



Jefferson Parish: **LOUISIANA'S LEADING PARISH**



MARCH, 2010

Prepared by GCR & Associates on behalf of:
Jefferson Parish Government
Jefferson Parish Sheriff's Office
Jefferson Parish Public School System
Jefferson Parish Economic Development Commission (JEDCO)



Jefferson Parish: LOUISIANA'S LEADING PARISH

JEFFERSON PARISH IS THE LARGEST PARISH IN THE STATE AND A MAJOR ECONOMIC AND POLITICAL DRIVER

Jefferson Parish is currently the largest parish in Louisiana with a population of 444,655. While one of 64 parishes in the state, Jefferson by itself represents over 10% of Louisiana's population. Within the New Orleans region—the most populous region in the state—Jefferson is home to nearly 40% of the region's population.

Jefferson's economy occupies a similarly prominent role. More than one out of every ten jobs in the state is located within Jefferson Parish, and Jefferson is an employment center for both established, as well as emerging, industries including shipbuilding, oil and gas, health care, and film production.

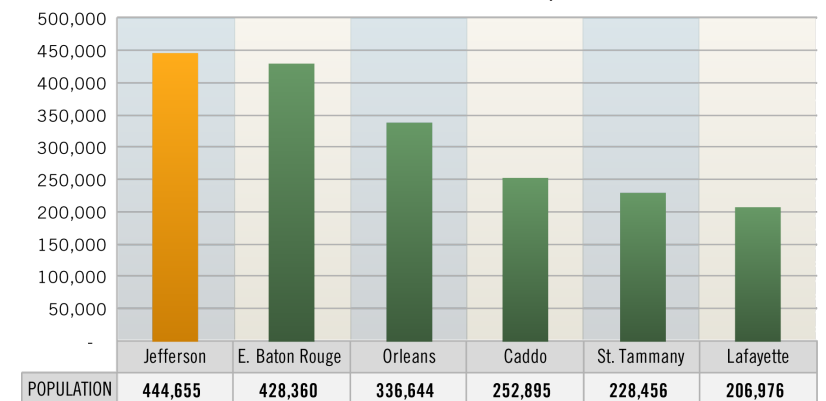
Jefferson is also home to some of the most critical economic assets in the state. These include:

- Louis Armstrong New Orleans International Airport
- The Harvey Canal, a direct channel to the Gulf of Mexico and a nucleus for the oil service industry
- The two largest private employers in the entire state, Ochsner Medical Center and Northrop Grumman
- Three major hospitals and medical research facilities
- Elmwood Industrial Park, the region's largest hub for light industry and distribution/warehousing
- Critical road and rail infrastructure including I-10, US 90, and the Huey P. Long Bridge
- The largest concentration of retail activity in southeast Louisiana.

The importance of Jefferson Parish extends into the political realm as well. Jefferson has the greatest number of registered voters in Louisiana with 274,203 or 10% of the state-wide total. Given its share of the statewide electorate, it is not surprising that Jefferson voters have picked the winning candidate in almost every recent statewide election.

The importance of Jefferson Parish is clear. As the largest parish in the state, Jefferson will continue to play a significant role in the economic and political future of Louisiana.

POPULATION: LARGEST PARISHES IN LOUISIANA, 2008



Source: Census Bureau

Jefferson Parish is now the most populous parish in Louisiana



Jefferson is home to the two largest private employers in the state: Northrop Grumman Ship Building and Ochsner Medical Center

Key Political Leaders Affiliated with Jefferson Parish:

- Governor Bobby Jindal
- U.S. Senator David Vitter
- U.S. Representative Steve Scalise
- Insurance Commissioner Jim Donelon
- Speaker of the House Jim Tucker

Jefferson voters have picked the winning candidate in almost every recent statewide election



JEFFERSON'S CONTRIBUTIONS TO LOUISIANA EXCEED ITS SHARE OF THE POPULATION

As the state's most populous parish, Jefferson would naturally be expected to make major contributions to the state's economy and tax base. However, in every major economic and fiscal category, Jefferson's contributions to Louisiana are disproportionately large relative to its share of the state's population.

