

After **KATRINA**



Rebuilding Opportunity
and Equity into the
New New Orleans



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New New Orleans

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Foreword

In the months since Hurricane Katrina devastated New Orleans, shock has given way to deep concern about what to do now, next, and down the road to bring back this unique city to social, cultural and economic health. Many of New Orleans' problems, which—to varying degrees—afflict other U.S. central cities, predated the storm. Widespread poverty, a failing public education system, low wages, and a weak tax base are just some.

The first challenge in bringing back the city is taking account of the unprecedented magnitude of the upheaval caused by the compounded pre-existing and storm-related problems. The second, feckless without the first, is seizing opportunities to make New Orleans more livable and equitable than it was before the disaster. This must involve applying useful knowledge and experience from other cities at other times. Because researchers at the Urban Institute are equipped to do both and eager to help decisionmakers and citizens integrate and sort through their options, we have produced this essay collection.

In *After Katrina: Rebuilding Opportunity and Equity into the New New Orleans*, urbanists, health and labor economists, education and housing experts, and other Urban Institute researchers chart paths out of the immediate emergency situation with proposals for rebuilding the social infrastructure of New Orleans. That alone is a tall order. This collection is not a comprehensive blueprint for a comeback, and we don't assume that the issues we haven't covered except in passing—the city's changing economic base, engineering challenges, and environmental concerns, for instance—are less important than those we analyzed in depth. We have stuck to what we know and do best and worked hard to make sure that the recommendations we have offered for discussion complement each other and strike a workable balance between road-tested ideas and much-needed innovation. Also, we feared that the social infrastructure issues—how to build equity as well as opportunity into education, housing, employment, health, and the safety net in the new New Orleans—would get short shrift in the face of overwhelming demands of rebuilding the physical cityscape.

Research institutes can't drop all their other commitments to analyze unexpected events, even those as momentous as Katrina. But occasionally—as the Institute also did when urban violence crested in Los Angeles after the Rodney King incident—we make such timely analyses a priority and bypass slow-paced research funding cycles. In the case of Katrina, it was the least and most we could do.

Robert D. Reischauer
President

Pre-Katrina New Orleans: The Backdrop

A decent provision for the poor is the true test of civilization.

Dr. Samuel Johnson, 1770

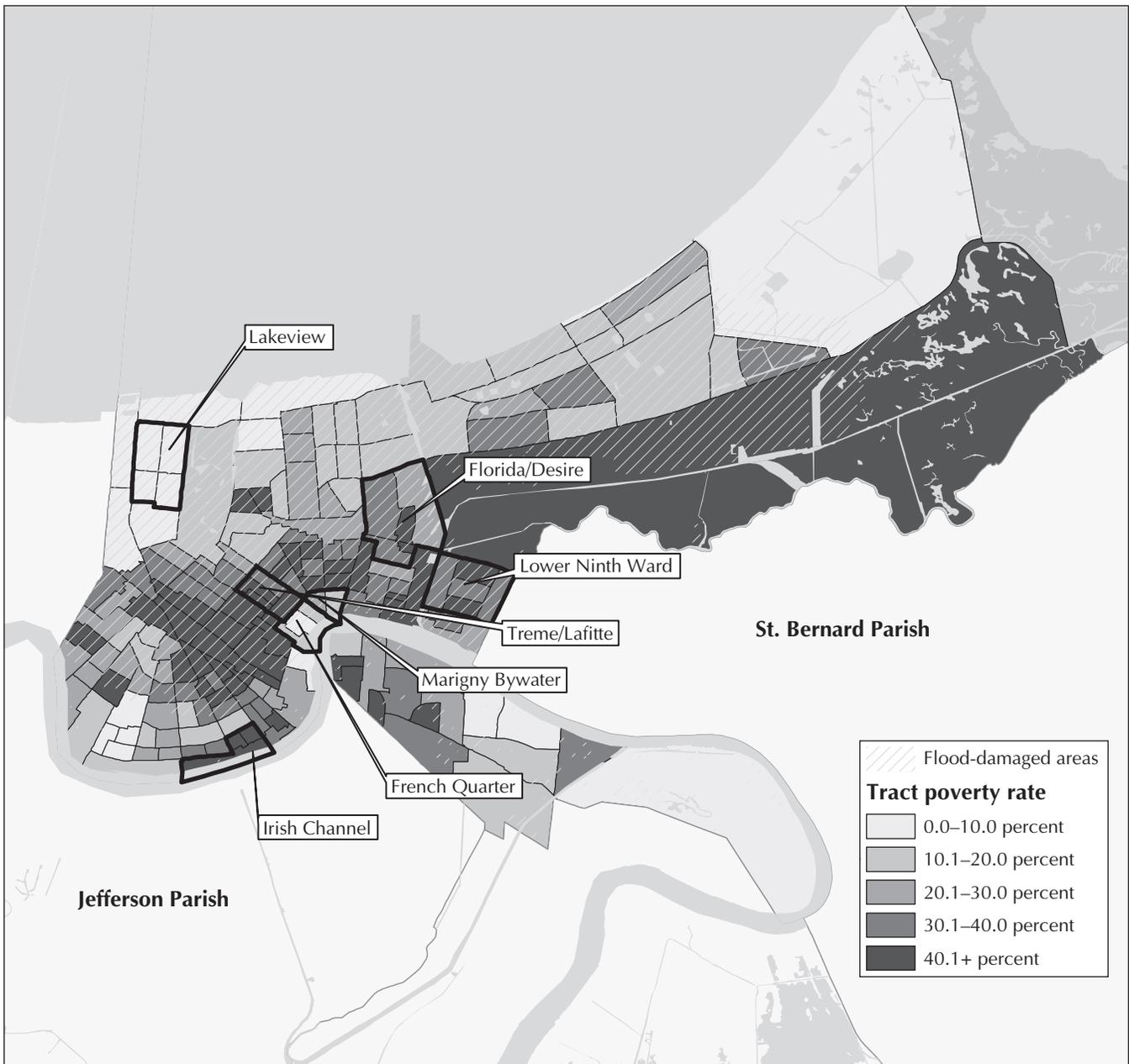
Katrina struck one of America's most unique cities—a cultural mecca with a rich heritage of music, architecture, language, food, and celebration that drew tourists from around the world. New Orleans also was one of the poorest cities in the United States with a high poverty rate, a weak employment sector, and failing schools. Combined, this vital cultural heritage and deep poverty make rebuilding a compelling, yet difficult challenge.

While Katrina affected a wide area along the Gulf Coast, including parts of Louisiana, Mississippi, and Alabama, New Orleans withstood the greatest damage. Floodwaters caused by failed levees destroyed the majority of housing in New Orleans and uprooted over 80 percent of its 450,000 citizens.¹ Some of New Orleans' poorest communities suffered some of the worst devastation, including the Lower Ninth Ward and the Florida/Desire neighborhood (figure 1.1). Residents evacuated to other cities in Louisiana (Baton Rouge's population doubled shortly after the disaster), but also to Texas, Georgia, and ultimately, 44 states. Katrina destroyed thousands of homes, businesses, and jobs, along with many of the city's hospitals, schools, and other community assets.

Rebuilding will require multiple layers of government to cooperate, and perhaps not surprising, these layers of have diverging ideas about how to tackle reconstruction. State, local, and federal officials have launched overlapping initiatives to plan for New Orleans' recovery and rebuilding. Mayor Ray Nagin convened the Bring New Orleans Back Commission and invited an Urban Land Institute panel to help prepare rebuilding recommendations. Governor Kathleen Babineaux Blanco established the Louisiana Recovery Authority to develop planning principles to guide long-term recovery efforts, and Lieutenant Governor Mitch Landrieu and the Louisiana Department of Culture, Recreation and Tourism issued an action plan for revitalizing the state's tourism industry. President George W. Bush named a coordinator, Donald Powell, to oversee the federal role in the region's recovery and rebuilding activities.

Varying in scope and perspective, these various planning and redevelopment initiatives all acknowledge that the poorest residents of New Orleans (and of other hard-hit areas as well) face especially daunting challenges that could easily be overlooked in rebuilding. All the initiatives also reflect a commitment to rebuild a more equitable community based on greater access to opportunity for poor and vulnerable residents.

Figure 1.1 Orleans Parish Poverty Rates, 2000



Source: Geolytics Inc. and the Urban Institute (2000).

According to the Urban Land Institute, for example, “every citizen has a right to return to a safe city,” and low-income residents need affordable housing and decent-paying jobs. The Louisiana Recovery and Rebuilding Conference recommends “economic growth that benefits everyone” as a core policy goal, including “living wages and career tracks,” “high quality education at every level,” and “mixed-income . . . neighborhoods that foster diversity and social equity.”

Achieving these social goals may be the toughest challenge facing New Orleans. The task demands applying lessons learned elsewhere and finding solutions that relegate poverty and disadvantage to New Orleans’ past. This set of essays explores paths to achieve that goal. Each essay examines one dimension of the social infrastructure in New Orleans before Katrina—employment, housing, public schools, early childhood development, health care, arts

and culture, and safety net systems—and proposes principles for rebuilding that capitalize on lessons from recent research and experimentation.

The essays suggest ways to build skills and create job opportunities for low-wage workers, to rebuild housing and neighborhoods without segregating the poor, to replace the devastated public school system with one that fosters flexibility and accountability, to offer early childhood development opportunities to all families, to provide access to health care without overrelying on emergency and charity care, to restore the community-based artistic heritage of New Orleans, and to shore up the safety net—all while avoiding past mistakes. The final essay weaves the lessons across these domains into a framework for rebuilding the social infrastructure and consigning the visible poverty of pre-Katrina New Orleans to the history books.

The essays do not cover all aspects of the rebuilding process. The levees obviously must be rebuilt so that hurricanes no longer threaten New Orleans and business owners and families will have the confidence to reinvest in the city. Other aspects of New Orleans' physical infrastructure, such as its roads and bridges and its water and electrical systems, must be rebuilt and modernized. The essays also do not directly address business development. State and city officials currently are focusing on bringing tourism back to New Orleans. Before Katrina, the city hoped to attract a larger technology sector, and no doubt the city will look toward broadening its business base in the future.

Business development will be critical, but workers and families provide the ingredients for businesses to succeed. Families need jobs, housing, schools, early child care options, health care, a sense of community, and a safety net in case things do not work out as planned. These essays address each of these vital social components to rebuilding New Orleans.

No one knows what share of New Orleans' population eventually will return to the city. The Bring New Orleans Back Commission (2006) cites RAND Corporation estimates showing that the population will grow from its current post-Katrina level of 144,000 to 181,000 by September of this year and to just 247,000 by the end of 2008. Others are more pessimistic (Logan 2006). Population growth clearly will depend on how the city's physical and social infrastructure gets rebuilt. If families see opportunities back home, many will come back. Others will be drawn to a city with opportunity and equity across all segments of society. Rebuilding will take time and must begin with a framework for social cohesion along with bricks and mortar.

Pre-Katrina New Orleans

Pre-Katrina New Orleans faced many social challenges. The city was predominantly black with racial segregation rates among the highest in the South (Frey and Myers 2005). Most of its children were growing up in single-mother families and many were poor. Unemployment was higher than in most major cities, and jobs were concentrated in lower-wage industries. Its child poverty rate was the highest in the nation (Annie E. Casey Foundation 2005), and its general poverty rate ranked eighth among similarly sized cities across the country (Bureau of the Census 2004). As a result, New Orleans saw its employment and population decline over the past several decades. New Orleans' demographics, unemployment, and poverty help to explain the shocking pictures of hardship revealed by Katrina.

Demographics

While New Orleans' age distribution resembled that of Louisiana and the United States, its racial makeup differed substantially (table 1.1). The population of New Orleans was 68 percent black, compared with 32 percent of the population in Louisiana and only 12 percent in the United States.

New Orleans also was a city with many single adults living alone and with relatively few families with children. Adults living alone comprised 36 percent of the households in New Orleans, compared with 27 percent in Louisiana and the United States. Only one-quarter of the city's households had children under age 18, compared with about one-third of households in the state and the nation.

While families with children were less common in New Orleans than elsewhere, the composition of these families also differed from that of the rest of the state and the nation. Sixty-two percent of New Orleans' children lived with a single parent in 2004, compared with 43 percent of all children living in Louisiana, and just 31 percent of all children in the United States. The fertility rate among unmarried women was extremely high in New Orleans; 70 percent of all births in the past year were to unmarried women, compared with 47 percent in Louisiana and 29 percent in the United States.

Employment and Earnings

New Orleans also had a weak employment environment. The share of the city's adult population with jobs fell a full

Table 1.1 Demographics, 2004

	New Orleans	Louisiana	United States
Age (%)			
Children under 18	26	26	26
Adults 18–64	62	62	63
Adults 65+	11	11	12
Race (%)			
White	28	64	76
Black	68	32	12
Other	4	4	12
Total persons (thousands)	445	4,381	285,692
Family structure (%)			
Families with children ^a	24	34	34
Families without children ^a	33	34	33
Adults alone	36	27	27
Other, not in families ^b	7	5	6
Total households (thousands)	180	1,714	109,902
Children, by family status (%)			
Under age 6 with two parents	13	18	23
Under age 6 with one parent	22	16	10
Age 6–17 with two parents	26	39	46
Age 6–17 with one parent	40	27	21
Total children (thousands)	108	1,066	68,651
Fertility: Births in last 12 months to unmarried women (%)	70	47	29

Source: Bureau of the Census (2004).

^aChildren under 18.

^bIncludes group quarters.

6 percentage points below that for the United States. Only 55 percent of persons age 16 and older were working, compared with 61 percent of the comparable population across the U.S. (table 1.2). Both the share of adults that were unemployed and the share that were neither employed nor looking for work were higher in New Orleans than the average in the U.S. (table 1.2). The employment and education status of teens age 16 to 19 in New Orleans was a big concern. Fifteen percent of these teens were neither students nor high school graduates, and 13 percent were either unemployed or outside the labor force. In other words, 28 percent of teens in New Orleans lacked a high school education and were idle, compared with 17 percent of teens in Louisiana and 13 percent of all teens in the United States.

A relatively high share of employed adults were self-employed in New Orleans, probably because the city has so many freelance musicians and artists (10 percent, compared with 6 and 7 percent of workers in Louisiana and

the U.S., respectively). Also, a disproportionately high share of jobs in New Orleans was in the arts, entertainment, and food industries (13 percent, compared with 9 percent of employment in the U.S.), reflecting the city's strong tourism industry.

Relatively low earnings among workers and the prevalence of single-parent families with only one earner kept family incomes in New Orleans low. Median annual earnings (\$21,850) were about 18 percent below the national average in 2004 (table 1.2). The high proportion of nonunionized workers in low-wage service jobs facing a federal minimum wage setback in 1997 also depressed earnings.² Louisiana is one of the few states in the country without a minimum wage law. In 2002, the city of New Orleans passed an across-the-board minimum wage of \$6.15, but it was struck down by Louisiana's courts before it took effect.

Total family income in New Orleans was only 67 percent of that for the U.S. (\$36,465 compared with \$53,692),

Table 1.2 Employment and Earnings, 2004

	New Orleans	Louisiana	United States
Work status, persons 16+ (%)			
Employed	55	57	61
Unemployed	7	5	5
Not in labor force	37	37	34
Total, persons 16+ (thousands)	340	3,358	220,794
Teens, age 16–19 (%)			
Not in school and did not graduate	15	10	8
Unemployed or not in labor force	13	7	5
Total, age 16–19 (thousands)	25	260	14,932
Employed population, 16+ (%)			
Class of worker			
Private	72	75	78
Government	18	18	15
Self-employed	10	6	7
Industry			
Construction/Manufacturing	9	16	19
Trade	15	16	16
Transport/Utilities	6	5	5
Information/Scientific	10	8	10
Education/Health/Social Service	22	23	20
Arts/Entertainment/Food	13	10	9
Other, including public administration	6	6	5
Total employed (thousands)	188	1,919	134,260
Median earnings in past 12 months (\$)	21,850	23,160	26,690
Median family income in past 12 months (\$)			
Total	36,465	42,890	53,690
With children	30,110	39,040	51,790
Without children	41,440	46,310	55,370

Source: Bureau of the Census (2004).

and total family income for families with children was only 58 percent of the U.S. average (\$30,112 compared with \$51,787).

Poverty and Economic Hardship

The high prevalence of single-parent families coupled with weak employment and low family incomes help to explain the city's high poverty rates. Thirty-eight percent of children under age 18 lived in poverty in New Orleans, twice the national average, in 2003 (table 1.3). Over one-third of blacks were poor, compared with one-quarter of blacks across the United States. The poverty rate for those in the "other" race category (primarily Asians and Indians) also was considerably higher than in the United States (26 percent compared with 16 percent).

Poverty was highly concentrated geographically in New Orleans (table 1.3). Twenty-eight percent of the city's census tracts (relatively small statistical subdivisions of 2,500 to 8,000 residents each) had poverty rates above 30 percent. In these high-poverty communities, the average household income barely exceeded \$20,000, four of every five children were being raised in single-parent families, and two in five working-age adults were jobless. Almost half of poor households in New Orleans lived in these high-poverty tracts.

Not surprisingly, widespread poverty also meant that families had comparatively few assets (table 1.4). Less than half of households in New Orleans owned their homes, compared with two-thirds of all households in Louisiana and the United States. However, in some of the city's poorest neighborhoods—such as the Lower Ninth Ward—

Table 1.3 Poverty and Economic Hardship

	New Orleans	Louisiana	United States
Poverty, 2003 (%)			
Children under 18	38	30	18
Adults 18–64	18	16	9
Adults 65+	20	15	10
All	23	19	13

Source: Bureau of the Census (2004).

	New Orleans	Louisiana	United States
Poverty, 1999 (%)			
Whites	11	11	9
Blacks	35	37	25
Other	26	22	16

Source: Bureau of the Census (2000).

	New Orleans MSA	Comparable Southern MSAs
Household poverty concentration, 1999 (%)		
Percent of Census high-poverty tracts ^a	28	12
Percent of population in high-poverty tracts	21	7
Percent of poor in high-poverty tracts	45	25

Source: GeoLytics Inc. and the Urban Institute (2000).

MSA = metropolitan statistical area

^aTracts with 30 percent of pool in poverty.

Table 1.4 Indicators of Economic Well-Being

	New Orleans	Louisiana	United States
Housing			
Own (%)	47	66	67
Rent (%)	53	34	33
Paying 35% of income for rent	41	35	36
Housing units built before 1950 (%)	45	14	21
Median housing value (\$)	131,380	95,910	151,366
No car available (%)	21	10	9
No phone service (%)	8	7	4

Source: Bureau of the Census (2004).

	New Orleans Parish	Louisiana
Low-income families with children (%)		
Food insecure with hunger	21	17
Food insecure without hunger	25	23
Do not own car	43	19

Source: Maximus (2002).

homeownership rates were high (over 60 percent), with many low-income African American households owning their homes free and clear. Many of these homes had been passed down through generations. New Orleans' housing stock was relatively old: 45 percent of all housing units were built before 1950, compared with 21 percent of housing units in the U.S.

Other indicators further highlight the high level of disadvantage among New Orleans families. One in five had no car, twice the national average. Eight percent had no phone service, double the national average of 4 percent.

Many low-income households faced housing costs that are considered unaffordable by national standards. Specifically, 41 percent paid 35 percent or more of their monthly incomes for housing, compared with 36 percent of families nationwide. A survey of low-income families with children completed in 2002 provides some further indicators of economic hardship in New Orleans (Maximus 2002).³ One in five families in this survey reported food insecurity with hunger in 2002, and another quarter of families reported food insecurity alone.

Implications

These stark statistics demonstrate the relative deprivation among New Orleans' families and explain why it was so hard for so many to evacuate the city. Katrina hit one of the poorest cities in the U.S.

As the essays in this volume explain, the poverty observed in pre-Katrina New Orleans arose from failing housing, education, health care, and safety net systems. Low-income families, mostly African American, lived in segregated neighborhoods with high crime rates and dilapidated housing. The city's public housing authority was in receivership. Most young children were growing up with only one parent and few social supports to counter the deficits in school readiness and health that arise from growing up in poverty. The public school system, among the nation's worst, failed to educate the city's children. The lack of education, in turn, led to high dropout rates and adults with limited earning power. The health care system in a city and state with high rates of uninsured relied on a fragile network of public hospitals and clinics to deliver primary health care. The safety net for poor elderly, disabled, and single-parent families outside the labor market provided minimal cash assistance with few opportunities to rise above reliance on government help.

Vibrant arts and culture in New Orleans shined the one bright beacon on an otherwise depressed landscape for low-income families. Indeed, many of the cultural prac-

tices and traditions that made New Orleans famous can be traced back to the city's poorest citizens and their ancestors. Arts and culture were key to New Orleans' unique character, tourist appeal, and economic viability.

Some of the government and private redevelopment money flowing into New Orleans should be used to help the city outgrow its legacy of poverty and deprivation. New investment provides an opportunity to rebuild housing, schools, and health care to meet the needs of families at all income levels. New kinds of training and employment opportunities for low-wage workers should also be part of redevelopment. The city, with support from the state of Louisiana, must also rethink the safety net, viewing it as an integrated set of opportunities and supports to help families move out of poverty. In the new New Orleans, the important contributions of generations of African American families to arts and culture could be recognized too. The essays in this volume outline ways to rebuild the social structure of New Orleans that will welcome all evacuees home again and will encourage others seeking an economically and socially diverse environment to join them.

Notes

1. Estimates showed that about 75,000 remained in New Orleans immediately after the devastation.
2. Employers are required to pay only \$2.13 per hour for workers who receive tips, as long as the tips make up the difference between the hourly rate and the federal minimum wage.
3. We define low-income families as having incomes below 200 percent of the federal poverty level.

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Employment Issues and Challenges in Post-Katrina New Orleans

In Hurricane Katrina's aftermath, several hundred thousand former residents of New Orleans and the Gulf Coast lost their jobs. No doubt, many of these people have already or will soon find new jobs on their own, either in New Orleans or elsewhere. But others will need help managing their transitions back to the labor market. If the rebuilding of New Orleans is undergirded by sound labor market policies, many could upgrade their skills, obtain better jobs, and raise their incomes.

Many New Orleanians had trouble becoming and remaining employed before Katrina. As of 2004, the city's unemployment rate stood at nearly 12 percent, over twice the national rate. While blacks represent over two-thirds of residents of New Orleans, the overall city unemployment rate was 20 percent higher than the national unemployment rate of all black workers. Poverty rates of individuals in the city (at 23 percent) were 10 percentage points higher than the national average in 2004, and median family incomes were only two-thirds of the national average (Bureau of the Census 2005).

The precarious employment status of New Orleans residents before the storm at least partly reflected their limited educational attainment and cognitive skills (Glaeser 2005) and the concentration of jobs in lower-wage industries. For example, nearly 13 percent of workers in the city of New Orleans were employed in the relatively low-wage food and accommodations industry, compared with only 9 percent of all workers nationally. Total service jobs represented 26 percent of all jobs and paid an average of only \$8.30 per hour. At least partly, these figures reflect low wages in New Orleans' tourist trade.¹ As of December 2004, wage rates paid in New Orleans averaged \$16.76 per hour, about 7 percent below the national average and 18 percent below the \$20.39 average paid in Houston (but about 10 percent above the average paid in Mobile, Alabama). Industries such as shipping and oil and gas extraction, fixtures of the New Orleans employment scene that pay above-average wages, accounted for relatively little employment when the storm hit (Glaeser 2005).

Other factors probably reinforced the effects of poor skills and low-paying jobs for New Orleanians. For instance, racial segregation in the New Orleans metropolitan area was among the highest in the South in the 2000 Census (Frey and Myers 2005).² Residential segregation by race is usually associated with low levels of employment and earnings among blacks (e.g., Cutler and Glaeser 1997). And rates of crime and drug abuse in New Orleans were among the nation's highest as well. Indeed, even compared to other

large American cities, New Orleans was a city with declining employment and population over the past several decades.

Obviously, the labor market *disadvantages* that New Orleans residents experienced before Katrina are now compounded by *job displacement*. Typically, most workers return to employment after being involuntarily displaced from their jobs, but sometimes after long spells of joblessness and usually with a significant loss in wages. Average displaced workers lose 15 to 20 percent of prior earnings once reemployed—commonly more if they are older or less educated (e.g., Jacobson, LaLonde, and Sullivan 1993, 2005; Kletzer 1998).

But the massive displacement of workers from New Orleans is quite atypical. Huge numbers of people have lost their jobs, and much of the social and physical infrastructure on which labor markets are based—including neighborhoods (with their information networks), transportation systems for commuters, and schools—has been damaged or destroyed. And the *residential displacement* of up to 1.5 million people (Louisiana Recovery Authority 2005) intensifies the difficulties associated with job displacement alone.

The twin problems of labor market disadvantage and job/residential displacement pose serious challenges for former New Orleans residents, regardless of their current and future locations. Still, sensible labor market policies might alleviate some of the recent losses workers have suffered and perhaps ultimately improve their pre-Katrina job status. The opportunities resulting from reconstruction may be especially valuable in upgrading many workers' skills. Indeed, successful labor market interventions to help former and returning New Orleans workers could spur attempts to remedy labor market displacement or disadvantages.

Below we review some of the short- and longer-term challenges and uncertainties involved in tackling labor market issues in rebuilding New Orleans. These are presented along with some policy proposals for addressing them. The needs of those returning to New Orleans are considered, along with those of working-age adults who chose to remain or who chose to go elsewhere.

We will argue that, for fairly modest public expenditures, the labor market disadvantages of many current and former residents can be addressed, and their long-term employment outcomes improved.

The Post-Katrina Labor Market: Uncertainties and Challenges

Developing sensible responses to any policy problem usually requires a sense of the nature and magnitude of important underlying trends in the area. But, in New Orleans' case,

many of the most basic parameters of the city's new labor market remain highly uncertain.

