



Executive Director's Report  
October 11, 2007



## Anniversary of Hurricane Rita

Governor Blanco and LRA Board Members attended events to kick off the state's Recovery Workforce Training Program in Southwest Louisiana for the anniversary of Hurricane Rita's landfall. The LRA also released an update to the Rita Report that showed that more than \$312 million in federal construction dollars have been invested on the ground in the three parishes most devastated by Rita – Vermilion, Cameron and Calcasieu.



Governor Blanco visits with the recipient of a Louisiana Cottage. The workforce training program in New Iberia trained workers in construction fields by building this cottage.

Photo courtesy of the Advocate

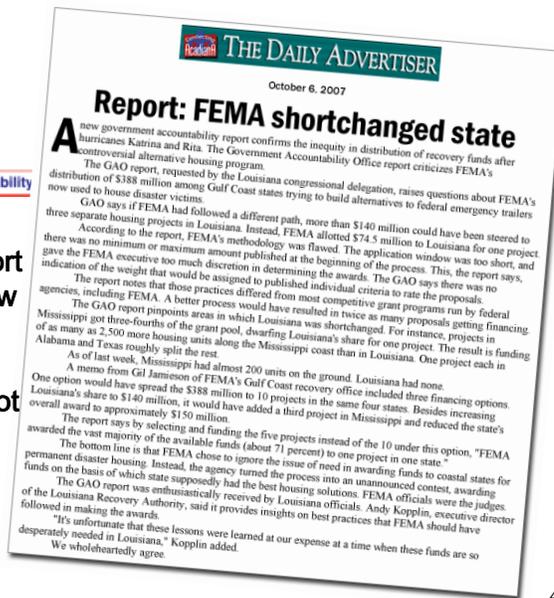




# Alternative Housing Pilot Program



The GAO issued a report this month outlining how FEMA's awarding of grants under the Alternative Housing Pilot Program was flawed.



# Funding Inequities

The recently-released GulfGov Report: Spending Federal Disaster Aid: Comparing the Process and Priorities in Louisiana and Mississippi in the Wake of Hurricanes Katrina and Rita by The Nelson A. Rockefeller Institute of Government and the Public Affairs Research Council of Louisiana validates that Louisiana received an inequitable distribution of recovery funds.

“Louisiana suffered 67 percent of the major and severe housing damage and received 62 percent of the CDBG funding, while Mississippi suffered 20 percent of the damage and received 33 percent of the funding. Florida, Alabama, and Texas each suffered proportionally more damage than they received in CDBG funding.”





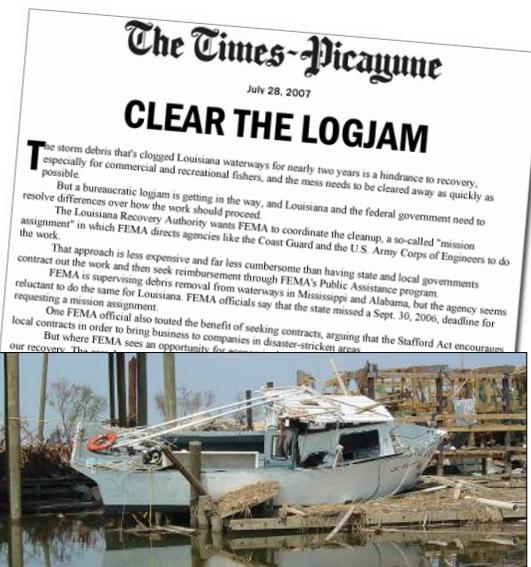
# Support for the State

The Times Picayune and Daily Advertiser published editorials about the GulfGov Report.



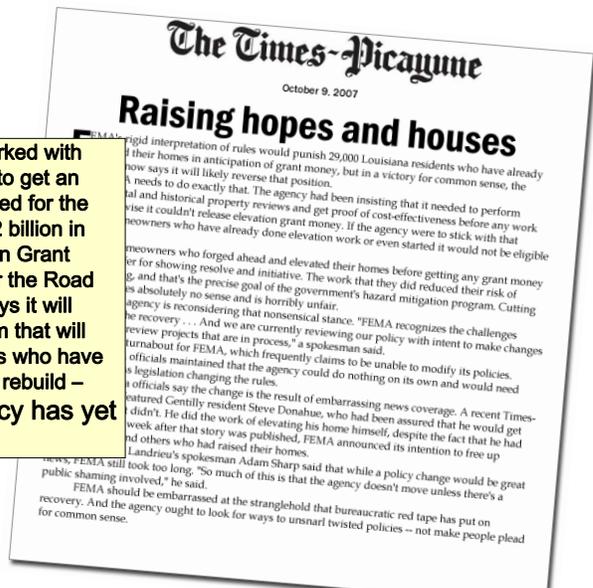
# Urging FEMA to Act: Marine Debris

The LRA and other groups, including the Times Picayune editorial board, have called for FEMA to issue a mission assignment for the removal of marine debris since July 2007 – the federal agency has yet to act.





