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Weathering the Storm: The Role of Local Nonprofits in the Hurricane Katrina Relief Effort

by

Tony Pipa

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THE ASPEN INSTITUTE

*Nonprofit Sector Research Fund
Working Paper Series*

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Tony Pipa

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Dear Colleagues,

In the weeks and months following Hurricane Katrina, national attention was focused on the monumental task of providing relief to the hundreds of thousands of people injured and displaced by the disaster. The media provided extensive coverage, both positive and often negative, of the relief work of FEMA and the American Red Cross. Largely overlooked, however, was the important contribution of the many local nonprofit organizations and religious congregations that were at the heart of the disaster response effort.

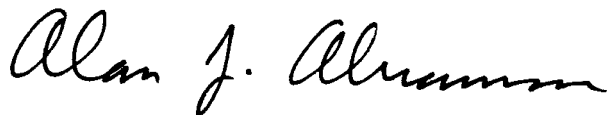
To correct this omission, the Nonprofit Sector and Philanthropy Program of the Aspen Institute commissioned Tony Pipa, a former foundation executive already working on the ground in the affected area, to interview key stakeholders and analyze the overall nonprofit and philanthropic response to Hurricane Katrina.

The resulting report finds that small and medium-sized nonprofits and faith-based groups are vital to our nation's disaster response infrastructure. They know the people who need help and are often the only organizations capable of reaching them. But just as national attention was focused elsewhere and largely overlooked the work of local nonprofits, so did the major, national relief agencies fail to appreciate the contribution of community-based organizations. Both FEMA and the American Red Cross offered limited support and coordination to small, local nonprofit agencies.

To remedy this situation, Tony Pipa offers recommendations designed to increase the coordination of community organizations and help funnel more funds to the local level. Some of the needed changes, like increased communication between FEMA and the Red Cross, are already being implemented. Others, like requiring the Red Cross to contribute five percent of its donations to local agencies, will be controversial. Our goal is to initiate a conversation among relevant stakeholders about how best to integrate local community organizations into our country's disaster response system.

In addition to Tony Pipa, there were many people involved with the production of this report who I would like to thank. Aspen Institute President and CEO Walter Isaacson, who serves as Vice Chairman of the Louisiana Recovery Authority, encouraged us to address the important challenges associated with the hurricane relief effort. We also turned to Gulf Coast natives Melissa Flournoy of the Louisiana Association of Nonprofit Organizations and George Penick, formerly of the Foundation for the Mid-South, for guidance. I want to acknowledge the excellent staff work of Cinthia Schuman, Winnifred Levy, John Russell, and Carrie Kovar as well as the support of our funders, including the Ford Foundation, Bill and Melinda Gates Foundation, William Randolph Hearst Foundation, Charles Stewart Mott Foundation, The David and Lucile Packard Foundation, the Surdna Foundation, and others. Please feel free to be in touch with me at abramson@aspeninstitute.org with any comments on this report.

Sincerely,

A handwritten signature in black ink that reads "Alan J. Abramson". The signature is written in a cursive, flowing style.

Alan Abramson, Director
Nonprofit Sector and Philanthropy Program
The Aspen Institute

Acknowledgements

I deeply appreciate the more than 50 nonprofit, church, government, and foundation leaders active in Louisiana and Mississippi after hurricanes Katrina and Rita who so willingly shared their stories, thoughts, recommendations, information, and materials. I have done my best to portray their experiences accurately; any mistakes are mine. Their resilience has been remarkable. Their optimism and drive to rebuild better than before deserve to be rewarded with our resources, energy, and encouragement.

I would like to thank the Aspen Institute, especially Cinthia Schuman, Alan Abramson, and Walter Isaacson, for their support of this project; Deborah Bey, Chris Beck, Elizabeth Boris, John Davies, Melissa Flournoy, Jenni Owen, Minor Sinclair, and Dorothy Thomas for feedback on drafts and guidance; and Lori Bertman, who has been a dedicated philanthropic guide as well as tireless advocate and example of the best that Louisiana has to offer. I am indebted to Tiziana Dearing of the Hauser Center for Nonprofit Organizations at the Kennedy School, Patty Conley of the KnowledgeWorks Foundation, and Sherece West of the Louisiana Disaster Recovery Foundation for the initial opportunity to be of service in Louisiana. Special thanks to Terry Seery for her patient support and inspiration.

Though seemingly technical in nature, at its heart this report is about people – especially those affected by the storms. Many lost homes, livelihoods, and communities. Some lost their lives. In the throes of a disaster of epic proportions, asked to respond beyond its normal capacity, the nonprofit sector did a great deal. But the response can be better. Better, so that next time more people will, in the words of William Faulkner, “not merely endure – but will prevail.”

Tony Pipa

Table of Contents

Key Findings 4

Recommended Actions 6

I: Introduction: Accidental Heroics 8

II: The Nonprofit and Faith-Based Response: A Snapshot 13

III: Coordination Between Government and the Nonprofit Sector: A Lack of Clarity 15

IV: FEMA’s Relationship to the Charitable Sector: A Weak Link 24

V: The Philanthropic Response 28

VI: Concluding Remarks..... 41

Key Findings

- Local nonprofit agencies and religious congregations in Louisiana and Mississippi filled large gaps and played a crucial role in ensuring the safety and well-being of victims in the immediate aftermath of Hurricanes Katrina and Rita.
- This was the first time many of these groups provided shelter and disaster relief in a substantial way. They increased the scope of their human services without regard for funds or the potential future strain on normal operations; some continued providing services even though they had sustained damage.
- Local religious congregations, nonprofits, and other private and public entities were sometimes sheltering as many evacuees as the American Red Cross. Their adaptability and responsiveness demonstrated the strength of their local expertise, relationships, and capability to reach and serve vulnerable populations and communities.
- No effective coordinating structure existed to integrate the multitude of charitable organizations that responded. The Federal Emergency Management Association (FEMA) and the American Red Cross disagreed as to their roles and responsibilities in coordinating the broader nonprofit sector.
- The domestic response architecture does not adequately plan for this type of stratified response. A high-level coordinating body should be created to utilize effectively the assets of local, small- to medium-sized nonprofits and faith-based groups in responding to catastrophic events.
- FEMA's relationship to the broader nonprofit sector is weak. FEMA assigns only one core Voluntary Agency Liaison (VAL) staff per each of FEMA's ten regions. One VAL can have primary responsibility for covering up to eight states.
- FEMA does not traditionally reimburse organizations for general operating costs, even when incurred providing assistance to disaster victims outside of the organization's basic mission. Though FEMA modified its eligibility requirements, 55 percent of nonprofits and church agencies in Louisiana were still deemed ineligible for reimbursement in providing relief after Hurricane Katrina.
- Local foundations and intermediaries adapted in innovative ways and became indispensable funding partners in supporting local agencies and faith-based groups critical to relief efforts.
- U.S.-based international humanitarian relief organizations, many responding to a domestic disaster for the first time, found success in applying many of their standard methods. Placing staff on the ground for extended periods, and working in partnership with local intermediary organizations, they funneled funds and resources quickly to locally based agencies.

- Local organizations had comparatively little access to funds from individual donors outside the Gulf Coast. Most funds went to large national organizations like the American Red Cross or Habitat for Humanity.
- While some organizations that had pre-existing relationships with institutional donors beyond the Gulf Coast benefited from new grants, it appears that most funds from outside foundations went to national organizations such as the American Red Cross or were held back for recovery and rebuilding efforts. Such caution to involve themselves during the direct relief phase may have been a missed opportunity to ensure robustness in the sector, as local agencies took on new tasks due to the disaster or struggled to recover from damage to their operations and now face a precarious future.
- Political figures became prime movers of private philanthropy with the creation of three state funds and the Bush-Clinton Katrina Fund. Local nonprofit leaders worried about political reciprocity and additional competition in fundraising during a time when the human service need was still great. Only Louisiana's fund provided assistance to organizations for direct relief efforts, but was not able to do so until more than three months after Katrina.

Recommended Actions

For Policymakers:

- A high-level coordinating body should be developed with the capability to facilitate the involvement of a large number of local charitable agencies during catastrophic events and improve the coherence and effectiveness of response from a multiplicity of organizations.
- A commission should be formed to glean lessons learned from the Gulf Coast relief efforts and channel those insights into the formation of this high-level coordinating body. Such a commission should be comprised of senior-ranking FEMA officials, peers from the American Red Cross and members of National Voluntary Organizations Active in Disaster (NVOAD), staff placed on the ground by U.S.-based international humanitarian organizations, and leaders from local responding nonprofits, faith-based groups, and foundations in Louisiana and Mississippi.
- Preparedness funding should be significantly increased, and such activities must be broadened to include local nonprofits and faith-based groups, both in training and decision-making.
- FEMA should significantly expand and develop its Voluntary Agency Liaison staffing to better ensure the readiness and integration of the nonprofit sector into charitable response.
- FEMA should create more flexible funding sources designed specifically to support charitable organizations; it is imperative that they change standing policy to support general operating costs incurred by organizations when acting outside of their normal mission to provide necessary relief.
- Congress should create a special designation – to be invoked during exceptional disasters – that mandates the American Red Cross contribute at least 5 percent of its overall fund raising to local grantmaking intermediaries for distribution to local nonprofits and faith-based groups.

For Foundations and Corporate Donors:

- Institutional donors should plan for quicker response to catastrophic events. They should develop emergency preparedness plans that minimize interruptions to their own operations and responsibly keep local organizations funded as they respond to disaster.
- Foundations and corporate donors from outside the affected area should play a significant leadership role during immediate relief by partnering with local re-granting intermediaries.

- Sending loaned executives to affected areas or placing staff on the ground during relief efforts would help foundations quickly rebuild or broaden the capacity of local organizations and improve the effectiveness of their developing grant strategies.
- Systematizing the coordination among foundations active in the Gulf Coast has the potential to improve responsiveness and effectiveness.

I: Introduction: Accidental Heroics

Rev. Bruce Davenport spent the days immediately following Hurricane Katrina wading through 4 to 5 feet of flood water to provide food and supplies to people who had taken refuge on the second and third floors of the St. Bernard's public housing complex, one of New Orleans, LA's largest. Twice he grabbed dead bodies floating in the water and lashed them to telephone poles so they could be identified once the waters receded. "Cuba," the name of one of the victims, a 15-year-old boy, is spray-painted in bright orange letters on one of the poles, acting as a sort of memorial.

In regular times, Pastor Bruce (as he is known) runs St. Johns #5 Baptist Church across the street from St. Bernard's, offering a job training/computer center for low-income youth, residential rehabilitation for substance abusers, and housing for those living with HIV/AIDS. He had decided to ride out the storm on the second floor of his house, worried that some residents – despite the mandatory evacuation order – had neither means nor will to leave and might remain, stuck and unreachable. Rev. Bruce stayed in New Orleans the entire time, first acting as a courier for food, then opening an emergency shelter at his church once the waters receded, now helping local residents clean up the debris and gut their houses as rebuilding gets underway.

