

**Testimony of Amanda Guma
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Subcommittee on Disaster Recovery
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Introduction

Good afternoon, Chairwoman Landrieu and members of the Subcommittee on Disaster Recovery. My name is Amanda Guma, and I am the Human Services Policy Director for the Louisiana Recovery Authority. Thank you for the opportunity to testify today regarding the ongoing disaster recovery effort in Louisiana. We especially appreciate this hearing's focus on disaster case management, which is a critical component of the recovery process, particularly for our most vulnerable residents.

Having been struck by four hurricanes in the span of three years, the state of Louisiana has experienced devastation unparalleled in the United States. Hurricanes Katrina and Rita left us with more than 200,000 housing units suffering major or severe damage; 82,000 of these were rental units. Last year the state experienced two more devastating storms, Gustav and Ike, which caused major damage to another 9,400 homes, forcing thousands into temporary disaster housing. The crisis that continues to face our state is one of enormous magnitude – in which the damage most difficult to measure is the impact on individual lives.

We greatly appreciate your leadership, Senator Landrieu, in helping to secure resources for the critical function of disaster case management to support the recovery of Louisiana's residents. We also acknowledge and thank our federal partners – FEMA, HUD and HHS – for their commitment and partnership on these programs. While there have been challenges, we look forward to sharing lessons learned and making proactive recommendations to help prepare for future disasters.

Background of Case Management Programs

To support human recovery following hurricanes Katrina, Rita, Gustav and Ike, three federal agencies have designed and implemented disaster case management programs: FEMA, through Katrina Aid Today and the Disaster Case Management Pilot (DCMP) Program (Phases 1 and 2); HUD, through DHAP-Katrina and DHAP-Ike, and HHS through the Supplemental Social Services Block Grant and the Gustav/Ike Disaster Case Management Pilot program.

FEMA

Katrina Aid Today was the first major disaster case management effort implemented in Louisiana. The program, funded by FEMA and administered by United Methodist Committee on Relief (UMCOR), brought \$66 million to support the recovery efforts of over 70,000 Hurricane Katrina survivors. Though designed to last two years, Katrina Aid Today was extended an additional six months, ending in March 2008. This model directed federal dollars to

UMCOR, a national non-profit organization that subcontracted to nine provider agencies. As with most of the post-Katrina case management programs, the goal of KAT was to return impacted families to independence and stability, with a specific focus on permanent housing solutions. At the time of KAT's ending, nearly 2,000 cases remained open.

Recognizing the need to provide continued services to those clients, FEMA launched the first of a two-phase effort to support the continued recovery of families. Unlike the funding structure of Katrina Aid Today, this program would allocate resources directly to participating states. Phase One, supported through federal Cora Brown funds, was a short-term bridge program to assist in closing or transferring the remaining KAT cases. This effort provided \$477,000 to Louisiana agencies for a two-month program.

Phase 2 was a grant program designed to serve families still residing in FEMA-funded temporary housing units, beginning in June 2008, and to be implemented in concert with DHAP case management. At the time of initial application for the grant, more than 18,000 Louisiana residents still received FEMA temporary housing assistance, primarily in FEMA trailers. The state submitted 2 grant applications for the program – the first in July 2008 and the second in December 2008 – both of which were approved but not implemented due to reconsideration by the state's lead non-profit agencies to withdraw participation. The non-profits based these decisions upon the short timeframe for program implementation, the lack of direct services funding to pair with case management funds, and the challenges posed by the reimbursement structure on non-profit provider agencies. The state's final application for the program was submitted in June 2009 and approved in July, and the Disaster Case Management Pilot Program launched in Louisiana in September 2009. From the initial award letter to the final, the award amount decreased from \$32.5 million to \$9.4 million, with an accompanying reduction in the eligible population size from 18,000 to 3,300. With six provider agencies and one lead agency, the program currently has enrolled the participation of 1,407 families and is scheduled to end in March 2010.

