

OFFICE OF THE MAYOR

EXECUTIVE ORDER HM 26-02

BUDGET STABILIZATION AND EFFICIENCY PROGRAM

WHEREAS, the City of New Orleans must steward public funds responsibly while maintaining reliable delivery of core services; and

WHEREAS, inflation, rising operational costs, aging infrastructure, contractual obligations, and evolving public needs require continuous review of spending, staffing, contracts, and service delivery models; and

WHEREAS, the Mayor finds that a structured, data-driven efficiency initiative will identify recurring savings, reduce waste, strengthen procurement and contract management, and improve performance outcomes;

NOW THEREFORE, I, HELENA MORENO, pursuant to the authority vested in me as the Mayor of the City of New Orleans by Section 4-206(3) of the New Orleans Home Rule Charter and other applicable law, **DO HEREBY ORDER AS FOLLOWS**:

1. Purpose. This Order establishes a Citywide Budget Stabilization and Efficiency Initiative to identify:

- recurring budget savings and cost avoidance opportunities;
- process improvements and productivity gains;
- reductions in unnecessary outsourcing and administrative overhead;
- opportunities to modernize operations and strengthen internal controls; and
- performance-based budget recommendations for upcoming fiscal years.

This initiative shall be conducted in a manner that protects public health and safety, maintains continuity of essential services, and complies with applicable law, labor obligations, and grant requirements.

2. Establishment of the Budget and Efficiency Working Group.

A. There is hereby established a Budget and Efficiency Working Group (the “Working Group”).

B. The Chief Administrative Officer (“CAO”), or designee, shall serve as Chair and shall include senior representatives designated by the CAO from the Department of Finance and relevant departments.

C. Each department head shall designate a Department Efficiency Lead to coordinate data requests and to develop department-level proposals under this Order.

D. The Chair may establish sub-teams for specialized areas including procurement/contracting, staffing/overtime, fleet/equipment, facilities/energy, technology modernization, grants, and revenue integrity.

3. Scope of Review.

A. The Working Group shall review expenditures, staffing, contracts, and practices across the executive branch, including but not limited to:

1. overtime usage, scheduling practices, and vacancy-driven overtime;
2. use of professional services, consulting, and temporary staffing;
3. vendor contracts, renewals, and unit pricing;
4. fleet, fuel, equipment utilization, and maintenance practices;
5. facilities operations, energy usage, leases, and space planning;
6. purchasing and inventory controls;
7. technology licensing, duplication, and cybersecurity-related cost efficiencies;
8. grants management, cost recovery, and allowable indirect costs;
9. fee and revenue collection integrity (including billing timeliness, receivables, compliance); and
10. opportunities to internalize functions where cost-effective and operationally feasible.

B. The Working Group shall also identify “structural” opportunities such as consolidation of duplicative functions, shared services, standardization of policies, and elimination of low-value processes.

4. Department-Level Savings and Efficiency Plans.

A. Within 30 days of the effective date, each department and executive branch office shall submit to the CAO a Department Efficiency Plan containing:

1. a list of proposed savings, cost avoidances, and operational efficiencies;
2. estimated recurring and one-time fiscal impacts (with assumptions);

3. implementation steps and timeline;
4. service delivery impacts, if any, and mitigation strategies; and
5. a point of contact accountable for delivery.

B. Plans shall include at least one proposal in each of the following categories, to the extent applicable:

- overtime and scheduling;
- contracts and procurement;
- process improvement/technology; and
- fleet/facilities/resource utilization.

5. Contracting and Outsourcing Review.

A. Each department and executive branch office, in coordination with the CAO, shall conduct a review of:

1. contracts scheduled for renewal or extension within the next 12 months;
2. high-spend contracts and professional services agreements; and
3. contracting practices that drive change orders, delays, or cost escalation.

B. The foregoing review shall identify:

1. contracts that can be renegotiated, consolidated, competitively rebid, reduced in scope, or ended;
2. services that can be internalized without reducing service levels; and
3. opportunities to strengthen performance-based contracting, including clearer deliverables, milestones, and penalties and credits.