Jefferson residents comprise 10.1% of Louisiana's population. Yet Jefferson Parish contributes:

- 13.9% of the state's sales tax revenue
- 12.0% of the state's income tax revenue
- 11.3% of all businesses in the state
- 10.9% of the cumulative wages in the state
- 10.6% of all jobs in the state

Jefferson Parish residents are primarily employed in the private sector. Jefferson residents comprise only 8.3% of all residents statewide that are employed by local, state, or federal government—well below Jefferson's share of the state's population. Conversely, Jefferson Parish accounts for 10.8% of state residents employed by private businesses.

Jefferson Parish also contributes disproportionately to a number of critical, and diverse, industry clusters. Jefferson Parish is home to inordinately large employment clusters in:

- Software and Computer Systems Design
- Health Care
- Professional and Technical Services (such as engineering and legal services)
- Motion Picture and Video Industries
- Shipbuilding
- Finance and Insurance
- Wholesale Trade
- Retail

These diverse industries run the gamut from the jobs of the present to the jobs of the future. Given Jefferson's disproportionate contribution, it is fair to say that the economic future of the state is inextricably tied to that of Jefferson Parish.

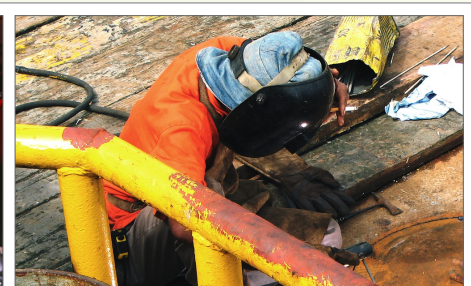
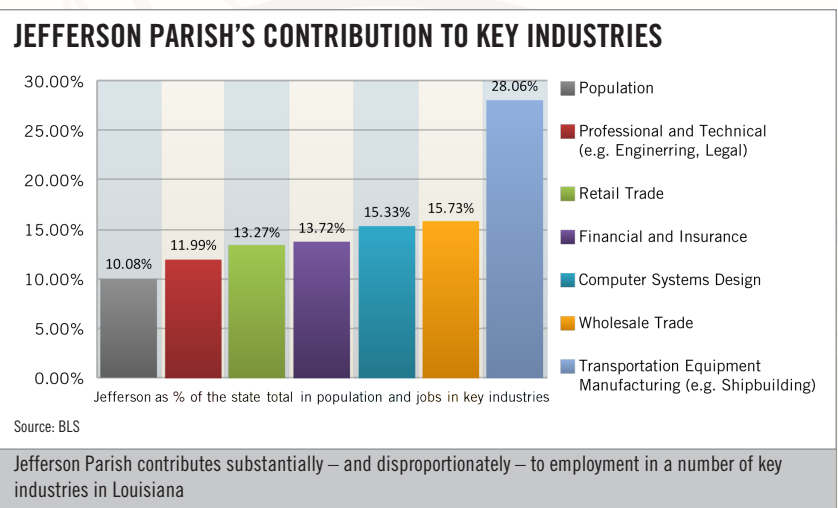
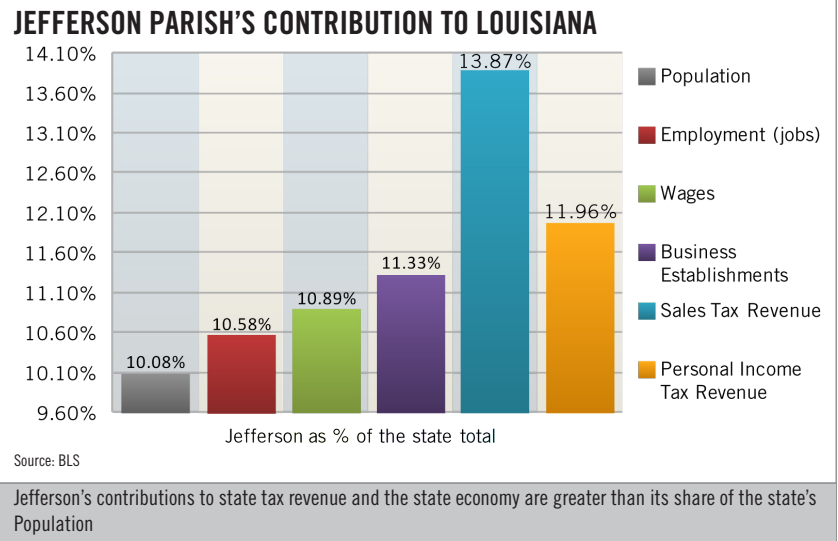