- *How many and which workers and their families who have left New Orleans will return?* Presumably, the answer will depend on such individual factors as the strength of family ties, the return migration decisions of other family members, the extent of damage to their homes, and whether those homes were owned or rented. The overall pace and magnitude of the recovery effort will no doubt influence individual decisions as well.
- *What percentage of workers who return will ultimately be able to get their former jobs back, and when?* For many individuals, the return decision will be based on the availability of their previous jobs or new ones; but job availability will itself depend on the regeneration of the local population and economy. Workers' incentives to take new jobs will also be limited for those receiving Unemployment Insurance (UI)—or Disaster Unemployment Assistance for the self-employed—at least for the six months that eligible workers can receive these payments.
- *How will the employment needs of these workers differ between the short and longer terms?* Will tens of thousands of public-sector jobs be needed in the short run if the returning population begins to outpace job generation? And if private job availability grows over the longer run, what additional supports and services will be needed for local residents to get these jobs, especially those that pay somewhat higher wages?
- *How will displaced workers' labor market difficulties vary by group?* Will the need for assistance be much greater for those returning to New Orleans than for those remaining in other areas? And how will the needs of middle-class displaced workers differ from those of residents who were disadvantaged to begin with?

One key uncertainty is the level of public and private job creation needed to reduce the unemployment generated by Katrina. The labor force of the New Orleans and Biloxi metropolitan areas was about 750,000 in August 2005. According to the U.S. Department of Labor, over 500,000 individuals have already filed new Unemployment Insurance claims as a result of Katrina. Replacing jobs for all of them would require the equivalent of more than three months of healthy job creation for the entire country.

Fortunately, new Bureau of Labor Statistics (BLS) data from November 2005 reveal that the task may be less daunting.³ BLS counted nearly 900,000 people of working age (16 and over) who at least temporarily evacuated their homes because of Katrina but were not in shelters or hotels. Of

these, about 442,000 had returned home by November. Not surprisingly, unemployment (at 27.8 percent) was much more common for the group still displaced than for those who had returned (at 12.5 percent) in November. The overall employment-to-population ratio for the evacuees was about 44 percent at that time. By our calculations, about 169,000 jobs would be required to raise this displaced population's employment rate to the national average of about 63 percent.

A third figure, based on employment losses between August and November 2005 from the BLS payroll surveys, shows declines of about 30,000 jobs in Mississippi and about 200,000 jobs in Louisiana (Bureau of Labor Statistics 2005c). These figures would suggest a loss of 230,000 jobs in two directly affected states. Some jobs may have returned since then, and some who held these jobs may have found work elsewhere.

Ranging from about 169,000 to 500,000, estimates of the number of jobs needed in the short term vary greatly. We view 169,000 as conservative, since the BLS surveys might still have missed many potential workers in shelters or hotels, while 500,000 is an upper bound, since at least some individuals filing for UI might have already gone back to work.

Ironically, the high level of unemployment among current and former New Orleans residents seems to coexist with a high job-vacancy rate in the city. To date, relatively few workers have returned to New Orleans, despite the high number of job openings there now (Roig-Franzia and Connolly 2005). Much of the available low-wage labor seems to be provided by immigrants. The short supplies and high costs of available housing probably deter many former residents from returning. The daunting nature of the incipient cleanup and the slow pace at which schools have been reopened and utilities fully restored have no doubt compounded these problems. Uncertainty about federal support for rebuilding, especially for reconstructing and fortifying the levees that protect the city, further slows the return of both workers and jobs. And the wisdom of investing large sums in a city that was already declining and that remains vulnerable to future storms has been widely challenged (Glaeser 2005; Hahn 2005).

Even if the rebuilding were faster paced, employment recovery in New Orleans would be limited by some characteristics of the U.S. workforce policy system—at the local, state, and federal levels. Our U.S. public workforce system is funded and organized mainly through the Workforce Investment Act (WIA). Funding across WIA's three streams—for displaced workers, adult workers, and youth—totals over \$3 billion per year. Local Workforce Investment

Boards (or WIBs) allocate this money in response to local labor demand; local "One-Stop" offices provide services to workers, including Unemployment Insurance, job search, job counseling, and job training.

The WIA system is limited in the best of times and probably cannot meet New Orleans' daunting challenges. Its institutional capacity and funding are so limited that it would take all funds available for all displaced workers nationally—roughly \$1.5 billion—to provide about \$5,000 worth of employment and training services to each of the Gulf region's several hundred thousand displaced workers. Funding aside, the system has been plagued by limited worker participation and limited employer knowledge and interest (O'Leary, Straits, and Wandner 2004).

More important, how can a system organized around local labor markets deal effectively with the special situations in New Orleans, Biloxi, and other Gulf Coast areas? The jurisdictional issues are problematic. The New Orleans WIB and One-Stop centers are at best in operational straits right now, and much of their former workforce has left town. Meanwhile, One-Stops in Baton Rouge, Houston, and other cities remain viable, but their funds can't be stretched to cover the large numbers of Katrina refugees. These systems are likely to be overwhelmed by those in need and unable to coordinate services in the many storm-tossed local jurisdictions.

These uncertainties and limitations must be kept in mind by those considering policy options, both for the shorter and longer terms.

Policy Approaches for Different Types of Employment Problems

Dealing effectively with the problems of worker displacement and disadvantage in post-Katrina New Orleans requires reviewing what is known about cost-effective approaches to employment and training programs.

For displaced workers, job search assistance has generally proven to be helpful and cost effective (Kletzer 1998). The evidence on job training for this population is somewhat more mixed, but some community college programs have yielded high social rates of return, especially for jobs in nursing and other high-demand fields (Jacobson et al. 2005).

For the disadvantaged, job placement assistance from labor market intermediaries, such as "temp" agencies, can cost-effectively improve access to available jobs, especially those paying above-average wages (Andersson, Holzer, and Lane 2005).⁴ Public service employment can raise short-term employment for groups with the weakest job prospects and can have long-term impacts on earnings when combined

with significant work supports (as in the Supported Work program for welfare recipients—see Gottschalk 1998 and Ellwood and Welty 2000).

Remedial education and job training have generally been more effective for some disadvantaged groups, such as low-income adult women, than for others (especially youth). But the type of training matters too, with community college-based credentials and links to the local labor market appearing the most effective (Holzer and Martinson 2005). Various kinds of private-sector training—including apprenticeships and sectoral programs—are also promising (Conway and Rademacher 2004; Lerman 2005).

Over the longer term, employment opportunities depend not only on workers' skills but also on the nature and quality of jobs available in any locality, as well as on the access of less-educated workers to these jobs (Andersson et al. 2005). And worker access depends at least partly on the location of housing relative to jobs and on transportation and information networks that link the two (Ihlanfeldt and Sjoquist 1998).

Given these findings, efforts to help workers displaced because of Katrina should include the following mechanisms:

- job placement assistance, through public or private intermediaries;
- publicly funded employment, along with apprenticeships;
- education and training efforts more broadly;
- economic development activities that address the long-run quality of jobs as well as workers' skill levels; and
- coordination of employment, housing, and transportation initiatives.

Short-Term Options

At least initially, the effort to improve employment among former New Orleans residents should focus on placing them in jobs—especially in open private-sector jobs or in new cleanup and rebuilding jobs. As experience to date in New Orleans shows, some attention must be paid to housing and transportation as well, even in the short term.

Job Placement Assistance: The Role of Intermediaries

Special efforts to help link workers and available jobs, both in New Orleans and elsewhere, can be fairly quick and low cost. While worker interest in low-wage cleanup efforts might be minimal (perhaps one reason why immigrants have done most of this work so far), higher-wage jobs in cleaning up and rebuilding should be made accessible to

former New Orleans residents, *regardless of where they are currently located*.

Given the limited geographic reach of local One-Stop offices, temps or other intermediaries might be needed to reach displaced workers and to link them to available jobs. These intermediaries are especially important given the disruption of informal job networks and other private activities that usually match workers to jobs; and they will be particularly valuable to less-educated and lower-income displaced workers, whose knowledge of the labor market and transportation options might be particularly limited. Intermediaries skilled at communicating with employers and understanding their needs might also be able to overcome the racial discrimination that low-income minority job-seekers might otherwise face.⁵

Furthermore, billions of private dollars will probably be spent cleaning up and rebuilding homes and businesses. At a minimum, public workforce boards should use private intermediaries aggressively to contact the private firms that will be doing much of this work. Beyond that, to the extent that public subsidies might help finance these efforts, requirements that current or former New Orleans residents be hired might be considered, as we discuss below.⁶ And, as the local private economy and employment begin to recover, active use of intermediaries to help place returning residents into jobs should continue.

Intermediaries also need to be funded and encouraged to help place those who stay in Houston, Baton Rouge, and other localities in better-paying jobs. So far, the U.S. Department of Labor has announced a partnership with Manpower Inc. to give workers access to services, either directly through Manpower or through various One-Stop offices, and to expand the number of job counselors providing one-on-one counseling to hurricane survivors.

Public Employment and Apprenticeships

Recovery funds—likely in the tens of billions of dollars counting private and public money—will soon be increasingly available for cleanup and early reconstruction. In the latest emergency supplemental request by President George W. Bush, nearly \$1.6 billion would go to the Department of Housing and Urban Development to restore housing units for low-income families and to build and repair basic neighborhood infrastructure, while \$2.4 billion would go to the Department of Transportation to repair and rebuild highways, air traffic control towers, and Maritime Administration assets.

Outlays of \$10 billion over the coming year for employment could supply 169,000 jobs paying \$40,000 in salary

and \$20,000 in other costs for a year. For this sum, the entire lower-bound estimate of lost jobs would be replaced in ways that contribute to the rebuilding process. Even if many of the workers taking such jobs hailed from outside New Orleans or Biloxi, this infusion of money should create local jobs in other occupations and industries.

To ensure that at least some of the cleanup and rebuilding jobs go to former residents of New Orleans, the federal government could offer incentives to promote their training and hiring by contractors—through some kind of tax credit for payroll expenses, for example—without generating huge delays. Or it could require private contractors who receive public funding to list job vacancies with workforce boards in the locales where workers will be needed. Quotas to fill some fixed percentages of these jobs with displaced workers are another approach,⁷ though removing barriers to hiring and training former residents may be preferable because it will provide more flexibility and more long-term improvements in their earnings.

Also, publicly funded temporary employment should be generated in sectors beyond those involved in the cleanup and rebuilding of the physical infrastructure. Basic social needs, such as child care and health services, must be met with public support in the short term. Many jobs with limited skill requirements will be created this way, and these should be made accessible to those now displaced in the manner described above.

The large number of construction jobs and other high- and medium-skill positions pose a significant opportunity both to provide short-term jobs and to give many workers valuable training and work experience. One option is helping employers expand apprenticeships: the valuable credentials earned this way can have lasting effects on workers' earning potential. Some modest added funding to the Department of Labor's Office of Apprenticeship Training, Employer, and Labor Services could yield significant dividends as staff help employers establish apprenticeships that parallel those in many current programs.

The public-funded reconstruction effort is the most obvious home for an apprenticeship program. The curriculum and standards developed by the National Center for Construction Education and Research (NCCER) might be used to encourage training during reconstruction. The NCCER curriculum is modular, allowing workers to transfer completed units to other programs throughout the country. Public dollars might subsidize the school-based component of learning in these programs as well as in traditional union apprenticeship programs.

Other initiatives to train disadvantaged workers can also be implemented in the short run. For instance, the

Department of Labor has already agreed to dedicate about 4,000 new slots to the well-respected and broadly successful Job Corps. In addition, the Department of Labor is providing more than \$100 million in additional funds to states to cover training and access to temporary jobs for workers affected by the hurricane.

A few other points deserve mention here. For one thing, many of the disadvantaged who will return to New Orleans suffer from multiple disadvantages. These include not just limited skills and work experience, but also—among low-income youth and adult men—criminal records. These men have great difficulty becoming employed, at least partly because employers fear that they might harm customers or coworkers and steal property. But those employed in publicly funded reconstruction jobs will pose little threat to public safety. Therefore, enterprises and agencies that receive public funding should not be able to discriminate against those with criminal records—and Equal Employment laws forbidding racial discrimination more generally should be very strictly enforced.⁸

Finally, the fact that housing cost and availability have already limited the supply of workers in New Orleans in the short run implies that housing policies must be part of any effort to promote employment in New Orleans, even in the near term (see Housing and Transportation below).

Longer-Term Options

Over the longer run, rebuilding New Orleans' labor market creates an opportunity for policymakers to upgrade returning New Orleanians' workforce skills and also to improve the quality of jobs available in the city. Coordination of employment initiatives with housing and transportation policies is also critical for ensuring that labor market opportunities are available to poor and minority residents.

Improving Worker Skills and Job Quality

Apprenticeship programs in construction and new Job Corps slots might be part of a larger initiative to upgrade the job skills of some disadvantaged workers in New Orleans, such as low-income youth and adults (Center for Law and Social Policy 2005; Pennington 2005). For young people, high-quality occupational training in high schools (through Career Academies, apprenticeships, and the like) and easier access to community colleges and other postsecondary schooling might make sense (Kazis 2005). For adults, key local sectors (e.g., health care) for job training could be targeted; more generally, local employers could be asked to develop training schemes and "career ladders" that permit

less-skilled workers to start working right away but have the chance at training and upward mobility (Holzer and Martinson 2005; Osterman 2005). Local One-Stop offices in New Orleans and other communities with large numbers of Katrina refugees would have to gather data on local job openings and communicate their findings to job seekers as well as training providers as part of any such reforms.

Earnings supplements and supports (like child care) will also be needed to assist workers trying to advance in the labor market. Reaching those once behind bars might require building education and training into prisoner “reentry” initiatives by linking recently released offenders with available programs and jobs, and helping them deal with their child-support obligations.⁹

Since low-income workers’ earnings depend heavily on the quality of available jobs and workers’ skills, some recent reports (e.g., Louisiana Economic Development Council 2004) have called on state and local government to attract and support the development of new skill-intensive industries in Louisiana. The extent to which such state and local economic development policies have been cost effective in the past remains unclear (Bartik 2003), along with whether any such effort now would succeed.

On the other hand, state and local governments in the Gulf region might do more to provide information and technical assistance to employers who try to upgrade the jobs they offer by providing career ladders and other advancement opportunities to less-educated workers. Government might also target tax credits for businesses offering incumbent worker training and various credentialing programs. Meanwhile, state and local WIBs could encourage cooperation and new institutional arrangements among training providers, local industry associations, and intermediaries. And rigorous evaluations of any such efforts should also be included.¹⁰

In this way, the rebuilding effort in New Orleans and the Gulf would become not only an opportunity to improve the long-run earnings capacity of disadvantaged residents there, but also a laboratory for effective training and economic development policies that could be implemented elsewhere.

Housing and Transportation

As the housing stock and public transit of New Orleans are rebuilt, *housing and transportation efforts must be coordinated with efforts to regenerate employment* for the disadvantaged. (See Chapter 8, “Building a Better Safety Net for the New Orleans,” for more on new housing and transportation policies for New Orleans.) But, to better connect

housing and jobs so that disadvantaged workers have greater access than they did before the floods, state and local WIBs must actively inform local housing and transportation authorities where jobs are. Rent subsidies and new options to promote home ownership may be needed to expand job access too. Other policies, like subsidizing car ownership among displaced and low-income people and helping them get and use employment information, might be considered as well (Waller 2005).

Bush Administration Proposals

Apart from the initiatives mentioned above, what has the Bush administration proposed to date, and how might these proposals tie in with the initiatives proposed here?¹¹ The administration’s main employment and training proposal so far calls for the creation of “Worker Recovery Accounts,” or vouchers, in the amount of \$5,000 per worker to cover all expenses related to child care, transportation, and education or training. If those with accounts find jobs within a certain time period and before they have fully spent the funds, then they can keep what is left over as a “reemployment bonus.”¹²

Employment vouchers might be one way of funding these kinds of long-term training opportunities. But under the Bush plan, many of the disadvantaged who did not qualify for Unemployment Insurance or Disaster Unemployment Assistance because they lacked pre-Katrina work experience will not be eligible for the accounts. Even among those who are, \$5,000 per person may not cover the kinds of training proposed above, especially on top of other qualifying expenses. And vouchers may be inefficient for individuals with limited employment knowledge and experience, unless carefully guided by intermediaries more familiar with skill needs and service quality.

As for the U.S. Department of Labor’s emergency grants to Gulf Coast states to provide temporary jobs and training, so far the sums are very small.¹³ Also, the Department has sponsored some web sites where employers can list jobs in New Orleans or elsewhere. Yet, successful labor market intermediation requires somewhat more active assistance to the displaced than access to a web site. We hope the Department expands on these initial efforts soon by funding more active job placement efforts as well as in-depth training.

Conclusion

On the one hand, the challenges involved in securing employment for those displaced by Hurricane Katrina are quite daunting. On the other hand, with moderate amounts of funding (e.g., \$10 billion or less), the New Orleans labor

market could be rebuilt in ways that improve long-term employment options for disadvantaged workers.

Clearly, many former residents of the city will not return. Indeed, the recent report by the Bring New Orleans Back Commission (2006) predicts that, by the end of 2008, just over half of the city's pre-Katrina population will have returned, and even fewer among its disadvantaged population.

But, for those who do, rebuilding creates opportunities for skill enhancement and better job quality, as well as improved coordination between housing, transportation, and labor markets. And what is learned from reconstructing the city might also hold valuable lessons for how we improve opportunities for disadvantaged workers in other areas. These opportunities should not be wasted.

Notes

1. The percentages of workers in these industries in New Orleans and nationally in 2003 come from the Bureau of the Census (2005). Other figures come from the Bureau of Labor Statistics' National Compensation Survey (2005b).
2. According to Frey and Myers, the "dissimilarity index" that measures local segregation was higher only in Miami and Jackson among major Southern metropolitan areas in 2000; and the increase between 1990 and 2000 in New Orleans was among the 10 largest increases observed for major U.S. metropolitan areas in that time.
3. See Bureau of Labor Statistics (2005a) for the relevant data and explanations of survey methods in the immediate post-Katrina period.
4. Autor and Houseman (2005) recently challenged the evidence presented by Andersson and his colleagues (2005) as well as many other studies that purport to show positive impacts of temp agencies on the earnings of disadvantaged workers. But, since their study is based on small samples of workers from a few welfare-to-work offices in Michigan only and relies on statistical techniques (i.e., instrumental variables) whose validity in this context remains uncertain, we continue to believe that temp agencies can play a positive role. Even in Autor and Houseman, the more successful welfare-to-work offices provided some intermediary services to their workers.
5. To the extent that some discrimination is "statistical"—based on employer perceptions of the average employee in a demographic group rather than individuals in those groups—the provision of accurate information by intermediaries about the individual can help overcome discrimination. For some discussion and evidence on statistical discrimination, see Altonji and Blank (1999).
6. See Pennington (2005) for a proposal of a reconstruction corps in New Orleans.
7. See also the report by the Center for Law and Social Policy (2005).
8. Pager (2003) presents results from an audit study of job applicants and employers in Milwaukee, showing that employers offer fewer jobs to comparably skilled ex-offenders relative to nonoffenders, and also to blacks relative to whites in each category. Holzer, Raphael, and Stoll (2004) also present from employer surveys evidence of reluctance to hire those with criminal records, sometimes driven by state laws as well as employers' private concerns. Laws to restrict hiring of offenders may be related to public safety concerns in some occupational areas (such as child or elder care), but much less so in others.
9. Since many ex-offenders are also noncustodial fathers who have gone into "arrears," or debt in their child-support payments, this might

constitute a major financial disincentive to work. Those in arrears can have up to 65 percent of their wages garnished by the state to cover payments. "Arrearage forgiveness" has been discussed in some contexts, for those noncustodial parents who are trying to make their current payments. Other fatherhood services, such as those to encourage better parenting, can be considered as well.

10. Efforts to build career ladders and credentialing have been used in nursing homes in various states to help employers improve job recruitment and retention in the long-term care industry. A variety of states have provided incumbent worker training credits for less-skilled workers. See Holzer (2004) and Osterman (2005).
11. The original Bush administration decision to suspend Davis-Bacon requirements that construction workers on public projects be paid "prevailing wages" was rescinded in late October. This regulation substantially increases the wages paid on these construction jobs, and thus the potential of these jobs to raise workers and their families above poverty (though perhaps at the cost of some reduction in the numbers of such jobs created).
12. The Bush administration had previously proposed "Personal Reemployment Accounts" for unemployed workers in 2003, though these were never enacted. These proposals bear some similarity to the notion of "reemployment bonuses" that have been paid to UI recipients in certain states to encourage their more rapid return to the labor market after a spell of joblessness. See Robins and Spiegelman (2001) for a description of these accounts and some evaluation of pilot programs in various states.
13. As of the last week in October 2005, the Department had granted \$12 million in grants to provide new training in the Gulf states and had authorized about \$191 million in grants to create short-term jobs, of which about one-third has been released thus far. The Department estimates that the latter sum will fund nearly 58,000 jobs, though only about \$3,300 per job would be available in this case (not including administrative expenses).

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Rebuilding Affordable Housing in New Orleans

The Challenge of Creating Inclusive Communities

The challenge of rebuilding New Orleans and providing housing for its residents is immense, with tens of thousands of families displaced, their former homes destroyed or damaged beyond repair. Across the metropolitan area, nearly 228,000 homes and apartments were flooded, including 39 percent of all owner-occupied units and 56 percent of all rental units (Brookings 2005). Residents have returned to some relatively unscathed areas, such as the French Quarter and Algiers, but the devastation in more hard-hit areas is overwhelming and it is not yet clear whether or how these areas will be rebuilt.

The situation is especially difficult for families whose low-lying neighborhoods were completely destroyed by the floods. These poor, mostly African American communities bore the brunt of the flood damage—the population of the flooded neighborhoods in New Orleans was 75 percent black and the storm wiped out most of the high-poverty census tracts (Brookings 2005). The storm's impact on these vulnerable families was painfully evident in Katrina's aftermath; many lacking the wherewithal to evacuate were stranded in flooded homes and appallingly inadequate shelters. These residents are now dispersed in shelters and temporary housing across the region and lack the insurance and assets needed to return and begin rebuilding. Not surprisingly, many fear that they may be excluded from the “new” New Orleans, and are suspicious of emerging redevelopment plans.

Rebuilding the devastated housing stock of New Orleans is essential for the city's recovery. Without places to live, people cannot return to work, pay taxes, frequent local businesses, or send their children to school. But the challenge going forward is even greater if New Orleans is to avoid old patterns of concentrating assisted housing and poor families in a few isolated communities. If assisted housing—whether temporary or permanent—is systematically excluded from the city's better-off neighborhoods, New Orleans will simply reproduce the severe neighborhood distress and hardship that prevailed before the storm.

Adding to the challenges ahead, some low-lying areas that were home to large numbers of the city's poorest residents may never be rebuilt. First, it may not be safe to rebuild in these areas if levees are not rebuilt to higher standards than before. In addition, areas such as those downriver from the Industrial Canal—like the Lower Ninth Ward—might best be left as a spillover path for the lake, reversing the Army Corps of Engineers'

decision some years ago to create Gulf access to Lake Pontchartrain. Providing fair compensation to residents of these neighborhoods and affordable relocation options in communities throughout the New Orleans metropolitan area are critical to an equitable rebuilding strategy.

Housing Conditions Before the Storm

Rebuilding New Orleans will be especially challenging because many residents lacked the insurance and assets needed to recover from the storm. New Orleans had a relatively low homeownership rate—just 47 percent compared with 67 percent nationally.¹ However, a slightly higher proportion—37 percent, compared with 32 percent nationally—of New Orleans' owners had owned their houses long enough to have paid off their mortgages. And much of the housing stock was old (though not necessarily in bad condition), with 45 percent of the units constructed before 1950, more than twice the national figure (21 percent). Without mortgages, many low-income long-time homeowners opted out of costly homeowners insurance or flood insurance. Moreover, FEMA had designated many of these areas to be at “low” flood risk, so lenders did not require flood insurance.

Like most cities across the country, New Orleans already had an affordable housing crisis before Katrina. According to the 2000 Census, two-thirds (67 percent) of extremely low income households in New Orleans bore excessive housing cost burdens (by federal standards, housing costs that exceed 30 percent of income), a figure slightly higher than the average for Louisiana and slightly lower than that for the nation as a whole.² More than half (56 percent) of very low income households in New Orleans were paying more than half their income for housing, also comparable to national figures. Both owners and renters were equally disadvantaged, with majorities of both groups facing excessive housing cost burdens.

Only a small proportion of needy households received federal housing assistance—a public housing apartment, other federally subsidized housing, or Housing Choice Voucher (Section 8). Those that did receive assistance had lower housing costs, but many had to cope with living in some of the nation's worst public housing. The Housing Authority of New Orleans (HANO) was a large, deeply troubled housing authority with 8,421 public housing units (79 percent of which were in just nine very large projects) and 9,560 vouchers. According to U.S. Department of Housing and Urban Development (HUD) figures, 47 percent of HANO's public housing units were vacant in 2005 (HUD 2005a). For more than 30 years,

HUD had rated HANO as one of the country's worst-performing housing authorities (Fosburg, Popkin, and Locke 1996) and the agency was under HUD receivership at the time of the hurricane. Historically, the city's public housing projects were sited in low-income neighborhoods, isolating low-income residents from the rest of the city and exacerbating both racial segregation and the concentration of black poverty. Decades of neglect and mismanagement had left these developments in severe distress. Residents of projects like Desire, Florida, and Iberville endured intolerable physical conditions, high levels of violent crime, rampant drug trafficking, and myriad other social ills. These distressed public housing communities blighted the surrounding neighborhoods (Popkin et al. 2004) and exacerbated the overall racial and economic segregation in the city (Katz et al. 2005). When Katrina hit, the housing authority was redeveloping several of its worst public housing sites with HOPE VI and other funds, attempting to replace these distressed developments with well-designed and well-managed mixed-income communities. Of the revitalized sites, only the St. Thomas development survived the hurricane. Further, many other HANO properties that had not yet been revitalized suffered considerable damage. As of this writing, HUD is assessing whether and how to rebuild these distressed developments (Levy 2005a).