HUD

Through HUD's Disaster Housing Assistance Program, eligible families impacted by hurricanes Katrina and Rita received case management services from October 2007 through October 2009. These case management services were provided in conjunction with rental assistance for displaced households, and served more than 17,000 families in Louisiana, through local public housing authorities. As with the other disaster case management programs, a primary goal for DHAP-Katrina focused on a successful transition to permanent housing. For many participants of the program, this meant transferring into the Housing Choice Voucher program. HUD estimated that approximately 7,500 Louisiana families would be eligible for these vouchers. Originally scheduled to end on February 28, 2009, DHAP-Katrina was extended for six months (and later conditionally for another two months) to ensure that all eligible families would be afforded sufficient opportunity to transition to the voucher program. While HUD agreed to continue administering the rental subsidy for families, the agency asked the state to take over the administration of the case management component. With an original caseload of nearly 15,000 clients, the state administered the remainder of the case management program through the original extension deadline of August 31, 2009, and then through the additional extension period through October 31, 2009. Recognizing that many families had lost their DHAP rental

assistance but had not necessarily transitioned safely to permanent housing, the state opened up the program to original 15,000 clients for continued case management assistance through February 28, 2010. To date, more than 2,000 former DHAP clients have registered for continued case management services which are funded through the supplemental Social Services Block Grant.

HHS

In 2006, the Louisiana Department of Social Services allocated \$18.5 million from the Supplemental Social Services Block Grant award received from HHS to the Louisiana Family Recovery Corps. These funds were used to provide case management and direct services (through the Household Establishment Fund) to impacted families. An estimated 9,500 families participated in this effort, which lasted one year.

The state has allocated another \$2 million from the Social Services Block Grant to provide extended case management services to former DHAP clients through February 28, 2010. The state invited all original DHAP-Katrina Transitional Closeout clients (nearly 15,000 families) to register for services – to date, over 2400 clients have signed up for the program.

It is important to note that HHS also made a significant contribution to the Katrina/Rita recovery process through its investment in the LA Spirit crisis counseling program. This program has served tens of thousands of families throughout the aftermath of the storms.

In September 2008, in the wake of hurricanes Gustav and Ike, HHS launched its Disaster Case Management Pilot Program in Louisiana. Like Katrina Aid Today and DHAP, the HHS model for disaster case management does not directly include the participation of state and local governments. The pilot program directs funding to a national non-profit organization (Catholic Charities USA), which then partners with local providers. The program has served approximately 8,000 households, and currently ends in March 2010.

Challenges

Having received more than \$100 million in funding for disaster case management services, the state is tremendously grateful to all of our federal partners for making this important investment. We also appreciate this opportunity to reflect on our experiences to date and to discuss some of the challenges and recommendations for disaster case management programs in the future.

Funding Structure

Accessing resources in a timely manner often presents an enormous challenge for state and local entities immediately following a disaster. Since Hurricane Katrina, funding for the disaster case management pilot programs has come down to Louisiana from Washington through various channels – to non-profit organizations, to local entities (i.e. public housing authorities) and to the state government. Because most of these programs have required reimbursement, local providers have assumed significant financial burdens in launching them. Please also remember that one of the three primary reasons for the withdrawal of our DCMP partners was the lack of funding for upfront or advance costs. Having already experienced the funding delays caused by the reimbursement process under the Katrina Aid Today program, our partners did not feel comfortable taking a similar risk again.

We recognize and appreciate that all of our federal partners here today have been very flexible and creative in helping Louisiana overcome some of these hurdles so that funding can reach our local partners more quickly. For the DHAP-Katrina extension, HUD advanced case management funding to the state based upon the anticipated caseloads for the first three months. While our subcontractors still had to provide invoices for payments under this system, this advance removed one major step from the process and thereby significantly reduced turnaround time for payment. FEMA, too, has worked with us to identify the most expeditious ways to make payments to our DCMP providers – and we commend them for allowing pre-award costs and working to streamline the process of reimbursement requests. And we highly commend HHS for creating in its disaster case management model the most expeditious means for facilitating the flow of resources (both human and monetary), which we know is critical here in Louisiana.