As the human dimensions of Hurricane Katrina (and, later, its sister Hurricane Rita) unfolded, it became apparent that its scale and scope was overwhelming those normally tasked with responding to a disaster – the Federal Emergency Management Agency (FEMA), the state offices of emergency preparedness, the American Red Cross and other nonprofit first-responders. Countless local churches and faith-based groups, nonprofit agencies, and foundations in Louisiana and Mississippi jumped into the fray. They did so spontaneously, and at considerable risk to their budgets and normal operations, because they knew that their resources and expertise could spell the difference for victims whose lives and health hung in the balance.

As Melissa Flournoy, executive director of the Louisiana Association of Nonprofit Organizations (LANO), says, "With something of this scale, every nonprofit becomes a disaster responder."

SIDEBAR: Rising to the Challenge

- Worried that the regular healthcare needs of their service population might not be met, staff associated with the Excel Partner Healthcare Clinic began visiting smaller churches that had spontaneously opened shelters in Baton Rouge, LA, providing medical services and ensuring that those with medical conditions received regular and appropriate care. Eventually the organization – which normally runs health clinics in New Orleans – created a mobile unit that circulated among a network of shelters and developed a home-visit program to reach people who were in hotels and the houses of relatives and friends. They eventually persuaded their primary funder – the Bureau of Primary Care, through the Health Resources Administration – to support their efforts in Baton Rouge.
- A group of ministers in Louisiana who had gotten to know each other through a shared interest in legislative policy immediately met and decided to create a

distribution and shelter support network. Within days, PRC Compassion was up and running, complete with a website detailing the need for specific supplies, distribution warehouses at strategically located churches, and drivers, trucks, and volunteers delivering supplies to the multitude of shelters popping up across the states. Using financial and in-kind donations from its network of 50 to 60 local churches (including some of the state's most well-known mega-churches) and scores more across the nation, PRC Compassion ultimately distributed more than 62 million pounds of resources through more than 1,600 deliveries.

- In Shreveport, LA, the leaders of Providence House, a program that provides long-term solutions to homeless people, knew that the quicker evacuees could get into a stable living situation, the quicker they would begin to recover from the disaster. Before identifying extra funds, the agency secured 50 apartments, began to furnish them, and created emergency packs with basic food, personal items, and household items for the families who would live there. Realizing that they didn't have enough staff to provide support services for the new arrivals, they created a family advocates program, training volunteers from the local community to mentor families one-on-one. They eventually found the funds to support these activities from local funding networks and donors. Many of the families that found sanctuary with Providence House hailed from the lower 9th Ward in New Orleans.
- In Biloxi, MS, the offices of Visions of Hope sustained significant damage yet became a shelter for the agency's founder and her family, who were left homeless by the storm. Only one week later, the agency was asked by a city councilor to serve as a distribution point for goods and services and began staffing a relief center for affected families in East Biloxi, a predominantly minority and low-income neighborhood.¹

The actions of the local charitable sector constitute one particularly bright spot in the midst of the criticism regarding the response to the storms that devastated the Gulf Coast. The size and scope of Hurricane Katrina made it an exceptional emergency. The movement of more than one million people² out of an area the size of Great Britain³ ruptured the domestic disaster response architecture. The destruction by Katrina and Rita of wide swaths of housing,⁴ which left hundreds of thousands of people displaced and without primary shelter, distinguished these emergencies from those of recent memory, like the attacks on September 11, 2001 and the 1989 San Francisco earthquake.

¹ Oxfam America. "Amid the Destruction, Visions of Hope Offers Help – And a Bit of Salvation." <http://www.oxfamamerica.org/whatwedo/emergencies/hurricane_katrina/news_publications/feature_story.2005-09-15.1585054798>.

²The Current Population Survey (CLS) identified approximately 1.1 million persons aged 16 and over who had evacuated due to Hurricane Katrina. See U.S. Department of Labor, Bureau of Labor Statistics, "Effects of Hurricane Katrina on BLS Employment and Unemployment Data Collection and Estimation", <<http://www.bls.gov/katrina/cpscesquestions.htm>>.

³ The disaster area for Hurricane Katrina covered 90,000 square miles.

⁴ The Louisiana Recovery Authority estimates that as many as 217,000 homes were destroyed and 38,000 damaged in Louisiana, and 68,000 destroyed and 172,000 damaged in Mississippi (LRA 2006 Initial Quarterly Report).

Much analysis and attention has been focused on FEMA, the American Red Cross, and state and local emergency management agencies regarding their poor performance, as if perfecting their logistics, streamlining their operations, and improving their leadership will ultimately produce organizations large enough and adept enough to handle any such event in the future.

Such a view seems to discount greatly the reality of an extraordinarily catastrophic event and the role that the broader charitable sector can – and likely will – play if a disaster on a similar scale happens. Significant attention should be paid to improving the ability to plug in large numbers of local agencies, many inexperienced in disaster response but offering essential local knowledge and relationships, as well as useful specialized expertise. Katrina demonstrates that building systems to enhance their ability to use their strengths in an emergency is crucial.

Herman “Dutch” Leonard, a professor at Harvard’s Kennedy School of Government who teaches executive education programs on disaster response, distinguishes between routine emergencies and crisis emergencies: during the latter, things arise that are impossible to anticipate and that require improvisation under intense stress.⁵ “In a true crisis, there is, by definition, no comprehensive expert, but the tendency in a crisis is still to ask, ‘Who are the experts?’ What we probably need to do is find a broader collection of people who can contribute even if they don’t know everything.”⁶ That broader collection spontaneously came to the fore as the human service crisis of Katrina unfolded, and it was comprised of countless local nonprofits, religious groups, and foundations.

Disasters move through distinct phases: rescue, relief, recovery, and rebuilding. The first two, rescue and relief, entail moving people to safety and providing basic needs such as food, shelter, and emergency healthcare. Even in extraordinary circumstances, these typically last no more than seven to ten days. If measured as the stretch of time during which emergency shelters remained open, the relief stage for Hurricanes Katrina and Rita stretched somewhere near two months before the majority finally began closing their doors in late October 2005.

What follows are the stories and the perspective of church, nonprofit, and foundation leaders in Louisiana and Mississippi who were active and instrumental in ensuring care during those first two months, based on a series of personal interviews as well as the author’s own attendance at various meetings. This retrospective focuses on lessons specifically regarding the relief phase; it does not comment on the recovery and rebuilding currently underway, except insofar as relief efforts set a footprint for the rebuilding to come. It is limited in its geography to the special case of Louisiana and Mississippi, where many of those involved in leading the efforts were also affected by the disaster. These impressions are mostly qualitative and do not claim to be definitive, but are meant to provide ideas for further research and provoke meaningful discussion. Above all, they aim to add a strong local perspective to the overall picture regarding the charitable response to the storms.

⁵ Tamer, Mary. “Extraordinary Circumstances.” John F. Kennedy School of Government Bulletin Spring 2006, 34-35.

⁶ Tamer.

This is the first time many of those involved responded to a disaster in such a substantial way. (It was my first time as well; I arrived in Baton Rouge ten days after the storm to participate in planning the Louisiana Disaster Recovery Foundation and remained as a loaned executive through its startup phase (see pp.46-49)). Most of them are still learning how disaster response is structured and how to best fit in, and do not count themselves disaster relief experts, despite their experiences. Yet what they encountered was a bewildering situation in which officials and systems seemed habitually to discount their abilities, complicate their ability to find critical financial resources, or hinder attempts to acquire crucial information and coordinate in a fashion that would help them perform to their highest potential.

Their response was not perfect. Sometimes the shelters created by small churches and organizations did not conform to acceptable standards and created unhygienic situations. Sometimes the pressure of the situation exacerbated tensions between organizations, and they fought over territory or engaged in one-upsmanship about who could do the job better. In the rush to be helpful, others assumed roles too far outside of their professional expertise, or descended helter-skelter upon victims with duplicative or confusing service options. Yet overall their quick action produced a web – however fragile and imperfect – of social and human services that sustained many during a particularly precarious time. Whereas in a normal emergency, they might be depended upon to provide secondary assistance to the natural first responders such as the American Red Cross, Salvation Army, and Catholic Charities, in this disaster they too became primary responders. Their hope is that they – or their peers who might be placed in a similar situation – will find support in performing that much better the next time.

This analysis first attempts to provide some context for the extent of the involvement by local nonprofits and churches in the relief efforts. It then explores the effectiveness of the coordination between these entities and the main governmental coordinating agencies, and investigates the ongoing relationship between the charitable sector and the Federal Emergency Management Agency (FEMA). It concludes with a review of the philanthropic response by individual donors and foundations. Each individual section is followed by a set of lessons and ideas for further discussion, research, or implementation.

SIDEBAR: Advocacy in Relief

In a disaster where the consequences were so marked by differences in race, economic class, and rural isolation, some nonprofits and faith-based groups did more than simply act as shelters and human service providers in the immediate aftermath of the storm. They provided a crucial bridge to vulnerable populations that were being underserved, ensuring that critical relief reached them and, as relief turned toward recovery, helped them advocate for their rights.

When the Mississippi State Conference of the NAACP heard from a member about local residents having to fend for themselves by pooling and cooking food from their now-useless refrigerators, it began to proactively identify other minority communities – some fairly isolated – that were without relief services. The NAACP ended up establishing 22 distribution points to serve victims in those areas.

The Southern Mutual Help Association immediately began visiting rural communities throughout Southeast Louisiana. Anticipating that their residents would expect little assistance from FEMA and would likely return to their homes as soon as possible, they created protective cleanup kits and began devising innovative financing mechanisms to provide common-sense support for families to regain their livelihoods quickly. The Association of Community Organizations for Reform Now (ACORN) started organizing its members residing in shelters to ensure they were getting proper access to the available benefits offered by FEMA and could navigate the application processes, and agencies like the Vietnamese Initiative in Economic Training ensured that their constituents understood the ever-changing situation as relief stretched on. These organizations also used their relief efforts to spring into the policy debates that quickly emerged concerning recovery and rebuilding.

Such organizations, none of them traditional relief agencies, proved the importance of the trust they have built with the communities they serve. The power of those relationships and knowledge of particular communities must be cultivated for use during emergency preparedness and relief delivery; they can provide valuable insight into the effectiveness of emergency plans to reach and adequately serve some of the most vulnerable populations.