A Portrait of Poor Communities in New Orleans

The following portrait of two poor New Orleans communities—the obliterated Lower Ninth Ward and the Florida/Desire neighborhoods—provides insight into why residents of the poor communities suffered such severe damages and now have so few prospects for rebuilding their homes and neighborhoods, or for finding opportunities in the cities where they now live.

Lower Ninth Ward

The Lower Ninth Ward has received much media attention because it was totally devastated by the hurricane and flood. Downriver from the Industrial Canal, this African American, low-income working-class community was completely flooded. As table 3.1 indicates, the community's 12,000 inhabitants were nearly all black and had a poverty rate of 28 percent. The unemployment rate was 11 percent, well above the city average; 17 percent of households were receiving public assistance, and half the households were female headed.

Table 3.1 Portrait of Two Poor Communities in New Orleans

	Desire/ Florida	Lower Ninth Ward
Average family income	\$27,508	\$37,214
Population	9,301	12,008
Poverty rate (%)	45	28
Child poverty rate (%)	65	41
Share of the population that is black (%)	98	92
Share of the population that is white (%)	2	7
Unemployment rate (%)	17	11
Share of households with public assistance income, including SSI (%)	23	17
Share of the 25+ population with a high school diploma (%)	66	78
Share of the 25+ population with a college degree (%)	6	16
Proportion of families and subfamilies with own children that are female-headed (%)	77	50
Share of adult population that is over 65 (%)	17	22
Share of units occupied by owners (%)	40	62
Share of units occupied by renters (%)	55	32
Vacancy rate (%)	21	11
Share of owner-occupied units with a mortgage (%)	49	52

Source: Bureau of the Census (2004).

However, unlike most high-poverty neighborhoods, nearly two-thirds (62 percent) of the residents of the Lower Ninth Ward were homeowners. Many of these families had lived in their shotgun-style houses for generations and owned them outright—only 52 percent had a current mortgage and the homeowners insurance that lenders require. Prior to Katrina, FEMA had zoned the Lower Ninth Ward as “low risk” because it sat on slightly higher ground and was expected to be protected by the levees, so lenders did not require residents to purchase flood insurance (Whoriskey 2005). These uninsured low-income households lack the wherewithal to rebuild their homes.

Desire/Florida

The Desire/Florida community was somewhat smaller, poorer, and more isolated than the Lower Ninth Ward. Home to the notorious Desire and Florida public housing developments, the community had a high proportion of subsidized renters. The original Desire development, constructed in 1956, had 1,800 units. It was extremely isolated, cut off from the rest of the city by two canals (Industrial and Florida) and railroad tracks. By the early 1990s, it was one of the nation’s most distressed public housing developments and was literally sinking into the marsh (Fosburg et al. 1996). Although the housing authority was awarded a HOPE VI grant to revitalize Desire in 1994, the development was not demolished until after 2001 and new units

did not open until 2004 (Greater New Orleans Community Data Center 2005a). Katrina destroyed the new Desire development—flooding from the two canals left it sitting in more than 10 feet of water for two weeks.

The Florida development was originally constructed as war-worker housing in 1943. Expanded in 1953, it had more than 800 units. In 1965, Florida was damaged by Hurricane Betsy; that damage combined with poor construction and maintenance left the development severely distressed by the 1990s. HUD awarded two HOPE VI grants in 2000 and 2002 to demolish the development. Redevelopment was occurring in phases, and over 100 new units had been completed by 2004 (Greater New Orleans Community Data Center 2005b). Like Desire, the new Florida development was completely flooded by Katrina.

The information in table 3.1 predates the redevelopment of both Desire and Florida; at the time of the 2000 Census, both sites were close to vacant, so information on the more recent residents of the revitalized public housing communities is unavailable. However, as table 3.1 shows, the neighborhood was virtually all black and staggeringly poor, with a poverty rate of 45 percent. The unemployment rate was 17 percent; only two-thirds of the residents had high school diplomas and just 6 percent had college degrees. Most of the households (77 percent) were headed by single women. Most (55 percent) were occupied by renters, though the rest owned their homes and half of all homeowners had paid off their mortgages. And, as in the

Lower Ninth Ward, most of the residents had lived in the community for many years.

For the low-income households of the Lower Ninth Ward and Florida/Desire communities, recovery is a daunting prospect. It is not certain whether many can afford to return—and it is not yet clear whether their old neighborhoods will ever be safe enough to inhabit. In addition to their homes and neighborhoods, these families have lost long-standing social networks, including large numbers of extended family members living nearby.

The Response to Displacement—Short-Term Solutions

Katrina caused the largest displacement of people in the United States since the Dust Bowl, with more than a million Louisianans and Mississippians forced from their homes. This displacement generated an unprecedented need for housing assistance, including emergency shelter, temporary housing in New Orleans, and longer-term help for people months or years away from returning to their homes. With plans for rebuilding New Orleans still in flux, it is not certain how long people may need housing assistance, or how many of them will eventually be able to return to the city. What is clear is that the poorest households, many of whom needed housing help before the storm, now face even more urgent problems as they try without jobs or income to find housing in unfamiliar communities. Also clear is that there is no coherent plan for how to house these families; indeed, as of this writing, tens of thousands of evacuees remain in hotels and other precarious housing situations. Those who have moved out of hotels and shelters are living in a hodgepodge of arrangements, including trailers, temporary apartments in other cities, and doubling up with family, friends, and even strangers.

Currently, only households that were living in federally subsidized rental housing (or that were literally homeless) before the storm qualify for federal emergency housing vouchers. Specifically, FEMA created the Katrina Disaster Housing Assistance Program (KDHAP), which provides housing assistance for 18 months to all previously subsidized households and to those who can prove they were homeless prior to the hurricane. Inferior to traditional HUD Section 8 vouchers, the new vouchers do not include utility allowances and cannot be used to move to a new jurisdiction (Sard and Rice 2005). It is unclear how many households will ultimately receive this assistance; some former HUD-subsidized renters were either placed in vacant public housing units in other cities or were moved to the top of waiting lists to receive regular Section 8 vouchers (Katz et al. 2005).

Options for unsubsidized renters and low-income homeowners whose homes have been damaged or destroyed are much less clear. Currently, these households face confusing choices (Katz et al. 2005). In the short term, FEMA housed some in shelters, hotels, and cruise ships; a few thousand individuals are still living in shelters, and tens of thousands are still living in hotels. In November, FEMA ignited a controversy by announcing it would end the hotel payments by December 1, 2005. After protests from evacuees and local officials in Houston, Atlanta, and other cities, FEMA extended the program until December 15. A recent court order extended the deadline even further, to February 7, 2006 (Tagami 2005).

FEMA is offering two options for longer-term housing assistance for those unable to return to permanent homes and apartments in New Orleans: trailers or payments under its Individuals and Households Program. Although trailers have received a lot of attention, relatively few families are currently living in them. FEMA's initial announcement that it planned to order more than 100,000 trailers and create "villages" of as many as 25,000 households in rural areas was widely criticized, and the agency ultimately scaled down its plans.³ Trailers are problematic for many reasons, but the greatest concern is that FEMA's plans called for concentrating relatively large numbers of trailers in isolated areas that lack basic amenities, schools, transportation, and jobs. The experience from previous hurricanes shows that these trailer parks become areas of concentrated poverty and that it is very difficult for households that live there to move on and become self-sufficient. Poor evacuees consigned to isolated trailer parks risk ending up even worse off economically than they were before the flood destroyed their communities.

In New Orleans, FEMA has tried to use trailers on a smaller scale for temporary housing, providing some homeowners with trailers to put on their own properties while they rebuild, and attempting to place small numbers in such public spaces as parks or parking lots. However, this approach has run into community resistance (Jensen 2005; Levy 2005b), and officials face real challenges in finding enough suitable sites within the city. City leaders should ensure that any groupings of trailers installed in public spaces are effectively monitored and managed. Then they can credibly mount an aggressive public education campaign to convince neighborhood residents that these temporary facilities will not blight the surrounding community.

The other main option for low-income households displaced by the storm is FEMA's Individuals and Households Program. Applicants can receive Standard Rental Assistance once their homes have been determined un-

inhabitable; program benefits are pegged to fair market rents where the family is living and cannot exceed \$26,200 or 18 months of assistance—a figure set under the Stafford Act as the maximum for disaster assistance. Under the related Transitional Rental Assistance program, Katrina evacuees can receive benefits without prior inspection of their homes. Recipients get a three-month benefit of \$2,358, which is renewable for up to 18 months and cannot exceed \$26,200 altogether. These payments cannot be used for security deposits or utilities, but recipients can apply for additional funds for other types of expenses (such as medical bills). However, any assistance received under this program counts against the \$26,200 overall cap.

Thanks to these programs, some very low income households that were not receiving federal housing assistance prior to Katrina now qualify for temporary assistance, and those that were already living in subsidized housing should continue to receive support. Whether these payments will cover short-term housing needs is not clear—the cost of rental housing in many of the communities where evacuees are now living is significantly higher than the amount allowed under the KDHAP voucher program or the \$768 per month that the FEMA rental assistance programs would provide. Further, since the assistance is not calculated on the basis of household size like traditional Section 8 vouchers are, larger households are especially squeezed. And, with the city's plans for long-term housing construction still up in the air and no agency helping evacuees find jobs that will provide steady incomes, 18 months of housing assistance may not be enough for many families.

Frustrated by the slow pace of federal implementation of short-term housing assistance programs, some of the cities hosting the largest numbers of evacuees have come up with their own temporary housing solutions. Houston, which has the most evacuees, has been by far the most responsive, setting up emergency centers and helping families apply for federal housing assistance. Most impressively, Houston's housing authority has issued more than 30,000 new Section 8 vouchers, on the assumption that FEMA or HUD will eventually reimburse the city. Dallas, which also has a very large number of evacuees, is providing emergency vouchers with FEMA and state funds and has stepped up its efforts since FEMA announced it would move evacuees out of hotels. Atlanta, by contrast, has relied on federal funds and has issued only about 1,000 vouchers to date (Tagami 2005).

Even with federal assistance in hand, news reports indicate that many evacuees cannot find landlords willing to accept their vouchers or FEMA payments (Wilgoren 2005). Some landlords fear that evacuees without jobs or resources will not be able to pay their rent for a full year. Others

refuse to accept the federally mandated fair market rents when it is relatively easy to find tenants who can pay more. And there are reports of discrimination—against Section 8 holders in general and against Katrina evacuees, who are rumored to be high risk based, in part, on problems in the Superdome and the Convention Center after the storm. Further, evacuees, even those with vouchers, receive little or no help locating decent housing in their host cities so there is a great risk that many low-income New Orleans families will end up concentrated in the poorest communities of their new cities.

Apart from difficulties finding a place to live for now, homeowners with mortgages face an acute problem, particularly if their homes have been rendered uninhabitable. The three-month grace period granted to homeowners with mortgages ended December 1, 2005, leaving mortgage holders liable for their monthly payments. HUD announced that it would provide mortgage assistance to up to 20,000 households with FHA-insured mortgages—but only if their properties can be rebuilt, if they have enough insurance or personal resources to complete the rebuilding, and if they are currently employed or very likely to return to work (HUD 2005b). Other homeowners may have no choice but to abandon their homes altogether, losing whatever equity they had and leaving the mortgage lenders with large losses.

The chaotic response to the short-term housing needs of Katrina evacuees stands in stark contrast to the way the government handled the last large displacement of low-income families—the 1994 Northridge earthquake (Galster et al. 1994). More than 10,000 households, many of them very low income, were left homeless by the earthquake. HUD responded by leading a coordinated effort of federal and local agencies, issuing thousands of emergency Section 8 vouchers, and providing housing search assistance to the displaced households. Within weeks, all evacuees were moved out of the temporary tent cities and into permanent apartments.

To be sure, the displacement after Katrina is certainly of much greater magnitude than after the Northridge quake or any other hurricane. Even so, the federal government could have built on its Northridge experience, charging the Department of Housing and Urban Development to deploy vouchers and other housing programs to provide affordable housing for low-income households made homeless by Katrina. Instead, the administration left the housing needs of Katrina's victims in FEMA's hands, treating this unique situation as an emergency shelter problem rather than a longer-term housing challenge.

In part, this decision about how to handle the short-term housing needs for low-income families was likely political.

The Bush administration has for the past few years advocated drastic cuts in the voucher program, arguing that it is too costly. Twice it has introduced bills to convert the program to a block grant, and it has made numerous regulatory changes that limit rents, limit portability, and reduce housing authorities' administrative fees (Tegeler 2005). But, however much political aversion to expanding vouchers came into play, the result has been a poorly planned and uncoordinated response to the enormous needs for temporary housing, prompting a hailstorm of criticism from experts across the political spectrum and even, most recently, a top FEMA official.⁴

A Long-Term Affordable Housing Strategy

The longer-term challenge is to rebuild New Orleans' permanent housing stock, including homes and apartments that are affordable for lower-income people, without recreating intense concentrations of minority poverty and distress. Instead of isolating needy families in pockets of extreme poverty, affordable housing should be provided throughout the metropolitan area so low-income households choosing to return to New Orleans have safe and secure places to live, along with access to the good jobs and schools needed to get ahead. And for those who do not return, affordable housing policies should help ensure that people left homeless by Katrina enjoy the same opportunities in their new communities, do not wind up concentrated in the poorest neighborhoods, and receive the supports they need so they do not end up even worse off than they were in New Orleans.

To expand the stock of moderately priced rental and for-sale housing, while allowing returning residents flexibility and choice about where to live, we recommend a strategy that addresses both the supply side and the demand side of the housing market. More specifically, regulatory incentives and capital subsidies should be used to encourage and support the construction of affordable housing units throughout the metropolitan region (by both for-profit and nonprofit developers). At the same time, low-income households returning to the area should receive vouchers to supplement what they can afford to pay to rent or buy modest housing in neighborhoods of their choice.

As of this writing, debate continues over how to move forward with rebuilding New Orleans. The city's Bring New Orleans Back Commission contracted with the Urban Land Institute (ULI) to help plan the reconstruction and has also released an "action plan" for housing and neighborhood redevelopment (Bring New Orleans Back Commission

2006). But there is no agreement yet as to how to proceed, and the Commission's proposals have generated considerable fear and opposition. The key principles recommended by the ULI would go far in guiding the overall reconstruction process. First, to manage the complex challenges ahead, the ULI has proposed creating both a financial oversight board to ensure fair allocation of funds and a rebuilding corporation. Next, they recommend the following:

- clear criteria for neighborhood restoration and development that include residents in the planning and restoration;
- the acceptance that diversity, equity, and cooperation are keys to rebuilding;
- the need for a regional approach to such critical issues as levees, transportation, emergency response, and economic development; and
- the recognition that every citizen has a right to return to a safe city.

This last principle may pose the most difficult challenge—planners and local officials must determine whether all neighborhoods will be rebuilt or whether rebuilding in the low-lying areas so devastated by the hurricane does not make sense. There is general agreement that residents should not be allowed to return unless their safety can be guaranteed. But that is a far cry from deciding, as government officials must, what safety standard the reconstructed levees will meet. Officials must also grapple honestly with the difficult reality that it may not be financially or logistically feasible to build to a standard that would protect residents in low-lying areas from the worst—so-called 100-year—hurricanes. It may make more sense to rebuild at higher density on higher ground rather than trying to restore all of the most damaged neighborhoods. And, further, it may be prudent to restore some low-lying areas to marshlands so the rest of the region is better protected from floods. These painful discussions must include community residents and be conducted openly and democratically.

Whatever decisions are ultimately made about how to move forward, reconstruction should be based on what is known about how to incorporate high-quality, affordable housing into healthy mixed-income communities that offer real opportunities for low-income families. Higher-income households that have insurance, assets, and current or potential income streams to draw upon are likely to return more quickly. But the city may not be able to recover economically unless its low-wage workforce returns—both the reconstruction effort itself and the city's tourism industry depend on it. And much of what creates

the unique and vibrant New Orleans culture grows directly out of its lower-income and minority communities with their many deeply rooted families.

Supply-Side Incentives

Federal housing policy already offers a number of supply-side funding sources to support the production of affordable housing. First, business as usual will not suffice for the reconstruction of public housing. Instead of rebuilding a few large developments, all earmarked for occupancy by very low income households, the housing authority should draw on the lessons from HOPE VI about how to incorporate public housing into healthy mixed-income communities: a successful mixed-income development requires market-rate design and amenities; a balanced mix of deeply subsidized, affordable, and market-rate units; and excellent property management. The experience of a decade of HOPE VI shows that carefully designed and managed mixed-income developments can provide benefits not only for the residents who live there, but also for the larger neighborhood (Popkin et al. 2004).

The Low Income Housing Tax Credit (LIHTC) and HOME block grant programs provide additional federal resources for incorporating high-quality affordable housing in the redevelopment of neighborhoods throughout the New Orleans region. Federal income tax credits under LIHTC are allocated by state government to private and nonprofit developers of affordable rental housing. In New Orleans, the federal government could designate all damaged neighborhoods as “Difficult to Develop” areas under the tax credit program, which would increase the tax benefit and attract more private-sector investment to affordable housing construction. The federal government could also adopt a parallel tax credit to stimulate the production of affordable homes for sale to lower-income buyers.

The federal HOME program allocates block grant funds to city governments to support local affordable housing initiatives. These funds give the city tremendous flexibility to fill gaps in project financing and make both rental and for-sale housing more affordable. New Orleans could use them to speed both financing and rebuilding. However, the city’s current HOME grants are limited to about \$6.5 million per year. Expanded funding from HUD could substantially enhance the city’s capacity to respond to affordable housing needs.

Any new affordable housing must be integrated into all reconstructed areas, not concentrated in just a few poor communities. Inclusionary zoning has proven effective in accomplishing this goal. In effect, city (or state) zoning

regulations would mandate that any new market-rate housing development must include a set proportion (typically around 10 percent) of affordable units. Such a regulatory requirement could be linked with the production subsidy programs discussed above to ensure that the availability of affordable housing expands hand-in-hand with residential rebuilding. As Katz and his coauthors (2005) recommend, inclusionary zoning should be a prerequisite for the receipt of any federal housing funds.

Demand-Side Assistance

In conjunction with supply-side subsidies and incentives to expand the availability of moderate-cost rental and for-sale housing throughout metropolitan New Orleans, the federal government should provide demand-side assistance—housing vouchers—to the very low income households left homeless by Katrina but eager to return to New Orleans to live and work. Housing vouchers, which supplement what recipients can afford to pay toward a rent or monthly mortgage payment, are the most effective long-term affordable housing solution. They give very low income households enough purchasing power to obtain decent housing in the private market without undue hardship. As noted, New Orleans faced an affordable housing crisis before Katrina; the hurricane made a bad situation worse, leaving even more households without the resources to afford decent housing.

With vouchers, low-income households could choose where they want to live, and they would have the flexibility to move as their own and the region’s circumstances change over time. These vouchers should be structured to allow recipients to rent or buy, depending on their preferences and financial capabilities. Like holders of traditional Section 8 vouchers, recipients would pay more as their incomes increased. And any development that received capital subsidies from federal, state, or local programs should be required to accept at least some voucher holders.

Ideally, federal housing vouchers would be provided to all very low income households made homeless by Katrina, whether they return to New Orleans or not. If, however, the federal government continues to resist this approach, eligibility could be narrowed somewhat. For example, the KDHAP program, which provides vouchers only to households that were receiving federal housing assistance prior to the storm, could be made permanent, so that households returning to New Orleans can freely choose where to live. Additional special-purpose vouchers could be provided to the poorest households made homeless by Katrina, or those who cannot return to New Orleans to work without housing help. In fact, such vouchers could

be even more narrowly targeted to low-income workers returning to fill essential jobs in New Orleans.

In conjunction with conventional federal vouchers, a state or local redevelopment authority should consider more creative possibilities, such as a one-time home purchase voucher; these have been used in refugee resettlement efforts in other countries, the Bush administration's proposed "urban homesteading" model, and the Habitat for Humanity self-help model. All could allow more very low income families to help construct their new homes, and, perhaps, increase the city's overall homeownership rate from what it was before Katrina.

Homeowners in areas ultimately deemed uninhabitable or slated to become flood protection zones must be compensated fairly for their property. Many low-income homeowners have lost their families' only major asset and now have virtually nothing. Representative Richard Baker of Louisiana has proposed legislation that would create a federally financed reconstruction program that would offer homeowners at least 60 percent of the pre-Katrina equity in their houses. However, the Bush administration has announced that it would not support this legislation, putting its passage in doubt. Local officials hope that the city and state can achieve some of the same goals by using the \$6.2 billion in Community Development Block Grants, although they concede that these funds will not be enough to buy out all the homeowners whose houses were flooded (Donze, Russell, and Maggi 2006).

Precedents exist for government compensation for property in extreme circumstances when entire communities are affected. For example, after the Love Canal community was declared uninhabitable, the federal government purchased the contaminated properties for a fair price and helped residents relocate (EPA 2005). In Baltimore, a new biotechnology park being constructed by Johns Hopkins University required the city to declare eminent domain over a large residential area. More than 900 households, all low income, are being relocated. Johns Hopkins and the Annie E. Casey Foundation are supplementing the standard Uniform Relocation Act benefits so every household will receive up to \$70,000 toward the purchase of a new home; renters will receive assistance with security deposits and up to five years of Section 8 assistance (East Baltimore Development Inc. 2004). To use vouchers or other demand-side assistance effectively, some households will need help gathering information about their options. In particular, households now scattered to other cities will need substantial support for finding decent housing in a good neighborhood, jobs, and possibly school and child care. Local housing authorities in communities with many evacuees could draw on lessons from the federal Moving to Opportunity demonstration

(Goering and Feins 2003) and the Northridge response to design effective mobility counseling services to help evacuees find housing in communities with good schools, jobs, amenities, and transportation. Keys here include outreach to landlords in good communities, effective initiatives to address community concerns, and aggressive enforcement of fair housing laws.

As in the MTO and Northridge examples, local social service providers could be recruited to provide this assistance and paid with HUD or HOME funds. Another possibility would be to call on the philanthropic community to fund supportive services, as the Annie E. Casey Foundation is doing in Baltimore. But without this type of coordinated strategy, most poor evacuees will probably end up clustered in the poorest neighborhoods in the cities where they are now living.

Finally, some of the low-income families who return to New Orleans are likely to have special housing needs. The elderly and people with disabilities are particularly vulnerable; many were living in public housing before the storm and will need special assistance and support as they return. This group also includes households with multiple complex problems, such as substance abuse, mental illness, members with criminal backgrounds, and domestic violence. Some of these groups are currently excluded from federally assisted housing, but experience teaches that without a combination of affordable housing and supportive services, these vulnerable households are at high risk of distress and homelessness. Over the long term, therefore, New Orleans needs to ensure that there is adequate housing and services for the most vulnerable and "hardest to house" (Popkin, Cunningham, and Burt 2005).

Building Healthy Neighborhoods

Creating communities of opportunity and choice means not only constructing new housing, but also investing in good schools, health care, transportation, and other services. Further, it means ensuring access to sustainable employment. As the other essays in this collection indicate, reconstruction will require the coordinated engagement of multiple agencies and interests in a thoughtful and careful planning process. Already, problems are surfacing as residents return to some of the less-damaged areas. There are more jobs than workers and more workers than housing; newspaper accounts (e.g., Roig-Franzia and Connolly 2005) describe an acute worker shortage and employers who are forced to offer huge hiring bonuses and high wages. Schools are reopening slowly and most of the hospitals remain shuttered. Doctors are offering care in tents and in the deserted Convention Center. With limited hous-

ing and basic services in disarray, it is difficult to encourage families to return.

New Orleans has a unique opportunity to recreate itself as an economically diverse, inclusive city that offers its low-income residents authentic opportunities. With careful planning by and for all, New Orleans can bring back its families and offer them homes in vibrant mixed-income communities. Such planning will require great effort and commitment on the part of federal and local officials and community leaders. So far, there are few indications that officials are working together toward a systematic and open process; indeed, there are legitimate concerns that many residents may never be able to return, and that New Orleans will be a significantly smaller city with a much smaller African American population. But that prognosis is not set in stone. There is still time to draw on the lessons outlined in this essay for creating a vibrant, inclusive city.

Notes

1. The homeownership rate in New Orleans was low relative to other large U.S. cities; in 2004, it ranked 59th out of 70 on homeownership for cities with American Community Survey data (Bureau of the Census 2004).
2. Extremely low income is defined by HUD as households with less than 30 percent of the Area Median Family Income in 2000.
3. See, for example, Eric Lipton and Leslie Easton, "Housing for Evacuees Lagging Far Behind U.S. Goals," *New York Times*, September 30, 2005; Jonathan Weisman, "Critics Fear Trailer Ghettos," *Washington Post*, September 16, 2005; John Maggs, "Rummaging for Ideas," *National Journal*, October 1, 2005; Spencer Hsu, "FEMA Official Criticizes Trailer Plan for Evacuees," *Washington Post*, December 9, 2005.
4. See, for example, Spencer Hsu, "FEMA Official Criticizes Trailer Plan for Evacuees," *Washington Post*, December 9, 2005; John Maggs, "Rummaging for Ideas," *National Journal*, October 1, 2005; The Brookings Institution, "New Orleans after the Storm: Lessons from the Past, a Plan for the Future," October 2005; and Barbara Sard and Douglas Rice, "Changes Needed in Katrina Transitional Housing Plan," Center for Budget and Policy Priorities, October 2005.

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PAUL HILL AND JANE HANNAWAY

The Future of Public Education in New Orleans

“We see an opportunity to do something incredible.” These were the words of Governor Kathleen Babineaux Blanco as she signed legislation in late November allowing the state of Louisiana to take over most of New Orleans’ schools. And she just may be right. Education could be one of the bright spots in New Orleans’ recovery effort, which may even establish a new model for school districts nationally. This is not to say that the current education situation in New Orleans is not dire; nor should it suggest that the district has a history as a lighthouse of excellence.