Photo By Henrique Vicente

Leading industries in Jefferson Parish range from shipbuilding to emerging, knowledge-based fields



JEFFERSON PARISH IS A RESILIENT COMMUNITY

In spite of the significant damage that Jefferson sustained from Hurricanes Katrina and Rita, it has rebounded swiftly and is leading the recovery of the entire New Orleans area. Jefferson's population currently stands at 99% of its pre-storm population, and its sales and property tax collections are higher than pre-Katrina totals.

One can now unequivocally say that as Jefferson goes, so goes the New Orleans region

The resilience that Jefferson has shown has positioned it as the leading parish in the New Orleans metropolitan area. While Jefferson played a major role in the region before Katrina, its share of the regional economy has grown considerably. If there was any doubt beforehand about the importance of Jefferson to southeast Louisiana, one can now unequivocally say that as Jefferson goes, so goes the entire New Orleans region.

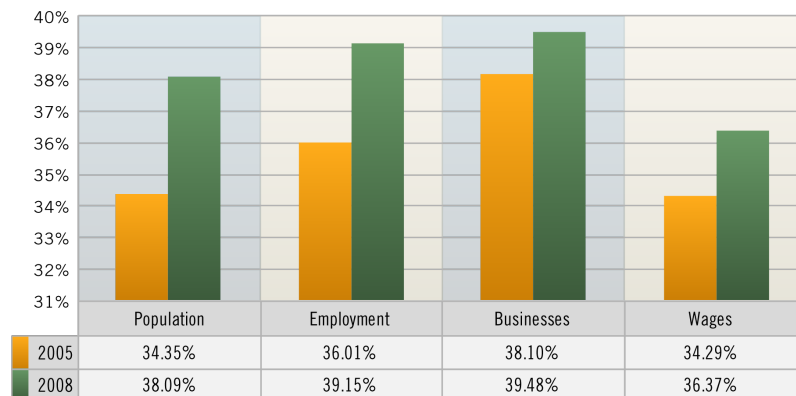
Jefferson is also constantly striving to improve and reinvent itself. Its flood protection system is undergoing billions of dollars in improvements to substantially reduce the risk of another Katrina-like disaster. Jefferson is also implementing an ambitious initiative, known as *The Jefferson EDGE 2020*, to address a wide range of quality of life issues with the goal of making the Parish a more appealing and economically competitive community.

Jefferson has responded swiftly and aggressively to recent adversity. Its rapid recovery has positioned it as the new economic leader in southeast Louisiana. Appreciating this opportunity, Jefferson is constantly striving to make itself a more resilient community—physically, economically, and socially.



Jefferson is constantly striving to improve and reinvent itself. Shown here are redevelopment plans for the Fat City neighborhood and the entrance to the new Churchill Technology and Business Park

JEFFERSON AS % OF THE REGIONAL ECONOMY: 2005 AND 2008



Source: US Census and BLS

Jefferson's share of the economy of southeast Louisiana has grown considerably since 2005



JEFFERSON FACES EMERGING THREATS AND SEEKS A CLOSER PARTNERSHIP WITH STATE GOVERNMENT

While Jefferson is fundamentally strong economically, it also has very real needs. Like many maturing communities, Jefferson is grappling with aging infrastructure, pockets of poverty, and an older housing stock. These challenges are underscored by data on three critical topics: income, public schools, and workforce.