Timelines/Program Periods

A related challenge that we have experienced in Louisiana has been the break in funding for disaster case management programs. We note that some of these breaks have been caused by unforeseen challenges (e.g. DCMP) but ultimately they result from an insufficient understanding of the needs on the ground, and illustrate the misalignment of program timelines with actual recovery progress. We remind the members of the Subcommittee that virtually every program created to support human recovery has been extended beyond its original program period. We are grateful for the flexibility that our federal partners have demonstrated in allowing these extensions, but we regret the negative impact of these changing timelines on our residents.

The repeated extensions of the FEMA housing mission for Katrina/Rita caused incredible confusion and frustration for our families, and fostered a distrust of government aid programs. Similarly, the extension of Katrina Aid Today just three days before its sunset and the extension of DHAP-Katrina eight days before its deadline had much the same impact on many of our most vulnerable families in Louisiana. These last-minute decisions make it very difficult for the state to protect clients. We have seen thousands of families leave trailers and rental units in response to upcoming deadlines –many of them have turning to unsafe alternatives. Families have returned prematurely to damaged homes that remain dangerously uninhabitable or have moved into more affordable rental units that do not meet quality standards. And because case management programs for trailer and DHAP families have been directly tied to the housing programs, families lost eligibility for both when they moved from temporary housing units in advance of the original program deadlines. This has not only hampered our ability to accurately track the recovery process, but it has left families to fend for themselves without the opportunity to transfer safely to another program.

The impact of constantly changing program deadlines is also felt by providers who prepare to release valuable staff in anticipation of the deadline, only to discover the need to keep them on. This unpredictability has created a growing apprehension among non-profit organizations toward federal case management programs, which has impaired our ability to recruit high quality partners.

Program periods have been determined by federal agencies – often at the beginning of the recovery process and often in the absence of input from local partners. In every case to date, local stakeholders have known that these program periods were too aggressive and not reflective of the actual pace of recovery. The ultimate impact of this has been felt most by the people these programs have sought to serve.

Again, this was a critical factor in the decision of our DCMP partners to withdraw. After several months of requesting flexibility on the program timeline from FEMA, and repeatedly told that Post-Katrina Emergency Management Reform Act language prevented any timeline change, we were deeply disappointed to learn later that changes to the program period would be acceptable. This cost the state and our partners tremendous staff resources - and most unfortunately, it denied 15,000 families the chance to receive federal disaster case management services.

Coordination/Information Sharing

All of these concerns speak to the overarching challenge that the state of Louisiana has faced with federal disaster case management programs: the need for greater coordination. Federal disaster case management programs provide a critical tool to identify needs and track recovery outcomes. As these programs move forward, and certainly as they come to an end, the information gathered must be available to those state and local government agencies that will be assuming the responsibility for long-term recovery. The case management process creates the invaluable opportunity to translate the needs of residents to new or expanded local assistance programs, but this can only be achieved with proper coordination and information sharing.

The programs that do not directly engage agencies or individuals at the state level – such as Katrina Aid Today, DHAP, and now the HHS pilot – make it extremely difficult for local resources and programs to be properly designed and aligned to meet the ongoing needs of clients. The LRA has spent countless hours seeking information from federal partners on program and client status. Our experience with DHAP best depicts this challenge: after months of requests, we received the first count of Louisiana families in the program in July 2008. It then took 3 more months to receive aggregate DHAP data by parish – to give us an indication of where people were living. And not until 6 weeks before the program was scheduled to end, did we begin to receive details about the actual ongoing needs facing the 17,000 households still in the program.