Hurricane Katrina destroyed most of New Orleans’ public education system. In the central city’s Orleans Parish schools, fewer than 20 of approximately 120 school buildings remained usable. The storm also largely destroyed the state and local tax bases from which the school district draws its revenues. All students, teachers, and administrators were forced to evacuate, and the school district has yet to resume the teacher salary payments it was forced to suspend. To date, only a few dozen teachers have returned to the city. The superintendent and top administrators have returned, as have school board members. Thus, New Orleans is like a rotten borough in England: nobody lives there, but there are still some pickings for the political class to work over.

The New Orleans parochial school system, which educated 40 percent of New Orleans’ students, was also devastated. Although Catholic schools have reopened in some of the highest and driest neighborhoods and some damaged schools elsewhere are reopening, it is not clear whether or when all the flooded schools will open. But because the archdiocese includes all the parishes in New Orleans, not just Orleans Parish, many of the students in the hardest-hit schools were reassigned to other schools outside the central city. The New Orleans archdiocese also set up satellite schools in other cities to serve its displaced students. Overall, 79 percent of Catholic school students have returned to class. Catholic schools, including schools in Baton Rouge, have been instructed to take in as many displaced public school students as possible, with or without support.

If large numbers of school-age children were to return to New Orleans this year, the state and city probably could not afford to provide schools for them. However, few are likely to return quickly. Most city children now attend schools elsewhere, and no one knows whether parents will want to uproot them yet again. Certainly, families will be reluctant to expose children to molds, toxic dust, bad sanitation, and the

other health hazards menacing most flooded neighborhoods. The relatively few parents who return to the city to take jobs and to restore houses are likely to leave their children in safer places. The city's poorest former residents, many of whom have found housing and income support elsewhere, probably will not return until their current arrangements expire. Even then, given the uncertain status of public services and welfare payments, the poor can be expected to weigh the risks and rewards of returning to New Orleans very carefully.

Teachers are unlikely to return in large numbers until jobs are available, and many who have found posts elsewhere will never come back. Most of New Orleans' legal and financial communities have relocated to Baton Rouge, and though most of these sectors' workers will be eager to return to New Orleans, they and the many jobs they generate are not likely to return in large numbers until the electronic, transportation, public health, and public safety infrastructures are in full operation. The numbers of utility workers and people working at hotels and the seaport will grow, but news reports confirm the logical expectation that many wage earners will leave their families behind at least temporarily. Moreover, some adults might choose to work in New Orleans during the rebuilding boom without intending to stay.

At some point, the availability of public schools will determine whether families locate in New Orleans. But in the first three years or so after the hurricane, K–12 education in New Orleans will be a trailing phenomenon, dependent on how fast the economy and housing are rebuilt. The public school population might also be much smaller and differently composed in the future if, for example, a building boom attracts large numbers of Latino workers and families. In short, the location, size, and instructional orientation of schools will depend on developments in the economy and housing. The time is ripe to consider transforming the school district in ways appropriate for the demands it faces. Unfortunately, the district's history provides few guideposts.

A System with Shaky Underpinnings

New Orleans Parish's public school system was arguably one of the worst in the country before Hurricane Katrina. In the 2004–2005 school year, only 44 percent of fourth graders proved proficient in reading and only 26 percent in math.¹ Eighth graders performed even worse. Twenty-six percent were proficient in reading and 15 percent in math.² Nearly three-quarters (73.5 percent) of the schools in the district had received an academic warning or were

rated "academically unacceptable" in the 2003–2004 school year by the state. Thirty-five percent of the schools did not make adequate yearly progress in 2005, according to the No Child Left Behind Act.

The school district, facing a \$25 to \$30 million deficit for 2005–2006, was famously mismanaged and corrupt (e.g., phantom employees). New York–based rescue firm Alvarez and Marshal, hired to reconstruct financial and human resource systems and to control hiring, firing, and business functions in the central office, was just getting started before Katrina hit.

Everyone recognized the sorry state of the Orleans Parish schools and the need for drastic remedies. The state board of education had already seized control of five schools, reopening them as charters, and had expected to take over many more within two years. The state declared the district in academic crisis in 2004. In the spring of 2005 Mayor Ray Nagin, working with business leaders, proposed that the city take over 20 of the lowest-performing schools in the district from the local school board and operate them as charter schools.³

In short, the Orleans Parish school district had plenty of trouble well before anyone had heard the name Katrina.

Like all urban school districts, New Orleans' school district was not built to handle the kinds of uncertainties created by the storm's wrath. The existing system was based on certain assumptions—a student population of a predictable size and neighborhood distribution, and nearly stable funding for each student. Thus, there was some reason for the district to own school buildings and commit to lifetime employment contracts with teachers and administrators. (More questionable is whether these arrangements were ever efficient.) It also made sense for the district to centralize hiring, service provision, federal and state grant administration, and other routine and predictable functions, even if it did not perform them well.

However justifiable once, these arrangements no longer make sense for New Orleans. Most of the buildings are gone and so are many of the neighborhoods. There is grave uncertainty about students: How many will there be? With what social and economic characteristics and with what academic needs? How will students be distributed across the city, and how much money will be available to serve them? Without knowing, why should the city commit to a fixed group of teachers and administrators, or to rebuilding a central office to maintain a system built for a profoundly different situation?

It is difficult to imagine the former Orleans Parish public school system emerging again anytime soon or, possibly, at all. For the foreseeable future, the city will need to

operate amid uncertainty about how many students it needs to educate and how they will be distributed across the city. The size, location, and composition of the student population is likely to shift from year to year, as neighborhoods are rebuilt and different parts of the local economy revive. At most 10,000 students are expected to enroll in the district this year, compared with over 65,000 last year. Housing and employment patterns that emerge in the first years as the city is being rebuilt are likely to change and with them the composition of the school population. Right now, all is uncertain.

For the remainder of the 2005–2006 school year, the number of children returning is unlikely to exceed the capacity of open schools. These include two district-run public schools, five charter schools in the Algiers section of the city, and up to 10 parochial schools—all located in the least-ravaged parts of the city. Tulane University has also opened a new K–12 charter school in January 2006 in an existing public school building for children of Tulane staff and other New Orleans residents, and another nine charter schools across the parish are slated to accept students before the academic year ends. By next September, many more children might have returned, and at some point in the city’s redevelopment the numbers of school-age children might grow very rapidly. How will New Orleans prepare for all the eventualities?

Demography Will Be Destiny

The size and composition of the school-age population may grow in fits and starts, and might not stabilize for years. We can envision at least three different scenarios, each moving from the short term (the present to September 2008) to the long term:

- New Orleans will go through two quite different development cycles: The first—rebuilding—will attract many transient workers and their families, most of whom will live in temporary housing and leave for construction jobs elsewhere when the housing stock and businesses are rebuilt. These families will not resemble the former residents. In the second cycle—resettlement—families will move permanently to New Orleans. Many of those returning may resemble families that lived in New Orleans before the hurricane, but the size and composition of the permanent population is largely uncertain. All that is certain in this scenario is that the long-term situation will differ from the short-term situation.
- New Orleans will be resettled, but the school system will be smaller and the student population will be more

evenly balanced socioeconomically and racially than before Katrina. Many of the poorest blacks with little reason to come back will not return, and a Latino population brought by the construction boom will take root in the general metropolitan area. (In southeastern Florida, the Latino population reportedly increased by 50 percent after Hurricane Andrew.) The city will become a financial and entertainment center with little industrial base, attracting both white-collar and service jobs. Central-city New Orleans will become largely an adult city, like San Francisco, populated mainly by single urban professionals and empty nesters, and housing costs will be high.

- New Orleans will be resettled with the same or very similar residents as before Katrina, and the school-age population will reflect it. The school population will grow gradually. While it may never reach the pre-hurricane enrollment, it will look as it did in the 2004–2005 school year—over 95 percent minority, primarily black, and poor, with more than 75 percent of all students receiving free or reduced-price lunches.

Under all these scenarios, the demand for public education will be much smaller in the next few years and then grow. In all but the third scenario, student populations and their locations will change dramatically over time, but at an unpredictable pace.

To provide instruction for students who turn up, the city will need to attract high-quality school leaders and teachers and to manage schools and instructional programs adaptable to changes in student numbers, characteristics, and locations. What can the city of New Orleans (and the state of Louisiana, the federal government, and national philanthropies) do to ensure the following?

- Children who turn up in New Orleans can attend school as soon as they arrive.
- The mix of schools and instructional programs available will match the needs of the changing student population.
- Schools and teachers hired will be excellent despite the potential hardships and uncertainties they can expect.
- The district will not invest in buildings in the wrong places, or commit itself to instructional programs and people whose skills might not be needed later.

Coping with Uncertainty While Providing Quality

The legislation proposed by Governor Blanco in November allows the state to take over any New Orleans school that

falls below the statewide average on test scores and place it into the state's Recovery School District. Under this low standard, management of 102 of the 115 Orleans Parish schools operating before Katrina would be transferred to the state. The governor sees it as an effort to grasp what she called a "golden opportunity for rebirth."

In the short run, state officials could run a few schools directly, but the state lacks the manpower and expertise to run a large number of schools. State leaders have no choice but to work through third parties, and if they have already decided not to organize the new school district in the mold of the old ones, chartering or contracting are the only options.

The Bring New Orleans Back Commission has also developed a plan for New Orleans schools called the Educational Network Model. In this model, multiple providers would also operate individual schools that would band into networks based on some similarity such as provider, neighborhood, or school mission. Network managers would monitor schools and facilitate the exchange of best practices. The district office would be kept lean and focus on overall strategic issues, not school management. It would also oversee services districtwide where there are true advantages to scale and integration, such as student information management systems and accounting.

The real challenge for New Orleans will come in September 2006, when the number of students needing schools is likely to be much larger. Before then, someone must solve a lot of problems—finding competent groups to run schools (whether within the district system, as charters, or as contractors); finding buildings to house schools; attracting quality school leaders and teachers; making sure families know how to find schools; placing children in schools not too far from home or their parents' work; linking children with schools that can meet their needs (especially children who have missed a year of instruction or do not speak English); and rapidly adapting the number, location, and instructional specialties of schools as the school population changes size and location.

No large city has had to deal with such fundamental issues before, a task made more challenging by the districts' limited capacity. While New York City enrolls over 50,000 new students in some years, thanks to domestic migration and international immigration, this number represents less than 5 percent of the city's school population and the city's mixture of schools is rich and adaptable. Dade County schools have adapted to several large influxes of Cuban and Central American students, but the district was well organized and had amassed experience with previous waves of immigration—it had a good idea of what new children would need and how they would progress year by year.

Louisiana's and New Orleans' response to the challenge must be aimed at two key objectives: adaptability and quality. The many unknowns discussed here make it obvious why adaptability is important. The importance of quality is also clear: any student who moves to or back to New Orleans as families seek economic opportunities could be at risk of academic difficulties. Such children need more than ordinary schooling. In addition, reemerging or new businesses will be able to attract high-caliber workers only if the schools their children can attend are good.

Aside from the few groups operating the handful of public and private schools now open, New Orleans has no reservoir of organizations capable of starting a high-quality school. It must attract school providers from other parts of Louisiana and the rest of the country. One pool of leaders for new schools might be displaced principals and teachers from the city's former public and parochial schools. Another might be university educators temporarily displaced from their jobs at local universities—Tulane, Dillard, Xavier, the University of New Orleans, and Louisiana State. To attract school providers with national reputations and track records for developing functioning schools quickly, the city might turn to the likes of KIPP, Edison, Aspire, and National Heritage Academies.⁴ (How New Orleans can both attract potential school providers and screen them for quality is discussed below.)

New schools will need exceptionally good principals and teachers and unfortunately, New Orleans' instability and financial problems will make it difficult to recruit and keep the best educators. Moreover, the incentives many school districts use to attract and keep proven teachers—life tenure, generous government pensions, guaranteed assignment to a school they like, control over work assignments, strict limits on working hours, and small classes—might be counterproductive in New Orleans. The city need not make life commitments to people whose skills it might not need in the future, and it cannot guarantee educators their choice of places of work, the nature of work assignments, or class sizes over the long term. New Orleans might need, for example, to run some very large classes until the numbers of students and teachers can be matched in particular places, and some schools may have to run on odd schedules to accommodate parents' work and commuting times.

In general, New Orleans needs to attract quality school providers, teachers, and principals who value diverse work assignments and who will at least consider teaching in one school for a while and then moving to another school (or even city). Conversely, New Orleans cannot afford to be a magnet for weak school providers, teachers, and principals who have failed elsewhere.

How can these imperatives and constraints be reconciled? We make a number of linked suggestions.

1. Attract Quality School Providers and Screen Out Poor Ones

- Appeal directly to Aspire, KIPP, and other national charter and contract school providers. Offer them access to publicly rented space and significant freedom in spending and teacher hiring. Promise them the opportunity to create multiple schools in New Orleans if the first school they offer attracts students and can demonstrate effectiveness.
- Appeal to university faculty throughout the South and to public and private school principals and assistant principals formerly based in New Orleans to consider taking charters or contracts for new schools. Offer four months' salary to develop a specific school proposal.
- Create a screening mechanism for new school proposals. Work with the National Association of Charter School Authorizers and the New Schools Venture Fund to establish proposal review criteria that consider the quality of instructional and financial plans. Ask public and private school and system administrators from localities with high-performing schools (e.g., Clayton, Missouri; Bellevue, Washington; Evanston, Illinois) to read and review proposals for a fixed stipend (e.g., \$100 per proposal). Reject the lowest-rated third of all proposals, request revisions on the middle third, and enter into contracts with the top third.
- Issue a new request for proposals every three months until the supply of schools has caught up with the need or no new proposals are forthcoming.
- Guarantee individuals who write winning proposals a minimum of two years' salary. If their school is forced to close for any reason other than their own misconduct, make them first in line when the opportunity to open or work in another school emerges.

2. Attract a Large, Talented Pool of Applicants for Jobs as Teachers and Principals

Though charter schools will do their own hiring, they will need help attracting good teachers and administrators to New Orleans in the first place. To attract a strong professional labor pool, the same agencies that charter schools can try the following:

- Offer high salaries for teachers and provide portable pensions with immediate vesting, including generous

health and life insurance without preexisting condition exclusions.

- Recruit teachers nationally with messages stressing service, adventure, selectivity, and opportunity for high pay.
- Provide teachers and principals free or subsidized housing until privately owned rentals become readily available.
- Provide opportunities for talented educators to bring new ideas and to have a say in running the schools, by being open to new ways of teaching and organizing instruction.
- Negotiate with higher-performing districts elsewhere to allow their teachers to work in New Orleans for one to three years without losing any seniority when they return home.

3. Screen Individual Applicants Carefully

- Establish an applicant-screening center that reviews paperwork, checks references, and interviews applicants.
- Require every applicant to take at least a verbal ability test, similar to the SAT. Ask applicants to provide evidence of teaching effectiveness, including (wherever possible) achievement gains in classes they have taught.
- Usher all candidates after an initial applications screening through a rigorous, multifaceted selection process (perhaps with the help of Teach for America and the New Teacher Project) that attempts to identify perseverance, flexibility, leadership, and other difficult-to-measure attributes that contribute to success in challenging teaching situations. This process could be waived for National Board Certified teachers.
- Do not permit hiring of substandard applicants, even if it means temporarily operating schools with larger class sizes than intended.
- Allow teachers who have worked together successfully to apply as teams.
- Use an intensive summer-school program to provide extra stipends for teachers and give students a head start in school, and to further screen potential teachers by observing performance.

4. Define Rigorous Hiring Terms for Teachers and Principals

- Make the hiring of fully screened applicants contingent on a school or school provider's decision to hire them.
- Allow schools to offer contingent tenure to the best teachers, assuring them a job at the school as long as it stays open.

- Avoid creating any tenure commitments outside individual schools; allow other schools to consider hiring displaced educators, but do not pressure them or offer incentives.
- Welcome back teachers who worked in the city's public and parochial schools, but offer them a new employment deal: they will work for individual schools and their work assignments will shift from time to time with trends in the school population and school providers' needs. They will also have to go through the same rigorous selection process as other teachers.

5. Make it Possible for Individual Schools to Hire Teachers and Provide Attractive Salaries, Benefits, and Working Conditions

- Put virtually all public education money into the schools on a per pupil basis, with all state, federal, and local funding (including facilities and maintenance accounts) combined and transferred to the school a child attends.
- Let schools buy the goods and services they need on the national market. Resist developing a central office that would tax schools for services, and allow schools to develop their own buying co-ops.
- Allow schools the flexibility to enhance teachers' salaries, to develop innovative staffing plans (including instructional coaches, team leaders, aides, etc.), and to adjust class sizes and establish other instructional conditions, such as use of technology, that best meet their needs.
- Allow schools to give their employees already-established benefit packages, perhaps with an additional 401(k)-style pension benefit.

6. Make the System Adaptable to Changes in Students' Location, Demography, or Needs

- Avoid investing prematurely in school facilities; at least wait until neighborhoods and student population needs are well established.
- Rent classroom space in mixed-use buildings whenever possible.
- Allow students to establish school-attendance eligibility in Orleans Parish schools through either residence or parents' employment in the parish, thereby both reducing student mobility as families settle and promoting a heterogeneous student population.

Taken together, these arrangements might not prove to be enough. But at least they are steps in the right direction—toward attracting substantial numbers of school providers and educators to run and staff new schools for the city's children. To make these arrangements possible, federal, state, and local governments must act in unaccustomed ways and philanthropies must provide new forms of aid.

Financial and Institutional Arrangements

An adaptable, high-quality set of schools in New Orleans requires the following:

Money to make one-time investments in new school startups. Although most public school systems spend little or nothing on finding and screening new educators and school providers, those functions are indispensable in New Orleans and they must be funded.

One possible funding source is the foundations—among them the Bill and Melinda Gates Foundation, the Walton Family Foundation, and the Broad Foundation—that have rushed to the city eager to help rebuild public education. These foundations are comfortable with the idea of charter and contract schools and have already invested substantially in school providers and such quality-control organizations as the National Association of Charter School Authorizers. Foundations could pay stipends for individuals preparing to open new schools and fund some of their own current grantees (e.g., the National Association of Charter School Authorizers and the New Schools Venture Fund) to screen potential school providers and others (e.g., Teach for America, the New Teacher Project) to help screen potential teachers and administrators. Foundations could also sponsor a national conference for possible providers on opportunities to start schools in New Orleans.

In addition, the federal government has provided \$20 million to states to help charter schools serve students affected by the hurricane. Funds can be used for school start-up and expansion, among other purposes. The federal government has also provided another \$100 million to Louisiana for help with restarting school operations in areas identified as disaster areas as a result of Katrina and Rita.

A scholarship plan under which all New Orleans students, no matter where each went to school previously, can take a set amount of money to any local school. This amount (including funds for facilities rental) could come from a combination of state and federal aid. Far more than a voucher plan, the idea is to prompt the private sector to open more schools and thus promote school quality, as discussed below. The federal government has made \$645 million

available from the Emergency Impact Aid program for the current school year for displaced students, even students attending private schools. This amounts to over \$5,000 per student in federal money alone and presumably would be available to returning New Orleans students.

A state-federal partnership to fund the scholarships. In the longer term, the funding situation is more difficult to predict and depends on the broader economic recovery and the emergence of a new tax base. At a minimum, the state and federal governments should continue to provide the per capita share of costs they have in the past (covering about two-thirds of the total revenue), including amounts appropriated for capital expenditures. The federal government should combine all its categorical aid programs into one lump sum to afford local flexibility; it could also replace the lost local taxes (which paid about \$1,200 per pupil) with special aid, perhaps an extension of the Impact Aid, to cover any returning public and parochial students. This federal support would continue until local sales and property tax revenues grew to some per pupil share, maybe 50 percent, of pre-hurricane levels.

State and federal funding for enhanced teacher salaries. Starting with a 50-percent premium, this would attract enough applicants so that a top-flight cadre of teachers could be identified and schools could have some choice about whom they employ.

With respect to compensation Louisiana schools now rank 46th, with an average teacher salary of \$37,123, according to the 2004 American Federation of Teachers survey of salaries. The average teacher salary in the country is \$46,597, nearly \$10,000 more. And while the average Mississippi salary is similar (ranked 47th, with \$36,217), the Texas average is \$40,476. A 50-percent premium would bring New Orleans salaries in line with those in Connecticut—the top-paying state with an average salary of \$56,516—and probably attract enough good applicants to staff the New Orleans schools. The premium would help compensate teachers for difficult living conditions and the lack of job security. Louisiana also pays National Board Certified teachers \$5,000 extra annually, so this additional incentive could help attract these select teachers to New Orleans. Additionally, teachers could be offered a two-year guarantee of employment.

The increased salary cost could be covered partly by a reallocation of the school district's funds. Classroom instruction (including adult, special, and vocational education) historically represented only about 55 percent of the district's expenditures, and total instruction, which included pupil support programs (guidance counselors, librarians, etc.) and instructional staff services (profes-

sional development and curriculum staff), represented only a little over 60 percent of the budget. The model we have proposed should result in significant savings in other expenditure categories, allowing a larger share to be devoted to school-level instructional effort. If a rough approximation of at least regular classroom instruction assumes 10,000 students, an average class size of 25, and an average salary of \$60,000, the per student cost for classroom teachers would be \$2,400 per student. With a benefit package of, say, 40 percent, the total classroom-level instructional expenditure would be \$3,360 per student.

Certainly there would be other costs, but the point here is that if classroom instruction had first draw on resources, the amounts necessary to fund a high-caliber instructional staff are well within the realm of possibility. The state could simply follow its current funding formula, but the federal government would have to extend aid until the local tax base grew sufficiently, as we suggested earlier.

A new local school-authorizing agency should be created; it alone would be authorized to permit a group to run a school with public funds. This agency, headed by a state-appointed superintendent and staffed by 5 to 10 other administrators, would be supported by state appropriations (at 1 to 3 percent of the combined operating budgets of all functioning New Orleans schools) to accept applications detailing educational and operations plans from a wide variety of potential providers. It is critical that this body commence work as soon as possible to make judicious decisions about school providers and ensure that New Orleans is ready for a possibly large influx of new students in September 2006. The firm of Alvarez and Marshall should be retained to manage the routine financial and human resources management and information systems, so as not to distract the authorizing agency from its important educational work.

Initially, at least in elementary schools, reading and math triage schools would receive high priority. The authorizer would also administer state tests to all students at all schools and publish the results. Focused on such basics, schools would not be required to cover other aspects of the state curriculum for two years. Schools would be required to admit students by lottery but could set standards for student attendance and deportment. The authorizing agency would encourage developing specialized schools for students who need special interventions.

The local school-authorizing agency would also audit schools' books and withdraw school licenses for fiscal and academic nonperformance. The agency would continually control quality by routinely reviewing both academic and financial performance. The agency's head would serve a

five-year term and could be removed only by unanimous agreement among the governor, mayor of New Orleans, chair of the state school board, and maybe the archbishop of New Orleans.

A facilities authority capitalized by the federal government with about \$150 million to lease space in commercial buildings that meet codes and enter contracts with developers who are building or rehabbing mixed-use buildings. This authority would sublease to schools, which would pay rent from their per pupil stipends.

A corporate-sponsored human resources fund that could provide grants to schools for moving costs and short-term housing subsidies for teachers and principals.

A local nonprofit parent information agency to inform parents about how to enroll students in schools, help them understand any student screening or testing processes, learn about schooling options, and express their preferences clearly.

Long-Term Vision

Much about the school system's future depends on how the economy and residential patterns develop. It might be a long time before these are stable enough to support a settled, locally run system like those in the country's major cities—one that owns a complete inventory of school buildings; employs every teacher, administrator, and staff member on civil-service contracts; and maintains a large central office that does all the hiring and spending, standardizes the curriculum, and purchases instructional materials. New Orleans might even discover the virtues of adaptability and be reluctant to return to traditional district arrangements.

New Orleans might also discover the advantages of spending almost all money in the schools on higher teacher salaries, longer school days or more days in school, and technology and teacher training that fit the needs of students in particular neighborhoods. It might be reluctant to start shifting money out of the schools and into a central office where the tendency is typically to standardize and make arrangements permanent. And, if and when it does come to appreciate the advantages of decentralized control, it will likely make the shift thoughtfully with school interests in mind.

The New Orleans system, whether run by the state or locally, will and should be slow to commit funds to a fixed set of school buildings. It may find that the life cycles of school buildings do not match family residence and employment patterns, so that neighborhoods full of children when new facilities are built have few children only 10 years later,

when the buildings still are relatively new. This mismatch is already evident in such West Coast cities as Portland and Seattle, where the aging of populations in some neighborhoods and the immigration-driven explosion of populations in others makes for overcrowding in some school facilities, while others stand empty. New Orleans may also find that many parents prefer to have their children in school near their workplaces.

New Orleans might also come to value the ability to start new schools quickly to meet new needs, to replace low-performing schools with more promising ones, and to reap benefits from innovative and flexible school units. In the first few years of recovery, the city will certainly attract many new school providers and educational professionals with diverse talents.

The leadership of the state of Louisiana and the city of New Orleans should treat the school system as a laboratory during the next five years. Louisiana is one of the few states that has a data system with individual student identifiers so it is possible to show the movement of all students in the state over time. Information on the flow of students in and out of the schools will allow analysts to see how the schools are working. Augmented with student test scores, it can help elected or appointed leaders identify high-performing schools and their programs and characteristics, as well as unacceptably low-performing ones. A similar tracking system should be developed for teachers; their flows in and out of schools and districts can show how the teacher labor market works under these conditions.

Under this vision, the authorizing agency would manage diverse schools, most run by community groups and other independent organizations, each designed to meet a particular need. Guided by solid information, the authorizer would manage schools' portfolios over time, divesting less productive schools and adding more promising ones. If the mix of schools did not serve a particular group of students well, the authorizer would experiment with promising new approaches until finding one that did.