The middle class population of Jefferson appears to be shrinking. For years, the median income in Jefferson was considerably higher than that of the surrounding region. Recently however, Jefferson's median income slipped below that of the metro area.

Secondly, Jefferson's school system has long trailed public schools in other parishes. Along virtually every objective measure, Jefferson's schools perform well below the metropolitan and statewide means.

Finally, the percentage of Jefferson residents with a college or graduate degree is somewhat lower than that of the region and the nation as a whole. As the national economy transitions to emerging knowledge-based industries, Jefferson's workforce must be ready to capitalize.

These issues do not yet constitute a crisis, but if they are not addressed, the vitality and the economy of Jefferson could suffer considerably. From state funding of public education, to the corrections system, to investment in infrastructure and economic development, there is a major role for the state to play in partnering with Jefferson to resolve these problems.

CONCLUSION

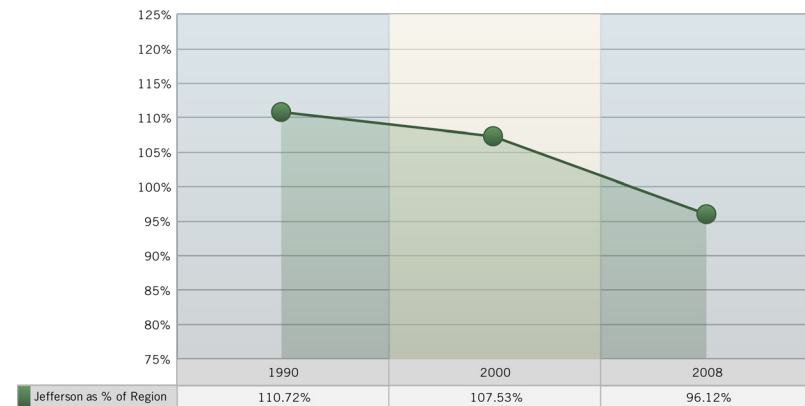
The New Orleans region is recovering strongly with Jefferson leading the way. Southeast Louisiana remains the state's foremost economic engine and is home to critical economic drivers that impact the economy and tax base of the entire state.

Within the region, Jefferson has emerged as the leading parish, and as the largest parish in the state, its future affects the future of the New Orleans region and all of Louisiana. A principal mission of state government, should be to protect the state's key economic assets. Jefferson Parish, home to one out of every ten persons and one out of every ten jobs in the state, is indisputably such an asset.

The threats that Jefferson Parish faces are real, and resolving them will require the close cooperation of state government. One of the foremost lessons of Hurricane Katrina is that it is much easier to fix emerging problems than it is to resolve a crisis.

Jefferson is asking for a renewed commitment from state government—a commitment to partner on key policy initiatives and to provide the resources to build a stronger Jefferson and a more prosperous Louisiana.

MEDIAN FAMILY INCOME, JEFFERSON RELATIVE TO THE REGION: 1990-2008



Source: US Census

Growth in median income in Jefferson has not kept pace with income growth in the metropolitan area overall

Included with this report are five topic-specific summaries discussing issues of critical importance to Jefferson. These are also opportunities for closer collaboration with state government. They are:

- **Public Education**
- **Hospitals**
- **Law Enforcement**
- **Transportation**
- **Economic Development**

Jefferson is asking for a renewed commitment from state government

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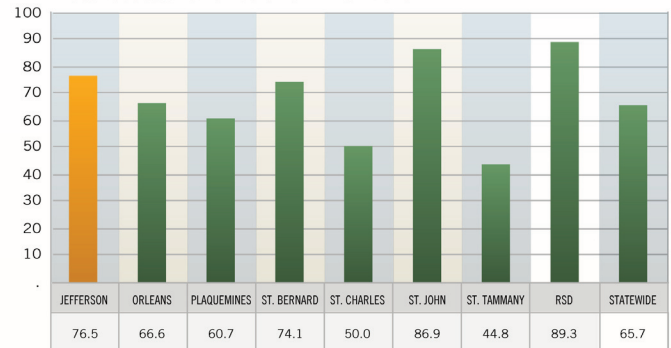


