

**PROPOSED MINUTES**  
**BOARD MEETING**  
**OF**  
**LOUISIANA RECOVERY AUTHORITY**

**October 26, 2005**

**STATE CAPITOL**  
**HOUSE COMMITTEE ROOM 1**  
**BATON ROUGE, LOUISIANA 70802**

**PRESENT:** **Governor Kathleen Blanco**, Dr. Norman Francis, Walter Isaacson, Dale Atkins, Boysie Bollinger, Rene Cross, James Davison, Donna Fraiche, Tom Henning, Sibal Holt, Linda Johnson, John Landry, Laura Leach, Walter Leger Jr., Dr. Calvin Mackie, Sean Reilly, Virgil Robinson Jr., Dr. Mary Ella Sanders, Matt Stuller, Susan Taylor, David Voelker, Rod West, Sen. Don Hines, Sen. Diana Bajoie, Speaker Joe Salter, Rep. Yvonne Dorsey

**ABSENT:** Donna Brazile, Mary Matalin

**GUEST:** Pastor Larry Stockstill, Pastor Deno Rezo, Pastor Jacob Aranza, Steve Theriot, James Lee Witt, Mr. Jerry Luke LeBlanc

**MINUTES:** Melisha L. Johnson

Governor Blanco introduced Dr. Norman Francis, the Chairman of the Louisiana Recovery Authority.

Dr. Francis stated that Pastor Stockstill, Pastor Deno Rezo and Pastor Jacob Franza would lead in the devotional service.

Pastor Franza stated there have been 500 churches across the state that have come together, producing 80 shelters, 30 point distributions, and cooking for 2,000 to 6,000 people a day from Beaumont to Biloxi.

Governor Blanco acknowledged and thanked Dr. Francis (Chairman), Mr. Isaacson (Vice Chairman), and the board members for their willingness to serve. The Governor stated they have agreed to devote their talents and energy to the massive and important task that we together are undertaking. The members have accepted a great responsibility to work to transform Louisiana to make it stronger, smarter and safer. By transforming Louisiana, it will be able to thrive with rebuilt cities and parishes where our people come back to sound homes, quality jobs, and revived neighborhoods. To succeed, Louisiana must be daring and reach out for new ideas. Our vision

includes overcoming traditional obstacles and the ancient rivalries of politics, race and regions. Imagine a better Louisiana and help in creating it. The Governor's office is behind you as we create the plan for the recovery of Louisiana. We have the fortitude and the authority to carry out that plan. Our job is to transform the vision for rebuilding a strong and wonderful Louisiana into a reality.

Governor Blanco stated that this is the first authority meeting and has moved quickly to gather an organized staff from a variety of state agencies. The last few days, the staff has held a series of state level recovery meetings to accentuate our focus. The Executive Director, Mr. Andy Kopplin, has been holding daily meetings with the Governor's cabinet where he directed recovery actions, set ambitious goals and heard reports of what's being accomplished. Today, in touring the devastated areas in and around southwest and southeast Louisiana, you may hear from business owners who may need aid. Also, you may hear from parish and city officials about the needs in their communities. There may be needs of mayors, parish presidents, sheriffs, county agents, farmers and business owners that they will share with you today and in weeks to come that will become the foundation of Louisiana Recovery Efforts. The recovery will be driven by local needs, which are huge. The most urgent needs are Housing and Jobs. Governor Blanco stated that she would like the board to consider a specific financial program for our hard hit businesses. This financial program includes: Bridge Loans, Grants, and Tax Incentives for people and Corporations. This would create immediate cash and allow companies to bring their workers home.

This is how the economy will be rebuilt and the Governor is eager for the proposals in this area. Public agencies are in dire straights. The school boards, fire departments and police departments all provide critical services in each of the affected parishes and they may be forced to lay off employees.

Yesterday, Governor Blanco was able to negotiate an agreement with the White House that allows local government to get the federal loans that are needed to continue offering vital services. Governor Blanco stated that despite the progress, the disaster loan program still needs to be changed so that these loans can be forgiven as they were in New York after 9/11 and after last year's hurricanes in Florida. In addition, it was disappointing that it took this long to persuade the federal government to back off its regulations for this problem. Each day shines a little more brightly and we continue to learn about the level of Louisiana's devastation and the level of the need. The devastation is all across Louisiana and the Gulf Coast.