# Urging FEMA to Act: HMGP

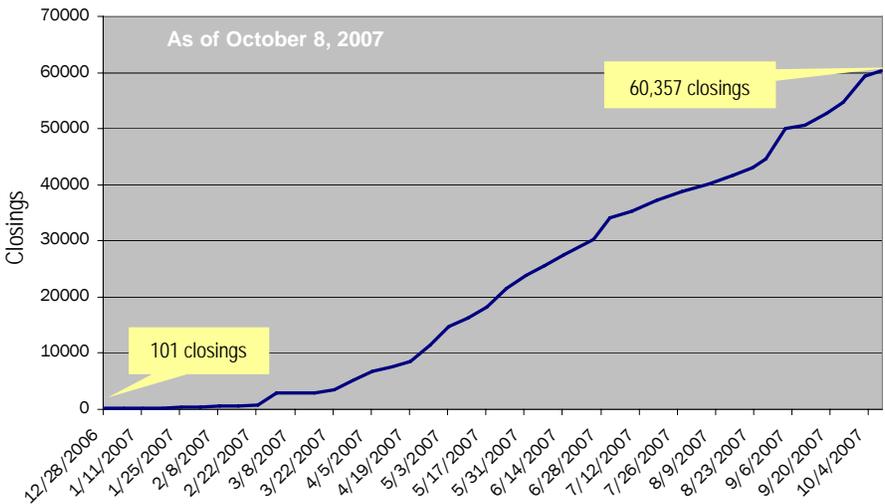


Louisiana has worked with FEMA for a year to get an application approved for the state's use of \$1.2 billion in Hazard Mitigation Grant Program dollars for the Road Home. FEMA says it will approve a program that will include homeowners who have already started to rebuild – the federal agency has yet to act.



# Pace of Closings

Total Number of Road Home Grant Closings by Week for 2007





# Current Program Data

As of October 8, 2007

Total Applications Received	228,740
Applications Declared Duplicate or Invalid	44,161
Applications Recorded (Eligible for an appointment)	184,579
Initial Appointments Held	155,787
Benefits Calculated	130,189
Benefit Options Letters Sent	118,477
<b>Benefit Options Selected:</b>	
<i>Number of Option One Selections</i>	82,406
<i>Number of Option Two Selections</i>	8,772
<i>Number of Option Three Selections</i>	2,286
Total Benefit Options Letters Returned by Homeowners	99,647
Files Transferred for Closing	75,004
Closings Scheduled	647
<b>Closings Held</b>	<b>60,357</b>

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# Protecting Taxpayer Dollars



Courtesy of the Times Picayune

“We can’t afford to have \$1.6 billion worth of fraud in our program like the federal government did in FEMA’s.”

-Walter Leger, LRA Housing Task Force Chairman

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## Focusing on Quality/Fraud Prevention

From the start, Louisiana included audit and quality control measures to ensure funds went only to homeowners meeting our eligibility requirements:

- Thumbscans and photos are required of all applicants
- Internal audit reviews and sampling of awards by subcontractor KPMG are original components of the program design
- The Attorney General's Anti-Fraud Task was created and funded independently of the Road Home program to investigate and fight fraud and provide external oversight as part of Louisiana's HUD approved action plan
- Independent Financial and Performance Audit reports were funded and commissioned from the Louisiana Legislative Auditor as part of Louisiana's HUD approved action plan
- In-flight performance reviews by KPMG and the RAND Corporation are underway to assure highest quality performance by ICF International

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## Launch Budget vs. Mid-Range Projection

As of 10/10/2007

### Launch Budget

	Number Served	Compensation	Elevation	IMM	ACL	Total
Average	114,532	\$34,554	\$8,341	\$5,007	\$12,208	\$60,109
Total	114,532	\$3,957,495,146	\$955,286,430	\$573,428,861	\$1,398,189,564	\$6,884,400,000

Less HMGP not approved by FEMA -\$1,170,000,000  
\$5,714,400,000

### Current Projection

(Includes \$400M for Individual Mitigation Measures)