6. Staffing, Overtime, and Vacancy Management.

A. The CAO shall conduct a citywide review of:

1. vacancy rates in critical classifications and the extent to which vacancies drive overtime;
2. timekeeping, scheduling, and overtime approval controls;
3. opportunities for cross-training, redeployment, and shared staffing models; and
4. recruitment and retention strategies that reduce vacancy-driven service disruptions and overtime spending.

B. Departments shall implement strengthened overtime approval and monitoring procedures, consistent with law and applicable labor requirements, including monthly variance reporting.

7. Fleet, Equipment, Facilities, and Energy Efficiency.

A. The Working Group shall evaluate:

1. fleet size and utilization, underused assets, take-home vehicle practices (if applicable), and replacement schedules;
2. fuel management, maintenance costs, parts procurement, and vendor pricing;
3. facilities maintenance spending, lease optimization, and opportunities for space consolidation; and
4. energy efficiency opportunities and utility cost reduction strategies.

B. The Working Group may recommend centralized fleet policies, shared equipment pools, preventative maintenance schedules, and energy management controls.

8. Technology and Administrative Modernization. The Office of Information Technology, in coordination with the Working Group, shall identify:

- duplicative software licenses and platforms;
- opportunities to consolidate tools and negotiate enterprise pricing;
- process automation opportunities that reduce manual workload; and
- modernization priorities that provide improved revenue collection, reduced processing time, and improved compliance.

9. Grants, Cost Recovery, and Revenue Integrity.

A. The CAO shall review:

1. opportunities to maximize allowable grant reimbursements and cost recovery;
2. improvements to grants compliance and documentation that reduce audit risk; and
3. opportunities to recover costs through appropriate fees, billing accuracy, and receivables collections, consistent with law.

B. Recommendations may include standardizing grant management practices and enhancing financial controls around restricted funds.

10. Deliverables and Timeline. The budget stabilization and efficient program outlined in this Order shall be completed within the following timeline, which may be amended in writing by the Mayor:

- A. Within 30 days, Department Efficiency Plans submitted (Section 4).
- B. Within 60 days, the Working Group shall produce an Interim Savings and Efficiency Memo to the Mayor identifying:
 - 1. confirmed near-term savings/cost avoidance options;
 - 2. contracts recommended for immediate renegotiation or scope adjustment;
 - 3. overtime and vacancy mitigation actions; and
 - 4. any policy changes needed for implementation.
- C. Within 90 days, the Working Group shall submit a Budget and Efficiency Report to the Mayor that includes:
 - 1. consolidated list of recommendations with fiscal impacts (recurring and one-time);
 - 2. ranked implementation plan with owners and deadlines;
 - 3. multi-year efficiency strategy for structural improvements; and
 - 4. recommended performance metrics and proposed reporting timeline.
- D. The Mayor may authorize publication of a summary of savings and efficiency initiatives, subject to lawful redactions and protection of sensitive information.

11. Guardrails and Compliance.

- A. Nothing in this Order shall be interpreted to:
 - 1. override mandatory public safety, health, or legal service obligations;
 - 2. violate grant terms, restricted fund requirements, or procurement laws;
 - 3. impair the lawful authority of boards or commissions; or
 - 4. circumvent applicable civil service rules, labor agreements, or due process protections.
- B. Recommendations shall, where applicable, include a statement identifying potential impacts on vulnerable populations and mitigation strategies.

12. No Creation of Rights; Severability.

- A. This Order is an internal management directive and does not create any private right of action or enforceable right against the City.
 - B. If any provision is held invalid, the remaining provisions shall remain in full force and effect.
13. **Effective Date.** This Order shall take effect immediately upon signature.

WITNESS MY HAND AND SEAL THIS 12TH DAY OF JANUARY, 2026 AT NEW ORLEANS, LOUISIANA.

Helena Moreno
Mayor
City of New Orleans