Governor Blanco thanks us for the commitment and work, wishing a very successful meeting and safe journeys today. The Governor looks forward to being here today to see what we have learned and experience working together over the weeks and months. We have to remake Louisiana into a beautiful and functional state. These opportunities are so rare and are given to us in this time and this place where we each have been called to work for the citizens of Louisiana. It is our mission to make Louisiana the wonderful state that it was. This is our goal to bring the best out of our people and to create this new environment.

Ms. Johnson called roll indicating 20 members present and a quorum.

Chair of the Board Report.

Dr. Francis stated the Objectives for the day:

- Begin to understand the size and the complexity of the challenges that face the state.
- Understanding the mission, the current efforts and the organization of the Louisiana Recovery Authority (LRA) that will be presented by the Director; Mr. Andy Kopplin.
- Organize and exercise the leadership of the board to support the LRA in its mission.

Key Success Factors for the LRA (What is going to make LRA successful)

- Establish the LRA as the official voice for the priorities of the state- the Governor has announced the authority
- Deliver results for the state
- Focus on the most important and complex issues
- Hear all the voices that have an interest in the recovery and development
- Take on the tough work of setting priorities and ensuring action
- Ensure that the recovery and re-development are conducted honestly, wisely, and fairly

Dr. Francis stated that he and Mr. Sean Reilly were able to make a trip to Washington regarding the LRA to meet with Senators Landrieu and Vitter. They also met with Andy Card, Al Hubbard, Ruben Barrales, Maggie Grant, OMB Staff, and Domestic Policy Council Staff. There was a luncheon meeting with Secretary Chertoff and also a press briefing. The meeting was successful.

Dr. Francis called for the Director's Report given by Mr. Andy Kopplin.

Mr. Andy Kopplin introduced a Power Point presentation concerning the Louisiana Recovery Authority, which gives the update on the highlights of the status of the recovery efforts thus far:

The current number of fatalities from Katrina totals 1061 in Louisiana, but there are still no reported fatalities from Hurricane Rita. There are currently 96 shelters open in the state, housing 4,497 in state evacuees. There are 59 shelters open out of state, housing 1601 out of state evacuees.

The utility outages remain in the most impacted parish from Hurricane Katrina in the Southeast portion of our state. Power outages still remain in Southwest Louisiana with--, 122,312 from Katrina and 7037 from Rita

## **LRA Mission and Organization**

LRA Mission:

- Establish the short-term priorities for recovery and long term plans for re-development
- Establish an integrated federal and state legislative agenda for recovery and re-development
- Create and pursue a 30 day and 100 day agenda and a 1 year and 5 year plan for recovery and re-development

- Identify, pursue, and distribute funding resources and innovative financing to fund recovery and re-development
- Set priorities, plans, and coordinate resource allocations to address specific needs in key recovery and re-development areas

#### LRA Approach to Integrated Recovery Plan:

- There are 9 Recovery Teams: Economic and Workforce Development, Public Safety, Infrastructure and Transportation, Environment, Temporary and Permanent Housing, Levees and Coastal Restoration, Public Health and Healthcare, Human Services, Education. The teams are to focus the organization of the Executive Branch at the Governor's direction on relief, recovery and re-development efforts. The organization intends to create, with our cabinet, the sense of urgency that is felt every day by the people who have lost homes and businesses.
- Long term planning efforts have short term timelines. In addition, we must address the short term priorities with state agency efforts and long term planning efforts coordinated through the recovery plan.

General Hunt Downer will be Interim Director of short-term priorities. He will be coordinating the immediate response of government agencies on short term priorities in which urgent action is needed.

Ms. Dominique Duval-Diop will be Interim Director of long-term planning and is senior staff member of Division of Administration. From the Governor's direction, the LRA has been formed with staff from other agencies, so new expenditures are not created in a state with financial problems. Mr. Adam Knapp was selected from Economic Development to be the Operations Manager to help coordinate operations for the Director Mr. Kopplin.