Since students can establish eligibility on the basis of residence or parental employment, five years under state control also provides an opportunity to experiment with a metropolitan-based system that offers students from surrounding areas the chance to attend a city school with a state subsidy, since the subsidy would follow students. As the economy and population return to whatever the new normal will be, New Orleans will surely decide to make its best schools permanent and might also decide to invest in permanent school buildings and talent pipelines for them. Supporting such schools might lead New Orleans to adopt a hybrid model of school provision—some permanent

schools with dedicated school buildings and centralized support structures coexisting with a larger set of schools still trying to prove themselves, serving neighborhoods with fluctuating populations, or experimenting with pedagogical and structural alternatives.

If it adopts this hybrid model, New Orleans might pioneer new ways of organizing public education in cities nationwide. It is not the only city with rapidly changing total enrollments, many low-performing schools, transient populations, teaching forces unprepared to meet students' instructional needs, and facilities in the wrong places. In fact, almost every large school district in the country fits that basic description. All have no choice but to run public education differently, and all must dismantle today's systems before creating new ones. In New Orleans, the dismantling has been done. The opportunity to rebuild after Katrina is a tiny silver lining in an otherwise huge black cloud, but New Orleans and the state of Louisiana should now make the most of that hard-bought chance.

Notes

1. Compared with 64 percent in reading and 50 percent in math for the state.
2. <http://www.louisianaschools.net/lde/ssa/1560.asp>.
3. Charter schools are publicly funded schools operated by independent parties, normally nonprofits. Louisiana is one of 40 states that permit school districts and other public agencies to accept proposals from private groups that want to run public schools. These agreements (charters) are good for a fixed period of time (normally five years), but they can be revoked any time the public agency concludes that children are not learning.

Groups that receive charters are paid on the basis of the numbers of children they admit. Families are free to choose whether or not they want their child to attend a particular charter school, and teacher hiring is voluntary for both the teacher and the school. For details and up-to-date information about charter schools and their performance, see Robin J. Lake and Paul T. Hill (eds.), 2005, "Hopes, Fears, and Reality: A Balanced Look at American Charter Schools in 2005." (Seattle: Center on Reinventing Public Education.)
4. Aspire and National Heritage Academies are nonprofit organizations that run charter schools. KIPP, a nonprofit, and Edison, a for-profit, run charter schools but also run schools under contract for school districts that want to keep more control (e.g., over staffing) than is possible under a charter arrangement. All these organizations are relatively new and scientific evidence on their effectiveness is scarce, though KIPP and Aspire have developed positive reputations for motivating and helping low-income and minority students.

On KIPP, see Martin Carnoy, Rebecca Jacobsen, Lawrence Mishel, and Richard Rothstein, 2005, *The Charter School Dust-Up: Examining the Evidence on Enrollment and Achievement*, chapter 4. (Washington, DC: Economic Policy Institute.)

Edison is controversial for its for-profit status, and though it is committed to quality control and disclosure, results are mixed. See Brian Gill, Laura S. Hamilton, J. R. Lockwood, Julie A. Marsh, Ron Zimmer, Deanna Hill, and Shana Pribesh, 2005, *Inspiration, Perspiration, and Time: Operations and Achievement in Edison Schools*. (Santa Monica, CA: Rand.)

National Heritage Academies has rescued a number of charter schools in distress due to weak financial management, but there is little strong evidence about its academic performance.

Young Children after Katrina

A Proposal to Heal the Damage and Create Opportunity in New Orleans

What were the consequences of Hurricane Katrina and its aftermath for the young children of New Orleans, particularly those who started out the furthest behind? What does the evidence suggest about effective large-scale interventions for young children that could successfully reverse the damage and fit into the uncertain timetable of families' return to New Orleans? And what specific plan for young children should be incorporated into the rebuilding of New Orleans?

Before Hurricane Katrina hit the Gulf Coast, about 39,000 children under age 6 lived in New Orleans. Of these, some 17,000 (more than 4 in 10) lived below the federal poverty level. Nationally, the average is 2 in 10, though in Louisiana—a poor state—it is 3 in 10. As in the nation as a whole, New Orleans' youngest children are more likely to be poor than all children and than adults. In New Orleans, poverty among young children was high, partly because many parents were out of work or in low-wage jobs; also, a high percentage of families were headed by a single parent. Parents' poor education, health limitations, and disability probably also contributed (U.S. Department of Health and Human Services 2004).

The sketchy information available on the health and development of New Orleans' young children suggests that many were not doing well. This is not surprising: a wide range of studies consistently shows that poverty and low incomes correlate with worse outcomes for children (Golden 2005). For example, the Annie E. Casey Foundation's Kids Count project assesses states on 10 measures of children's well-being from birth through adolescence. In its 2005 report, Louisiana ranked 49th overall. Two measures related specifically to very young children: Louisiana tied for last in infant mortality rates and ranked next to last in the percentage of babies underweight at birth (Annie E. Casey Foundation 2005).

Before the hurricane, Louisiana's capacity to meet the needs of these young children was limited. Part of the problem is a national one: the United States has generally invested little in children below school age, and no service system takes responsibility for tracking how children are doing, as the school system does for older children.

The lack of attention and investment is most striking for babies and toddlers. Most probably have access to health services and nutrition assistance through the Women, Infants, and Children program, but little beyond that. Child care settings for very young children often fail to offer the nurturing and stimulation that benefit children's

development and sometimes fall below minimal standards of safety and quality (Phillips and Adams 2001), in part because employing enough adults to care for infants well is costly. Early Head Start, a federally funded, high-quality program that serves poor children at home or in centers, with demonstrably positive impacts on their development (ACF OPRE 2002), reaches only 62,000 babies and toddlers in about 650 communities nationwide. Other services in some locales include home visitor programs and family support centers where families with young children can get such help as counseling, emergency assistance with food or shelter, and referral for more complex health or mental health issues.

Compared with babies and toddlers, preschool-age children are more likely to be in center-based child care or prekindergarten. With the growing emphasis on school readiness, some states have invested in programs just for 4-year-olds, though these initiatives vary greatly in content, share of children reached, and quality. With so many low-income parents now working, many children are in out-of-home child care, but too often this care is substandard (Adams, Zaslow, and Tout forthcoming; Shonkoff and Phillips 2000). States use a limited pool of federal and state money to help low-income working families pay for child care; small portions of these sums also underwrite child care quality. Too often, the result is that states have long waiting lists for mediocre programs (Edie forthcoming). Few states invest in or require much training or education for child care teachers, so many are not equipped to respond to complex emotional needs or enhance children's development.

Louisiana's services to young children are generally consistent with this gloomy national picture. The weaknesses of Louisiana's health care system for poor families, described elsewhere in this series, pose particular risks to very young children, for whom health and development are closely intertwined: a toddler with undetected hearing loss, for example, will enter school already behind. Louisiana's child care system also has serious gaps: for example, it has no early childhood education or training requirements for child care teachers, requires only three hours a year of training after hire, and does not license family child care providers (National Child Care Information Center 2005).

At the same time, despite the state's financial fragility, Louisiana has invested both federal Temporary Assistance for Needy Families funds and state funds in preschool programs for 4-year-olds, serving about one-quarter of them in the 2003–04 school year (National Institute for Early Education Research 2004). In addition, the federally funded Head Start program serves about 60 percent of poor 3- and 4-year-olds in Louisiana, slightly more than

the national average. However, the proportion of poor children served in Orleans Parish appears to be below the national average.¹

Impacts of the Storm

When Hurricane Katrina flooded the Gulf Coast, very young children were affected along with other children and adults of all ages. To understand those effects and their consequences, it is important to summarize the little that is known about the effects on young children and their families and on the early childhood programs that serve them.

The number of young children affected was considerable. Including the 39,000 young children in New Orleans alone, an estimated 116,307 children age 5 and younger lived in the hurricane wind zone produced by Katrina (National Center for Rural Early Childhood Learning Initiatives and Rural Poverty Research Institute 2005). Because young children were more likely than other children and adults to live in poor families, and because poor families were the least likely to be evacuated before the flood, young children were probably a disproportionately high fraction of the group that had the worst experiences: spending time in the Superdome and other large shelters, getting hurt or taking sick, and getting separated from family and friends.

Time spent in a shelter. FEMA estimates that about 200,000 to 270,000 people were in shelters at the height of the Katrina evacuation.² If the shelter population contained the same percentage of young children as New Orleans' population in poverty did, about 20,000 children under age 6 spent time in a shelter after the storm. Shelters pose particular risks for young children, who are physically and emotionally vulnerable (Markenson and Redlener 2003). Two Head Start programs that worked with young evacuated children in Texas shelters confirmed this fact. Some young children who arrived from the large New Orleans shelters could not eat. They were hyperactive or withdrawn, and they were afraid of people after contact with so many strangers. Often, children came to the shelters already scarred by earlier experiences: staff said that "the little ones were traumatized . . . they'd been in the Superdome, in the water, on the bridges, lying next to dead bodies."³

Experiencing a direct health impact. According to a Kaiser Family Foundation survey of adults in Houston shelters, 33 percent had an injury or health problem due to the flooding or evacuation (*Washington Post*, Kaiser Family Foundation, and Harvard University 2005). An extra worry with very young children is their vulnerability to infectious diseases in crowded shelters. Head Start staff in the two Texas shelters reported outbreaks of diarrhea, including a

baby falling seriously ill. With cots six to eight inches apart and babies crawling underneath, staff were not surprised.

Separation from one or both parents. At the extreme end of the impact scale, some children were separated from one or both parents. The Kaiser survey found that 40 percent of those interviewed were separated from immediate family members but knew their whereabouts, while 13 percent were separated and did not know family members' whereabouts. Of adults with children under 18, 22 percent said none of their children were with them in the shelter (*Washington Post* et al. 2005). As families—often already fragile—were torn apart by the evacuation, some young children became wards of state child welfare agencies. Head Start staff in one Texas shelter told of a baby who had been evacuated from New Orleans with a babysitter. The babysitter's alcohol abuse prevented her from providing proper care; the baby's mother had been evacuated to Iowa, where she remains. The baby is now under the care of Texas Protective Services. Another baby was abandoned at the shelter's medical triage unit when a teen caregiver (not the mother, who had been evacuated elsewhere) ran away.

Of course, other young children had less disruptive experiences. Some families evacuated before the storm hit, moved in with relatives or friends, found stable housing or jobs quickly, or had nest eggs to tide them over. For children from these families, the damage should be less severe.

Effects of Trauma on Children

The severity of these experiences cannot be assessed without putting them in the context of children's development. Will the effects last? Might some of the many young children in New Orleans who were in desperate circumstances before the deluge be better off wherever they end up, despite trauma along the way? The evidence, while limited, suggests considerable risk of long-run damage to children's emotional development and learning.

Is the effect likely to be short term or long term? Because a young child's ability to learn is grounded in a sense of security and solid, continuous relationships with adults, the serious disruptions caused by the flood risk damaging not only emotional development and behavior but also learning and school readiness. Research suggests that even much smaller disruptions—a move from school to school or repeated changes in child care providers—can damage young children's development (Moore, Vandivere, and Ehrle 2000). Worse than these other one-off events, Katrina deprived young children all at once of their homes, their familiar neighborhoods, and at least some of their close caregivers.

Intensifying these risks is the effect of Katrina on parents. Parents' ability to interpret experiences and make their young offspring feel calm and secure helps children recover from stressful events (Shonkoff and Phillips 2000). But stress stemming from parents' own uncertainty, loss, and disruption after Katrina compromises their ability to provide this buffer. Parents can find it hard to respond to children at all, veering into anger or withdrawal.

If parents suffer only short-lived effects and can stabilize their own lives quickly, that bodes well for young children. But if parents remain in limbo themselves, and particularly if sadness, stress, or depression continue to color their interactions with their children, the risks of derailing children's development deepen (ACF OPRE 2003). In early December, one reporter found continuing and serious mental health impacts on adults who experienced the Katrina flooding, including elevated rates of suicide (Connolly 2005).

Does the fragility of young children's lives before Hurricane Katrina create a risk, or an opportunity for their recovery? Perhaps, since so many children were faring badly in New Orleans before the hurricane, the displacement could turn out to be an opportunity in disguise. One New Orleans parent in San Antonio expressed the same idea herself to Head Start staff: "God moved me when I didn't want to move."

But while it could certainly turn out that some children and families are better off over time, the child development literature gives reason to worry that improvement will be particularly difficult for the children who experienced the most deprivation before the storm. Indeed, research suggests, piling risks on top of each other worsens the bad results for children. While children certainly can recover from early damage or multiple risks with a better environment later in life, not all do, and without the strong base that comes from healthy early childhood experiences, it is harder for young children to recover from traumatic experiences (Shonkoff and Phillips 2000). Thus, for the large number of young children in New Orleans who were already not doing well, Katrina and its aftermath have likely been most damaging.

Effects on Childhood Programs and Settings

Scattered data suggest the scale of Katrina's impact on programs for children. In Mississippi, Louisiana, and Alabama, the hurricane damaged 240 Head Start centers, with 91 (62 of them in Louisiana) still closed two months after the storm. The closed centers served 7,200 children (about 1,000 of whom are now being served in other cities and states).⁴ Data on New Orleans child care centers are not available, but evidence from the affected counties in Mississippi suggests significant and continuing damage.⁵

Framework for a Response

Based on this picture of emotional and developmental damage, the research evidence suggests several principles that ought to guide policy if it is to make a difference in the lives of Katrina's youngest and most vulnerable victims.

Large scale and high impact. Given the deep and widespread damage described above, the response needs to be commensurate. To heal the damage, help children recover, and narrow the gap in learning and school readiness, effective services must reach many of the 39,000 young children who lived in New Orleans before the hurricane, whether their families return or resettle.

Comprehensive. For young children, health, mental health, and learning are tightly related. The baby who is too weak from diarrhea to move around and the toddler who is too afraid to explore are losing developmental time. Because of the complex ways Katrina affected young children and their families, we should expect that young children will have related physical, emotional, and learning needs. To be successful, programs must address them all.

High quality. To make a difference to these particularly vulnerable young children—those damaged by early disadvantage and the stress of Katrina and thus likely to have great emotional and developmental needs—teachers, mental health counselors, and other caregivers must be especially skilled, and their response of especially high quality (Shonkoff and Phillips 2000). That means that each adult work with a small number of children, that adults have considerable relevant education and training, and that many hours of services are offered when a child needs them.

Responsive to parents as well as children. The policies and programs that get the best results generally support young children directly and also engage parents, helping them to deal with their own stress and provide more nurturing, stimulating care for their young children. In addition, parents will need help stabilizing their own disrupted lives: finding stable jobs and housing in healthy neighborhoods, for example.

As suggested earlier, America's existing services for young children never came close to meeting these four criteria, even before the hurricane. The nation lacks a strong large-scale system for serving all young children, never mind one that is comprehensive, and no agency or cluster of agencies takes responsibility for young children and provides leadership in service delivery. The major damage to programs and facilities after Katrina only made the gaps worse.

Similarly, services to young children before Hurricane Katrina were too often mediocre. Since the storm, children's needs are greater and the lack of quality care and services more dangerous. In a state like Louisiana, with no early

childhood education pre-service requirements for teachers in child care centers, staff are not likely to have the knowledge base needed to easily acquire more sophisticated mental health intervention skills.

Responsiveness to parents also poses greater challenges after Katrina than before. Parents' stress levels are higher than ever, and their lives are in flux. Uncertainty about the future makes it almost impossible for them to choose services for young children, whether these services are delivered in their homes, in a relative's home, or in a child care center. To choose child care, parents must know where they are going to live, whether and where they will work, and how they will get from home to work—all still up in the air for many evacuated families.

A Possible Framework: Building on Strengths

Given the fundamental weaknesses in the nation's, the state's, and the city's social services for very young children, how can policymakers expect to follow the above criteria and make a difference for children? The one realistic opportunity is in the single strong, large-scale program for poor children that has demonstrated benefits for children, has a national structure that could be further expanded, and uses a program model well-designed to meet the four criteria above: Head Start, including Early Head Start (which serves pregnant mothers, infants, and toddlers to age 3).

Criterion 1: Large scale and high impact. In fiscal year 2003–04, Head Start served about 844,000 children nationwide and Early Head Start, 62,000 (ACF CCB 2005). While Early Head Start serves a small number of poor children compared to the eligible population of about 3.3 million, it operates 650 programs in all 50 states, along with a national network of technical assistance and support.

The body of research on Head Start and Early Head Start includes unusually rigorous studies. Recent major evaluations of Head Start (ACF OPRE 2005) and Early Head Start (ACF OPRE 2002) have included random assignment of children, the most rigorous method available to ensure that any differences between Head Start/Early Head Start and control group children are due only to the program. Moreover, these evaluations have examined dozens of programs nationwide, in contrast to the more typical practice of studying small single programs. In fact, the Head Start study examines a randomly selected group of programs from all over the country—the whole range of terrific, good, and mediocre programs. The Early Head Start study examines 17 programs selected for geographical and programmatic diversity.

Given the need for programs that could be expanded quickly under suboptimal conditions, the comprehensiveness of these evaluations is extremely important. The positive results measured across a wide range of programs provide confidence that the impact of Head Start and Early Head Start does not depend on special circumstances; rather, the typical Head Start or Early Head Start program helps very disadvantaged children. That said, averaged across such diverse programs all over the country, impacts may appear smaller than results from individual pilot projects. Particularly in the case of Head Start, debate continues about whether the size of these national average impacts is exciting or disappointing.⁶

More specifically, research shows the following:

- Early Head Start children showed better language development and overall cognitive development than control group children by age 3 (ACF OPRE 2002).
- Head Start children did better than the control group on pre-reading skills, pre-writing skills, parents' assessment of children's literacy, and vocabulary (ACF OPRE 2005). These findings on skills development are consistent with a long history of studies of Head Start. A 1993 review by national experts found that studies show "positive effects on children's cognitive skills, self-esteem, achievement motivation, and social behavior." Long-run effects remain controversial (U.S. Department of Health and Human Services 1993).
- By the time Early Head Start children reached age 3, their parents provided a better home environment for learning, read to children more, and spanked children less, compared with control group children (ACF OPRE 2002).
- Of particular interest in Katrina's wake, though Early Head Start did not change parental depression by the time children reached age 3, it did improve the depressed parents' interaction with their children (ACF OPRE 2003). By the time children reached age 5, the program also reduced their exposure to various parental problems, including depression and substance abuse (Love et al. 2005).
- Head Start parents read to their children more than control group parents (ACF OPRE 2005).
- Early Head Start researchers concluded that programs with better-quality services have larger impacts than the average for all programs (ACF OPRE 2002). The Head Start study team will examine this issue in a later volume. If this common-sense hunch turns out to be true, confidence should increase further that implementing the program model well can make a big difference.

A further advantage of building on Head Start and Early Head Start is that their national infrastructure allows for rapid program expansion in response to a budget increase. The Department of Health and Human Services (HHS) can allocate resources nationally, especially when Congress increases the total Head Start appropriation, within the framework of statutory requirements that earmark resources for Early Head Start (10 percent of the total Head Start appropriation), technical assistance and training, investment in quality (in years when the Head Start budget increases), and a required minimum allocation to each state. Generally, when the budget is relatively flat, as it has been since 2001 (rising from \$6.2 billion in 2001 to \$6.8 billion in 2005), successful programs continue to receive roughly the same size grant for the same number of children.

This freedom to move some funds where they are most needed has already enabled Head Start to respond quickly to Katrina's initial impacts. About \$15 million freed up within the system (ACF OPRE 2005) went to Head Start and Early Head Start programs that by mid-November were serving 4,645 evacuated children in programs across the country.⁷

Finally, the Head Start system's national network of institutions and partnerships for quality control, training, and technical assistance makes it possible to expand the scale of services rapidly without compromising quality. Key partners include national technical assistance centers and institutions of higher education. Nationwide links among programs and national standards for program content and quality undergird the partners' work.

Criterion 2: Comprehensive. A central feature of both Head Start and Early Head Start is a comprehensive program model based on national performance standards. Program components aimed at promoting children's learning, health, and mental health, and engaging parents in their children's learning must meet specific requirements. In addition, both program models include family support services for parents who have urgent needs such as housing, employment, and other linchpins of stable family life, to help connect them to resources in the community.

These programs address children's physical and mental health needs through on-site expertise and close links to services in the community. As the 1993 expert report indicates, Head Start at its best is meant to operate as a "central community institution" serving poor families (U.S. Department of Health and Human Services 1993). Thus, Head Start staff advocate for participating children before local public health departments, Medicaid agencies, mental health clinics, and other service providers, and often embark on joint projects with these other agencies. According to the Head Start evaluation, the results are better overall health for

children and better access to health care services (ACF OPRE 2005).

Criterion 3: High quality. Classroom quality in Head Start is on average better than in the other center-based programs (child care, prekindergarten, nursery school) available to low-income children. The Head Start evaluation includes an assessment of classroom quality that rates the average quality of Head Start programs as “good,” but the center-based programs attended by control children as only “fair” (ACF OPRE 2005). Other national assessments of Head Start and other early childhood programs have reached similar conclusions (ACF OPRE 2000).

Besides rigorous national performance standards, Head Start has a national network of training and technical assistance experts; low teacher-student ratios; educational requirements for teachers that are considerably higher than for state child care programs, though lower than for school systems (with most Head Start teachers holding at least an associate’s degree in early childhood education);⁸ national quality monitoring; and resources and requirements for extensive on-the-job staff training. While recent budget constraints make it harder for programs to pay for training and hire more qualified staff, the framework for making improvements is ready to use as soon as resources again become available.

Criterion 4: Responsive to parents. Active parent involvement and services to parents have always been central to the Head Start and Early Head Start programs. However, as more and more poor parents have gone to work, responding to their work schedules has become a major challenge. While some Head Start programs, particularly those serving migrant farmworkers, have always been organized around dawn-to-dusk classroom schedules, many others have provided services for less than a full workday. After the growing need for full-day, full-year services was recognized in 1993 (U.S. Department of Health and Human Services 1993), HHS funded longer days for some programs and encouraged partnerships with local child care programs, bringing state and federal funding together to provide high-quality, full-day care.

Since its inception in the mid-1990s, Early Head Start has responded to a range of parental schedules. Options include weekly home visits supplemented by regular group activities, center-based programs supplemented by home visits, and mixed-approach programs with the flexibility to provide either home- or center-based services depending on a parent’s needs and schedule (ACF OPRE 2002).

Limits of Head Start/Early Head Start. Even though Head Start and Early Head Start can play unique roles in shaping a response to Katrina that makes a difference for young

children, both programs have limitations. First is funding: Early Head Start reaches very few of the babies and toddlers currently in need, many Head Start programs do not provide the full-day services that working parents need, and children in struggling families with incomes just over the poverty level are not eligible for services. The proposal below suggests adding resources to overcome these limits for New Orleans’ young Katrina victims.

Second are concerns about quality. While Head Start teachers are more qualified than child care staff, they have less formal education and much lower salaries than teachers in K–12 education, for example. The jury is still out on which credentials are most valuable for early childhood teachers (for example, an associate’s degree in early childhood education versus a bachelor’s degree in another subject), but having Head Start teachers continue their educations is almost universally considered worthwhile. Finally, as noted above, there is debate about the size of the impact from Head Start and Early Head Start: how should we view modest impacts averaged across a nationally representative array of programs? The proposal addresses these issues.

A Proposal: Young Children in the Rebuilding of New Orleans

Head Start and Early Head Start represent the most promising starting point for responding fully to the needs of young children in Hurricane Katrina’s aftermath. The goal of the proposal below is to take advantage of Head Start/Early Head Start’s strengths—including program standards, a strong program model, and national capacity and infrastructure—while adding local and regional partners from health and mental health, child care, state prekindergarten, and family-support programs to make possible a dramatic expansion of services to young children, far beyond Head Start’s traditional scope and eligible population.

As the plans for rebuilding New Orleans go forward, the federal government should commit to a major investment in Head Start and Early Head Start in New Orleans. Given the current size of New Orleans’ population, a modest increase in federal investment beyond New Orleans’ previous Head Start grant level will make possible a major expansion to babies and toddlers and to struggling families just over the poverty level. The federal investment should support a strategy designed locally to create partnerships that will dramatically expand services for young children following the Head Start and Early Head Start models. State, local, and private-sector financial contributions should supplement the federal resources.

Without such a strategy, any school reform plan could well founder on the deep damage done to young children and the unmet needs of each new cohort as it reaches school age. Also, this strategy would give the city its best chance of helping young children recover from trauma and from lifelong poverty and disadvantage. Well coordinated with other dimensions of rebuilding, such as employment and neighborhood development, these new programs could be a powerful incentive for parents to move back to the city. And the programs could support a family economic-development agenda by offering care while parents work and get back on their feet. Finally, the programs could serve as a national pilot, yielding information for future decisions about Head Start and other programs, to promote young children's well-being and school readiness.

Step one should be to convene potential local and regional partners, along with national colleagues from the Head Start and early childhood communities, to design the strategy and staging. New Orleans' Head Start and Early Head Start grantee agencies are central to the design of the strategy, along with New Orleans service providers experienced in child care and family support, strong Head Start programs from across the South, representatives of Louisiana's pre-kindergarten program and the New Orleans schools, health and mental health professionals, local colleges and universities with expertise in early childhood education, and national technical assistance partners from the Head Start and early education communities. The group should also include parents and key architects of state and local plans for reconstructing neighborhoods, attracting jobs, and the other related challenges ahead.

The program design should include the following six features:

1. Income Eligibility beyond the Poverty Level and an Age Range from Birth to Preschool

National funding constraints mean that Head Start and Early Head Start are open almost exclusively to children with family incomes below the poverty level. And because Early Head Start is so small and state investments typically target 4-year-olds, most children under age 3—and in many communities, under age 4—lack access to any high-quality program. These entrance requirements do not make sense in Katrina's aftermath, when the damage suffered by so many young children is not confined to a specific income level, and when babies, toddlers, and preschoolers all need a response fast. Recognizing this, the Head Start Bureau has already allowed programs to enroll Katrina evacuees at

any income level (Administration on Children, Youth, and Families 2005). But more resources are needed to open the program's doors to all evacuee children who need help and to reach younger children, from birth to age 3.