II: The Nonprofit and Faith-Based Response: A Snapshot

Two different things occurred within the local nonprofit sectors in Louisiana and Mississippi after the hurricanes swept through the region. First, nonprofits in the affected areas became victims themselves, with their leaders and employees sustaining personal losses as well as significant damage to their offices and operations. A survey done by the Mississippi Center for Nonprofits of organizations in the Biloxi-Gulfport-Pascagoula metropolitan service area showed that 67 percent sustained losses of paid or volunteer staff; 77 percent sustained major building damage or loss; and 93 percent of respondents reported a loss of programs and services.⁷

Yet the people they assisted in quieter times still required those services, with the breadth of their needs now significantly increased – and others victimized by the storms suddenly needed services as well. Many of them remained within the two states, moving to places where their arrival caused significant growth relative to the population of the towns hosting them. Whereas some estimates suggest that 300,000 evacuees made it to Houston, TX, they were integrated into a metropolitan area of 5.3 million; Baton Rouge, by contrast, may have taken in slightly fewer, but had its population doubled by the influx at the height of the crisis.

In a survey of 712 Louisiana human service providers conducted by the Urban Institute (UI) in partnership with the Louisiana Association of Nonprofit Organizations (LANO) in November and December of 2005, 95 percent of the 262 respondents reported being directly or indirectly affected by the storms. Almost half of the respondents located outside Greater New Orleans reported serving more clients than before – 73 percent more, on average – with the most common new programming consisting of basic needs, like temporary shelter, food, clothing, and cash.⁸

It is important to note that this study did not even include churches and other religious groups, scores of which turned their buildings into shelters. As one small example, on September 13, 2005 the United Methodist Committee on Relief (UMCOR) reported that 56 United Methodist churches throughout Louisiana and Mississippi were housing displaced people and relief workers.⁹ Plenty more were being housed at much smaller churches that did not have access to the resources and networks of large national denominations like the United Methodist Church. Such shelters became known as “pop-up” shelters for the spontaneous nature of their origins. Many did not receive any management assistance or supplies from the American Red Cross.

An analysis of reports compiled by Louisiana’s Department of Social Services (DSS) highlights this trend.¹⁰ On September 9, 2005 DSS recognized eight churches and five private entities (nonprofits or otherwise) throughout the state that were providing shelter; by September 12, 2005

⁷ Mississippi Center for Nonprofits. “Katrina’s Impact on the Service Sector in Mississippi.”

⁸ Lampkin, Linda, and Jennifer Claire Auer. *Open and Operating: An Assessment of Nonprofit Health and Human Services in Louisiana after Hurricanes Katrina and Rita*. The Urban Institute. February 2006.

⁹ The United Methodist Committee on Relief. “The UMCOR Hotline,” September 13, 2005.

¹⁰ Data for this and the following section was compiled from the daily shelter population reports compiled by the Department of Social Services of Louisiana and distributed via electronic spreadsheet to local coordinating entities.

they listed 102 churches and 58 private entities providing shelter.¹¹ These new shelters were hosting more than 12,000 additional evacuees on September 12, 2005.

On October 5, 2005 six weeks after Hurricane Katrina and only two weeks after Hurricane Rita, Louisiana's Department of Social Services reported an emergency shelter population of 26,138 evacuees. At the time, the Red Cross was operating 55 shelters in Louisiana, housing 13,617 people; churches and faith-based organization were operating 123 shelters, housing 5,780 people; and other nonprofit organizations, private entities, or parish governments were operating 62 shelters, housing 6,733 people. This means that on October 5, 2005, churches, nonprofits, and others were sheltering almost as many people as the American Red Cross, but in almost four times as many shelters.

¹¹ Because of a lack of coordination, it is very possible that some of these had already been providing shelter on September 2, yet just not been identified.

III: Coordination Between Government and the Nonprofit Sector: A Lack of Clarity

The Domestic Response Architecture

While the different parts of the charitable sector leapt to help, many in the sector soon became bewildered by the impression that they were mostly on their own. Whereas they anticipated fitting into a system that simply needed to expand its capacity, they soon became uncertain whether there was a system at all. They had a difficult time determining where to direct important information about their activities and their needs, and how to communicate with others involved in providing crucial supplies and services. Almost all interviewees loudly decried the lack of an effective coordinating superstructure and the inefficiencies caused by poor coordination.

The domestic response architecture for a disaster does try to anticipate that the charitable sector will play a major role following a disaster. The National Response Plan (NRP), which has jurisdiction over the role of federal agencies during a national emergency, (finished in December 2004 after suggested improvements based on the response to the terrorist attacks of September 11, 2001), breaks the components necessary to respond successfully into a series of Emergency Support Functions (ESF), assigning a leadership responsibility and list of supporting federal agencies to take care of each function. Emergency Support Function #6 (ESF-6) consists of activities described as “mass care” – which includes providing shelter, food, emergency first aid, distribution of bulk relief items, and information on victims to family members – as well as short-term and long-term housing and the provision of human services necessary for recovery.¹²

FEMA is designated as the coordinator for ESF-6, with the American Red Cross as the primary agency for delivering mass care and FEMA as the primary agency for housing and human services. The American Red Cross is the only non-federal government agency assigned as a primary agency in the NRP, a status related to its congressional charter.¹³

The National Voluntary Organizations Active in Disaster (NVOAD), an umbrella organization of 40 different nonprofit and faith-based agencies that regularly participate in disaster response, is positioned as a support agency for this function.¹⁴ NVOAD encourages the formation of state chapters (VOADs) and improves coordination by providing trainings, networking opportunities, and assistance with the planning efforts of its members. It focuses its efforts on preparedness, and seeks to improve efficiencies and effectiveness primarily by strengthening relationships and

¹² U.S. Department of Homeland Security. National Response Plan. December 2004. ESF Annex, ESF #6. It should be noted that ESF-6 does not specifically address the provision of medical care for chronically ill patients. “Mass care” encompasses only emergency medical care, and does not include a response for diabetics or other medication-dependent patients; because of this oversight, certain evacuees ended up in more dire situations than necessary.

¹³ The American Red Cross is unique as a nonprofit organization in that it was chartered by Congress (initially in 1900, amended in 1905) as a “treaty obligation organization” to fulfill some of the duties of the United States under the Geneva Convention. Its current charter establishes one of its purposes as serving as a disaster relief organization for the United States. The charter also provides the U.S. President with the power to appoint certain members of the board of directors.

¹⁴ National Response Plan, ESF Annex, ESF #6.

facilitating agreements among member organizations to share information and combine resources during a crisis.

State emergency plans tend to follow the FEMA model. The 2005 Louisiana Emergency Operations Plan, for example, lists volunteer organizations as support for each of its ESF-6 components, which include shelter, mass feeding, housing, individual assistance, and community action.¹⁵

It remains unclear — even to this day — where the responsibility lies for coordinating the multitude of organizations that might react during a massive response. During Katrina, FEMA and state officials seem to have thought that duty was assigned to the American Red Cross. The Red Cross, for its part, indicated to others in the field that it viewed its job as managing its own food-and-shelter operations, and coordinating its efforts with federal and state officials. Though the Red Cross was willing *to be* coordinated with others providing similar services, it did not view as its responsibility the role of establishing a central information and coordinating structure that would incorporate all responding agencies.

FEMA's internal audit of its performance during Katrina admits the confusion:

For example, a senior Red Cross official told us it is responsible for the coordination and reporting only of Red Cross mass care operations. FEMA, on the other hand, said it was relying heavily on the Red Cross to coordinate mass care operations and reporting that was inclusive of other ESF-6 support agencies.¹⁶

The International Experience

U.S. representatives from international humanitarian relief organizations such as the International Rescue Committee (IRC), Mercy Corps, and Oxfam America, some of whom had deep experience internationally but were responding to a domestic disaster for the first time, also found it hard to get their bearings. Accustomed to working closely with the International Red Cross, they were confused when the American Red Cross employed different types of protocols. In an international setting, they were also used to checking in with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), which works abroad to facilitate the coherence of relief efforts in the field.

In an international disaster, OCHA deploys quick-response staff to an emerging emergency situation, providing high-level capabilities to gather information, assess needs, and coordinate outside assistance.¹⁷ In general, OCHA acts as a facilitator for helping humanitarian organizations perform at their best by taking in critical demographic information and needs assessments from multiple sources – local government agencies and the nonprofits themselves –

¹⁵ Office of Homeland Security and Emergency Preparedness, State of Louisiana. Emergency Operations Plan. April 2005. ESF Annex, ESF 6-5 chart.

¹⁶ U.S. Department of Homeland Security: Office of Inspector General. A Performance Review of FEMA's Disaster Management Activities in Response to Hurricane Katrina. OIG-06-32. March 2006: 45.

¹⁷ United Nations Office for Coordination of Humanitarian Affairs. "Quick Facts about OCHA." <<http://ochaonline.un.org/webpage.asp?Site=facts>>.

organizing it and putting it into highly usable and accessible formats, and feeding it back out to the organizations on the ground. Responding agencies depend upon OCHA to understand the scope of needs in locations throughout the affected areas, the types of services that are already being provided, and the gaps where responding organizations might be of best use.

These protocols were developed based on an assumption that multiple numbers of responding organizations would be necessary to cover the needs that arise in a crisis. The system is built to accommodate multiple approaches and partnerships between local groups in the immediate affected areas and others coming from the outside to offer assistance.

Lack of a Coordination Structure

The current role assigned to charitable organizations in the NRP, by contrast, seems to presume that the American Red Cross can handle most of the mass care needs in a U.S. disaster, with some support from other voluntary agencies, most of whom are members of the VOAD structure. Neither held true in Louisiana and Mississippi. As the Select Bipartisan Committee of the House acknowledged in its report after detailing the difficulties that the Red Cross experienced: “But Katrina was bigger than the Red Cross.”¹⁸ FEMA, in a press release dated March 13, 2006, estimated by then that it had partnered with 408 organizations during disaster relief and long-term recovery, and acknowledged that, “It would be impossible to carry out the sheer volume of services offered by these collective organizations as quickly and effectively as any single group or federal agency.”¹⁹

The actual number of nonprofits and religious congregations involved in the immediate aftermath is likely much higher. By mid-May 2006, 765 organizations and faith-based groups in Louisiana had applied directly to FEMA for reimbursement through the public assistance program for Hurricane Katrina; 168 had made similar applications for Hurricane Rita.²⁰ The FEMA field office in Mississippi has estimated that about 500 organizations continue to be active in the lowest six counties, which were most affected by the storms; 49 counties overall were declared eligible for both individual and public assistance by FEMA under the federal disaster declaration.²¹

The VOAD chapter for each state was all-volunteer. While representatives from the national organization provided support, and while the state VOAD representatives were housed in the state emergency operations centers and were active in hosting conference calls, they had no capacity to provide the high-level centralized information capabilities described here, and no extensive reach to the first-time responders who were not members of their networks. The

¹⁸ Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina (Tom Davis, Chairman). *A Failure of Initiative: The Final Report of the Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina*. February 15, 2006: pp. 365.