#### **7 Day Goals and Initial Priorities**

- Establish LRA Office- 525 Florida Blvd. 2<sup>nd</sup> and 4<sup>th</sup> Floor
- Create Web Site- Web site launched Sunday, October 23, 2005
- Complete placement of staff in key senior positions – Organization chart completed, key positions staffed
- Initiate daily meetings with cabinet- Ongoing daily
- Create preliminary list of short-term priorities- 10-20 short term priorities-
- Schedule American Institute of Architects conference on the La Recovery and Rebuilding- Schedule for November 10-12 in New Orleans
- Set dates for preliminary planning meetings with parishes and/ or regions- FEMA will be a part of the partnership. This goal will get input from the different parishes
- Identify nationally recognized community planning firms for the planning process. FEMA will pay a limited amount for that effort.
- Schedule a national business re-investment conference- Secretary Olivier working with US Chamber of Commerce, International Economic Development Council, Southern

Economic Development Council, and colleges across the Gulf Coast- Scheduled for November 28-29 in Washington, DC

- Set benchmarks for contracting performance and local hiring by FEMA, GSA, and Corps of Engineers.

Mr. Kopplin explained the Debris & Roofing Contracts and Subcontracts process in further detail.

Initial Priorities for the Short Term Project Team:

Temporary and permanent housing

- Provide temporary housing for 4 key groups
- 1)Displaced citizens until permanent housing can be completed
- 2)Trades, tourism, and health care worker housing
- 3)State employee housing to assist displaced critical state government workers
- 4)Address business and industry workers with housing through the industry temporary trailer program

Public health and healthcare

- Improve access to interim emergency care and services in affected areas
- Develop a plan for appropriate burial of unidentified bodies in local areas

Economic and Workforce Development

- Focus on Bridge Loan Program and improve SBA loan processes
- Improve access to federal contracting for LA businesses
- Connect employers with qualified workers by providing transportation for employees to job locations
- Develop training programs to equip individuals with skills necessary for recovery occupations
- Restore public facilities access for fishing industry

Public Safety

- Training for law enforcement to fill personnel gaps where facilities are no longer operational

Infrastructure and Transportation/Environment and Coastal

- Coastal restoration and levee reconstruction/upgrade involving DOTD, DNR
- Criteria for state building repairs/rebuilding

Education

- Provide Temporary school facilities for returning students

Human Services

- Identify additional resources for La Family Recovery Corps to provide social services to evacuated families
- Integration of Human Services delivery as facilities are re-developed

#### Fiscal Stability

- Extend FEMA coverage for 100% reimbursement for the duration of the recovery (as in Florida and NYC)
- Community Disaster Loan program- emergency funding for government operations
- Secure funding to keep local school systems and colleges and universities from financial collapse

Mr. Kopplin discussed the immediate steps for the LRA:

Set future board meetings, move into the office space, attack short term, LRA level priorities, begin a long term planning team strategy, provide some coordination about state infrastructure investments, contracting for local hiring, Communication strategy, job opportunities, and launch LRA e-newsletter to brief public on current activities.

Dr. Francis called for the presentation of the Situation Assessments on Key Issues.

Dr. Francis introduced the speakers, Mr. Jerry Luke LeBlanc discussing the **Fiscal Impact of Hurricanes on State Governments**, Mr. Steve Theriot discussing the **Fiscal Impact of Hurricanes on Local Governments** and Mr. James Lee Witt discussing **State and Local Required Matches to FEMA Dollars**.

Mr. Jerry Luke LeBlanc reported that Louisiana's total budget is 18 ½ billion dollars. The three basic components are the Federal Fund, Self Generated Fees and State General Fund. The general fund is 7.2 billion dollars. The area that has been impacted by Katrina and Rita accounts for 1/3 of our revenue, which is taxes and economic activity that accrues to the state in its general fund. We have a revenue estimating conference in order to determine our revenue forecast. This is a full board that is scheduled to meet this Friday October 28, 2005.

The board will meet in order to recognize what has been estimated between 1 billion and 1.5 billion revenue decline which may come in the second quarter of the fiscal year which starts July 1. . Once this decline in revenue is recognized, the joint budget committee is notified, which flags the authority to cut the budget. The Governor has the authority to cut 300 million dollars. The action will be soon and a special session will be in early November. One of the factors discussed will be modifications in spending. Louisiana is in the same position that local government is in. FEMA or federal reimbursement only applies to overtime from which we have received 20 million dollars. Our objective is to maintain service of education, health care, infrastructure, and economic development.

Mr. LeBlanc stated that, before this event, the Governor made Economic Development her primary objective. The Governor contacted businesses and CEO's across the world that had an interest in taking a second look at Louisiana. There will be challenges over the next 2 years with Louisiana's budget. There will be a package presented to the Legislature that will involve a plan for the state

of Louisiana. The state is not asking for a handout, but will need the help of the federal government.

Dr. Francis called for the presentation of Mr. Steve Theriot.

