

# OIG IN BRIEF

## Why the OIG Did This Report

The New Orleans Traffic Court collects \$11 million a year in traffic fines and fees, \$5.5 million of which go to the City's General Fund, a significant financial contribution to the justice system in New Orleans.

However, the Court is the only remaining traffic court in the nation, and funding the court has become controversial in recent budget discussions: the City Council contended that the Court was too expensive and over staffed; the judges stated that their responsibility to raise fees to fund the Court created an unconstitutional conflict of interest. The funding structure of the Court changed over the past three decades. In the mid-1980s the Court raised 10 percent of its funds; currently the Court is responsible for raising over 80 percent of its funds.

The funding structure suggests three main questions: How can the Council fulfill its role to balance the financial needs of City agencies and departments without the authority to adopt a budget for the Court? Could Traffic Court judges maintain impartiality when the Court was responsible for funding itself primarily through a fee assessed on convictions? And, to what extent did the City fulfill its statutory requirement to support Court operations?

To answer these questions, the OIG interviewed city and court staff; reviewed literature on court funding best practices, and reports addressing Traffic Court funding in particular; analyzed information from the Court's case management system; and reviewed relevant City and Traffic Court financial records.

*A report to the City of New Orleans and New Orleans Traffic Court, July 29, 2015.*

View OIG [report](#) IE 13-0005. For more information contact Nadiene Van Dyke at (504) 681-3200 or [nvandyke@nolaig.org](mailto:nvandyke@nolaig.org).

## Funding of Traffic Court

### What the OIG Found

**Evaluators identified all Traffic Court revenues and expenditures and examined the Court's funding structure. The analysis revealed the following: (1) State law undermined the City Council's budgetary oversight of the Traffic Court. (2) There was no way to document the needs of the Court or determine if spending was efficient because the Court did not track adequate performance measures. (3) The Court's reliance on its Judicial Expense Fund created a conflict of interest that compromised judicial independence.**

In addition, evaluators observed three practices that undermined fiscal transparency and made it difficult to determine the actual cost of the Court. First, although prohibited by the Louisiana Local Government Budget Act, the Court used deficit spending to finance payroll in 2011 and 2012. Second, the City did not keep its cost allocation plan up to date, inaccurately reporting the indirect cost of the Court. Third, city staff overrode budgetary controls to use funds allocated to the Court to make purchases for the Coroner's Office.

Both independent reviewers and Traffic Court judges recognized that Traffic Court employed more staff than necessary. The overstaffing was possible because state law required the City to pay for all judicial staff hired by the Court, thereby undermining City Council authority to control court spending. Traffic Court judges were also able to raise funds to pay for court staff by assessing a fee on each conviction.



### What the OIG Recommends

**The City should begin to fund the Court from a general fund appropriation and the City and Court should seek an amendment to state laws to reduce the amount the Court is authorized to collect. Court funding must be adequate to ensure access to justice, and the Court should collect and monitor data for accuracy and report relevant performance measures in order to demonstrate need. The City Council should provide budgetary oversight so that appropriations to the Court can be placed in the context of the needs of other city agencies.**

The City and Court should also rectify the problems that made it difficult to determine the true cost of the Court. The Court should no longer agree to engage in deficit spending to fund payroll. The City should update its cost allocation plan. Finally, City staff should not override budgetary controls and should disburse funds as allocated by the City Council.

Tensions between legislative bodies and courts over funding are inherent in the effort to balance powers among the three branches of government established in the Constitution. The State Legislature's response to the tension between the Traffic Court and the City Council was to remove budgetary authority and give the judges executive control over a Judicial Expense Fund. Legislators' actions undermined the local framework already in place for resolving the inherent tension transparently and in a fiscally responsible manner, resulting in a Court for which there was no fiscal oversight. The recommendations in this report are intended to help answer questions about the appropriateness of Traffic Court spending, remove doubts about the possible influence of financial concerns on judicial decisions, and make the cost of the Court more transparent.