¹⁹ FEMA. “Volunteer Agencies Essential to Hurricane Response: Help for Louisiana Communities Came from Across the Nation and World.” < <http://www.fema.gov/news/newsrelease.fema?id=24161>>.

²⁰ There is likely some overlap between these two sets of applications, with the same organization applying for reimbursement for services provided during each hurricane.

²¹ FEMA. “Disaster Summary For FEMA-1604-DR, Mississippi.” Declaration Date: August 29, 2005.

conference calls sometimes included up to 40 organizations, causing them to be inefficient at times and of diminished usefulness as the amount grew.²²

Some representatives from the international humanitarian organizations that arrived in Louisiana proposed to help governmental officials create a centralized information matrix with robust situational awareness capabilities. By mapping the ongoing efforts by different groups, and overlaying changing demographic information and needs assessments that organizations were cataloging, they hoped to help coordinate and integrate the efforts of the responding organizations. They found their offer rebuffed, perhaps due to confusion about conflicting responsibilities, uncertainty whether others within the official command structure were already working on it, or parochialism. Because they had ongoing communication with the Red Cross and VOAD, state officials and FEMA seemed to believe responsibilities for organizing the sector were being met.

Ultimately, a host of coordinating efforts organically transpired. In Baton Rouge alone, representatives from the Baton Rouge Area Foundation – who were trying to stay on top of unfolding needs in order to provide crucial funding – were attending five different meetings daily, headed by FEMA, the state, the American Red Cross, the Capital Area Human Services District (for area mental health needs), and Family Road of Greater Baton Rouge (for general nonprofit human service providers). While smaller, issue-specific or geographic-specific coordination would be a natural part of relief efforts, none of these were feeding into a larger system that was dynamically absorbing the information and pushing it out to others in an organized and efficient fashion. Shelter residents tired of participating in multiple needs assessments.

The lack of overall shelter coordination, combined with the lack of a unified case management system, ultimately led the governor’s office to support the creation of the Louisiana Family Recovery Corps, a new nonprofit. Though one of the organization’s original goals was to provide a centralized information center to enhance coordination and coherence using the UN model, its genesis was too long in the making, and its initial funding too hard to secure, to have any impact while most of the shelters were operating. Their initial leadership team, though comprised of loaned executives, also had little direct nonprofit and first-response experience. The organization ended up focusing more strongly on ensuring coordinated case-management services by subcontracting with other nonprofit organizations throughout the state.

Eventually many organizations felt that they were spending as much time trying to synchronize their efforts as they were actually providing services. They also became frustrated with the lack of follow-through on the coordination issues that arose. “Meeting fatigue” set in.

²² GAO. Hurricanes Katrina and Rita: Provision of Charitable Assistance. GAO-06-297T. December 13, 2005: pp 8.

Lessons and Ideas

(1) The response to Katrina and Rita points to a weakness in the ability of the current architecture to integrate the many rather than depend on the few.

The internal audit of FEMA's performance during Katrina conducted by the Inspector General of the Department of Homeland Security (DHS) recommends an ESF-6 working group of FEMA, the American Red Cross, and NVOAD agencies "to define the explicit roles and responsibilities for each agency, develop standard operating procedures, and implement a concept of operations plan for response activities that address all levels of disasters."²³

Clarifying who has responsibility for coordinating the NGO sector with the government's efforts is obviously imperative and urgent. Yet the tone of this recommendation appears to affirm FEMA's current view that the nonprofit and charitable sector consists mostly of the American Red Cross, with the VOAD agencies rounding it out.

This underestimates some of the disaster's most important lessons:

- That the scope of the worst crisis is likely to outstrip the capacity of any one organization or small coterie;
- That small, locally based nonprofits and faith-based organizations have skills, local expertise, and a high level of adaptability that are critical assets during such a crisis;
- That such organizations have missions and priorities, manners of working, and capabilities that are not uniform;
- That many of them might be involved in a disaster for the first time.

The GAO recently raised concerns that as of May 24, 2006, FEMA and the Red Cross had still not reached agreement on their respective responsibilities regarding ESF-6 coordination.²⁴ In its comments to an early draft of the GAO report, the Red Cross disagreed with the GAO's statement that under ESF-6 the Red Cross is tasked with "coordinating the nation's delivery of mass care services."²⁵ It clarified that it sees its ESF-6 coordinating role as "much more limited" and restricted to shepherding requests to FEMA of NGOs that are providing local relief and seeking federal resources to support their efforts.²⁶ This would be only one part of a much more comprehensive coordinating structure that local groups in Louisiana and Mississippi were expecting and seeking after the storms.

²³DHS: Office of Inspector General, pp. 38.

²⁴ GAO. Hurricanes Katrina and Rita: Coordination between FEMA and the Red Cross Should Be Improved for the 2006 Hurricane Season. GAO-06-712. June 2006:

²⁵ GAO-06-217 pp.28.

²⁶ Ibid.

(2) A high-level coordinating body should be developed with the capability to facilitate the involvement of a large number of local charitable agencies during catastrophic events and improve the coherence and effectiveness of response from a multiplicity of organizations.

The goal of FEMA's forward progress should be less about defining explicit roles and responsibilities, as the current recommendation reads in their internal performance review, and more about creating a high-level coordinating capability seamlessly able to integrate a multiplicity of organizations delivering a stratified response. A centralized national entity with clear responsibility and sophisticated resources – similar to OCHA – to facilitate the integration of many different types of nonprofits and faith-based groups during immediate response would ensure maximum benefit from the sector's unique strengths and expertise.

Though FEMA should lead the charge to develop such an entity, it is unclear whether FEMA should house it. The predominant culture at FEMA seems deficient in its relationship to the charitable sector beyond those typically active in first response. For a widespread coordination effort to be successful, the ability to build trust quickly with a variety of mission-driven organizations will be paramount. By the same token, adding such a responsibility to the American Red Cross, already responsible for managing and administering its own mass care services, may not impart the desired level of neutrality nor ensure the proper amount of attention.

This suggests funding and housing such a responsibility and capability outside these two agencies, though clearly with their support, both intellectually and, in the case of FEMA, financially. Developing a coordinating entity that is clearly capable seems essential. NVOAD could also be an important partner.

Much might be learned from the experience of developing the Coordinated Assistance Network (CAN), in which a consortium of nonprofit responders, reacting to recommendations by the GAO regarding the charitable response to the attacks of September 11, 2001 came together to develop a unified case management system to track victims and their individual needs from relief through recovery to rebuilding. Setting up an immediate, centralized coordinating point for organizations on the ground complements CAN's focus on organizing individual registrants' needs for aid, and some of CAN's intended capabilities may indeed be overlapping. Or perhaps some states, like Louisiana and Mississippi, would be willing to undertake a pilot program to develop an entity focused on serving their local needs.

Whatever the case, it appears clear that FEMA should be thinking about coordination in larger terms than its current internal recommendation, which focuses on more explicitly defining roles and responsibilities, and plan to ensure that a wide range of organizations can easily plug into a dynamic system that capitalizes on their strengths during catastrophic events.

(3) A high-level commission should be formed, comprised of senior-ranking FEMA officials; peers from the American Red Cross, NVOAD members, and other domestic first-responders; staff placed on the ground by U.S.-based international humanitarian organizations; and leaders from local responding nonprofits, faith-based groups, and foundations from Louisiana and Mississippi.

The formation of such a commission could act as a potential first step in developing the coordinating capability mentioned above. Hurricane Katrina was the first time that many agencies, such as the International Rescue Committee (IRC), Mercy Corps, Oxfam America, Americares, Christian Reformed World Relief Committee (CRWRC), UNICEF, and the International Medical Corps, sent staff and resources to respond to a domestic crisis. The opportunity to learn from their experiences on the Gulf Coast, and evaluate them within the context of their histories overseas, should not be missed.

Just as crucial is the opportunity to learn from those local leaders who experienced the urgency and confusion firsthand. Together these responders can provide valuable insight into the capabilities of the entire domestic response architecture as it relates to the charitable sector. A formal review would at the very least offer the opportunity for international NGOs to become more seamlessly integrated with the activities of the American Red Cross should their services be offered again, preventing the types of delays that occurred during Katrina.

It is vital that FEMA and the broader charitable sector set an agenda to understand the gaps that exist in the existing system and take steps to address those gaps.

(4) Preparedness funding should be significantly increased, and such activities must be broadened to include local nonprofits and faith-based groups, both in training and decision-making.

The review of FEMA's performance by the Senate's Committee on Homeland Security and Government Affairs acknowledged the coordination troubles on the ground and recommended the better integration of non-governmental organizations into emergency planning, training, and exercises.²⁷ The report issued by the White House also concentrated on preparedness, lauding the performance of agencies and faith-based groups and suggesting that improving their integration into relief efforts should take place prior to events at the state and local levels.²⁸

Leaders from the area agencies and churches that responded would agree this is necessary. Since playing a critical role in response to Katrina and Rita, local representatives of the general human service nonprofit sectors have – sometimes without invitation – inserted themselves into their state's emergency preparation and planning exercises. State and local emergency planning should ensure the participation of cornerstone human service organizations and religious congregations that have strong relationships in particularly vulnerable communities. Such organizations should be at the table when plans are developed and decisions made.

Both states would undoubtedly benefit from stronger VOAD chapters with regular staff, who could expand local preparedness trainings and provide additional assistance in coordination during disasters. Providing additional resources to the state VOADs could expand their reach to local organizations that are not traditionally viewed as disaster responders, and improve and

²⁷ Committee on Homeland Security and Governmental Affairs, United States Senate. Hurricane Katrina: A Nation Still Unprepared. May 2006, Recommendations-16.

²⁸ The Federal Response to Hurricane Katrina: Lessons Learned. Presented by Frances Frago Townsend, Assistant to the President for Homeland Security and Counterterrorism, February 2006, pp. 64 <<http://www.whitehouse.gov/reports/katrina-lessons-learned.pdf>>.

routinize the training of their own members to serve minority and economically diverse communities more effectively.

FEMA, it should be noted, now provides limited assistance to ensure that a strong VOAD system is in place at the state and local level. The Voluntary Agency Liaison (VAL) configuration, FEMA's primary staffing structure for interfacing with nonprofit organizations, places only one core FEMA representative per each of FEMA's ten regional offices. Louisiana is part of FEMA's region VI, along with Arkansas, New Mexico, Texas, and Oklahoma; Mississippi is part of FEMA's region IV, with Alabama, Georgia, Florida, Kentucky, South Carolina, North Carolina, and Tennessee.²⁹ Thus prior to Katrina and Rita, FEMA had two primary VAL staff responsible for helping encourage the development of VOADs in 13 states, in addition to their role in helping coordinate nonprofits when disasters occurred in each of those areas (with some of the highest risk states for storms included in these groups).³⁰ Building a stronger VOAD structure would require making nonprofit relations within FEMA less of an afterthought.