A New Orleans strategy that did not restrict early childhood programs to the very poor and that opened its doors to more babies and toddlers would also lend itself to a pilot of national interest. Perhaps the most appealing approach in the context of New Orleans' redevelopment would be to phase in programs by neighborhood rather than by income or age, creating programs for all children from birth to age 5 in one neighborhood at a time. For neighborhoods where most families are above Head Start's income level, the program might seek matching funds from private philanthropy, from the state, and from families themselves, while federal resources would be concentrated in lower-income neighborhoods.

2. Partnerships within and beyond the Community

To scale up services fast while also maintaining quality, several different groups, individually or in partnership, could take the lead in delivering Head Start and Early Head Start services, either as direct grantees from the federal government or as "delegate agencies" receiving funds passed on by the grantee. The expansion of services to babies and toddlers is likely to require particular attention to partnerships, since the existing Early Head Start capacity in New Orleans is small relative to the need (as it is nationwide), and many small, well-monitored, highly qualified programs will be required to fill the gap. Besides the current Head Start and Early Head Start grantees, other potential partners include local child care, preschool, or home-visiting programs that could be funded to build or rebuild programs to meet Head Start standards; Head Start programs from the surrounding area with enough capacity to guide the development of local satellites; and regional higher education institutions that have early childhood programs and experience partnering with Head Start.

3. A Close Link to Other Parts of the Rebuilding Plan

What will make New Orleans attractive to families is a combination of jobs, safe housing in thriving neighborhoods, and early childhood programs and good schools. This coordinated, three-pronged approach requires that neighborhood development plans from the very beginning consider the space needed for early childhood programs and

parents' preferences for where those programs might be located relative to home and work. In addition, New Orleans should take advantage of early childhood services expansion as a potential engine for jobs and economic development—making it a cornerstone of the city's training and job-creation strategy.

4. Flexible Strategies for Reaching Children in Multiple Settings

Because the terms and stages of rebuilding are so uncertain, the early childhood initiative should not be designed solely around centers, which need a certain number of children to fill the spaces. Head Start and, especially, Early Head Start offer proven home-based as well as center-based strategies for helping children learn. Offering both or a mixture would allow young children to receive critical services while neighborhoods and individual parents' lives are in flux, without requiring exact predictions of when enough families will return home to support a center-based program. This approach is also consistent with current population projections for the city, which anticipate gradual growth as evacuees decide whether to come back.

5. Commitment to Quality

Devoting immediate resources to quality is critical. Quality means ensuring that staff enter with the right education and experience, that they receive frequent training, that programs have access to experts such as mental health clinicians, and that colleagues from outside each program support and monitor its progress. The framework for this emphasis on quality exists, but the new initiative should include from the beginning a federal investment in Head Start's national technical assistance organizations so they can respond to the challenges of rebuilding. For training and expert advice, the initiative should quickly engage partners in the region—nearby Head Start programs, colleges and universities, and prekindergarten, child care, and family support programs.

Earlier Head Start partnerships in the New Orleans area and elsewhere augur well for success. The national Head Start Bureau has worked closely over the years with colleges and universities to step up early childhood education programs, so that Head Start can hire more classroom teachers with early childhood education degrees and current teachers can get credentials. Many institutions have built partnerships with local programs to provide teacher training, conduct program assessments, or offer help from faculty experts. Right now, Tulane University's multiyear research partnership with two Early Head Start programs in Baton Rouge

was transformed after Katrina into a service delivery partnership to serve young evacuee children. The University's role includes strengthening the programs' mental health focus, critical to meeting these children's needs.

6. Other Supports to Families

While Head Start and Early Head Start offer a promising framework for services to young children, the level of poverty and family distress before Hurricane Katrina and the scale of its impact suggest that New Orleans should also consider a few other priority supports for families. The role of fathers in young children's lives, for instance, deserves more attention in the hurricane's wake. Many poor young children in New Orleans were growing up in single-parent families before Katrina struck. Since research suggests that children do better when both their parents are involved in their upbringing, the hurricane could have further harmed children by separating them from attentive noncustodial parents. If the job-creation and training strategies for rebuilding the city attract both parents back to New Orleans—one step forward—then strategies that engage fathers in their children's lives could be the next step.⁹

The costs of this proposal would be modest, particularly compared with other components of rebuilding. Before the hurricane, the federal grant for Head Start in New Orleans was about \$21 million per year, but only a small proportion of this amount is now being spent; the remaining resources risk being lost to the city. If Congress (or another funder) maintained this amount and added \$35 million per year, New Orleans could likely offer Head Start or Early Head Start services to all children under 5 and their families who return in 2006, including all babies and toddlers as well as preschoolers, and regardless of their families' income levels.¹⁰ If services were phased in by neighborhood or if higher-income families contributed a partial payment, the costs would be less.

The proposal outlined here sketches what it would take to make a difference for young children damaged by Katrina and its aftermath. While the specifics may change in response to community input and parents' choices, healing the damage to New Orleans' children and improving their chances of future success require policymakers to be ambitious. Doing too little—or nothing—could sharply curtail the life potential and contributions of tens of thousands of children.

Notes

1. Nationally, Head Start serves 844,000 of 1.6 million poor 3- and 4-year-olds, or about 52 percent. According to an e-mail communica-

tion with the Administration for Children and Families (November 2005), 20,386 of the 34,182 eligible 3- and 4-year-olds are enrolled in Head Start in Louisiana and 2,544 of the 6,081 eligible 3- and 4-year olds are enrolled in Head Start in New Orleans.

2. On September 10, 2005, the U.S. Department of Homeland Security estimated that 208,000 Katrina evacuees were being sheltered. FEMA reported on October 22, 2005, that 273,000 evacuees from Hurricane Katrina and Rita spent time in shelters. According to the FEMA web site, Vice Admiral Thad Allen said, "Hurricane Katrina forced over 270,000 Gulf Coast families to flee to emergency shelters." It is likely that he meant 270,000 evacuees, not families. See U.S. Department of Homeland Security (2005).
3. The examples are from telephone interviews with the Head Start director and staff from Child Inc. in Austin and the Head Start director and staff from Parent-Child Inc. in San Antonio.
4. The Administration for Children and Families (ACF) provided the Head Start Bureau's tabulations, including the number of centers closed, the number of children served in those centers, and the number of evacuee children being served elsewhere in the country. The total number of evacuee children served in Head Start and Early Head Start programs nationally was 4,645, according to Head Start Bureau tabulations as of November 15, 2005. The estimate of 1,000 of these children having been in the closed centers is based on an e-mail communication from ACF estimating that about 20 to 25 percent of the total evacuee children being served had previously been in a Head Start program.
5. For example, among child care programs, a telephone and door-to-door survey in Jackson County, Mississippi, found about one-quarter closed and another 39 percent damaged but planning at the time to reopen. See National Center for Rural Early Childhood Learning Initiatives (2005). Updated information about continuing problems is provided in Business Publishers Inc. (2006).
6. For two perspectives, see Doug Besharov (2005), who argues that the results are disappointing, and Society for Research in Child Development (2006), which summarizes the "consistently positive" results across "multiple aspects of child development."
7. This information is based on an e-mail communication with the Administration for Children and Families, November 2005.
8. Of 56,208 Head Start teachers nationwide in 2003–04, 36,477 had an early childhood education–related associate's degree, baccalaureate degree, or graduate degree. About 78 percent of classroom teachers in Louisiana and 57 percent of classroom teachers in New Orleans had at least an early childhood education-related associate's degree. See ACF 2005a and 2005b.
9. Research suggests that Early Head Start has had positive effects on father-child interactions. For example, Early Head Start encourages fathers to participate in program-related child development activities, and children participating in the program are better able to engage their fathers. See ACF OPRE 2002.
10. This estimate assumes that one-third of families with young children who lived in New Orleans before Katrina will return in 2006, that 60 percent of them will accept the Head Start place that they are offered, and that the expanded Head Start and Early Head Start programs will cost about the national average: \$5,600 per child for Head Start and \$10,500 for Early Head Start.

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Initial Health Policy Responses to Hurricane Katrina and Possible Next Steps

Hurricane Katrina destroyed much of the New Orleans health care system. With more than a dozen hospitals damaged and thousands of doctors dislocated, virtually all New Orleanians lost access to their usual health care providers. Individuals with acute or chronic conditions were particularly hard hit. According to U.S. government officials, 2,500 hospital patients in Orleans Parish alone were evacuated (Nossiter 2005). In addition, dialysis centers across Louisiana with caseloads of between 3,000 and 3,500 patients were destroyed, and only half of these patients were accounted for several weeks after the storm hit (McCarthy 2005).

The devastation of New Orleans' health care system was especially profound for the low-income uninsured, most of whom depend heavily on a handful of providers, especially Charity Hospital, one of the nation's oldest health facilities dedicated to treating the poor and disadvantaged. In many ways, however, the uninsured were no different from insured New Orleanians: both lost access to their usual sources of care. Importantly though, those with either private or public coverage were able to see providers elsewhere in the country and could be confident that, at least temporarily their care would be covered. By contrast, the low-income uninsured could not.

Although the immediate crisis has subsided, state and national officials, employers, and insurers must confront a wide array of difficult health care challenges in Katrina's aftermath. In particular, what happens to the individual who had insurance through an employer that is now out of business? How should care for uninsured individuals be financed? What happens to a Louisiana Medicaid beneficiary who evacuated to another state? How should the New Orleans's health care system be reconstructed, especially the safety net?

Focusing on the low-income population, we examine some of the early responses to the many health care issues that surfaced in Katrina's wake. We also discuss some of the emerging issues that both private and public decisionmakers will face. We present background on basic health status indicators for Louisiana and an overview of health care use and patterns of health insurance in the state. We also highlight basic features of the state's Medicaid program and discuss some of the early health care policy actions by state and federal officials. We conclude with ideas about rebuilding the health care system for low-income people in New Orleans.

Background

Health Status

Although Hurricane Katrina created many health problems, a wide range of indicators suggests that Louisianans had poor health status even before the storm hit. According to the United Health Foundation's 2004 State Health Rankings, for example, Louisiana ranked lowest overall in the country (United Health Foundation 2004). It numbered among one of the five worst states for infant mortality, cancer deaths, prevalence of smoking, and premature deaths (defined as years of life lost to deaths before age 75 per 100,000 people). Louisianans also had among the na-

tion's highest rates of cardiovascular deaths, motor vehicle deaths, occupational fatalities, infectious disease, and violent crime.

Health Care Service Use

While information on patterns of health care use is not comprehensive, available data document that Louisianans received more hospital care than residents of other states. For example, Louisianans, on average, were more likely to be hospitalized or to visit an emergency room or other hospital outpatient department, compared with residents of other states (table 6.1). In addition, hospitals in Louisiana

Table 6.1 Selected Characteristics of Health Care in Louisiana and the United States, 2003

	United States	Louisiana
Total population (in thousands)	290,810	4,496
Number of hospitals		
Total community hospitals	4,895	127
Total per 1 million population	16.8	28.2
Ownership distribution		
State and local government (%)	23	39
Not for profit (%)	61	27
Investor owned (%)	16	34
Hospital utilization and distribution by ownership status		
Total admissions per 1,000 population	119	154
State and local government (%)	13	32
Not for profit (%)	74	42
Investor owned (%)	13	26
Emergency room visits per 1,000 population	382	556
State and local government (%)	16	45
Not for profit (%)	71	30
Investor owned (%)	13	26
Impatient days per 1,000 population	676	861
State and local government (%)	16	31
Not for profit (%)	72	41
Investor owned (%)	12	28
Outpatient visits per 1,000 population	1,937	2,409
State and local government (%)	17	36
Not for profit (%)	75	45
Investor owned (%)	8	18
Federally qualified health centers (FQHCs)		
Total FQHCs (%)	890	16
Total per 1 million population (%)	3.1	3.6
Service delivery sites per 1,000 population (%)	42	19
Patient encounters or visits per 1,000 population (%)	170	65

Sources: 2004 Area Resource File; 2005 AHA Hospital Statistics; Kaiser Family Foundation State Health Facts.

were much more likely to be publicly owned and operated than in other states. Almost four out of ten hospitals in Louisiana were public hospitals operated primarily by the state, versus one out of four nationally. As for services rendered, public hospitals provided 45 percent of emergency room visits, 31 percent of inpatient days, and 36 percent of other outpatient visits. In all three of these service categories, the national average share provided in public hospitals was about 16 percent in 2003.

Louisiana's heavy reliance on public hospitals appears to be part of the state's strategy for serving its large uninsured population. As in other communities, public hospitals and clinics have been the providers of last resort for the uninsured in New Orleans. Historically, the city's uninsured received the bulk of their health care from Charity Hospital and its clinics, which were severely damaged by Katrina. This dependence on public health care facilities may also explain Louisiana's significantly lower use of federally qualified health centers (FQHCs), a common source of ambulatory care for the uninsured in many states.¹ For example, the number of FQHC visits per capita among Louisianans was only about 40 percent of the average state (table 6.1).

Insurance Coverage

Mirroring its high poverty rate, Louisiana's uninsured rate is among the nation's highest; only Texas and New Mexico have higher rates. To the extent that the hurricane caused drops in employment and job-based health insurance, Louisiana's uninsurance rate will increase. Data from 2003

and 2004 show Louisiana's low rate of private health insurance (62 percent versus 69 percent nationally; see table 6.2). Further, eligibility standards for publicly sponsored health insurance programs such as Medicaid were comparatively low, so public coverage only partially offset the low private coverage rate. While public coverage in Louisiana was common among children in low-income families, with about one out of two children (52 percent) covered through a public program, it was only slightly higher than the national rate of 46 percent. However, only 19 percent of adults in Louisiana's low-income families had public coverage, below the national average of 22 percent. The low rate of private health insurance and limited public coverage account for the state's high uninsurance rate, which was 22 percent, compared with the national rate of 18 percent.

Medicaid in Louisiana

Medicaid is a national program that provides insurance to some low-income Americans, including children and their parents, the disabled, and the elderly. Jointly financed by the federal and state governments, Medicaid is the nation's largest insurer and at the heart of state health insurance programs for the poor.

Within broad federal guidelines, each state designs its own Medicaid program, which makes for extensive variation in eligibility, service coverage, provider payment, and other program features. Louisiana has set strict Medicaid eligibility rules for parents, contributing to the state's low rate of public coverage for adults. For example, only working parents with family incomes below 20 percent of the

Table 6.2 Health Insurance Coverage of the Nonelderly, by Age and Income, 2003–2004

	Percent distribution by coverage type (%)					
	Total (millions)	Private			Public	
		Employer	Non-group		Medicaid/SCHIP	Other
Total, nonelderly						
United States	253.9	63.6	5.4	11.0	2.3	17.8
Louisiana	3.9	56.4	5.6	13.9	2.6	21.5
Low-income children						
United States	33.3	30.7	3.5	44.3	1.5	19.9
Louisiana	0.7	26.1	3.4	51.3	0.6	18.7
Low-income adults						
United States	55.7	29.8	7.4	17.6	4.7	40.6
Louisiana	1.0	28.9	6.6	13.9	4.7	45.9

Sources: 2004 and 2005 Current Population Surveys.

federal poverty level (FPL) are eligible for coverage. Nationally, the median eligibility level for working parents is 67 percent of the FPL—considerably higher than the level in Louisiana (Kaiser Family Foundation 2005).

Louisiana spent about \$5.1 billion on Medicaid in 2004 (excluding payments for program administration), with about 74 percent (\$3.8 billion) coming from the federal government (Kaiser Family Foundation 2005). The balance (\$1.3 billion) came from the state. Louisiana spent about \$3,251 per enrollee, 20 percent less per capita than the national average of \$4,011, reflecting the relatively large share of children on its Medicaid rolls. In fact, nondisabled adults enrolled in Louisiana's Medicaid program had high health care needs and relatively high program spending per adult enrollee. Specifically, Louisiana spends about 30 percent more per enrollee on its nondisabled adults than the national average (\$2,280 versus \$1,736).

Louisiana's extensive network of public hospitals and clinics enabled the state to develop and maintain a large Medicaid disproportionate share hospital (DSH) payment program. DSH payments, supplements to basic Medicaid payments for hospital inpatient care that are designed to help hospitals providing a large share of services to Medicaid and uninsured patients, accounted for 18 percent of Louisiana's total Medicaid spending in 2003, much higher than any other state (Kaiser Family Foundation 2005).

Although DSH payments are an important funding source for safety net hospitals, requiring them to supplement payments for inpatient rather than outpatient care weakens a state's incentives to seek opportunities to move care from inpatient to outpatient settings. This distortion is particularly great when DSH payments comprise a sizable share of a state's Medicaid spending, as in Louisiana's program. Moreover, centering health care for the uninsured and Medicaid beneficiaries around inpatient and other hospital-based care is likely to be less efficient and effective at delivering quality care than relying on community-based care. However, federal rules limit DSH payments to hospitals and thus can sometimes skew state investment away from other parts of the health care system.

Early Responses to Hurricane Katrina

Immediately after the storm hit, health care and emergency services providers worked feverishly to get patients out of harm's way. The loss of health care facilities spurred creative solutions ranging from using the Louis Armstrong New Orleans International Airport as both a triage center and temporary morgue, to constructing mobile treatment centers in

commercial parking lots, to installing medical equipment in athletic arenas and vacant stores, to deploying navy hospital ships to the New Orleans seaport (Moller 2005; Romano 2005; Upshaw 2005). In addition, the federal government established and staffed 40 emergency medical shelters in the region (Schneider and Rousseau 2005).

The State of Louisiana also quickly implemented policies to ensure that its Medicaid program continued serving beneficiaries (Baumrucker et al. 2005). One move was issuing temporary cards to beneficiaries who lost theirs in the hurricane. The state also waived all prior authorization requirements, so that any in-state or out-of-state provider willing to accept Medicaid payments from Louisiana could render services to beneficiaries. In addition, Louisiana stationed Medicaid workers in FEMA Family Assistance Centers and shelters to help prospective beneficiaries fill out necessary application forms. To free up staff to deal with the anticipated surge in new applications, the state also postponed eligibility recertification for current enrollees.

Federal officials also began crafting a strategy to provide health services to persons affected by Katrina, especially those with low incomes. Medicaid emerged as the center of the federal strategy (Baumrucker et al. 2005; Park 2005), but the Bush administration and Congress disagreed on the approach. At the heart of the discussion was whether to provide temporary, fully federally funded Medicaid coverage to low-income individuals affected by Katrina (including childless adults and others not typically eligible for the program) or to work within current Medicaid structure. Some senators endorsed the broader strategy, while the administration favored the state-focused approach, which was the policy ultimately implemented.

Medicaid Waivers

The administration opted to rely on state Medicaid "waivers"—in particular, Section 1115 waivers. Under Section 1115 of the Social Security Act, the secretary of Health and Human Services has broad authority to waive certain Medicaid statutory requirements, including eligibility rules and the delivery and coverage of services. Three weeks after Katrina, on September 16, 2005, the administration issued a new waiver initiative under Section 1115 aimed to help states provide temporary Medicaid coverage to Katrina evacuees.

However, given Medicaid's unique federal and state partnership, structuring a waiver policy to cover program beneficiaries who moved across state lines posed a challenge to federal officials. Using an expedited review process, the new waiver policy allows host states to cover selected

groups of evacuees for up to five months, during the period of August 24, 2005, to June 30, 2006. The waivers also established uncompensated care pools to help pay for services furnished to uninsured evacuees and Medicaid beneficiaries not covered by the host state's program. As of January 2006, 17 Katrina waivers had been granted.²

Under Katrina waivers, states can follow either eligibility guidelines suggested by Health and Human Services (HHS) or the Medicaid eligibility rules of an evacuee's home state. To date, most of the waivers use the HHS guidelines, which for Louisiana represent an expansion in eligibility. For example, Louisiana's parent evacuees with incomes up to 100 percent of the federal poverty level (\$19,350 for a family of four in 2005) are now covered in host states whereas under regular Louisiana Medicaid rules, only parents with incomes up to 20 percent of the poverty level would have been eligible. Benefits provided under waivers to Katrina enrollees are the same as what the host state's Medicaid program normally offers, though states are free to offer a more limited package.

For the coverage component of the Katrina waivers, host states do not have to provide additional Medicaid funding. States must simply report their costs for evacuees through the standard joint federal-state Medicaid funding procedures to get fully reimbursed by the federal government. Eventually the home states will have to reimburse the federal government for the share of evacuee costs that they would have paid for beneficiaries who were residents of their states before the storm. Few details on how this part of reimbursement process will work are known; however, the home states of Louisiana, Mississippi, and Alabama have signed memoranda of understanding agreeing to repay the federal government for their share of evacuees' Medicaid costs. As mentioned, some Katrina waivers allow states to establish uncompensated care pools to reimburse health care providers who supply "medically necessary services and supplies" to Katrina evacuees without health care coverage.³ The pools can also be used to pay for care provided to Medicaid beneficiaries beyond what host states cover.

The nonfederal share of host states' Medicaid and uncompensated care costs will come from a combination of FEMA's National Disaster Medical System funds and a special appropriation made under the recently passed Deficit Reduction Act of 2005. Specifically, the appropriation provides a limit of \$2 billion in federal aid across all of the states that received Katrina waivers. The federal government's financial obligation is not open-ended, as would be the case normally for Medicaid, but is akin to a block grant. As of this writing, it is unclear if the limit on federal funding pro-

vided to states will impose a real constraint on payments made through the Katrina waivers for the nonshares of Medicaid costs. In addition, given the connection between Medicaid and the uncompensated care pools, the funding levels for the pools and the distribution of funds available for this purpose among the states remains unclear.

Problems for the Privately Insured

Individuals with private health insurance also faced numerous problems in Katrina's aftermath. Many individuals had employer-based private health insurance but lost it along with their jobs. Most private health insurers tried to ease the immediate impact on their enrollees (America's Health Insurance Plans 2005) by, for example, giving people more time to pay premiums, dispensing with rules such as those requiring prior authorization and referrals for specialty care, and for payment purposes, treating all providers as if they were "in network." However, such provisions had expiration dates that have now passed. Many insurers reinstated their usual protocols, especially vis-à-vis premium collection. Individuals and employers who do not resume premium payments are likely to see coverage lapse.

The Senate drafted legislation to help cover some premium payments for private health insurance. Under a September 2005 proposal (Senate Bill 1769), premiums for small businesses (with not more than 50 employees), their employees, and individual purchasers of health insurance would have temporarily been shouldered by the government. But the legislation never came before the full Senate, and there has been no direct federal policy response aimed at privately insured individuals affected by Hurricane Katrina.

Rebuilding the Health Care System in New Orleans

The responses to Hurricane Katrina so far should be viewed as efforts to simply stabilize a chaotic situation. The community's ongoing recovery will also require immediate consideration of public health needs and the development of new approaches to service delivery in New Orleans.

Short-Run Needs

Environmental hazards and community mental health needs present major public health concerns. The environment is damaged by sediment, including high concentrations of heavy metals (e.g., arsenic), petroleum components,

and pesticides. The State Department of Environmental Quality and the federal Environmental Protection Agency (EPA) have been evaluating and will continue to evaluate these factors before areas are resettled. Press reports suggest that state officials are urging federal agencies “to issue a clean bill of health,” but the EPA is still engaged in testing in some areas (Brown 2005). Private testing done by environmental groups has raised questions about the state’s conclusions regarding the safety of some areas (Natural Resources Defense Council 2005). Some of the toxins that might be in the sediment could put the population at a higher risk of contracting certain cancers, neurological problems, and kidney or liver damage.

In addition to these physical problems, serious mental health conditions are also likely in communities that experience catastrophes on the scale of Katrina. It is common for people to exhibit symptoms related to Post-Traumatic Stress Disorder in situations like this one. However, when people go through major disasters, they also often struggle with major depression and other longer-term psychological problems (Lister 2005). New Orleans must deal with these public health challenges as it begins to rebuild, by ensuring a safe environment to its public and increasing the availability of mental health services, especially to uninsured low-income individuals.

Longer-Run Needs

The health care challenges now faced by New Orleans would be repeated in other parts of the country if a natural disaster struck. Without exception, every state and city have some uninsured individuals who typically rely on publicly subsidized clinics or hospital emergency rooms for their health care. Further, Medicaid beneficiaries anywhere would face similar problems getting care if they evacuated to another state. In short, if a disaster of similar proportions struck New York City, Chicago, Houston, Los Angeles, or any other major city, low-income people would lack ready access to health care services in much the same way that New Orleans’ uninsured did when Katrina hit.

Given the current uncertainty surrounding New Orleans’ fate, it is difficult to predict what the city’s health care system will look like in the future. At the same time, health care is a basic service and central to any reconstruction effort. Indeed, reliable and comprehensive health care services are absolutely essential to attracting people back to the city.

Decisions about building an efficient, practical health care infrastructure in New Orleans should be driven in part by the number and circumstances of the people who return. What is their age distribution? Income distribution?

Employment status? The kinds of economic activities that take root in the city are also key considerations, as are the type and number of returning health care providers. For example, will the city be largely a service-based economy in which relatively few businesses offer employer-sponsored insurance? How many and what type of physicians will establish practice in New Orleans? Enough to staff a major medical center or a trauma center? Also, the level of federal and state financial support will be a determining factor in reconstruction. Finally, what political and health care leaders envision for the city will be key in the rebuilding. Whatever decisions are made, the result should be a system capable of meeting the health care needs of the returning population, especially the most vulnerable among them.