PUBLIC EDUCATION

For many years, Jefferson Parish Public Schools (JPPS) have lagged behind other public school systems along any number of objective measures. This historical achievement gap is due to a variety of factors, not the least of which is the fact that that Jefferson—while a middle class community overall—has had a public school population that is primarily low to moderate income. To remedy this achievement deficit, JPPS has taken aggressive steps in recent years. It has:

- Introduced magnet and academically themed schools, which are drawing new families and high caliber students
- Initiated a major capital campaign to upgrade the quality of facilities
- Implemented state-of-the-art technological infrastructure and teaching tools
- Strengthened efforts to recruit talented new teachers and administrators
- Emphasized continuing education and board certification for its teachers.

Free/Reduced Lunch as % of Enrollment



JPPS students, on average, are more economically disadvantaged than public school students for the state as a whole. Source: Louisiana Department of Education

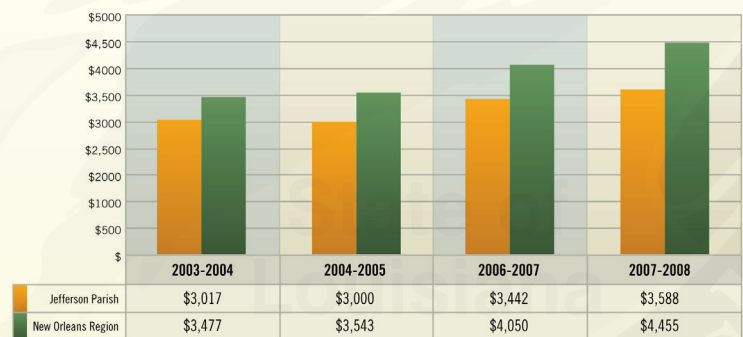
These efforts have yielded promising results. In recent years, Jefferson public school students have shown significant gains in LEAP and GEE scores. However, these efforts would be further abetted through the close cooperation of the Louisiana Department of Education.

Every year JPPS, like all public school systems in the state, derives a significant portion of its funding from state government. Much of this state funding is allocated through the Minimum Foundation Program or MFP. Each school system's MFP allocation is derived from a complex formula that takes a variety of factors into account. Jefferson Parish recognizes that the needs of each school system and the constraints that each faces are unique. Consequently, there will inevitably be some variation in the allocation of state dollars.

At the same time, it should be noted that (a) Jefferson does indeed have an economically disadvantaged public school population and (b) Jefferson's share of state funding lies well below the average for the New Orleans region. In 2007 – 2008, Jefferson received \$3,588 in state funding for each pupil. The average for the metropolitan area as a whole was \$4,455. Had Jefferson received the per pupil average, Jefferson's public schools would have received nearly \$38 million in additional funding.

Jefferson is indeed sensitive to the unique needs of each school district and the inherent difficulty in allocating state dollars equitably. Nonetheless, changes in the MFP formula could provide badly needed funding to Jefferson's public school students, many of whom are economically challenged. A closer partnership with the state could build upon the gains that Jefferson's public schools have already made.

State Education Funding Per Pupil: 2003 - 2008



On a per pupil basis, state funding for public education is somewhat lower in Jefferson Parish than in other school systems in the New Orleans area. Source: Louisiana Department of Education. Note: The Katrina school year (2005-2006) has been excluded from this analysis.



HOSPITALS

Jefferson Parish's three major hospitals, East Jefferson, West Jefferson, and Ochsner, are some of the community's principal economic assets and a key contributor to quality of life. They employ thousands of area residents, and they provide critical services to Jefferson Parish's aging population.

All three institutions have faced tremendous challenges since Hurricane Katrina in 2005. Wages, the cost of insurance, and other operating costs have skyrocketed while Medicare reimbursement rates have not been adjusted accordingly. Furthermore, with the closure of Charity Hospital in New Orleans, all three hospitals have had to assume the financial burden of treating a greater number of uninsured patients.