Funding within FEMA for training and preparation is generally acknowledged to have steadily declined in recent years. *Project Impact: Building Disaster Resistant Communities*, a FEMA mitigation program built upon community partnerships involving civic and nonprofit organizations, was discontinued in 2001. The program, widely credited with minimizing the damage and response necessary from a 6.8 earthquake in the Seattle and Puget Sound area in 2001, was cut to save \$25 million.³¹

When Hurricane Katrina hit, the American Red Cross Southeast Louisiana chapter was just getting underway on Operation Brother's Keeper, a special initiative to create preparedness partnerships with churches in inner city African-American communities in New Orleans. After a successful pilot program involving four churches, the chapter found it difficult to piece together funding to expand the initiative, through which churches would be enlisted as partners in emergency planning, evacuation procedures and implementation, as well as shelter site preparation and hosting. The larger initiative was still in the planning stages when the devastating storms hit the Gulf Coast.

Increasing appropriations for preparedness training and exercises should be addressed with a sense of urgency. Grassroots human service organizations and religious congregations that have the trust of a community's most vulnerable populations must be part of the decision-making process while emergency protocols and plans are developed, and programs like Operation Brother's Keeper should be developed and expanded to ensure their inclusion. Providing seed funding and startup technical assistance, matched by private funds and local leadership, would significantly improve the ability of communities to minimize the impact of disasters and capitalize on the strengths of civic and religious associations in ensuring the safety of particularly susceptible residents. Even an investment of \$25 million would be comparatively small within FEMA's 2005 base budget of \$928 million (which does not include disaster relief funds), and

²⁹FEMA. "Organization Structure." <<http://www.fema.gov/about/structure.shtm>>.

³⁰ Since the storms, FEMA has increased core VAL positions in regions IV and VI in order to deal specifically with Katrina and Rita recovery efforts by nonprofits and religious congregations.

³¹ Holdeman, Eric. "Destroying FEMA." *Washington Post*, August 30, 2005: Page A17.

likely to provide significant savings in the long run by minimizing the amount FEMA would find necessary to expend on relief operations once disasters occur.

IV: FEMA's Relationship to the Charitable Sector: A Weak Link

While nonprofits and faith-based organizations are generally acknowledged to be an integral part of the response architecture, and in fact shoulder some official responsibility for providing critical human services in a crisis, FEMA's relationship and support to the field — especially beyond its relationship to the American Red Cross — has the feel of an afterthought. Limited high-level attention gets directed toward the broader sector.

FEMA's internal staffing that relates to the nonprofit and charitable sector is comprised of Voluntary Agency Liaisons (VALs). As previously mentioned, a core VAL is assigned to each of FEMA's ten regions, as well as the Pacific Area office, the Caribbean Area office, and the Emergency Management Institute.

The role of the VAL is to foster strong relationships between volunteer and charitable organizations and the FEMA regional offices.³² One of a VAL's most critical roles is to encourage and promote the development of local and state VOAD organizations, in an effort to improve preparedness and disaster mitigation.³³ During a disaster, the core VAL has access to a corps of reserve staff – standby disaster assistance employees – who are available for deployment to interface with the responding nonprofits and faith-based organizations. As relief and recovery take place, VALs continue to assist charitable organizations with federal aid programs, deadlines, and ongoing coordination with long-term recovery committees at the local level.

In recent years, as the intensity and recurrence of disasters have increased, the expectations of the role of the VAL have expanded. The scope and involvement of non-governmental organizations during disaster relief continue to increase, and with Katrina and Rita probably hit an all-time high. The VAL structure, however, has changed little, and a similar amount of staff and resources are expected to achieve good results. Thirteen regional core VALs plus a national core VAL comprised an insignificant pool within an organization of 2,600 permanent employees pre-Katrina.³⁴

FEMA has expanded its disaster workforce in order to prepare for the 2006 hurricane season. It has now increased the number of core VALs in Louisiana and Mississippi, for example, so they can remain dedicated to issues of Katrina and Rita recovery, freeing up other staff to focus on planning for future disasters. With core and disaster assistance employees taken together, there are now approximately 100 VAL positions within FEMA. Yet FEMA has doubled its reserve force since Katrina (to 8,094 employees),³⁵ bringing its total pool of employees above 10,000. Thus about one percent of FEMA's overall staffing is dedicated to interfacing directly with the charitable sector at a time when the sector's involvement in disaster relief, recovery, and mitigation continues to expand significantly.

³² FEMA. The Role of Voluntary Agencies in Emergency Management. IS 288. January 1999.

³³ Ibid.

³⁴ FEMA. "About FEMA." <<http://www.fema.gov/about/index.shtm>>.

³⁵ FEMA. "FEMA: Ready for the 2006 Hurricane Season." HQ-06-058FactSheet. April 12, 2006, <<http://www.fema.gov/news/newsrelease.fema?id=25061>>.

The reservist nature of the disaster assistance employees can also make it challenging to build consistent relationships with local nonprofits. Representatives of organizations in Louisiana and Mississippi complained about high turnover as they started becoming integrated with the services that FEMA provides, since they constantly had to start from scratch with new representatives as they dealt with coordination needs, volunteer management, or helping individuals and families apply for assistance from FEMA.

Funds from FEMA available to support charitable organizations that respond in a crisis demonstrate a similar level of indifference toward the variety and multiplicity inherent in the sector, being geared towards organizations that either have a prior commitment to respond during a disaster or sustain physical damage to their facilities. While organizations can receive reimbursements for providing services related to mass care through FEMA's Public Assistance Program, to be eligible they typically must have a prior formal agreement with their local government (or the state) to provide such services. Usually it is the local government that applies to FEMA for reimbursement of these costs; the formal agreement clarifies whether the nonprofit receives the funding before or after FEMA provides reimbursement to the local government.³⁶

While organizations geared toward response can work to ensure that they have such agreements in place, many of the organizations that responded spontaneously to Katrina found themselves, for the most part, outside of FEMA's traditional funding circle. FEMA also makes it very clear that normal operating costs are not eligible for reimbursement, even if they are increased because of the organization's response:

“Ineligible items include labor, materials, and equipment costs for providing assistance to disaster victims, even if the services are outside the organization's basic mission.”³⁷

This describes *exactly* the situation faced by many responding organizations in the Gulf Coast.

To its credit, FEMA did try to inject some flexibility into these criteria for Hurricanes Katrina and Rita. It allowed state and local governments to execute sheltering agreements with applying nonprofits after their Katrina activities, with the possibility of validating them retroactively. After questions were raised in Congress, FEMA also announced plans to include faith-based organizations within these guidelines, indicating that it was an issue of practicality, given the enormity of the disaster and the significant response by churches and faith-based groups.³⁸

The Byzantine nature of the process and criteria, combined with FEMA's staffing structure and bureaucratic decision-making, make it a struggle. In Louisiana, for example, the parish governments and FEMA initially had trouble agreeing on how the reimbursements would work. The parishes were wary of being the first ones to make payments to the applying nonprofits,

³⁶ Angelheart, Ann. Congressional Research Service Report for Congress: Reimbursement of Local Private Nonprofit Organizations Under the Stafford Act. January 4, 2006.

³⁷ FEMA. 32 Public Assistance Policy Digest. Reprint October 2001: page 91.

³⁸ Lupu, Ira C. and Robert W. Tuttle. “The Federal Emergency Management Agency and Faith-Based Organizations: Disaster Relief following the Gulf Coast Hurricanes.” George Washington University Law School, 10/25/2005.

since they had no guarantee that FEMA wouldn't then deny *their* application for reimbursement, leaving them stuck with the debt. Once that was worked out, applying churches did not have access to the templates for the mutual aid agreements that needed to be executed with the local parishes prior to their application. Finally, it seems, all these kinks were ironed out — six months after the storms.

Out of the 765 organizations that applied for public assistance directly to FEMA in Louisiana for Katrina reimbursements, 421 have been deemed ineligible, with the remaining 344 potentially able to receive funds. Even if approved, these organizations will be receiving reimbursements primarily for facility damage, not for sheltering expenses. Those seeking reimbursements for sheltering have had to negotiate agreements with their parish governments, who then became the primary applicants for reimbursements.

Given the complicated nature of the different funding arrangements, it is unclear just how much in grants has been – or will be – disbursed to nonprofit and faith-based groups for their relief efforts. FEMA and state emergency officials admitted the difficulty in hazarding even a guess, and the process is still underway and slowly wending to completion. This in contrast to four no-bid contracts for \$100 million each awarded by FEMA within ten days after the flooding to Bechtel, the Shaw Group, Flour Corp., and CH2M Hill, with the ceilings quietly increased to \$500 million afterward.

Another prevalent funding stream for charitable agencies during disasters is the Small Business Administration's (SBA) physical disaster loans. These loans only cover uninsured physical damage, and loans in excess of \$10,000 require the pledging of collateral to the extent that it is available, not a particularly friendly requirement for small nonprofits. While the SBA does make "economic injury" loans available to qualifying for-profit companies after a disaster, it bars nonprofits from applying for these loans, which are designed to help with operational costs.³⁹ So while for-profit businesses can access funds to offset substantial economic losses suffered as a result of the disaster, nonprofit organizations have no such opportunity. Nonprofits' ability to get support for their operating capacity remains lacking.

³⁹ Alvarado, Audrey. Testimony before the Subcommittee on Oversight of the House Committee on Ways and Means. National Council of Nonprofit Associations, December 27, 2005.

Lessons and Ideas

(5) FEMA should significantly expand and develop its Voluntary Agency Liaison staffing to better ensure the readiness and integration of the nonprofit sector into charitable response.

At a minimum, a review and evaluation of FEMA's staffing as it relates to the charitable sector is in order. The Voluntary Agency Liaison configuration, as it now stands, appears to be overextended and, as a result, increasingly ineffective. If kept, it should be expanded and populated with more staff in each regional office. If the federal response should better integrate the contributions of non-governmental organizations by encouraging more effective planning at the state and local level, as the White House review of FEMA's performance suggests,⁴⁰ the structure for providing support to those efforts must be significantly increased.

(6) FEMA should create more flexible funding sources designed specifically to support charitable organizations; it is imperative that they change standing policy to support general operating costs incurred by organizations when acting outside of their normal mission to provide necessary relief.

The funding mechanisms currently in place also do little to support a broad array of organizations that might be necessary to meet the needs of crisis victims. This would likely require significant policy change, but if the response architecture is going to rely upon the sector to take care of human needs, it must also provide the requisite support for helping the organizations do the job well. An initial step would be to design straightforward processes to provide funding to organizations that step up in a crisis, even without a previous agreement to do so. It is imperative, in order to capitalize on the sector's strengths without weakening its future health, to provide funding for increases in capacity — the labor, materials, and services provided outside an agency's normal mission when the crisis arises. One simple step in this direction would be to allow nonprofit and faith-based groups the opportunity to apply for the same "economic injury" loans that for-profit companies are currently offered.