Average awards significantly higher

	Number Served	Compensation	Elevation	IMM	ACG	Total
Average	164,084	\$43,981	\$10,280	\$2,438	\$11,611	\$68,310
Total	164,084	\$7,216,597,719	\$1,686,802,426	\$400,000,000	\$1,905,140,191	\$11,208,540,336

Difference **-49,552**

Serving an additional 49,500 homeowners

Louisiana's Commitment \$1,000,000,000  
-\$4,494,140,336

Congressional directive allowing use of HMGP \$1,170,000,000  
**Current projected deficit** -\$3,324,140,336

Note: Based on Benefit Selection Forms; does not currently reflect second disbursements due to disputed PSV or damage estimates. Estimates will be included in future Financial Dashboards

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# Launch Budget vs. High-Range Projection

As of 10/10/2007

## Launch Budget

	Number Served	Compensation	Elevation	IMM	ACL	Total
Average	114,532	\$34,554	\$8,341	\$5,007	\$12,208	\$60,109
Total	114,532	\$3,957,495,146	\$955,286,430	\$573,428,861	\$1,398,189,564	\$6,884,400,000

Less HMGP not approved by FEMA -\$1,170,000,000  
\$5,714,400,000

## Current Projection

(Includes \$400M for Individual Mitigation Measures)

Average awards significantly higher

	Number Served	Compensation	Elevation	IMM	ACG	Total
Average	173,960	\$44,302	\$10,166	\$2,299	\$11,672	\$68,439
Total	173,960	\$7,706,762,396	\$1,768,505,858	\$400,000,000	\$2,030,392,376	\$11,905,660,630

Difference -59,428 -\$6,191,260,630

Louisiana's Commitment \$1,000,000,000  
-\$5,191,260,630

Congressional directive allowing use of HMGP \$1,170,000,000  
**Current projected deficit** -\$4,021,260,630

Serving an additional 59k homeowners

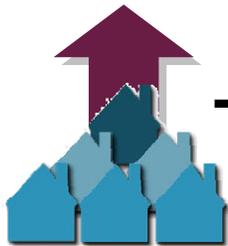
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# The Shortfall

Road Home budget deficit is caused by three things:

Increase in eligible homeowners based on faulty FEMA estimates.



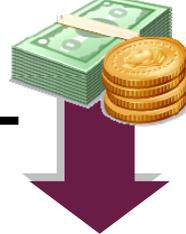
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Actual damage per house is higher than FEMA estimates.