In the face of these challenges, the three hospitals are adapting as aggressively and proactively as possible. They have sought out new sources of local revenue; they have advocated aggressively for storm-related assistance from the federal government; and they have taken unprecedented steps to streamline costs and consolidate operations.



With the assistance of the state Department of Health and Hospitals, there have been some major victories, such as obtaining a federal appropriation to offset post-Katrina cost increases. However, major financial challenges remain, such as the Medicaid per diem rate established by DHH. There is considerable variation in the Medicaid per diem rate for various hospitals, such that rural hospitals are reimbursed at approximately double the rate of the two public hospitals in Jefferson. For West Jefferson Medical Center, for example, a reimbursement rate on par with that of rural hospitals would yield almost \$4.5 million in additional annual revenue. Furthermore, recent

state budget cuts resulted in a \$345 million cut in Medicaid payments statewide. Rural hospitals were completely exempt from this cutback, while Jefferson's three hospitals will absorb approximately \$20 million in lost revenue.

Jefferson Parish is acutely aware of the budgetary challenges facing the state. Jefferson is also sensitive to the unique needs of poor and rural communities. However by any objective definition, Jefferson Parish is not in a typical, "steady state" condition in the health care arena. Its hospitals are still struggling mightily with the truly unique and truly jarring financial consequences of Hurricane Katrina. A reasonable argument can be made that state funding formulas should reflect this on-going transition to a normal, more stable operating climate.

Jefferson Parish's hospitals are some of the principal economic drivers within the largest economy in southeast Louisiana, and they provide essential services to an aging Jefferson population. A closer partnership with state government would help to preserve the hospitals' financial strength, their tremendous contribution to the regional economy, and their continued service to the community.



Jefferson's three major hospitals, already struggling with post-Katrina cost increases, have been further challenged by Medicaid cutbacks and reimbursement rates.





LAW ENFORCEMENT

As a community of nearly 450,000 residents, Jefferson is not immune to violent crime. Jefferson is a predominantly stable, middle class community; but like most communities of its size, it is economically diverse and is home to pockets of concentrated poverty and crime. It also shares a boundary with Orleans Parish, which has long struggled with one of the highest homicide and violent crime rates in the country.

Whether due to these factors or others, Jefferson does have a more formidable challenge in fighting crime than many other suburban communities do. In response to this challenge, the Jefferson Parish Sheriff's Office (JPSO), in coordination with the efforts of Parish Government, has taken especially aggressive steps in recent years to reduce the Parish's crime rate. These include:

- Better coordinated code enforcement and crime abatement efforts
- Improved truancy intervention programs to reduce juvenile delinquency
- Major capital improvements, such as the construction of a state-of-the-art crime lab
- Stronger local and state laws to more effectively prosecute blight.

These efforts appear to be working, as crime has fallen relative to levels in 2006 when many of these efforts were initiated.



Jefferson continues to aggressively battle crime and blight. A closer partnership with the state Department of Corrections could further elevate these efforts.

For as aggressive as these local initiatives have been, collaborative efforts with the state Department of Corrections could yield even greater reductions in crime. One of the foremost problems that this state and other states face is the issue of recidivism, or crimes committed by former inmates. Nationally, it is estimated that 68% of former inmates are arrested again within three years of their release.¹ Pilot programs to improve prisoner re-entry have been initiated in a number of communities across the state. Jefferson would be eager to evaluate the efficacy of these programs and potentially expand them statewide.

Jefferson has encountered other challenges with regard to statewide corrections practices. These include the following issues:

- When JPSO arrests a person who is on probation, it receives no compensation for housing and feeding that individual until the probation is formally revoked. This can lead to lengthy, costly prison stays that divert revenue from crime fighting activities.
- There are vast differences in the sentencing practices of individual communities. A minor violation in Jefferson Parish might be addressed through a prison sentence in another community, thereby occupying invaluable state prison space and resources. Reforming sentencing practices statewide could lead to a more efficient corrections system.
- Jefferson Parish's highly successful Truancy Assessment and Service Center has seen its funding cut in recent years. Its fiscal year 2010 appropriation from the state was 23% less than its 2009 appropriation. Furthermore, no stable, long term funding source for this initiative has been identified.