Neither of these will be possible without firm advocacy within FEMA itself about the value and worth of the charitable sector during emergency response. The passage of such proposals would represent a fairly insignificant amount in FEMA's overall budget. A first important step, perhaps, would be to create a higher-ranking director-level position responsible for integrating the activities of the broader charitable sector into the agency's planning; that could go a long way toward affirming the expanding role that the sector continues to play.

⁴⁰ The Federal Response to Hurricane Katrina: Lessons Learned.

V: The Philanthropic Response

On August 21 and 22, 2005, the Louisiana Association of Nonprofit Organizations (LANO) hosted a previously planned meeting of the Louisiana Philanthropy Initiative in New Orleans, attended by the leaders of the state's major foundations. Among other things, on the agenda was a discussion to gauge interest level in creating a formal statewide network through which Louisiana's most active grantmakers would meet regularly to explore ways to work and learn together.

Noting the differences among their priorities, geographies, and manners of working, the participants struggled to envision the value in creating such a network. They ended the meeting deciding not to pursue it.

Three days later the levees broke in New Orleans, and they were left with no choice *but* to work together. To their credit, for the most part they did so creatively and immediately, with significant aplomb.

Within days, for example, the Baton Rouge Area Foundation (BRAAF) had established special relief funds for the immediate human needs of evacuees and longer-term rebuilding efforts in New Orleans; called in the International Rescue Committee (IRC) to assess the area's shelters and draft grantmaking priorities and criteria; formed ad-hoc program teams comprised of foundation alumni (former staff and board members), representatives from other area foundations, and their own employees to visit local organizations and identify urgent needs for funding; and had set up a makeshift office for the evacuated staff of the Greater New Orleans Foundation.

Ten days after the storm, BRAAF made its initial grants, distributing \$669,794 to eight nonprofits,⁴¹ thereafter approving additional distributions every two weeks. These dollars were crucial to ramping up the capacity of local nonprofits and churches to respond to the sudden doubling of the city's population.

Local Foundations: Immediate and Innovative

Local funders along the Gulf Coast, trying to find ways to be as responsive as possible to the local charitable sector as it jumped to fill gaps in human services, found themselves working innovatively and creatively. Different cases had funders working through pooled collaborative funds, funding networks, and even making grants to individuals.

- **Collaborative Funds**

Within the context of a donor-advised fund, the Hurricane Katrina Displaced Residents Fund at BRAAF in essence acted as a local pooled funding collaborative. Two local private foundations, the Irene W. and CB Pennington Foundation and the Huey and Angelina Wilson Foundation, made \$1 million gifts to the fund, as did the

⁴¹ Baton Rouge Area Foundation/FoundationsforRecovery.org. "Grant Awards." September 8, 2005. <http://www.foundationsforrecovery.org/site/c.agLNI2OGKtF/b.1027567/k.9C14/Grants_Awarded.htm>.

Lamar Advertising Co., a locally-based publicly-traded business. Staff and board members associated with these grantmakers worked alongside BRAF's program staff on teams that were identifying potential grants, and representatives from all three funders became members of the steering committee that approved grant decisions.

This level of collaboration was forged early on, as leaders from each foundation sought each other out to partner together rather than act in isolation. The level of generosity of their contributions was unprecedented. The Wilson Foundation, for example, was not accustomed to making grants larger than \$75,000. The BRAF relief fund counted contributions from many outside donors (including a multimillion-dollar gift from the Hilton Foundation), but the area funders played an especially important role, providing local expertise and hands-on involvement that were invaluable in making the distribution process effective.

The Rapides Foundation, a healthcare conversion foundation in central Louisiana, also recognized that the scope of the disaster meant that its region's nonprofit and faith-based community was bound to respond. Wanting to make sure that evacuees received good care while at the same time protecting the future capacity of the local nonprofit sector, the foundation suspended its grantmaking policies and almost immediately made a \$1 million grant to the Central Louisiana United Way, creating the Central Louisiana Katrina Response Fund (later renamed the Central Louisiana Katrina/Rita Response Fund). The fund ultimately received \$180,000 in other contributions. The foundation also pledged \$500,000 to nine school districts to cover costs incurred by evacuee students.⁴²

Distributions were overseen by a panel of leaders from the community, with the foundation's vice president of programs, Allan Smart, participating as a member.⁴³ Grants were decided as often as twice weekly and were not restricted to United Way agencies; in fact many — the bulk under \$10,000 — went to local churches.⁴⁴ The foundation understood that this type of grantmaking carried higher risk than normal, yet concluded that the trade-off was necessary to ensure a healthy, vibrant nonprofit sector. It was the foundation's judgment that it had to provide leadership in immediate relief efforts, since remaining outside the fray to focus solely on its long-term goals might lead to a severely weakened nonprofit sector incapable of helping achieve them.⁴⁵

- **Funding Networks**

In Shreveport, a small city in the northwest corner of Louisiana, the Community Foundation of Shreveport-Bossier approached the situation a little differently.

⁴² Rapides Foundation. "Katrina/Rita: An American Tragedy Hits Home in Central Louisiana." *Health & Well-Being @ Issue*, Winter 2006.

⁴³ United Way of Central Louisiana. Katrina/Rita Response Funding Guidelines. <<http://www.uwcl.org/site/local/docs/Crisis%20Response%20Fund.pdf>>.

⁴⁴ United Way of Central Louisiana. Fund Summary: Central Louisiana Katrina/Rita Response Fund. May 1, 2006. <<http://www.uwcl.org/site/local/docs/fund2.pdf>>.

⁴⁵ Rapides Foundation. pp 3.

Though it too created a separate relief fund, Shreveport was almost absent from the public eye, even if the number of newcomers pouring into the region was as significant in relative terms. The Community Foundation suspected it would struggle to attract significant funds from outside the area.

When they encountered other local grantmakers creating their own relief funds and found some far-flung funders (including a community foundation and United Way in northern Colorado) interested in the region, staff at the Community Foundation decided to focus on coordinating the separate efforts rather than attempting to pool them together into one fund. They created an impromptu funding network, giving participating members equal access to information detailing the funding needs on the ground.

The Community Foundation worked in conjunction with staff from the local United Way to identify needs and vet organizations, using a common one-page application that made the solicitation as straightforward and quick as possible. As applications were received, they were distributed to members of the network, with particularly critical needs highlighted. Seventeen different funding entities ultimately participated, with approximately \$1.8 million distributed.

- **Grants to Individuals**

After much of its service area was devastated by the storm, Entergy Corp. approached the Foundation for the Mid-South (FMS), a regional grantmaker based in Jackson, MS, with a special request: create a fund that would support customers and employees impacted by the disaster. Seeded by an initial \$1 million gift from Entergy, FMS created the Power of Hope fund.

Making direct grants to individuals is not common for most foundations, and though it required dealing with complicated legal issues and requirements, FMS pursued it, surmising correctly that there would be shortfalls in the governmental and other resources available to affected people. The Power of Hope fund ultimately granted more than \$3.6 million to more than 4,000 individuals and families, and provided more than \$600,000 to 67 nonprofits that offered direct assistance.⁴⁶ To administer and evaluate the more than 30,000 applications, FMS trained local volunteer law school students to assist in the process.

- **Coordination**

Just two weeks into relief efforts, George Penick of the Foundation for the Mid-South convened most of the region's grantmakers at a meeting in Memphis, TN to share information on the details of their response and reflect on their particular community's circumstances. The meeting, with an invitation circulated via e-mail, grew to include interested national funders and had to be capped at 90 participants

⁴⁶ Foundation for the Mid-South. "Foundation for Mid-South and Entergy Wrap Up Power of Hope Fund." March 21, 2006. <http://www.fndmidsouth.org/news_latest_POHrecap.htm>

due to space limitations. The hunger to communicate with peers and learn about their plans for responding paralleled the impulse to coordinate felt by organizations responding in the field.

Outside groups, like the Council on Foundations and Southeastern Council on Foundations, became clearinghouses of up-to-date information, and affinity groups like Grantmakers in Aging and Neighborhood Funders Group provided their members with guidelines and funding opportunities to consider. The New York Regional Association of Grantmakers (NYRAG) formed a working group of its members interested in supporting the region, and ultimately created a 137-page resource guide for members interested in providing support.

Local foundations became important points of coordination for nonprofits. As organizations began to return to New Orleans, they began to share information and network at the Ashé Cultural Center. Their meetings later took on a formal structure with sponsorship by the GPOA Foundation. BRAF became a hub for many meetings and coordinating activities during the relief efforts in its area, and provided impromptu office space for the IRC and the newly formed Louisiana Family Recovery Corps.

General Charitable Contributions: Bottleneck

Such actions by local funders throughout the Gulf Coast region provided locally based nonprofits and faith-based organizations with desperately needed funds as they dealt with the aftermath of the storms. Most organizations had jumped to fill in the gaps without knowing where or how they would find the money to support their efforts. Implicitly, however, nonprofits hoped that donors would recognize the exceptional nature of the disaster and would respond accordingly.

In one sense, they were correct. By some estimations, the contributions that poured forth constituted the largest charitable response to a disaster in U.S. history. By November 2006, not even three months after the storm, \$2.96 billion had been donated.⁴⁷

Yet, as the LANO/Urban Institute study of Louisiana human service agencies in November and December 2005 indicated, about 40 percent of responding organizations had not received any new funding by then.⁴⁸ More than 70 percent of the donations that poured in during the relief phase went to support the American Red Cross, with significant portions going to other high-profile national responders like the Salvation Army and Second Harvest Food Bank.⁴⁹ So frustrating did this situation become – millions being donated, yet little of it reaching small- to medium-sized groups responding on the ground – that three weeks into the disaster LANO launched a “Give Local” media campaign to encourage donors to support the efforts of local nonprofits and churches.

⁴⁷ Lawrence, Steven. “Snapshot of Philanthropy’s Response to the Gulf Coast Hurricanes.” The Foundation Center. February 2006.

⁴⁸ Lampkin and Auer. Again, the study did not include churches, and similar data does not seem to be available for that part of the sector.

⁴⁹ *Washington Post*

Area organizations faced a number of challenges that made this situation understandable. First, many had no established platform or venue through which to make themselves known to donors outside Louisiana and Mississippi. Potential contributors had to work hard to find alternatives to the more high-profile national responders. For donors to uncover even the better-resourced local organizations — like the community foundations that created disaster-specific funds complete with specially designed websites and online contribution systems — required a certain amount of personal initiative. Organizations that were local affiliates of national organizations, such as the United Way, fared better, since their national counterparts helped in this regard, as did churches that had relationships with like-minded congregations in other parts of the country.

