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Report blasts feds for slow recovery

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NEW ORLEANS — The pace of recovery in Louisiana and Mississippi continues to drag because federal disaster aid programs now in place were not designed to handle the catastrophic damage left behind by hurricanes Katrina and Rita, a new report charges.

The latest installment of the “GulfGov Reports” by the Public Affairs Research Council of Louisiana and the Nelson A. Rockefeller Institute of Government looks at the Federal Emergency Management Agency’s Public Assistance funding and the U.S. Department of Housing and Urban Development’s Community Development Block Grant program.

The report says the slow disbursement of FEMA public assistance grants and HUD block grant awards has proved “frustrating to local governments at best and debilitating to their recovery efforts at worst.”

“While the federal government has tried to adapt existing programs to get the money flowing to the affected areas, it is evident from the continuing slow pace of the recovery more than two years after the storms that other avenues need to be explored,” the joint report suggests.

In addition to the “sluggishness” of federal aid distribution, the report contends that the amount of federal aid provided to Louisiana and Mississippi is not proportional to the amount of damage each state suffered.

Louisiana suffered 67 percent of the major and severe housing damage and received 62 percent of the block grant funding, the report said. Mississippi, meanwhile, suffered 20

percent of the major and severe housing damage and received 33 percent of the block grant funding.

Louisiana officials have long argued that Louisiana has not received its fair share of federal recovery dollars.

Louisiana Recovery Authority executive director Andy Kopplin called the PAR/Rockefeller report an “independent validation of what we have been saying to Washington for many months.”

“The federal funding allocated for Louisiana’s recovery has not been proportional to our damages and the dollars that have been appropriated through the Stafford Act and CDBG program flow at a trickle, much too slowly for the kind of urgent rebuilding effort our communities need,” Kopplin said.

“Red tape needs to be cut and reconstruction funds provided fairly to states in proportion to damages,” he said.

The federal government has allocated \$110 billion in aid across the Gulf Coast for the 2005 hurricanes, including \$16.7 billion in block grant funds and \$7 billion in public assistance funds, the report said. Some \$10.4 billion of the block grant funds were set aside for Louisiana. Nearly \$5 billion in assistance funds had been obligated to Louisiana through August, the report added.

PAR president Jim Brandt, co-principal investigator on the GulfGov project, said the costs for full recovery “continue to climb.”

“A new level of communication and cooperation will be necessary to speed up the recovery and finish the job of rebuilding this region,” he said.

The report says some of the lessons to be learned from the aftermath of the storms is that advanced planning and intergovernmental

coordination are “essential to progress” and that housing availability and economic infrastructure are “interdependent and necessary components for recovery.”

“We had better learn from the lessons of Katrina and Rita,” Rockefeller Institute co-director Richard Nathan, co-principal investigator on the project, warned. “A catastrophic disaster like this breaks the normal rules of intergovernmental roles and responsibilities and forces a fresh look at the appropriate assignment of governmental responsibilities.”

The report found that the reimbursement nature of the public assistance program generally means that local governments must first pay for work out of their own pockets.

“For those local governments left with little to no tax base or revenue sources, that means much of the recovery process is stalled because they do not have the money to start the federal aid flow,” the report noted. “While both states now offer mechanisms for local officials to obtain advance payments to get work started, the effort required further slows the recovery process.”

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In the aftermath of a catastrophe, Kopplin said, the federal response “should be focused on speed and results rather than haggling over project worksheets with FEMA or following decades-old precedents under the CDBG program.”

The report said the goal for state and local officials has been to strike a balance between the need to distribute the money as quickly as possible and the need to make sure the money is used as it was intended.

“But this has proved to be a challenging and, at times, elusive goal,” the report acknowledged.

The report pointed to the state-run, federally funded Road Home hurricane repair and buyout program as an example. The report said recovery efforts can stall if officials “overcompensate, as is the case with Louisiana’s multiple layers of rules for its homeowner grant program, designed to answer those who maintain the state is too corrupt to be trusted with that much money.”