Mr. Theriot reported that his staff and staff of Ms. Sharon Robinson, Inspector General have been working together with local governments and state agencies on the documentation of FEMA reimbursements. Prior to Katrina, a number of local governments and school boards were on shaky financial footing, so now, after Katrina half of the school districts will have no fund balance at the end of the fiscal year.

Mr. Theriot stated the Community Disaster Loan Program was recently adopted which will allow local governments to obtain low interest loans from FEMA that can be used to replace lost revenues/provide essential services. The loans are limited to 25% of the local government operating budget and must be repaid with the interest and can't be used for capital outlay or to repair damaged public facilities. In addition, Louisiana faces the challenge of valorem tax. As the assessors re-appraise and lower the value of the impacted areas, the debt service by operations will automatically increase. Some property owners may face increased tax bills.

Mr. Theriot also discussed the revenues from the impacted areas.

Mr. Francis called for the presentation of Mr. James Lee Witt.

Mr. Witt reported the state local cost share. He stated that in mid- November Governor Blanco asked for IIPA cost share and requested the adjustment to 100%. The Governor also requested from the President regular straight time reimbursement for critical government personnel. On September 20, Governor Blanco also requested for an adjustment of the (ATMGP) Hazard Mitigation Grant Program of the cost share of 100%. It was requested for an expedited process on October 13 and requested for staff active amendments for long term recovery efforts.

Mr. Witt stated that October 21, 2005 (Friday), he visited FEMA headquarters to meet with the Acting Director of FEMA on the issues of concern. One of the ninety-ten critical issues was cost share for Katrina and the 100% category A and B. The category A and B will expire on November 26, 2005. Saturday October 22, the ninety ten cost share was approved for permanent reconstruction. The Rita 100% cost share will expire October 26, 2005 on A & B which is Public Health and Safety in which an extension has been requested and should be answered this week, along with the ninety ten cost share on Rita.

Mr. Witt reported that the 75% federal and 25% state local cost share has never been waived but was requested. Mr. Witt stated, in the past, he has never seen devastation of this magnitude in our nation. A \$100 per capita would automatically be a ninety ten cost share. Louisiana is \$1400 per person cost, which he has never witnessed. He stated that the Stafford Act needs to be changed to have consideration for catastrophic events in this country. Based on the current estimates at 10% cost share it would be 200 million dollars at 10%. The Louisiana Recovery Authority needs to review how the cost share is covered in the long term.

The state would be facing a 25% cost share on the individual assistance program. The Grant Programs are 100% to the victims and their families. In addition, as they move into temporary and permanent housing, there is a 25% cost share for individual assistance. The Governor has asked for a waiver on this also.

Mr. Witt stated that due to the capabilities of the Louisiana Recovery Authority, the people on the board, and the impact on the state, there would be a better chance of receiving the waivers requested by the Governor.

Dr. Francis called for any questions from the board.

Mr. Leger had concerns relating to when the board is given feedback, so it can determine whether the waiver of the cost share is approved by the order of the President or whether the Stafford Act needs to be amended

Mr. Witt stated that Ms. Shirley Collins and Mr. Andy Kopplin will assist the authority in this respect.

Mr. Landry had concerns about the insurance for the schools.

Mr. Witt stated that, if the school did not have insurance, it will be rebuilt, but required to have insurance after the re-building process.

Mr. Kopplin stated that there will be a Pilot Program with the parishes concerning the trailers process. In addition, Mr. Kopplin also explained what the state is doing with respect to Unemployment Insurance. There is an estimated shortfall of a billion dollars in the next 12 months. There was money borrowed to put the fund back together and the President gave 400 million dollars to replenish the fund, but this still leaves a net shortfall of 600 million.

Dr. Francis called for the Discussion Items.

Dr. Francis reported on the Task Forces that have been established.