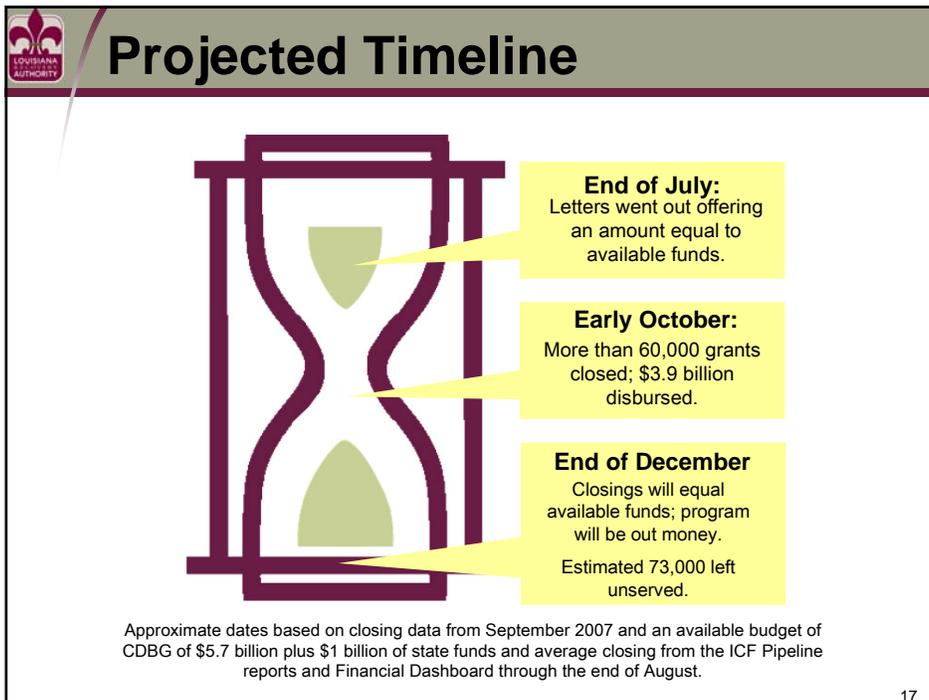
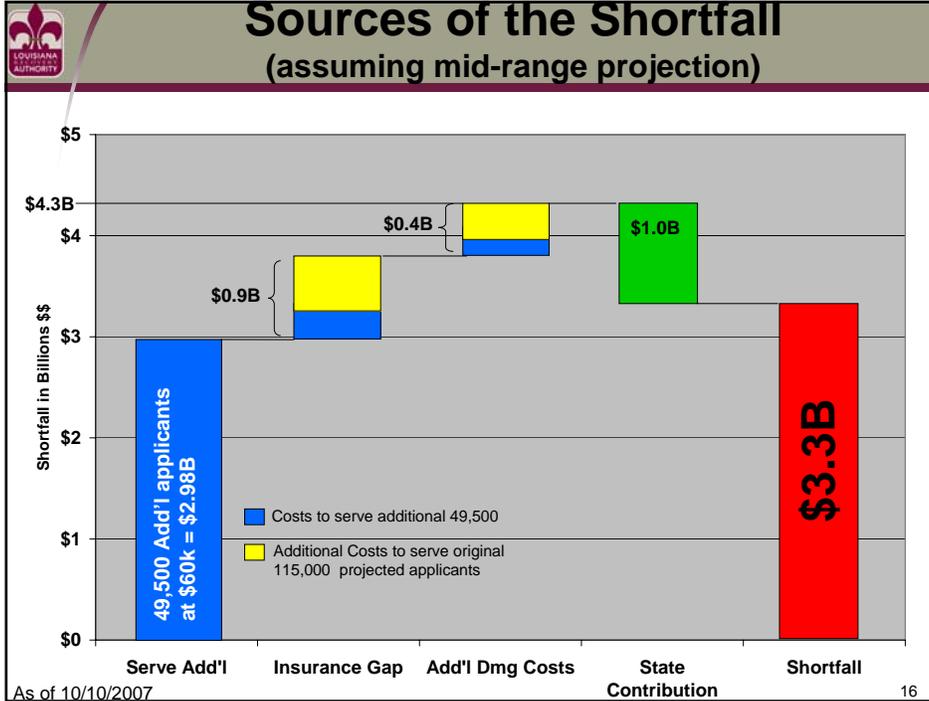


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Lower than expected insurance payments to homeowners



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## Ensuring a Successful Recovery



Working together, the State, Congress and the Administration can fill the gap in the Road Home and live up to President Bush's Jackson Square Promise to "do what it takes, we will stay as long as it takes, to help citizens rebuild their communities and their lives."



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## State Road Home Program Funding

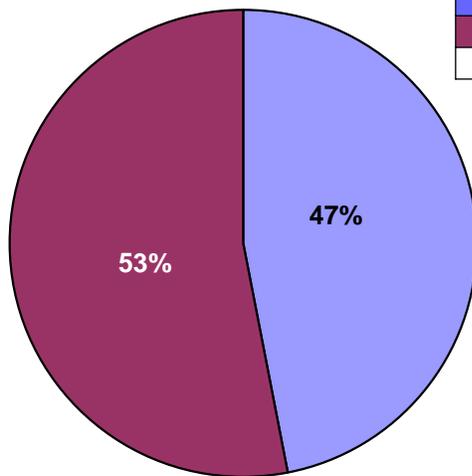
### Breakdown of Louisiana's \$1 billion commitment to the Road Home Program

Direct State Appropriation	\$ 373 m
Reduce 2 CDBG Rental Programs <i>(Offset by state investment of \$25 million in Housing Trust Fund)</i>	\$ 15.4 m
Swap state funds for 2 CDBG Infrastructure Programs <i>(Offset by state commitment to self-fund all FEMA ineligible repairs to state buildings and the replacement public hospital in New Orleans)</i>	\$ 577.5 m
Reduce 6 CDBG Infrastructure Programs by 5% <i>(Offset by commitment to pay principal and interest for 20 years on City of New Orleans bond issue of \$250 million for infrastructure)</i>	\$ 32.1 m
Reduce 1 CDBG Economic Development Programs by 5% <i>(Offset by new state tax incentive for "Broadway South" theatre productions)</i>	\$ 2m
<b>TOTAL:</b>	<b>\$1 billion</b>

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## State Commits \$4.9b to Recovery