Even when programs have actively engaged the state (such as DCMP and the DHAP extension), we have still struggled with collaboration. Again, DHAP provides a good example. Although HUD had separated the administrative functions of the case management and rental subsidy components, the need to share information across both was critical to ensuring that households received proper assistance. However, information on rental subsidy status and Housing Choice Voucher applications has not come easily or timely. And again, the impact has been felt most on the client level.

Requests by the state for information should not get stuck in agency headquarters, where legal teams debate privacy issues and the state's right to the data. Local governments must have access to this information to ensure their ability to meet ongoing client needs when federal disaster assistance programs end. We thank both HUD and FEMA for working with us towards

resolution on these issues, and we know that our progress has already had a positive impact. For example, the state has been able to increase funding and expand income eligibility criteria for a rental assistance program, in order to support vulnerable families exiting the DHAP program. And knowing that 80 percent of trailer residents were homeowners, we were also able to create a new pilot program to support non-profit housing rehabilitation organizations in order to get additional resources to homeowners still in trailers.

But we remind the members of the Subcommittee that coordination must occur not just in sharing data, but in working together. Locally, we have had tremendous success in these efforts, but we believe that collaboration must be institutionalized within the program design to ensure the process and success. In the absence of such a framework, however, we have still made great progress – particularly around the trailer deactivation policy. As the May trailer deadline approached, and the DCMP program had still not launched, the LRA and FEMA created an aggressive calendar of coordination meetings to ensure that no client face the risk of homelessness. This coordination continues today – with 8am meetings three days a week – and HUD now participates, as well. This level of teamwork has been instrumental in helping families transition safely out of the units, and we look forward to continuing this process for Gustav/Ike recovery efforts.

However, we do regret that federal programs have not yet established and implemented standards for closer coordination with local stakeholders. The HHS pilot program, which ends in March 2010, still operates at a distance from the state, despite regular attempts at partnership. In July, we did successfully work with HHS program staff to collect and provide information on client recovery needs to local parish governments – as funding for Gustav/Ike recovery programs will be driven on the parish, rather than state, level. These CDBG recovery programs for Gustav/Ike recovery will not be in place to meet those client needs by March - so again, we have begun the process of requesting program extensions.

There are, and there must be, more effective ways for government partners at all levels to share program and client information. We do thank FEMA and HUD for working with us over the past few years to make great improvements in coordination. We have seen tremendous progress, particularly under the new administration. We would also like to acknowledge the ongoing participation of all of our federal partners in our Disaster Housing Working Group and Disaster Case Management Subcommittee.

Recommendations

As discussed, the state recommends several policy changes that we believe would greatly enhance the recovery outcomes for clients in federal disaster case management programs:

- **Access to Funding:**
Reimbursement programs place a great hardship on small non-profit organizations that do not otherwise have access to upfront funding. We ask our federal partners to explore creative ways to release funding more quickly for disaster case management programs, including upfront advances and pre-approved grant applications.
- **Adequate Program Periods:**

Program timelines often fall short of meeting the needs of residents. We ask our federal partners to consult with local stakeholders when designing programs, and to establish a process for reviewing progress halfway through the program period so that any extensions required can be determined well in advance of the deadline.

- **Information Sharing:**
The process of requesting and receiving program/client data from federal partners must be streamlined. We recommend that at the time of a disaster declaration, the state or impacted locality be included as a partner in interagency agreements.
- **Formalized Coordination:**
Beyond data sharing, more consistent and formalized coordination among federal and local partners is essential to ensuring that appropriate programs and resources are available to clients. We ask our federal partners to formalize a structure and process for working together as part of future program guidelines.
- **Advanced Planning:**
We applaud and encourage opportunities like today's hearing and the National Response Framework Initiative to help shape program guidelines and policy recommendations for future disasters.

Closing

Thank you for the opportunity to discuss Louisiana's experiences with disaster case management programs. We appreciate your leadership on this issue and thank you for urging the ongoing commitment of our federal partners. I look forward to answering any questions you may have.