One policy response to coverage problems would be to expand public insurance to all low-income individuals regardless of their household status or to subsidize the purchase of private coverage. But, since the federal government has already rejected broad short-term expansions of Medicaid coverage in the wake of Katrina, any longer-term federally financed expansion seems unlikely. Alternatively, the state could expand coverage, but Louisiana has not historically opted for broad eligibility in its public insurance programs. Also, given the negative fiscal impact Katrina has had on the state, a coverage expansion even partially financed by Louisiana seems remote.

Assuming that near-universal coverage is not politically or financially feasible, the silver lining in the destruction of New Orleans is the new opportunity to design a health care system that meets the needs of residents more efficiently. In rebuilding the health care safety net, local officials will most likely prefer to lead with their strength by working with Charity Hospital, long the heart and soul of New Orleans’s indigent health care system. In fact, Louisiana State University’s Health Care Services division, administrator of Charity Hospital, favors using any FEMA money available to the city to build a new hospital that has been in planning for a decade, rather than renovating the current damaged facility (Connolly 2005).

If a repaired or rebuilt Charity Hospital is at the core of the health care rebuilding efforts, there are several directions that policymakers could take. More particularly, federal and state disaster relief funds could be used to build a new Charity Hospital, more or less maintaining the basic features of the city’s pre-Katrina safety net. An alternative is to build a safety net based on a continuum of care to low-income residents, moving away from New Orleans’ hospital-centric system. One decentralization option might be integrating a network of community clinics with a new but smaller Charity Hospital. The aim would be to substi-

tute timely ambulatory care for some more-costly episodic use of hospitals (especially emergency rooms), thereby increasing efficiency and quality while lowering costs. This type of reorganization has worked in other cities, including Tampa, Florida, and Boston, Massachusetts (Bovbjerg, Marsteller, and Ullman 2000). In fact, even before Katrina hit, Louisiana officials had submitted a waiver request to federal officials seeking permission to redirect part of Louisiana's Medicaid DSH dollars away from public hospitals to support more locally driven health care initiatives that emphasize primary and preventative care, among other things (State of Louisiana 2005).

More broadly, the city could combine organizations such as the public health department, social services, or school-based clinics that already exist within standard health care services to provide a fully integrated system. Denver took this approach in the 1990s (Gabow et al. 2002). Systems like Denver's offer the entire spectrum of care and tap into a wide range of diverse funding streams. For example, a rebuilt health care system in New Orleans could incorporate more FQHCs as a way of attracting more federal dollars to support the safety net and care for the uninsured.

The scale and the scope of the damage from Katrina will make rebuilding Louisiana's health care safety net a massive undertaking. But with the immediate post-storm chaos now over, the state and the nation have a rare chance to design a high-quality, efficient health care safety net that could serve as a model to other cities.

Notes

1. FQHCs are nonprofit, consumer-directed health care corporations that provide comprehensive primary and preventive health care services and either (1) receive grants under the U.S. Public Health Service Act (i.e., Community Health Centers, Migrant Health Programs, Health Care for the Homeless Programs, Health Care in Public Housing Programs, Indian Tribal Health Centers, Urban Indian Centers) or (2) do not receive these grants, but meet the standards for funding (see <http://www.nachc.org>).
2. The 17 waivers are for Alabama, Arkansas, California, the District of Columbia, Florida, Georgia, Idaho, Indiana, Louisiana, Maryland, Mississippi, Nevada, Ohio, Puerto Rico, South Carolina, Tennessee, and Texas.
3. Centers for Medicare and Medicaid Services, 2005, Waiver approval letter to Mr. Albert Hawkins, Texas Health and Human Services Commission, September 15.

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MARIA-ROSARIO JACKSON

Rebuilding the Cultural Vitality of New Orleans

New Orleans has been called the soul of America. It is a cultural mecca famed for fusion, the soil from which many uniquely American art forms have grown. Its neighborhoods are where cultural seeds are sown, where traditions have been invented and preserved—including music, cuisine, oral tradition, performance art, visual art, and architecture. These cultural expressions, and the people who gave birth to them, are what give the city its flavor—its international, national, and local identity and its cultural stature. They are, at the core, what make the city a tourist destination and an American icon. Yet, many cultural bastions are the poor of New Orleans—mostly African American residents from low-income communities that were flooded, torn apart, and in some cases, destroyed by Hurricane Katrina and the neglect in its wake.

Introduction

New Orleans' art and culture, formal and informal, are intrinsically valuable as expressions of a people. But they are also part of everyday living and essential elements of the city's social capital, civic engagement, and economic development. Many of the cultural practices and traditions based in African American communities, such as brass bands, second-line parades, St. Joseph's Day celebrations, and certain aspects of Carnival and the Mardi Gras itself, in its first and true form as a community-based festival, have been supported by systems that even before Katrina were fragile and vulnerable in some respects, yet resilient and invincible in others.¹

These systems of support are composed primarily of people's personal resources and networks, and anchor community organizations such as churches, social and pleasure clubs, and benevolent societies.² At the neighborhood level, such activities foster community identity and the social interactions and connections that make collective action possible. These activities also spur tourism, the region's second-largest industry.

In embracing arts and culture as an important dimension of a city's life, New Orleans has had a great deal going for it, and compared to other U.S. cities, was ahead of the game. People in New Orleans appear to have had a much more inclusive concept of arts and culture than in other places. New Orleanians recognize the importance of artistic and creative activity taking place at both amateur and professional levels, whether in

concert halls and art galleries or in churches and the streets, and in all sectors—nonprofit, public, and commercial.³

Additionally, unlike in many other places, recognition that root culture matters is widespread. This conviction is evident among the practitioners of artistic and cultural traditions as well as among New Orleanians who are not themselves practitioners, but who are aware that these cultural practices help shape the city's aesthetics. Art and culture were understood as an economic driver and an important asset of the city long before scholars and planners around the country expressed any interest in cultivating a creative economy or building a creative city.⁴

As rebuilding begins in Hurricane Katrina's wake, the losses are still registering. What can be rebuilt and recaptured is still uncertain. New Orleans has lost many of its residents in death and possibly in the dispersion of hurricane victims to other cities. It has lost money, businesses, and buildings. But has it lost its soul? Can the essence of the city be recaptured? Will a new New Orleans possess the spirit of creativity? Will it have the heart, the grit, and the people that made the city so interesting?

This essay discusses prospects for rebuilding New Orleans' culture, specifically with an eye toward including root cultural practices—formal and informal creative cultural expressions carried out in communities, often in moderate- and low-income districts or neighborhoods. It presents findings from an initial scan (through 2005) of rebuilding, recovery, and relief efforts and offers a critique of rebuilding initiatives, particularly vis-à-vis the inclusion of root culture. The essay concludes with thoughts on how to resurrect and strengthen the continuum of opportunities for cultural expression—formal and informal, amateur and professional—that made New Orleans what it was.

Impacts of the Storm

The French Quarter was largely spared Hurricane Katrina's wrath. Bars and restaurants on Bourbon Street are open and the party is starting up. Many of the city's main museums and the gallery district in the French Quarter also made it through the disaster relatively unscathed, and many have resumed business (Robinson 2005). But other facets of the New Orleans cultural community did not escape unharmed. In other parts of the city, in the Lower Ninth Ward and nearby neighborhoods, life is not nearly back to normal. Many of the residents of those communities—some artists and artisans as well as professional and amateur musicians and tradition bearers—have lost possessions, family members, and friends. They have had to abandon their homes

and have relocated temporarily or permanently to other parts of the state and the country.

Many Mardi Gras Indian tribes are scattered, as are members of brass bands, independent musicians, and cooks from many of New Orleans famed restaurants.⁵ Longstanding social aid and pleasure clubs, organized to support leisure and community needs, have dispersed, as have church congregations and parishes. Service workers in large hotels and other tourist businesses (some of whom are also artisans, tradition bearers, and amateur practitioners of native cultural art forms) are also scattered. Whether or not most displaced New Orleanians will return home is still unknown, as is the future of the social systems supporting traditional cultural practices.

That said, at least six of the Mardi Gras Indian tribes planned to return to New Orleans to march at Mardi Gras in 2006. And in Austin, for example, Mardi Gras Indians are gearing up to practice their traditions there and have even enlisted some Texans to participate (Egler 2005). The president of the Zulu Social Aid and Pleasure Club, an historic African American club with about 500 members that organizes the popular Zulu parade on Mardi Gras morning, reported that the organization's headquarters were flooded and that many of the members have fled New Orleans, but that most plan to return (Texeira 2005).

Members of popular brass bands have ended up in Atlanta and Houston (Yolles 2005), while some musicians have come back to New Orleans for occasional gigs, though it is uncertain if they are staying. People have kept connected by cell phones and through the web, and some evacuees express firm resolve to maintain ties.

In the Treme neighborhood, known for its contributions to New Orleans' music and culture, many residents have left; there is concern that community institutions integral to how the community organizes socially and culturally will perish. For example, even though the Treme neighborhood was not as hard hit by Hurricane Katrina as some areas, St. Augustine Church, a pillar of that community, sustained \$400,000 in damages to an already-weakened structure. St. Augustine's pastor worries that the archdiocese, already strapped for resources before the storm (and further stretched after it), will shut the church down. He is seeking donations and wants to prove that the church can stand on its own (Webster 2005). But the community the church serves is mostly poor.

In the Bywater Marigny area, home to many artists, arts organizations, and small clubs and music venues, there is evidence that musicians are performing and other artists are returning to this moderate-income community. However, there are also reports that artists are struggling financially

to retain living and working spaces; the cost of real estate in that community is escalating, even as income for many of residents appears to be decreasing and becoming even less stable.⁶ The many traditional Creole cottages in Bywater Marigny have historic and architectural value, a huge selling point now that so many of the city's other architecturally important structures have been lost.

As 2005 ended, cultural losses had not been fully inventoried, but there was a sense that the artistic community had suffered greatly and that its losses would hurt tourism. The fact that the lights are on in the French Quarter and hotels are beginning to resume business holds out some promise that New Orleans can recover, but is no indication that all is well. The culture of New Orleans is very much at risk when the people who make and preserve it are scattered and living in a sea of uncertainty and when the places where artists and tradition bearers live, where they make and practice their art forms, are largely destroyed.

Cultural Rebuilding Efforts

In federal rebuilding efforts so far, arts and culture are not part of the disaster relief package. The National Endowment for the Arts (NEA) has not yet announced any specific plans to address needs in the Gulf Coast in Katrina's aftermath (although the agency has publicly stated that it will extend support to the region once more is known about damages and losses). At the national level, the National Endowment for the Humanities has provided emergency grants to libraries, museums, colleges, universities, and other cultural and historical institutions in the affected areas.⁷ Also, Dana Gioia, the NEA's chairperson, has indicated that including arts and culture in the disaster recovery package for New Orleans will set an important precedent, since they have never been a part of federal recovery packages before.

Among national foundations, the Ford Foundation was, at the time of our inquiry, the most visible in committing resources for hurricane relief and rebuilding. It has invested in organizations working directly with low-income communities particularly hit by the hurricane and aftermath. The Ashe Cultural Center, a key promoter of community-based arts and culture in New Orleans, is one of the initial recipients (Ford Foundation 2005).

At the state level, Lieutenant Governor Mitch Landrieu has proclaimed that Louisiana "lives through the creativity and culture of its people. Louisiana is set apart by its deeply rooted, authentic, and unique culture. We are the soul of the nation."⁸ His rebuilding plan would resurrect Louisiana as a preeminent tourist destination and make Louisiana's

cultural economy the engine of economic and social rebirth. The lieutenant governor's "Louisiana Rebirth" initiative has a national advisory board that includes tourism, business, and cultural leaders, and prominent African American New Orleanian artists such as Wynton Marsalis and Aaron Neville. Meanwhile, state arts agencies in the Gulf Coast have also banded together to devise a plan to help rebuild the region's culture.

Locally, Mayor Ray Nagin's Bring New Orleans Back Commission has assembled a cultural steering committee of business, community, religious, and cultural leaders, and academic and public officials. The committee's composition is promising, and several members are likely to champion low-income communities and root culture. However, at the time of our review of initiatives, the committee's goals and objectives had not been fully articulated. The Arts Council of New Orleans has worked with the Louisiana Division of the Arts to establish a relief fund to meet the immediate and long-term needs of the region's artists and arts organizations for basic subsistence. Whether musicians and tradition bearers involved in root cultural practices will benefit is unclear. Some Mardi Gras Indians, brass musicians, and similar culture bearers have ties to the Arts Council, but many do not.⁹

Scores of rebuilding initiatives from diverse groups focus on New Orleans arts organizations and artists, particularly musicians. For example, the Jazz Foundation of America has made emergency funds available to help musicians pay their rent, provided donated instruments to musicians, and sponsored counseling and pro bono legal services. The foundation has also created gigs for musicians at schools and shelters and connected musicians with possible employers around the country.¹⁰ MusiCares and the Recording Academy have established the MusiCares Hurricane Relief Fund and committed \$1 million to be distributed to musicians and other music industry employees affected by the hurricanes. The organization also distributes musical instruments to musicians harmed by the hurricane.¹¹ On <http://www.NOLAGigs.org>, prospective employers can offer work to displaced musicians from New Orleans and musicians can search for work.

Tipitina's and the Lake Eden Arts Festival have teamed up with such national media as National Public Radio and the *Wall Street Journal* to collect instruments for musicians and gather other support. Tipitina's projects include soliciting donations of tambourines for the city's Mardi Gras Indians and coordinating sponsorship of Mardi Gras Indian tribes. Tipitina's is also reported to have connections with musicians in local brass bands. Higher-profile relief efforts include a five-hour event at Lincoln Center in New York

hosted by Wynton Marsalis, with jazz historian Ken Burns. Harry Connick, Jr., the Neville Brothers, and other internationally known musicians with personal ties to New Orleans have also helped to organize benefits and participated in relief efforts.

There are many well-intentioned efforts to rebuild and address the needs of the cultural community, but at the time of our investigation, there was no evidence of coordination and no entity with a clear birds-eye view of all the activity.

Challenges in Rebuilding

Without doubt, the cultural sector is looking to the tourism industry as a revenue source for rebuilding. However, reliance on tourism poses both opportunities and challenges for addressing the full continuum of cultural assets—including the contributions of poor people—that make New Orleans culturally significant. For example, the Louisiana Rebirth plan refers explicitly to building on the deeply rooted authentic culture of Louisiana and mentions artists and artisans. However, in plan-related documentation on affordable housing, the population served is characterized only as hospitality workers; conspicuously absent is direct mention of its key role in creating the deeply rooted authentic culture touted in the plan's guiding principles. More specifically, there is no explicit connection made between the African American low-income population most affected by the disaster and the culture that is so central to the rebuilding plan.¹²

As the plan plays out, how will the contributions of low-income communities to the tourism sector be interpreted and compensated? Will these communities continue to be viewed as only service-sector workers, or will their cultural contributions to the economy be recognized? At the local level, advocates for artists, artisans, and tradition bearers must make the argument that many ordinary (and often) low-income people are central to producing New Orleans' culture and potentially deserve special consideration. However, to those working on a tourism-based development agenda, this nuanced argument can be dwarfed by concerns for more commercial and market-driven activities tied to big business.

Some scholars and people in the local music scene fear that emphasizing cultural tourism in rebuilding will result in a Disneyland version of New Orleans without the Lower Ninth Ward, the Treme neighborhood, and other lower-income places that give the city its character (Roig-Franzia 2005).¹³ Such scholars as Ferrell Guillory, director of the Program in Southern Politics, Media, and Public Life, Uni-

versity of North Carolina, Chapel Hill, have also warned that much of New Orleans' culture was built around poverty and that preserving the culture while mitigating class divides will be challenging.

Historical preservation also threatens to overshadow the importance of people and "living" culture as New Orleans is rebuilt. The debate about whether to rebuild the Lower Ninth Ward is indicative of this conflict. Many of the most vocal proponents of rebuilding argue mainly from the desire to preserve historically significant buildings and physical structures. Preservation is important, but so are the people living in those communities, who are creating the culture and who descend from its creators and guardians—two points often overshadowed in the debate.

So, who are the advocates for the full spectrum of the New Orleans cultural community, and the low-income segment in particular? Who can step up and interact with the tourism industry and others involved in economic development anchored in tourism? The answer to this question is not completely clear. Organizing this politically disenfranchised and now-scattered population could be very difficult. For example, the Bring New Orleans Back Commission is open to the public and is said to welcome input. However, at the time of our inquiry, the poor and those from the communities most affected by the hurricane appeared to have had little direct say about how the city will be rebuilt. Also noted, the social networks that made grassroots community organizing an option have been disrupted, if not destroyed.

That said, we heard that representatives of the Mardi Gras Indian tradition had participated in commission meetings, as had a few artists connected to the Marigny Bywater area, a representative of a social aid and pleasure club, and someone from Refugees of Katrina. Input appears to have been limited to pleas for recognition, respect, and a voice at the decisionmaking table. There is some promise of potential community input vis-à-vis the Urban Land Institute's planning initiative (the Institute's effort to conduct research and sound out residents from the affected communities) though at the time of our inquiry, it was too early to judge results.

Despite the unlikelihood of organizing the artists and tradition bearers hardest hit by the hurricane, there is some hope that the interests of this population can be addressed. Shirley Trusty Corey, president of the Arts Council of New Orleans and a member of the cultural steering committee for Mayor Nagin's Bring New Orleans Back Commission, values the full continuum of culture in New Orleans and the root cultural practices and practitioners within that spectrum. Corey was pushing for the adoption of a formal cul-

tural policy for the city—a statement that officially gives New Orleans arts and culture stature and credibility within the city’s policy framework. Also, world-renowned jazz musician Wynton Marsalis, active in state and local rebuilding efforts, is using his influence to promote respect for root culture in a way that is completely consistent with providing for the disenfranchised.

In general, the most widely heard advocates for the poor have been prominent musicians and other artists, many with New Orleans roots or connections, who have expressed their feelings and frustrations on stage and in the media. Danny Glover, an actor and activist, said that when the hurricane struck, “it did not turn the region into a third-world country, as it has been disparagingly implied in the media; it revealed one . . .” Singer Harry Belafonte declared, “Katrina was not ‘unforeseeable’; the loss of life and suffering was not ‘unavoidable.’ It was the result of a political structure that subcontracts its responsibility to private contractors and abdicates its responsibility altogether when it comes to housing, health care, education and even evacuation” (Belafonte and Glover 2005).

Examples of advocacy on behalf of the poor and disenfranchised—pointing up longstanding inequities and demanding to be at the decisionmaking table—are important. However, such advocates do not necessarily know how to interact and negotiate effectively with the players who will likely control the purse strings for the lion’s share of rebuilding—the federal government and the tourism industry. Developing the capacity to engage with these players seems critical.

Cultural Considerations for the New New Orleans

The previous discussion points to some action steps that should be considered as cultural rebuilding continues and the low-income communities hurt by the storm find their voices and assess their options. Four interrelated recommendations emerge as crucial.

First, a *cultural policy* that gives arts and culture stature and funding clout in the public policy world should be adopted at both the state and local levels and should clearly state that the cultural vitality of New Orleans—the continuum of arts and culture that makes New Orleans exceptional—needs to be protected, advanced, and financially supported. Research demonstrates that *cultural vitality*, defined as “a community’s capacity to create, disseminate, and validate arts and culture on its own terms,” is an important dimension of a healthy place to live.¹⁴

Second, to buttress this policy, the arts and culture sector needs to *cultivate advocates working in other policy domains* and in the business community who can effectively integrate arts and culture into those agendas. For example, stronger arts education programs, with a particular focus on New Orleans root culture, should be added as the city rebuilds its public schools. Special provisions for affordable spaces for artists and organizations central to cultural work, including arts organizations, social aid and pleasure clubs, and places such as some community centers and churches, should be an essential part of community redevelopment. Also, employment development programs should include provisions for artists’ jobs—employment that compensates artists for making their art. To this end, advocates for the full spectrum of arts and culture, and for root culture in particular, must be cultivated and positioned to act in support of artists, artisans, and tradition bearers in a wide range of public policy circles (Urban Institute 2003). Additionally, negotiation with the business sector for resources is also essential.

Specifically, advocates for arts and culture must be in a position to effectively interact with the tourism industry and government to negotiate tax-based contributions to the cultural sector. Advocates from both inside and outside the cultural sector who can articulate the value of artists and tradition bearers to New Orleans (and the city’s economic development in particular), and who can also make the case for considering and meeting this population’s needs, are urgently essential. Similarly, community organizing to promote root culture’s seminal role in New Orleans’ culture and economy must reflect the voices of the arts practitioners themselves.

Third, *consistent measurement* of the city’s cultural vitality is crucial. This includes measures of opportunities for cultural engagement, incidence of actual participation in its many forms, and support for cultural activity (including financial resources, as well as social networks and in-kind resources necessary for arts and cultural practices). Without baseline information and ways of periodically gauging if conditions are improving or not, effective planning and programming is unlikely.

Fourth, the New Orleans cultural community desperately needs a robust and proactive *funding intermediary* that (1) buys into the idea of cultural vitality and appreciates the cultural ecology of New Orleans in its fullness, (2) has a bird’s eye view of the New Orleans cultural scene, and (3) can garner resources from multiple funding sources and then strategically deploy them for the benefit of artists, artisans, and tradition bearers (Jackson, Herranz, and Kabwasa-Green forthcoming).

To garner and deploy resources to the cultural sector, this financial intermediary needs to stay abreast of potential funding sources within and outside of the cultural sector and in close contact with advocates (discussed previously) who can push for resources to be allocated to artists and tradition bearers. Key here will be finding ways to support and compensate root cultural practices, which often rely on both formal and informal community institutions and groups as well as on individuals. Since current funding structures are set up to provide resources to non-profit organizations and to commercial or public entities, supporting individuals and informal or unincorporated groups seminal to cultural practices will be a particular challenge.

Who is in a position to play this role? Does a new entity need to be created? A scan of the existing arts and culture infrastructure in New Orleans does not suggest that such an entity already exists. The Arts Council of New Orleans, the agency formally charged with supporting arts and culture in the city, already plays an intermediary role to some extent, enjoys strong leadership, and might be suited to take on aspects of the intermediary roles described here. However, the organization would need substantially more financial resources and staff would have to be reconfigured and strategically augmented to work more intensively with people beyond the formal cultural sector. Even before Hurricane Katrina, the staff was stretched and resources were tight.

Without question, the situation in New Orleans presents great challenges and offers great opportunities. Rebuilding New Orleans has center stage. The rest of the country, and the world, are watching. Now is the time to take risks, change some of the old paradigms, and explore new ways of sustaining culture.

Notes

1. Mardi Gras (or Carnival) is an annual celebration including parades, masked balls, and other festivities over a period of several days preceding Ash Wednesday—the beginning of Lent, a period of abstinence and repentance in the Catholic faith. The principal day of the Mardi Gras celebration is the Tuesday prior to Ash Wednesday. Key entities involved in organizing Mardi Gras parades and festivities are known as “krewes.” These are based in social organizations that exist in both African American and white communities. Historically, these entities are segregated and reflect the class and racial stratification in New Orleans, with white krewes dominating the parade scene.
2. In African American communities, social and pleasure clubs are mutual aid societies created not only to support leisure activities, but also to help members cope with significant life events such as funerals.
3. For a discussion of an expanded concept of arts and culture, see Jackson and Herranz (2002).

4. In recent years, scholars and policymakers have turned their attention to the idea of the “creative economy,” which emphasizes a shift in focus to an economy based on creativity and ideas as the principal commodity. The parameters of the creative economy are not fixed; different sectors, such as the arts sector, currently are assessing how they fit within this concept. The creative city ideology is concerned with drawing on the creativity of residents to address urban problems and prospects. See Landry (2000).
5. The Mardi Gras Indian tradition is a uniquely New Orleanian practice said to commemorate American Indians and their efforts to assist runaway slaves. Thirty to forty Mardi Gras Indian “tribes” create hand-sewn costumes with intricate patterns, beadwork, and feathers. The tribes wear the costumes (or “mask”) and compete with each other in impromptu dance performances on the streets of New Orleans in various neighborhoods during Mardi Gras, and also on St. Joseph’s Day. Brass bands are also an artistic tradition unique to New Orleans. These bands play throughout the year for jazz funerals and for events organized by the local social aid and pleasure clubs. Some brass bands also tour commercially.
6. Interview with M. K. Wegman, Faubourg Marigny resident and CEO for the National Performance Network, November 23, 2005.
7. See <http://www.neh.gov/grants/guidelines/hurricanekatrina.html>.
8. See <http://www.crt.state.la.us>. In the state of Louisiana, according to law, arts and culture is the sole formal responsibility of the lieutenant governor.
9. For example, see <http://www.mygroupweb.com/cgi-bin/groupweb-view.cgi> and <http://www.louisianahp.org/rescue>.
10. See <http://www.jazzfoundation.org>.
11. See <http://www.grammy.com/musicares/>.
12. A thorough study, conducted by Mt. Auburn Associates, on the state’s cultural economy predating the hurricane does make reference to the important contributions of African American and Creole populations and speaks to their feelings of exploitation—contributing to the cultural economy, but not reaping economic benefits. The study makes recommendations that are based on a comprehensive notion of the cultural economy, which includes these populations, root culture, and the systems that support this cultural activity. The study, funded by the National Endowment for the Arts and released just days prior to the hurricane, has informed the Rebirth Louisiana plan. However, unfortunately, the plan does not appear to incorporate any specific emphasis on these particular populations—their cultural contributions or their conditions post Katrina. See Mt. Auburn Associates (2005).
13. Also, see the work of Ari Kelman, history professor at University of California–Davis.
14. Inherent in the definition of cultural vitality is a continuum of opportunities for cultural engagement. The continuum comprises formal and informal as well as amateur and professional participation in public, nonprofit, and commercial sectors. Participation includes not just audience and consumer participation but also making, teaching, learning, validating, and supporting arts and culture. See Jackson, Herranz, and Kabwasa-Green (forthcoming).