In addition, local agencies had little staff capacity to cultivate grants or donations — an “all hands on deck” mentality pervaded — and the overwhelming nature of the disaster made it difficult to articulate what they needed anyway. The American Red Cross was providing the highest level of services in its history, and its brand awareness and fundraising prowess provided little space for newcomers to enter the scene. Though many organizations reported getting new donations from individuals, companies, or churches,⁵⁰ they remained very anxious and doubtful about whether those donations would be enough to ensure their future health.

One particularly bright spot did emerge. Many organizations spoke appreciatively of the support of international humanitarian organizations, like Oxfam America, Mercy Corps, and Christian Reformed World Relief Committee (CRWRC), several of which began making grants overseen by staff placed in the area. Their personnel sought out local organizations and partners and proactively identified those doing important work, understanding that the ability of those organizations to solicit grants was limited by the circumstances. Even though most of the personnel were new to the area, their consistent presence allowed them to penetrate the chaotic circumstances and successfully identify effective local agencies and churches for support.

They also stayed keenly aware of the capacity needs of their partners. After seeking out the expertise of the Community Foundation of Arcadiana and BRAF to distribute \$5 million for mental health needs, as well as the healthcare needs of children affected by Katrina and Rita, Americares also awarded each community foundation \$75,000 to cover their indirect costs in identifying and awarding the grant money to the receiving organizations.

Outside Institutional Donors

More traditional institutional donors from outside the area also looked for ways to address the situation. Some with preexisting or past grantees in the region made good use of those relationships to act quickly and effectively. The Kellogg Foundation, for example, immediately granted \$1 million to Southern Mutual Help Association, an organization focused on community development and housing options that, because of its long presence in rural communities throughout southern Louisiana, became an important bridge to many isolated rural families. National foundations used the following helpful practices to great effect:

⁵⁰ Sixty percent of the responding organizations had reported receiving new funds by December; 85 percent of those reported receiving those contributions from individuals, companies, or churches. Open and Operating

- Providing new or additional funds to past grantees, sometimes in significant amounts, quickly and with little red tape;
- Turning grants previously restricted to a program or specific use into unrestricted funds, permitting the organization to apply them toward relief efforts or general operating expenses;
- Accelerating payments on planned multi-year grants so that money designated for future payments could be disbursed immediately;
- Vouching for an organization's credibility to their funding peers, or marketing the organization on its website or other materials, or providing access to other potential donors.

Finding ways to direct money to new organizations, especially during the relief phase to those who were local, would prove to be more complicated. Large private and independent foundations and corporate philanthropies traditionally view themselves as playing a more important role in the rebuilding phase after such a disaster. This lends itself better to their long-term perspective and deliberate decision-making processes. In this case, however, institutional donors did seem to reflect the exceptional nature of the disaster by setting aside funds quickly.

According to rough estimates compiled by the Foundation Center, by mid-November 2005 institutional donors had committed about \$490.2 million for relief and recovery, representing approximately 16 percent of the total private giving for the disaster, a share commensurate with the proportion of institutional giving in good times.⁵¹ By these estimates, foundation generosity had kept pace with the enormous altruism of the general public as the human tragedy of the storm unfolded.

How much of this funding found its way to local agencies and churches, especially to support direct relief efforts in the immediate aftermath, remains murky. Almost 40 percent went to three major national responders: the American Red Cross, Salvation Army, and America's Second Harvest. Another significant portion went to organizations inactive during the relief phase, like Habitat for Humanity; totaling the contributions to such organizations included in the list of only the top 15 overall recipients comprises another 13 percent of the \$490.2 million. More than \$22 million went to the Bush-Clinton Katrina Fund (see sidebar on page 34), which did not make any grants until December 2005 and decided to focus its funds on recovery and rebuilding efforts.⁵²

Thirty-five percent of the remaining institutional giving was still not assigned to specific recipients by mid-November 2005.⁵³ Further research will be necessary to show how much by now has reached – or will reach – small- to medium-sized agencies that found themselves in the thick of relief efforts immediately after the storm. Out of the 60 percent of Louisiana nonprofits that had reported receiving new donations in the LANO/Urban Institute survey by December, for example, 35 percent (about 55 organizations) reported receiving new funds from foundations –

⁵¹ Lawrence.

⁵² Lawrence.

⁵³ Lawrence.

but it is unclear whether those foundations were local or from outside the state.⁵⁴ Certainly some of the foundations that set aside their funds are interested in finding ways to rebuild the area's damaged nonprofit infrastructure, but that seems to have done little to calm the anxieties of organizations that now find themselves in financial straits, whether due to damage and/or the push to increase their level of services, the necessity of renewing their staff capacity, their lack of access to FEMA reimbursements, or anticipated shortfalls in state government funds.

While foundations and grantmakers on the ground made themselves indispensable by being pliable and adaptive in the storm's immediate aftermath, much of the general foundation community seemed to bank on old reliables: the national responders and setting their sights past the chaos of immediate human service delivery. Risk was likely a factor – in the confusion of a crisis situation, not all money will hit its intended targets, and the region's past history of corruption and cronyism probably added to the cautiousness. Yet the enormous intellectual and social capital of those donors appears to have been underutilized during a particularly tumultuous time, and it's hard to know what lingering effects those first couple of months will have on the charitable sector. Katrina may have been one instance when a quick injection of capital would have been just the right thing.

⁵⁴ Lampkin and Auer.

Lessons and Ideas

(7) Institutional donors should plan for quicker response during catastrophic events.

Hurricanes Katrina and Rita reemphasized the need for foundations to develop their own emergency preparedness plans. Such plans should incorporate best practices centered on restarting and maintaining operations as seamlessly and as quickly as possible, no matter how much damage to the business is sustained.

Focusing on business operations, however, is only a first step. It is as important to draft policies that govern the institution's ability to make decisions and use its funds innovatively and immediately when necessary. This involves identifying who needs to be involved in such decisions; how to find them; and what type of information may be necessary to support such quick-response.

This type of an emergency preparedness mindset makes disaster planning applicable to *all* foundations, not just those that view themselves potentially in harm's way. Having decision-making policies in place for exceptional circumstances can give foundations – even those far outside the affected area – the flexibility to support response efforts quickly and creatively.

Bill Somerville, director of the Peninsula Community Foundation during the 1989 San Francisco earthquake, suggests creating simple Memorandums of Understanding (MOUs) with local grantees, agreeing to reimburse them for exceptional expenses that accrue immediately, up to a certain amount (such as \$25,000-\$50,000), even if agency leaders must incur the costs on a personal credit card. This provides backup if the organizations need to act entrepreneurially.⁵⁵

(8) Foundations and corporate donors from outside the affected area can play a significant leadership role during immediate relief by partnering with local re-granting intermediaries.

In a case where so many small- to medium-sized nonprofits and churches are affected, either by increasing services or experiencing damage to their operations, institutional donors from outside the area might be relied upon to play a significant leadership role even in relief. Their knowledge of the nonprofit sector in general, and the access to important networks and resources that accompany their funds, can provide a leadership opportunity that has an immediate and uniquely informed impact. Seeking out and supporting a local re-granting institution, such as a community foundation or the United Way, that is assessing needs and designing effective strategies can connect donors immediately to events on the ground and ensure their capital is being used effectively. Such intermediaries will also be motivated to leverage the leadership potential of such donors, looking for ways to use the important networks and access to resources that accompany these types of partnerships.

The best sort of funds are unrestricted. Attempting to tie such contributions to particular populations or specific uses increases the associated overhead and can diminish the capacity to be as effective as possible in a relief setting.

⁵⁵ Curtis, Jody. "Trying to Rebuild a Better South." *Foundation News & Commentary*. March/April 2006: pp. 47.

Such a pairing concept also extends with good success to other types of organizations. Churches from around the country, for example, often found like-minded local churches with whom to partner successfully. Any type of service organization interested in assisting in the Gulf Coast region would do well to similarly identify a counterpart in the area and connect local expertise to national resources in this way.

(9) Establishing a consistent staff presence on the ground can help foundations quickly rebuild or broaden the capacity of local organizations and improve the effectiveness of their developing grant strategies.

Outside institutional donors might also learn much in this context from the successful experience of the international humanitarian agencies, many of which placed staff in the area for extended periods. Community needs, policy decisions, and public issues change quickly and contribute to an ever-shifting environment that is hard to grasp from afar or through irregular visits. A consistent presence can reduce risk and immeasurably increase the effectiveness of unfolding grant programs, providing an institutional funder with deeper inroads into the local nonprofit community, even if the primary interest is in the recovery and rebuilding stages.

One option is to provide loaned executives to local foundations in the immediate aftermath of the disaster. This could bring instant capacity to the affected area and provide the loaning foundation with sharp insight into the unfolding situation.

During Katrina, local foundations tended to be overwhelmed by the sudden ballooning needs in their areas. Many pointed to increased staff capacity as a particular necessity during the relief period; integrating experienced program executives from other foundations with their own staff would not only expand their coverage, but would provide access to new intellectual and social networks and resources. The work would not be for everyone: it would require long hours, intense pressure, and hurried decisions, sometimes with incomplete information. Successful candidates would possess a special sensitivity and commitment to deferring to local expertise, along with a willingness to stay for significant stretches – four to eight weeks in some cases.

Finding ways to have a person consistently on the ground in the disaster's early stages provides essential context and would likely significantly improve and accelerate program design and strategy, especially if paired with local expertise. Sharing a consultant who is willing to live or spend significant time in the region, housing an employee at a local foundation, or creating a small task force with rotating staff might all work given a particular situation.

(10) Ongoing coordination efforts have the potential to improve foundation responsiveness and effectiveness:

Though many foundations at the impromptu convening in Memphis in the disaster's early days found real value in meeting and sharing information, no ongoing coordination effort emerged. Foundations based or active in the region know about each other's activities mostly through informal communication. No centralized meta-strategy would ever work, and holding unproductive meetings could be doubly wasteful. Yet building an intentional learning network, if the proper balance was struck and/or technology used creatively, could still provide an important forum for ongoing foundation activities. Pooled collaborative funds around issues of

shared interest, if well-managed, also hold the potential for leveraging intellectual and other resources to a higher degree.

(11) Congress should create a special designation – to be invoked during exceptional disasters – that mandates the American Red Cross to contribute five percent of its overall fund raising to local grantmaking intermediaries for distribution to local nonprofits and faith-based groups.

The difficulty that local organizations confront in accessing funds during a high-profile disaster, even while contributions pour in from the general public, has given increasing momentum to the idea of creating a national grassroots fund or high-profile joint marketing effort. The hope is to provide donors an easy alternative during a crisis if they are interested in looking beyond the typical first-responders to give to local agencies. A grassroots relief fund, for example, would aim to raise and distribute funds specifically for locally based nonprofits and faith-based organizations during a crisis. A joint marketing effort might tie together and amplify the spontaneous type of marketing that foundations and other donors already do, highlighting local organizations that they have vetted and providing a stamp of approval.

