
NORD	$19,407,478	$19,311,478	0%
Parks and Parkways	$11,646,630	$10,253,002	-12%

Infrastructure Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Public Works	$15,486,779	$10,093,893	-35%
Property Management	$12,666,622	$11,606,815	-8%

DPW's 2026 budget reflects the transfer of parking, booting, and towing that occurred after budget adoption

Other Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Mayor - Core	$4,236,245	$3,985,431	-6%
CAO - Core	$97,091,224	$67,660,181	-30%
Miscellaneous*	$25,317,549	$32,424,511	28%
Municipal Participation Grants**	$3,847,041	$3,574,063	-7%
City Council	$15,699,290	$11,179,097	-29%
Civil Service	$2,885,405	$2,911,988	1%
Finance (2027 includes Debt Service)	$19,310,535	$38,660,711	100%
ITI	$11,710,994	$14,778,878	26%
Law	$8,420,342	$10,156,132	21%

**Miscellaneous includes Service and Innovation, Performance and Accountability, Risk Management, Mayor's Summer Youth Work Program, NOLA Youth Works, and Tax Incremental Financing.*

***Municipal Participation Grants include Arts Council, Council on Aging, LSU Ag Center, SPCA, Total Community Action, and Veterans Affairs.*

Outside Agencies – General Fund

Agency	2026 Adopted Budget	2027 Proposed Budget	% Variance
Clerk of Criminal District Court	$5,618,260	$0	-100%
Criminal District Court	$6,177,967	$6,177,967	0%
District Attorney	$8,442,973	$6,942,973	-18%
Juvenile Court	$3,007,018	$2,515,993	-16%
Municipal and Traffic Court	$6,142,735	$6,594,166	7%
Public Defender	$7,701,527	$7,096,527	-8%
Coroner's Office	$3,584,547	$3,365,046	-6%
Ethics Review Board	$281,637	$305,335	8%
New Orleans Museum of Art	$198,696	$11,915	-94%
Office of Independent Police Monitor	$1,004,374	$1,221,341	22%
Office of the Inspector General	$3,990,616	$4,198,362	5%
Registrar of Voters	$337,472	$624,700	85%
Sheriff	$51,672,187	$58,450,476	13%
Judicial Retirement Fund	$298,472	$280,000	-6%

Proposed Budget Reduction Estimates

Some items may be adjusted up or down, or eliminated as the budget process proceeds. The estimates below identify proposed reductions across staffing, contracts, programs and operations.

Item	Amount
CAO Internal Budget Cuts	$19,000,000
NOFD Costs	$8,500,000
Low Barrier Shelter Operations	$5,000,000
Clerk of Criminal Court Allocation Reduction	$4,600,000
NOPD non-Officer Staffing Reductions	$4,306,620
Axon Contract (BWCs, In Car Cameras, TASERS) Reduction	$2,500,000
NOFD Attrition	$2,500,000
Sanitation Equipment and Non-Curbside Collection Service Reduction	$2,359,825
Additional Reduction in NOPD OT	$2,000,000
Security for City Buildings	$1,800,000
Mardi Gras Post-Parade Cleanup	$1,750,000
District Attorney Allocation Reduction	$1,500,000
Sanitation Waste Collection Contracts - Anticipated Savings	$1,308,271
Elimination of On Scene Services (Civilian Traffic Response)	$1,300,000
Property Management Operating Cuts	$1,115,387
Entergy/Delta Utility Cost Savings	$1,000,000

Proposed Budget Reduction Estimates

Item	Amount
Tree Trimming and Grass Cutting Reductions	$894,000
Additional Unclassified Staffing Reductions	$700,000
Reduction of Grounds Patrol	$624,000
Firefighter Turnout Gear	$601,940
Safety and Permits Personnel Reductions	$500,000
Public Defender Allocation Reduction	$500,000
Municipal/Traffic Court Allocation Reduction	$500,000
Reduction in Outside Legal Counsel	$500,000
YouthForce NOLA Summer Program	$500,000
CAO Staffing Reductions	$477,037
NOPD Operating Cuts	$452,000
Special Event Support and Incentive Cuts	$450,000
Finance Staffing Cost Reductions	$436,518
Juvenile Justice Intervention Center Youth Programming Reductions	$430,000
Reduction in LLA Services	$400,000

Proposed Budget Reduction Estimates

Item	Amount
Mayor's Office Operating Reductions	$393,000
Maternal Health FC Contract	$378,574
Central Adjudication Bureau Operating Cuts	$348,000
CAO Operating Expense Savings	$307,750
CPC Master Plan Cost Reduction	$300,000
JJIC Anticipated Medical Contract Savings	$300,000
ADP Contract Anticipated Savings	$300,000
Additional Safety and Permits Reductions	$286,992
Juvenile Court Allocation Reduction	$279,555
Recycling, Hazardous Waste, and Glass Drop Off Events	$263,000
Finance Printing Cost Savings	$250,000
Coroner's Office Allocation Reduction	$250,000
Cultural Economy Event Planning Assistance	$250,000
Mobile Crisis Intervention Unit Reduction	$250,000
NOPD Cadet Program	$250,000