Jefferson Parish faces an on-going, unremitting battle against crime. Through a closer partnership with the Department of Corrections, Jefferson could work to reduce recidivism, allocate crime fighting resources more efficiently, and reduce juvenile criminal behavior.

¹ U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, "Reentry Trends in the U.S.: Recidivism." 25 Oct. 2002. www.ojp.usdoj.gov/bjs



TRANSPORTATION

Jefferson Parish is a maturing community with older physical infrastructure. Almost all of the Parish's roads, neighborhoods, public buildings, and other community-serving infrastructure pre-date 1980, and most development pre-dates 1970. Most public infrastructure in Jefferson continues to be well maintained. However, as is the case in any older community, some roads, bridges, and other infrastructure need to be overhauled, and new improvements must be made to maintain quality of life.

Within the built out portions of the Parish, Jefferson's transportation needs are varied. They include pedestrian and bicycle infrastructure, transit investments, and capacity improvements at critical intersections and long-standing bottlenecks.

Within the undeveloped portions of Jefferson, new road capacity must be provided to accommodate a new wave of intelligently planned commercial and residential development, primarily on the West Bank of Jefferson, which is poised for growth.

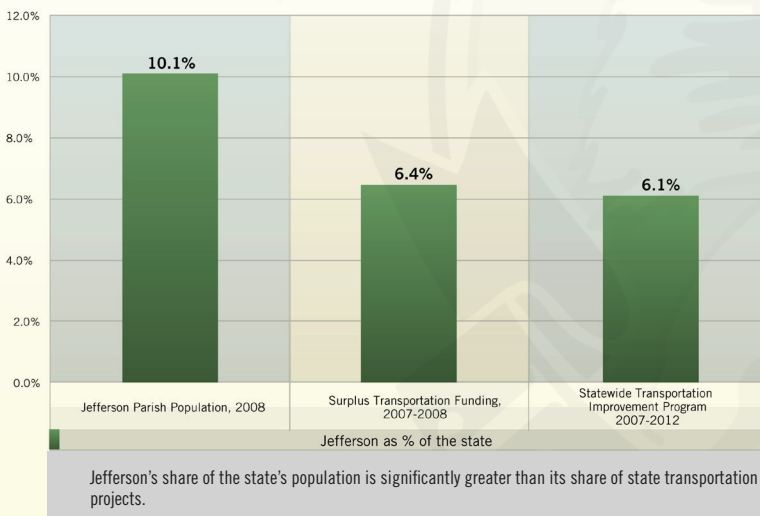
Jefferson's transportation needs are numerous and varied, yet spending by the state Department of Transportation and Development (DOTD) is disproportionately small, relative to Jefferson's share of the state's economy and population. While Jefferson constitutes 10.1% of Louisiana's population and 10.6% of its jobs,



A maturing community with aging infrastructure, Jefferson has myriad transportation needs.

- Jefferson Parish only comprised 6.4% of the approximately \$1.1 billion that was allocated from state budget surpluses in 2007 and 2008. Had Jefferson received an allocation proportional to its share of state population, it would have received an additional \$42 million in transportation funding.
- In the DOTD's Statewide Transportation Improvement Program (STIP), which outlines transportation spending planned or underway, Jefferson's share is approximately 6% of the total for all transportation projects. If Jefferson had received a share equivalent to its population, it would have received as much as \$248 million in transportation funding from 2007 through 2012.

Jefferson's Share of Population and Transportation Funding



Jefferson understands that transportation funding decisions rest not just with DOTD but also with Metropolitan Planning Organizations (MPO's). Jefferson also understands that state transportation appropriations may not perfectly match a community's share of the state's population or economy. Nevertheless for Jefferson, the discrepancy is sufficiently large as to warrant closer cooperation among Jefferson, DOTD, and the New Orleans Regional Planning Commission in allocating funding.