Any such vehicle, however, would face an uphill climb to build the type of brand awareness, fundraising muscle, and public trust that the American Red Cross has established over its 125-year history. The American Red Cross represents, in essence, a highly successful centralized fundraising mechanism for disaster relief.

Disaster response, however, is a decentralized activity. And as Hurricanes Katrina and Rita seemed to demonstrate, a disaster of significant scope or breadth is too large for the Red Cross or any one organization to handle effectively. Building an organization big enough to handle relief for the most catastrophic events would appear to be the wrong strategy: the larger the disaster, the more likely it can be better addressed with the help of a network of local actors who can be relied upon to adapt and serve the nearest and most applicable human service needs.

The Red Cross has acknowledged as much with its pledge to “redouble efforts to develop partnerships, from faith-based and nonprofit groups to city officials and the business community.”⁵⁶ Partnerships are made real when money changes hands. The Red Cross has suggested that if local churches, for example, have their facilities pass prior inspection and their members participate in training and agree to operate under Red Cross protocols, they can be pre-certified to receive Red Cross support while providing shelter, including the potential for financial assistance. However, not all the organizations that responded during Katrina acted as shelters, nor would the Red Cross have had the capacity to pre-certify the multitude of those that did.

Though it would be an unprecedented and controversial step, Congress could create a special designation — to be invoked only in the event of an exceptional crisis — that would mandate the American Red Cross to contribute five percent of its overall fundraising for that disaster to locally based regrating agencies. This would recognize the wide range of roles that local

⁵⁶ American Red Cross. “American Red Cross Looks Back on Hurricane Katrina.” February 27, 2006. <https://www2.redcross.org/pressrelease/0,1077,0_314_5179,00.html>

organizations play in ensuring the best possible response on the ground and heighten the impact of private dollars.

Certainly there might be complications in such an arrangement. Choosing the breakdown of distributions to particular geographic areas could prove challenging. Ensuring that the money flows smoothly to the intermediaries as disaster relief unfolds would also require oversight.

It is also true that community foundations, United Ways, and similar grantmaking entities have varying levels of competency, capacity, and relationship with certain constituencies. Care must be taken to ensure that diverse populations would be well-served and all affected geographic regions covered. Recent efforts to identify giving traditions in underrepresented populations, such as those sponsored by New Ventures in Philanthropy and the Kellogg Foundation, could be consulted to ensure that minority and hard-to-reach populations are not left behind.

At the same time, this division of labor plays to each side's strengths. Such a payout formalizes the Red Cross pledge of partnership, doing so without adding substantial new abilities – similar to a grantmaker – needed to identify scores of local nonprofits and churches for support or making it prescient enough to execute Memorandums of Understanding with all the potential partners it might possibly need. Through a few well-placed local partnerships, it could rely upon the relationships and expertise that the re-granting institutions in the community already possess, ensuring support for the local network of nonprofits and faith-based organizations to ramp up capacity without anxiety for its future. By creating these partnerships at the local level, it would also ensure that money is closest to where it will be spent; attempting to funnel funds through national umbrella organizations adds the prospect of diluting the money's impact.

**SIDEBAR: The Bush-Clinton Katrina Fund and Statewide Disaster Foundations:
A Mash-Up of Politics and Private Philanthropy**

The widespread devastation wrought by Hurricane Katrina spurred an increasingly common phenomenon: political figures raising private funds to fill gaps not covered by government resources. Former presidents George H.W. Bush and Bill Clinton, fresh from successfully raising \$10 million for relief after the 2004 Indian Ocean tsunami, within days announced their intention to reprise their role on behalf of Katrina victims and funnel the money to independent funds created by the governors of Alabama, Mississippi, and Louisiana.

In contrast to their efforts after the tsunami, where the money raised was passed directly to organizations active in providing relief, the former presidents decided to create a stand-alone public charity – the Bush-Clinton Katrina Fund – with independent directors and staff to manage the administration of the funds and develop grantmaking procedures and priorities.

The different governors set about creating their own funds and raising money for them as well. In Louisiana, Gov. Kathleen Blanco convened a group of philanthropic experts from across the country to design the Louisiana Disaster Recovery Foundation with an emphasis on best practices of the field. On October 4, 2005 she named a group of community leaders from different storm-affected areas to serve as the board of directors, but the organization's initial

staffing depended on loaned philanthropic executives (of which I was one) from foundations mostly outside the state.

In Mississippi, Gov. Haley Barbour also created an independent foundation, quickly appointing a board of directors comprised of leaders from the state's financial institutions and an executive director with local ties but admittedly limited knowledge or experience of the nonprofit sector. In Alabama, using a model created by North Carolina and Florida after past disasters, Gov. Bob Riley created a victim's relief fund managed by the Governor's Office of Faith-Based and Community Initiatives, with the United Way of Alabama serving as the fiscal agent.

The funds represented an interesting amalgamation of politics and private philanthropy. The former presidents and the governors (except Riley) each created an autonomous public charity from the ground up, placing oversight in the hands of independent boards of directors who would act in apolitical fashion, yet the fundraising used networks and contacts created through their political relationships. Even with independent governance structures in place, local leaders speculated whether political reciprocity might have been a primary motivating factor for donors to the state funds, since political ties played such a central fundraising role.

The foundations also had a hard time creating a sense of independence from political influence in the minds of their potential grantees and allies. Nonprofit representatives commonly refer to both the Louisiana and Mississippi entities as the "governors' funds," and even Idealist.org, a commonly utilized nonprofit resource, lists the Bush-Clinton Katrina Fund as the "U.S. federal government's umbrella fundraising campaign for Gulf Coast hurricane relief efforts."⁵⁷

While the mission of the Alabama and Mississippi funds focused from the start on the recovery phase, the public messages of the Bush-Clinton and Louisiana funds mentioned the possibility of providing assistance for relief (the phrase "immediate assistance" was particularly highlighted on Louisiana's original website). Louisiana came closest, granting \$2.5 million to community foundations and others in December 2005 to support local organizations that were active in relief. Yet since the fundraising occurred during the height of the relief efforts (usually the best time to attract resources), some local leaders bristled, feeling as though they were faced with additional fundraising competition at a time when the human service need was still great and they were intent on getting money on the ground quickly. The Bush-Clinton Katrina Fund ultimately raised \$117 million; without Bush-Clinton Katrina Fund support, the Louisiana foundation had raised about \$15 million by January 2006, and the Mississippi fund ultimately \$18.5 million.

No matter their intention, none of the funds was able to move very fast. Both the Bush-Clinton Katrina Fund and the Louisiana Disaster Recovery Foundation experienced leadership turnover when their original chairs, Don Powell and Norman Francis, respectively, were tapped for other important positions – Powell by President Bush as the coordinator of federal recovery efforts for the area, Francis as chair of the Louisiana Recovery Authority, created to manage the flow of government funds to support the state's rebuilding. This exacerbated the difficulty of creating a

⁵⁷ Idealist.org. "Disaster Response Resources, Hurricanes Katrina and Rita."
<<http://www.idealists.org/disaster.html>>.

stand-alone organization quickly enough during a crisis to attend to that crisis. As of June 2006, Mississippi had yet to make a grant.

Ultimately, the staff and directors of the Bush-Clinton Katrina Fund created a set of priorities that extended beyond the initial indications that the fund would provide unrestricted resources to the statewide funds created by the governors. By May 2006, the fund had allocated \$30 million to higher-education institutions; \$20 million to faith-based institutions; and \$40 million to the three state funds, though restricted to housing and small business development. The remaining funds were being distributed directly to other service organizations. While the fundraising efforts and concern for the region were lauded, some questioned whether setting such priorities might have been better left for local representation.

VI: Concluding Remarks

Relationships matter. Personal and pre-existing relationships among local nonprofit, foundation, and religious leaders played a significant role in their ability to assess the situation quickly and to act flexibly to fill human service needs in the midst of a chaotic situation. Their response had its inadequacies; the human service infrastructure in both states prior to Katrina had its weaknesses, and the damage sustained by organizations in the affected areas diminished it further. But such inadequacies also had their roots in the lack of a coherent organizing structure, and the ability of local organizations to overcome this and provide for the well-being of victims with qualified success proved the value of their local relationships, knowledge, and connection to the community. Any attempt to connect the local to the national through a coordinating entity should facilitate these strengths rather than try to supersede them.

By the same token, government and the general public should not hold unreasonable expectations of the sector.⁵⁸ Local nonprofits and faith-based agencies have their limitations and perform best when integrated with an effective government response. Most importantly, even though many of these organizations depend upon volunteer labor and in-kind donations, their services incur operating costs – staffing and materials – that are crucial to their ability to leverage these resources for maximum impact. Providing the necessary technical assistance and financial support to build the capacity of these organizations will prove more cost-effective in the long run than restricting relief funds from paying for management expenses.

Resources matter. Getting money and professional resources as close to the ground as possible in a situation where the local sector is being so taxed can increase its impact and enhance its future sustainability. Using local intermediaries and finding local partners will guide those resources to effective use and help rebuild the capacity of the sector even while relief is underway.

The network of small locally based nonprofits and faith-based groups in Louisiana and Mississippi, though not particularly robust before the storms, performed commendably during the most exceptional of disasters. In many ways they continue to feel the lingering effects and worry about their ability to survive and thrive. The Acadiana Outreach Center, a program serving the homeless and poor in crisis in Lafayette, LA, became active during the relief phase and has created a program to serve the 27,000 displaced residents in its service area by hiring evacuees to help other evacuees. The organization has doubled its staff and is now faced with raising an additional \$1 million over the next year, without sure prospects in sight. Theirs is just one of many stories throughout the region.

Pastor Bruce, who performed so heroically in the immediate aftermath of Katrina, finds his own organization limping. With the St. Bernard's housing complex still closed and most of his former program participants gone, and with his own facilities damaged, he has struggled to find support to repair them and to shift his programmatic activities to the current needs in the

⁵⁸ For a well-rounded discussion of the expectations that different audiences hold of the sector, see: Fremont-Smith, Marion, Elizabeth Boris, and Eugene Steuerle. "Charities' Response to Disasters: Expectations and Realities." *After Katrina: Public Expectation and Charities' Response*. Ed. Elizabeth Boris and Eugene Steuerle. The Urban Institute. May 2006.

neighborhood. By April 2006, he had received small grants from two local foundations, the GPOA Foundation and the Greater New Orleans Foundation (through the disaster relief funds made available by the Louisiana Disaster Recovery Foundation). He distrusts FEMA and doesn't anticipate receiving their help. He remains optimistic, and checks the sunflowers in front of his church to see if they have bloomed, because that will indicate the soil is back to normal.