Proposed Budget Reduction Estimates

Item	Amount
Reduction in Rave Mass Notification System	$200,000
Central Adjudication Bureau Judgment	$200,000
Amnesty Collections Contract	$200,000
NOMA Mini Masters	$198,696
Elimination of Non-Mardi Gras Special Event Clean Ups	$183,490
Equal Business Opportunity Operations	$165,000
JJIC Deferred Equipment Replacement	$160,000
VCC/HDLC Personnel Reductions	$159,575
DV Air Program Reduction	$150,000
Centers for Restorative Approaches Contract	$150,000
Cultural Economy Operating Reductions	$115,000
Juvenile Public Defender (LCCR) Allocation Reduction	$105,000
Financial Statement Audit Reductions	$100,000
Board of Review Tax Appeal Hearings Reductions	$100,000
Economic Development Operating Cuts	$83,358

Proposed Budget Reduction Estimates

Item	Amount
NOCEM Operating Cuts	$72,000
Arts Council Reduction	$63,968
Curbside Recycling Carts (Qty: 1,296)	$62,500
EMT Body Cameras	$51,000
Mayor/CAO Pay Reductions	$50,000
Family Connects Reduction	$50,000
UMC Hospitals VI	$50,000
Economic Development Planning Cut	$46,000
Fort Pike	$30,000
Regional and National Partnerships	$25,850
Workforce Development Reduction	$24,728
Nighttime Economy Noise Mitigation Measures	$23,000
Christmas Tree Recycling	$20,000
Sanitation Operational Savings	$13,150
T-Mobile Trackers for Mardi Gras	$7,050

**The total here approximates within nearly $1 million of total cuts made in the City's budgeting system.*

Nonprofit Cost Sharing

It is unfair for residents to make up the balance for revenues that are not collected by tax-exempt parcels.

- Many major cities have deployed various models, such as parcel fees or cost sharing agreements, with tax-exempt properties
- The City needs to and will pursue broadening the base of parcels paying for public services
- In doing so, we can raise additional revenues for essential city services and minimize the overall obligations for taxpaying residents

Millage Overview

Voters approve millages, or property tax rates, to fund public services.

- One mill equals $1 of tax for every $1,000 of taxable assessed property value – based on the current tax base in New Orleans, the full value of each mill is $5.58 million
- When assessed home values go up, without action by taxing authorities, voter approved millages "roll back", causing taxing authorities to forgo revenue they would otherwise receive

134.53	121.20	128.64
Total City Mills 2023	Total City Mills 2026	Total City Mills Roll Forward

Millage Proposition

The proposition does not include rolling forward millages for Orleans Parish Schools (who already did), Sheriff, or SWBNO.

Millage	Current Levy	Roll Forward	Rate Increase	Current Revenues	Est. Add'l Revenues
City General Fund					
General Alimony	12.23	13.91	+1.68	$68,288,779.29	+$9,380,633.62
Unrestricted GF	1.05	1.19	+0.14	$5,862,896.01	+$781,719.47
Total	**13.28**	**15.10**	**+1.82**	**$74,151,675.30**	**+$10,162,353.09**
City Dedicated Use					
Police Protection	4.67	5.26	+0.59	$28,371,690.70	+$3,584,432.02
Fire Protection	4.62	5.21	+0.59	$28,067,925.27	+$3,584,432.02
Fire Protection	2.22	2.50	+0.28	$13,487,184.87	+$1,701,086.38
Parks and Parkways*	1.59	1.807	+0.217	$8,878,099.68	+$1,211,665.18
Recreation Dept*	1.71	1.944	+0.234	$9,548,144.94	+$1,306,588.25
Total	**14.81**	**16.72**	**+1.911**	**$88,353,045.46**	**+$11,388,203.84**

**Voters approved a unified parks millage split between NORD, Parkways, Audubon, and City Park.*

Millage Proposition

Police & Fire Platoons millages would net an additional $4.36 million, and the remaining would generate $16.35 million for purposes outside of the Admin.

Millage	Current Levy	Roll Forward	Rate Increase	Current Revenues	Est. Add'l Revenues
City Police/Fire					
Police & Fire Platoon Millage	5.62	6.40	+0.78	$31,380,452.95	+$4,355,294.18
Other					
Library, Public	2.27	4.00	+1.73	$12,675,022.81	+$9,659,819.15
Library, Public	2.05	2.33	+0.28	$11,446,606.50	+$1,563,438.94
Early Childhood	4.39	5.00	+0.61	$24,512,489.05	+$3,406,063.40
Audubon Commission*	1.71	1.944	+0.234	$9,548,144.94	+$1,306,588.25
City Park Improvement*	0.54	0.614	+0.074	$3,015,203.66	+$413,194.58
Total	**10.96**	**13.89**	**+2.93**	**$61,197,466.96**	**+$16,349,104.31**
Grand Total	**44.67**	**52.11**	**+7.44**	**$255,082,640.67**	**+$42,254,955.43**

**Voters approved a unified parks millage split between NORD, Parkways, Audubon, and City Park.*

Questions?