#### Expectations for Task Forces

- Provide recommendations and solutions for long-term strategic and policy issues
- Advocate and link LRA to Federal and non- governmental institutions
- Meet with Recovery Teams to understand how the Task Forces can help accomplish long term planning goals
- Work with Recovery Teams to provide policy recommendations to long term challenges

**Task Force Assignments:**

Federal Legislative -	Walter Issacson- Chair	Donna Brazile-Vice Chair Mary Matalin- Vice Chair
State and Local Legislative-	Sean Reilly-Chair	Dale Atkins- Vice Chair
Economic Development Workforce & Training Education-	Matt Stuller- Chair	Sibal Holt- Vice Chair
Public Safety-	Dale Atkins- Chair	Walter Leger Jr. - Vice Chair
Infrastructure and Transportation-	John T. Landry	Tom Henning- Vice Chair
Temporary and Permanent Housing-	Walter Leger Jr. - Chair	Sen. Diana Bajoie- Vice Chair
Environmental –	Donna Fraiche- Chair	John T. Landry- Vice Chair
Public Health and Health care-	Mary Ella Sanders- Chair	Sen. Don Hines- vice Chair
Human Services-	Calvin Mackie- Chair	Rep. Yvonne Dorsey- Vice Chair
Education-	Linda Johnson- Chair	Rep. Joe Salter- Vice Chair
Levees and Coastal Restoration-	Rene Cross- Chair	David Voelker- Vice Chair
Long Term Community Planning-	Donna Fraiche-Chair	Rod West- Vice Chair

**Subcommittee:**

Audit Committee-	Virgil Robinson Jr. - Chair	James Davison- Vice Chair
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Dr. Francis stated that the LRA shall be responsible for final approval of all Hazard Mitigation plans so that they are consistent with the LRA's long-term re-development priorities. The action is to discuss, approve or deny.

Mr. Witt explained the Hazard Mitigation plans in further detail.

Dr. Francis stated there will be a discussion on the levees at the next board meeting.

Mr. Voelker made a motion to approve the recommendation of the Louisiana Recovery Authority roles to the state Hazard Mitigation. Mr. West seconded the motion which was unanimously adopted.

Dr. Francis called for the discussion of the Federal Legislative Task Force Items.

Mr. Issacson gives the LRA board an overview on what was discussed in Washington D.C. regarding the impact on Louisiana. He stated that the President's Team consists of Mr. Al Hubbard-Chief of Staff to the President of the U.S., Andy Card- Chief Economic Advisor to the President of the U.S., and Mr. Maggie Grant- Intergovernmental Affairs of the President of the U.S.

Dr. Mary Ella Sanders suggested that Healthcare is broad and should be considered a very important priority.

Mr. Robinson had concerns about the bank industry and businesses in Louisiana which is also an important priority.

Governor Blanco stated that she mentioned the concept to Ms. Maggie Grant and was impressed with the issue. Governor Blanco stated that SBA has denied 600 applications thus far, because of personal housing of the citizens.

Mr. Robinson stated that the LRA board should re-visit the underwriting guidelines regarding SBA.

Mr. West made a motion to approve all the preliminary priorities for the Louisiana Recovery Authority board. Mr. Leger seconded the motion which was unanimously adopted.

Dr. Francis called for the discussion of Long Term community Planning Task Force Items

Mr. Fraiche discussed the Long/Mid Term Community Planning Task Force efforts in further detail.

Mr. Fraiche mentioned the Conference by the AIA & APA- Metro Planning Associates that will be November 10 through 12.

Mr. West made a motion to approve the building code policy which consists of: all state building being stabilized to prevent further damage from occurring; also before buildings are identified for full restoration, an estimate of cost restoration must be made on each facility, and the selection of buildings for restoration should consider damage to the value of the building. Mr. Leger seconded the motion which was unanimously adopted.

Mr. Reilly made a motion to approve the Workforce Infrastructure Policy and the La Dept of Labor One Stop Shop Facility. Mr. Voelker seconded the motion which was unanimously adopted.

Ms. Fraiche made a motion to approve the Family Service Assistance Infrastructure Policy Statement. Mr. Voelker seconded the motion which was unanimously adopted.

Dr. Francis called for the State and Local Legislative Task Force Items.

Dr. Francis empowered the staff of the La Housing Financing Authority to assist the Louisiana Recovery Authority to accomplish the tasks discussed. Dr. Francis also asked the Louisiana Recovery Authority to explore LEDC and make a recommendation utilizing the authority of LEDC to help accomplish the board's goals.

Mr. Reilly made a motion to support the state minimum building codes requirement for the state as part of the call for the special session. Mr. Voelker seconded the motion which was unanimously adopted.

Mr. Reilly amended the motion to request that the Governor include supporting the state minimum building code in one of the calls for a special session. Mr. Voelker seconded the motion which was unanimously adopted.

Dr. Francis recognized the legislators who attended the meeting:

Rep. Sedrick Richard, Rep. Monica Walker, and Senator Robert Adley.

Having no other business, the meeting was adjourned by common consent.