Our collective priority in transportation funding should be to enhance the economic competitiveness and quality of life within existing population and economic centers. Jefferson, as a key economic asset for the entire state, should be supported by state transportation policy and funding priorities.



ECONOMIC DEVELOPMENT

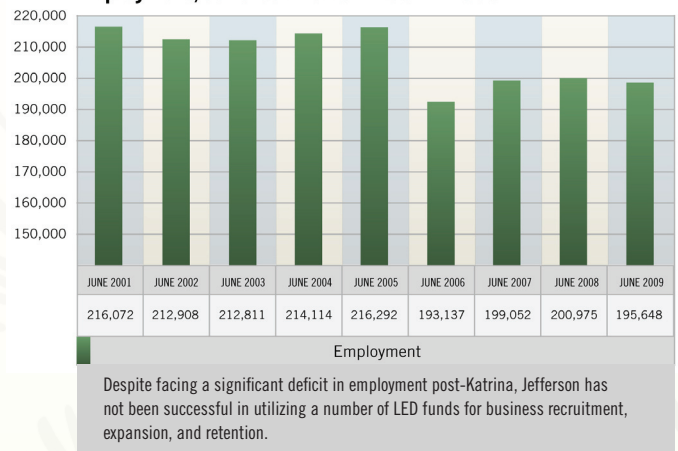
Jefferson Parish has a fundamentally strong economy with a vibrant private sector, and a diversity of industries. In spite of its solid economic foundation, Jefferson faces a number of challenges. The most immediate challenge is that the community's job base is diminished. Prior to Hurricane Katrina, Jefferson Parish had approximately 216,000 jobs; now, Jefferson is home to approximately 196,000 jobs.

On top of the economic consequences of Hurricanes Katrina and Rita, which still affect Jefferson's economy, the Parish also faces a number of challenges that pre-date 2005. These include a declining middle class, an evolving national and global economy, an achievement gap in its school system, older infrastructure, and maturing neighborhoods.

Jefferson Parish and the Jefferson Parish Economic Development Commission (JEDCO) have been vigorous in their efforts to preserve and enhance Jefferson's economic strength. Their efforts have included:

- Dedication of half of 1% of Parish ad valorem taxes to the Parish Economic Development Incentive Fund, a resource that has been successfully used for business retention and recruitment efforts
- Commitment to long range economic development goals and strategies, as put forth in *The Jefferson EDGE 2020*, in order to secure Jefferson's long-term economic future
- Successful management of a variety of small business incentive and financing programs, yielding an impact of 624 jobs and \$17 million in 2008 alone

Employment, Jefferson Parish: 2001 - 2009



In spite of JEDCO's status as one of only two accredited economic development organizations in Louisiana, Jefferson Parish has not been successful in recent years in its attempts to secure funding through Louisiana Economic Development (LED) programs. LED offers a number of discretionary incentive programs for business recruitment, retention, and expansion. These include:

- The Economic Development Award Program (EDAP). Jefferson has yet to be successful in its efforts to secure EDAP funding.
- The economic development Mega-Project Fund. While Jefferson may not have large footprint sites that are the focus of this fund, Jefferson has a host of advantages that large footprint sites in rural locations typically cannot offer. These include existing utility and transportation infrastructure, a sizable workforce, and complementary businesses that could generate true industry "clusters."
- LED's Deal Closing Fund. Jefferson also has yet to be successful in securing funding from this program.

Jefferson Parish understands that the first priority of LED is to spend its resources efficiently and strategically. Accordingly, a compelling case can be made for the strategic value of Jefferson Parish to the entire state economy. Jefferson is home to the state's two largest private employers and critical economic infrastructure, yet it still faces a deficit of over 20,000 jobs. A stronger partnership with LED would help to restore those lost jobs and strengthen one of the state's largest economic engines.