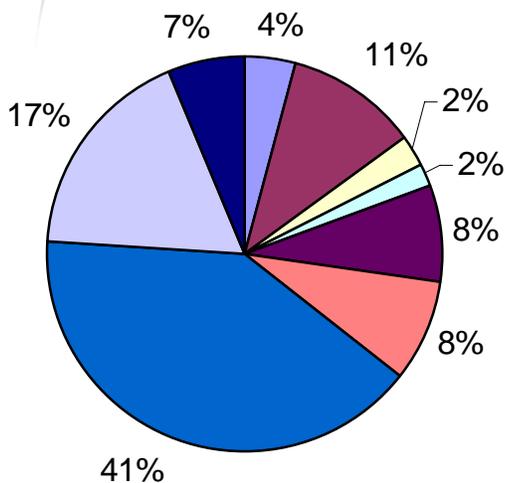


Spent/Encumbered	\$2,575,159,756
Committed	\$2,277,993,377
Total	\$4,853,153,133

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## Breakdown of State Funding

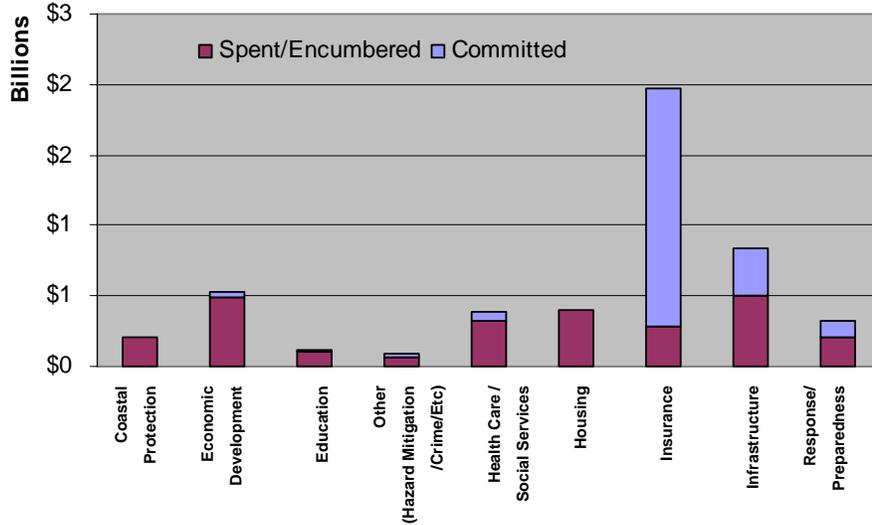


- Coastal Protection
- Economic Development
- Education
- Other (Hazard Mitigation/Crime/Etc)
- Health Care / Social Services
- Housing
- Insurance
- Repairs to Infrastructure
- Response/Preparedness

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## Status of State Funds by Sector



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## Public Assistance Program Overview

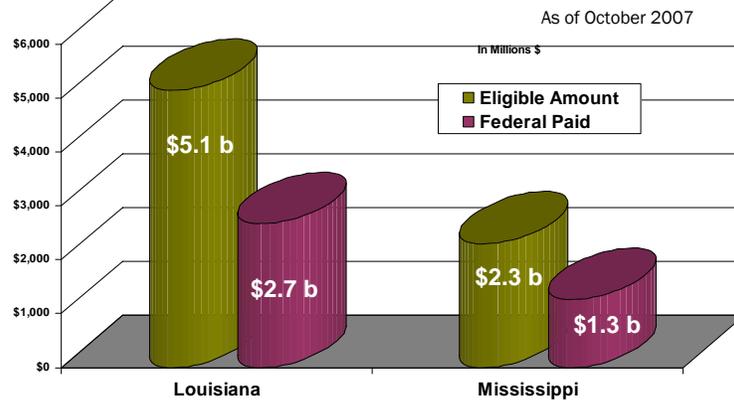
The amount of FEMA dollars eligible from PA for projects continues to increase with more than \$5.1 billion eligible

Dollars Eligible			
	Rebuilding	Recovery	Overall
October 6, 2007	\$2,324,967,896	\$2,813,680,637	\$5,138,648,533
Dollars Paid			
	Rebuilding	Recovery	Overall
October 6, 2007	\$642,405,875	\$2,018,559,707	\$2,660,965,581
By comparison ...			
World Trade Center	\$238,352,667	\$2,176,913,679	\$2,428,492,762

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## Comparison of La. & Miss. PA programs



- The impact of Katrina in Louisiana and Mississippi now exceeds \$7 billion in PA dollars.
- Louisiana is eligible for more than twice what Mississippi is eligible for and has paid out more than twice what Mississippi has paid out.