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Building a Better Safety Net for the *New New Orleans*

The most vulnerable populations in New Orleans—the elderly, people with physical and mental disabilities, and single mothers out of the labor market—arguably were hit hardest by Katrina. These groups had the highest poverty rates and the fewest assets. Most were African American. Many depended on the social safety net for survival and on others to avoid the storm’s catastrophic effects.

Most of these vulnerable residents eventually evacuated the city, and it is unclear how many will return home. Research suggests that they will need the strong kinship networks established pre-Katrina (Hill 1993). But vulnerable populations also require a functioning safety net along with other necessities such as housing and health care discussed in earlier essays. Rebuilding presents New Orleans with a unique opportunity to strengthen its safety net for vulnerable populations that return and for others who will require help in the future.

A “one size fits all” approach will not address the needs of vulnerable populations. The elderly require income support, a safe place to live near other family members, and services to support their independence. Some persons with disabilities will need basic income supports, and others will want opportunities to work in a revitalized city. Single mothers with serious barriers to employment will need temporary basic income support and intensive services to move into the labor market, as well as safe housing, health care, and child care.

Many of the rebuilding proposals discussed in other essays in this collection will help reduce vulnerability in the new New Orleans. Better schools and a stronger job market also should make all New Orleans’ citizens more employable, and a more accessible health care system will benefit all low-income populations. But the elderly, people with disabilities, and single parents outside the labor market require other interventions to maximize their independence and limit the risk of poverty.

New Orleans can take advantage of new ideas for building assets among its poorest citizens, facilitating independence among people with disabilities, retooling its welfare system, and reducing out-of-wedlock pregnancy as it rebuilds its social infrastructure. The fiscal capacity of the state of Louisiana ranked 48th out of 51 in the U.S. in 2002 (Yilmax, Hoo, and Nagowski forthcoming) limiting the state’s ability to increase direct aid to the poor. But many of the new ideas for reducing vulnerability can be implemented relatively inexpensively by leveraging federal and private dollars, especially if they are built into the planning process now.

Who Were New Orleans' Most Vulnerable Populations?

The elderly, people with disabilities, and single mothers facing serious barriers to employment typically comprise the largest share of a city's most vulnerable populations. These groups often require government assistance to meet their basic needs and services to make independent living possible.¹

The Elderly

While New Orleans did not have a disproportionate share of elderly people, its old were poor. About 50,000 people living in New Orleans (11 percent of its population) were age 65 in 2004, about the same as the share of elderly persons living in Louisiana and the United States. About one in five elderly living in New Orleans was poor in 2004, about twice the national average (figure 8.1).

New Orleans' elderly population was also more likely to have disabilities than were elderly persons living elsewhere. Fifty-six percent (28,195 persons) of its population age 65 and older reported a disability in 2004, compared with 46 percent of the elderly in Louisiana and 40 percent in the U.S. (National and city figures exclude the elderly who live in institutions.) Numerous research studies connect poverty and poor health among elderly persons (Smith and Kington 1997), and the high rate of poverty among New Orleans'

seniors no doubt played a role in their high incidence of disabilities.

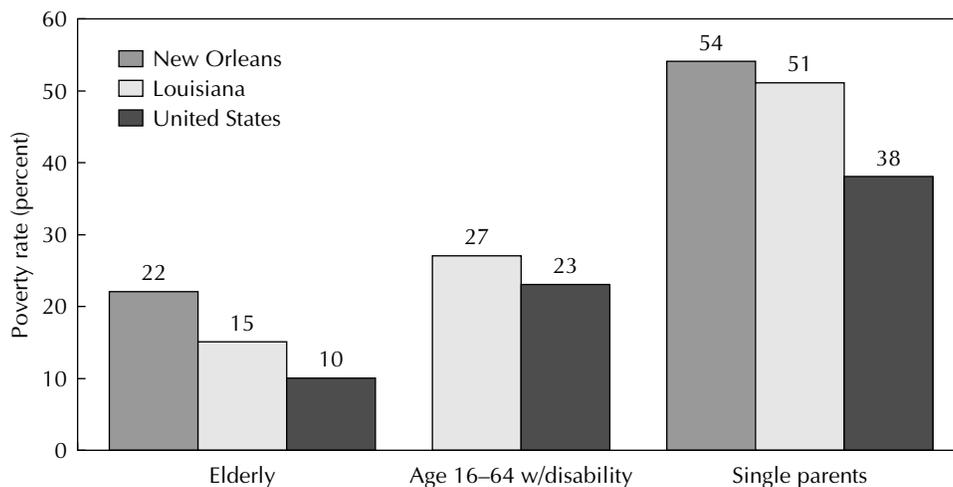
Given these disability rates, at least half of New Orleans' elderly residents had a relatively difficult time evacuating when Katrina hit. The high rates also help to explain why so many elderly were so visible among those trapped on bridges, rooftops, and shelters. New Orleans had no special evacuation plans to help people with disabilities during an emergency (Russell 2005). Many of the city's poor elderly residents will require long-term help to reunite with their extended family networks whether in New Orleans or elsewhere.

Nonelderly Persons with Disabilities²

Mirroring the national average, more than one in ten New Orleans adults age 16 to 64 had disabilities in 2004 (Bureau of the Census 2004). Nearly 32,000 adults age 16 to 64 with serious disabilities potentially had to evacuate the city.

Most working-age adults with disabilities face physical challenges without the cushion of good incomes. In 2002 the poverty rate for working-age adults with disabilities was 27 percent in Louisiana, compared with 23 percent in the U.S. (figure 8.1). Both rates are considerably higher than the 9 percent poverty rate for working-age adults in the United States. Assuming Louisiana's poverty rate for working-age people with disabilities applies to New Orleans,

Figure 8.1 Poverty Rates Among Vulnerable Populations, 2003



Sources: 2004 American Community Survey from Census tables for elderly and single parents, summarized by Urban Institute; 2003-2004 averages for persons with disabilities from Cornell University (2004).

roughly 8,500 impoverished adults with disabilities were at risk before Katrina.

Even apart from the physical challenges, people with disabilities find it harder than others to escape a disaster independently. They tend to be older and less educated than those without disabilities. Thirty-three percent of working-age adults with disabilities in Louisiana were age 50 to 59, compared with 19 percent of the population without disabilities. Almost one-third of working-age adults with disabilities in Louisiana lacked a high school education, compared with 14 percent of those without disabilities. Not surprisingly, working-age adults with disabilities also are less likely to work. Their employment rate was 32 percent in Louisiana in 2004, below the national average of 38 percent (Cornell 2004).

Persons with disabilities face particular challenges acclimating to a new place and returning to New Orleans. Many require special housing, which is particularly in short supply among the private housing stock in most cities. And few can afford the rents in more expensive, newer units that meet their needs. Many people with disabilities also require intensive health care services that must be rebuilt in New Orleans and may be hard to find or afford in some of the evacuees' new hometowns.

Single Mothers with Barriers to Employment

As noted in the introduction to this collection, many children in New Orleans and Louisiana were growing up in single-mother families. Only one in five low-income families (income below 200 percent of the poverty level) with children living in Orleans Parish (a consolidated Parish-City largely overlapping with New Orleans) in 2002 included both parents, compared with two in five in comparable families in Louisiana (Maximus 2002). Never-married parents headed 43 percent of the low-income families with children, and divorced, separated, and widowed parents headed 32 percent.

In the nation and in New Orleans, single parenthood goes hand in hand with poverty (Corcoran and Chaudry 1997). Fifty-four percent of single-parent families in New Orleans were poor, compared with 38 percent in the United States (figure 8.1) and 18 percent of all families with children (Bureau of the Census 2004).

The high share of never-married single parents in New Orleans reflects a correspondingly high rate of out-of-wedlock pregnancy. Despite improvements over the last decade, Louisiana ranks 42nd in the United States for the number of nonmarital teen births (55 per 1,000 girls). Four out of five (79 percent) never-married single parents were

African American (Maximus 2002), and almost half of these parents had not completed high school.

Without a high school diploma and job skills, and sometimes in the grip of poor mental health and substance abuse, a large share of the single parents in New Orleans were hard-to-serve parents with serious barriers to employment. Many were jobless. For example, in 2004 about three in ten New Orleans single mothers with children age 6 to 18 were neither working nor looking for work, compared with 26 percent living in Louisiana and 22 percent in the United States (Bureau of the Census 2004). Of course, the lower employment rates for single mothers could have reflected the types of jobs available in New Orleans and a lack of affordable child care, as well as their lack of skills and other employment barriers. Also, as discussed in "Employment Issues and Challenges in Post-Katrina New Orleans," New Orleans had a disproportionate share of food and entertainment industry jobs that required nonstandard work hours. A 2002 survey indicated that 67 percent of employed parents worked at least some weekends or evenings (Maximus 2002). For these parents, finding child care presents a considerable challenge (Knox et al. 2003).

Single parents facing significant barriers to employment will find recovering from Katrina especially difficult. The majority was poor before the hurricane hit, and 3 in 10 had no employment or prospects for work. Many single mothers have relatively large families, making housing more difficult to find and expensive.³

Pre-Katrina Resources for Vulnerable Populations

To cover their basic needs, vulnerable populations typically piece together their own resources and help from the safety net provided by federal, state, and local governments. Federal programs include Social Security for the elderly and persons with disabilities who are insured through prior employment, Supplemental Security Income (SSI) for the elderly and persons with disabilities with limited incomes and assets, and a large share of the cost of Louisiana's Temporary Assistance for Needy Families (TANF) program, food stamps, and housing assistance.⁴ Many states supplement this basic safety net, and states and local governments play a large role in administering many federal benefits and services.

Louisiana spends relatively few state dollars on its basic income safety net. The state's fiscal capacity, ranked 48th in the country (Yilmax, Hoo, and Nagowski forthcoming), limits its ability to spend on safety net programs. Unlike many other states, Louisiana does not supplement federal

SSI payments to move beneficiaries up to or closer to the poverty level, nor does it have a general assistance program for adults with disabilities ineligible for federal assistance. Vulnerable populations in New Orleans mostly have depended on the federal safety net programs.

Cash Assistance

The elderly and persons with disabilities too severe for any type of work receive Social Security benefits if they had worked for at least 40 quarters and paid into the system. Twenty-three percent of families in New Orleans relied on Social Security for some or most of their income in 2003, compared with 26 percent in Louisiana and 27 percent in the nation (figure 8.2). Most likely, the receipt rate in New Orleans was lower because of its relatively weak employment environment.

Since Social Security does not guarantee a minimum benefit, even those who get benefits may have incomes below the poverty level. More than 63 percent of retirees and 67 percent of persons with disabilities who qualified for Social Security in Louisiana received benefits less than the poverty level in 2003 for an individual with no other income (Social Security Administration 2005). Louisiana also has disproportionately high shares of retired and disabled Social Security recipients below half the poverty level—about 19 percent of Louisiana’s retirees and 16 percent of beneficiaries with disabilities in 2003 (compared with 13 percent nationally for both groups).

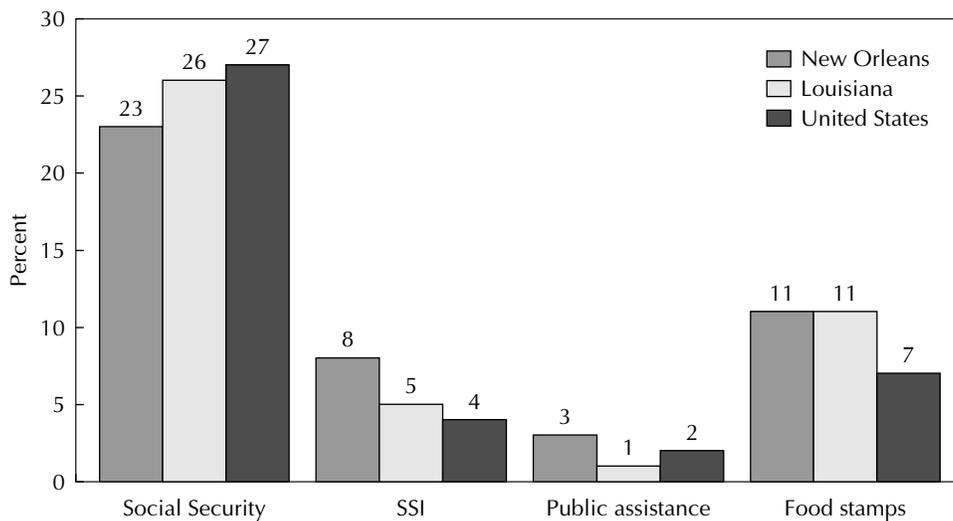
Some individuals with low Social Security benefits and those ineligible for benefits turn to the federal SSI program for income supplements. This program limits eligibility to individuals with low incomes and financial assets (money outside a home or a car) below \$2,000 and guarantees eligible individuals a cash income of 73 percent of the poverty level. Eight percent of all families in New Orleans relied on SSI benefits in 2003, about twice the national average (figure 8.2). No doubt higher poverty rates and higher shares of Social Security beneficiaries with benefits below one-half the poverty level made SSI rates high.

About 3 percent of New Orleans’ families received benefits from Louisiana’s Family Independence Temporary Assistance Program (FITAP) in 2003, compared with only 1 percent throughout Louisiana (figure 8.2). Nearly all (99 percent) beneficiaries were families headed by single mothers. FITAP, born of federal reforms in 1996, provides \$200 per month for a family of three (16 percent of the 2004 federal poverty level). Most families must begin working as soon as they enter the program and can receive cash benefits for up to two consecutive years (and for a maximum of five years in a lifetime).

Welfare caseloads dropped by two-thirds in Louisiana between 1996 and 2003 after the new program was introduced.⁵ Many parents left FITAP and fewer sought this assistance after the reforms. As a result, relatively few Katrina victims were getting welfare benefits when the storm hit.

A recent formal evaluation of FITAP highlighted some weaknesses in Louisiana’s new welfare program. First,

Figure 8.2 Receipt of Government Cash and Near-Cash Assistance, 2003



Source: 2004 American Community Survey from Census tables, summarized by the Urban Institute.

families that left FITAP had lower rates of employment—more than 20 points below the national average for single mothers—than did families leaving welfare in other states (Valvano and Abe 2002). Second, FITAP did not identify the hardest-to-serve welfare recipients for special services, so parents were left at risk of losing assistance before finding a job. Two years after leaving welfare, 41 percent of former welfare recipients were not working and had not returned to welfare (Tweedie, Harrison, and Reichert 2004). Most parish offices were not equipped to work with hard-to-serve clients, including those with little or no work experience, low literacy levels or learning disabilities, mental or physical health challenges, and drug or alcohol problems. Many offices did not offer intensive job-readiness classes, and adults with low literacy levels generally have lacked access to basic education and GED preparation (Valvano and Abe 2002).

In short, single mothers with little or no employment experience could get only a small cash benefit for two years at a time in New Orleans. They had limited access to job training, and many who lost benefits as time limits expired were living without earnings or government cash assistance. Other research shows that most of these “disconnected families” rely on noncash government assistance and family members to survive (Zedlewski and Nelson 2003). These families were especially vulnerable after Katrina devastated their neighborhood and social networks.

Most single parents also did not receive child support before Katrina hit.⁶ About one out of five single parents in Orleans Parish in 2002 had a child-support order, and only 14 percent received any payments (Maximus 2002). Nationally, about two in ten low-income custodial parents report getting some child support (Sorensen 2003). However, a large share of low-income single parents in Orleans Parish did have recent contact with the absent parent. For example, 63 percent of never-married mothers reported that their children’s fathers had seen their offspring in the past year, and 43 percent in the last month (Maximus 2002).

Food Assistance

About 10 percent of families in New Orleans and Louisiana received food stamps in 2003, compared with the national average of 7 percent (figure 8.2). The high receipt rate no doubt reflects the high poverty levels in these areas since eligibility generally requires having a cash income below 130 percent of the federal poverty level (FPL) and financial assets less than \$2,000. Also, in 2003, Louisiana had the nation’s sixth highest Food Stamp Program participation rate (Kastner and Shirm 2005). Food stamp benefits increase with family size; a family of three can get at most \$400 per month.

Many New Orleans families also received food assistance through the Women, Infants, and Children (WIC) program, and many of their school-age children received a free or reduced-price breakfast and lunch. In Orleans Parish, about four out of ten low-income children under age 6 received WIC benefits in 2002, and 83 percent of school-age children received free or reduced-price school breakfasts and lunches (Maximus 2002).

Families also reported high rates of food insecurity. In Orleans Parish in 2002, one in five low-income families with children sometimes went hungry, and another quarter were food insecure without experiencing hunger (Maximus 2002).

Housing Assistance

Of all the many low-income individuals in New Orleans who faced housing difficulties before and after Hurricane Katrina, the hardest pressed were probably the elderly, persons with disabilities, and single parents. As another essay in this collection documents, the city’s public housing authority was one of the nation’s worst: almost half of public housing units were vacant and uninhabitable when Katrina hit, and residents in the other half endured high crime levels and intolerable physical conditions.

A 2002 survey paints a bleak picture of pre-Katrina housing for low-income families with children (Maximus 2002). The survey reports that families in Orleans Parish were less likely to be getting housing assistance than similar families living in other places in Louisiana. Nearly half of low-income families with children paid rent without assistance, compared with 35 percent in the Southeast and 34 percent in Baton Rouge. Consequently, families in New Orleans faced high housing costs relative to their incomes before the storm hit. Rent or mortgage costs equaled or exceeded 40 percent of household income for over one-third of New Orleans’ low-income families in 2002, compared with 16 percent of similar families in the Southeast region. The survey showed almost 12 percent of low-income families with children in New Orleans lived in overcrowded housing, and about 42 percent reported at least one major housing defect such as faulty plumbing or rodent infestation. About 27 percent of families had fallen behind in their housing payments in the past year, and 16 percent had had their heat, electricity, or water cut off at some point.

How Should the Safety Net Be Rebuilt?

With so little to fall back on, the elderly, persons with disabilities, and nonworking single parents dislocated by Katrina will not be able to rebuild their lives without

substantial help. Government income and housing assistance can help temporarily, but Louisiana also needs a comprehensive plan to reduce poverty among vulnerable populations in New Orleans. Understandably, early responses to Katrina have relied on existing federal programs to help evacuees, with provisions covering those already receiving assistance through these programs and others made eligible as a result of the disaster. The federal government moved quickly to give affected families access to food stamps, TANF, WIC, and school nutrition programs. But, as explained in Susan Popkin, Margery Austin Turner, and Martha Burt's essay on housing, government programs for dealing with the loss of housing have been confusing for potential beneficiaries. Further, these responses do not address the deep roots of poverty in New Orleans; nor has any framework been developed for a safety net that fosters independence.

Short-Run Responses

The Food Stamp program was one of the "first responders," enrolling 900,000 households in food stamps within the first month after the hurricane hit (the program was serving about 10 million households across the country before Katrina) and providing over \$400 million in food stamp benefits to hurricane victims. The USDA also guaranteed that families and individuals who had been receiving food stamps in New Orleans before Katrina hit could continue getting these benefits without going through a lengthy reapplication process. Congress agreed to provide federal dollars to pay all associated administrative expenses in all designated disaster areas and all costs for processing benefits for victims of Hurricanes Katrina and Rita as part of the 2006 Budget Reconciliation Bill. (Currently, states pay about half these costs.) In addition, the bill provides \$12 million to the Emergency Food Assistance Program to help food banks restock in designated disaster areas and surrounding states.

These early initiatives are all to the good, but Louisiana and other states with substantial numbers of evacuees still need to review food stamp access and participation in the near term to make access to food stamps as easy as possible. In the emergency atmosphere after the storm first hit, families needed little asset and income documentation to qualify, and eligibility could be established at sites outside of welfare offices and outside of normal working hours. These procedures contrast with standard food stamp office procedures that often require multiple visits to a welfare office during regular business hours to get certified for benefits (Zedlewski et al. 2005). Easier access to food stamps has been implemented in other states and should be a goal when New Orleans gets ready to welcome back Katrina evacuees.

After Katrina struck, Congress quickly passed the TANF Emergency Response and Recovery Act (HR 3672) to provide additional funds and flexibility for states administering welfare payments to the storm's victims until September 30, 2006. The act reimburses states for TANF benefits to families from areas affected by Katrina and allows states serving evacuees to draw down payments from the TANF contingency fund.⁷ These cash TANF benefits are not considered "assistance" payments, so they do not trigger work requirements for participants or count against program time limits.

Unfortunately, TANF benefits will not go very far to help families cover their basic needs. As noted, Louisiana provides \$200 per month for a family of three, and Mississippi, Texas, and other states hosting many evacuees pay about the same. Many of the most vulnerable families, especially single parents with the poorest job prospects, will need additional cash assistance. Greenstein (2005) and others have suggested that the federal government provide poor evacuees with enough assistance to meet everyday expenses.

As the housing essay by Popkin, Turner, and Burt in this collection describes, the federal government also created the Katrina Disaster Housing Assistance Program to provide vouchers for up to 18 months to all households that received subsidies or were homeless in New Orleans before Katrina hit. (Unlike traditional vouchers, disaster vouchers do not include utility allowances). Some public housing residents in New Orleans have been placed in public housing in their host cities. Evacuated families without subsidies before Katrina were housed in temporary quarters and may receive housing assistance through FEMA, awarded for 3 months at a time, for up to 18 months (not to exceed \$26,200). Some members of vulnerable populations without housing assistance before Katrina may now get help to pay housing costs, but it is unclear how access and eligibility will work.

Longer-Run Response

New Orleans should work with the state government to develop innovative longer-term strategies to reduce deep poverty and vulnerability among the elderly, persons with disabilities, and single parents. Strategies that improve education and the employment environment in New Orleans will help to reduce vulnerability in the very long run because higher wages and more years of work will increase social insurance benefits and reduce poverty.

The employment and training initiatives proposed elsewhere in this collection will help some jobless working-age

adults. Other vulnerable populations will need more intensive services to take advantage of labor market intermediaries and on-the-job training opportunities. A long-run comprehensive strategy to address their needs should aim to increase employment and saving rates, reduce the share of families headed by single parents, and ultimately reduce poverty. Key components of this strategy should include

- basic skills training and opportunities to complete GEDs for working-age adults with disabilities, single parents, and noncustodial parents;
- strengthened teen pregnancy prevention and promotion of healthy marriage programs along with stronger child-support enforcement;
- savings opportunities for all low-income individuals and families;
- initiatives to increase employment among persons with disabilities; and
- supportive housing services for the elderly and persons with disabilities.

Building Basic Skills

In 2002, the Louisiana State Legislature began to devote one quarter of its TANF resources (\$50 million per year) to low-income families with children who traditionally had not been eligible for welfare (typically adults with children under age 20 and earned income below 200 percent of the FPL). Twelve agencies implemented over 30 “TANF initiatives” focused on some of the toughest challenges facing vulnerable populations in the state, including adult and family literacy, workplace skill development, substance abuse assessment and treatment, and teen pregnancy prevention. While these programs are small, the initiative shows Louisiana’s determination to address these tough issues.

Some of the adult education initiatives are collaborations between local education agencies and the Louisiana Community and Technical College System. One provides tuition assistance, another training for high-demand occupations such as nursing aides and home health aides. This general approach typically includes child care and transportation to facilitate participation and has worked well in California and other parts of the country.⁸ Early evaluation results of the New Orleans initiative show some promising results along with one weakness (Frankenberg and Valvano 2003). The program failed to recruit many single mothers without a high school education, the most vulnerable and least employable group.

Given more resources and some fine tuning, these programs could serve as building blocks for rebuilding part of

the social safety net in New Orleans. Resources beyond just those available through TANF will be required, those parts of the community college infrastructure that were destroyed must be rebuilt, and programs must change to meet the needs of the parents with the most significant barriers to work. New Orleans may look for funds to create innovative public-private partnerships where business and community colleges take a proactive role in designing and implementing programs that meet local employment needs with continuing education strategies. Similar initiatives in Pontiac, Michigan, Quincy, Illinois, and San Francisco, California, provide examples of programs that have successfully moved more parents with limited education and work experience into good jobs (Friedman 1999).

Single Parents

Reducing the number of families with single parents could go a long way toward reducing the future child poverty in New Orleans. Louisiana’s TANF initiatives include a teen pregnancy prevention program that educates low-income teen girls about the risks of sexual activity and single parenthood. According to a recent evaluation of the program, none of the participants became pregnant during the study’s follow-up period, but they also caution that a longer-term follow-up study is required before claiming victory (Magill and LaPointe 2003). Guided by a long history of research suggesting the most effective education strategies, New Orleans should invest in teen pregnancy prevention programs as it begins to rebuild its middle and upper schools.⁹

New Orleans and Louisiana planners also should monitor other areas’ experiments promoting healthy marriage to assess initiatives and implement those that show promise. The city and state can look to the U.S. Department of Health and Human Services evaluations of different healthy marriage promotion demonstrations underway in states and local communities for the most promising ideas. Before Katrina hit, New Orleans had begun a Community Healthy Marriage program that aimed to form a community coalition to provide training in relationship and marriage skills and to highlight the importance of marriage. This initiative should be renewed and combined with other winning strategies as part of the city’s social rebuilding efforts.¹⁰

Louisiana also should shore up its child-support program. Sorensen and Hill (2004) document six child-support policies shown to increase child-support receipt, including the voluntary in-hospital paternity establishment program, immediate wage withholding from noncustodial parents’ paychecks, presumptive child-support payment guidelines, and a tax intercept program. Single parents in the new New

Orleans should be able to count on more support from noncustodial parents.

Assets

There is growing recognition among both conservatives and liberals that assets can change a family's life chances (Mensah 2005). Savings to invest in a home, an education, a business, or a retirement nest egg can cushion risk and help families step up to a new level of income or opportunity. Indeed, for the middle class, car ownership, home ownership, health and life insurance, and retirement savings accounts have become the norm.

Individual development accounts (IDAs), individually owned matched savings accounts for low-income workers, are one asset development option. IDAs typically only can be used for homeownership, small business investment, and postsecondary education and training. Experimental research has shown that low-income Americans do take advantage of these savings incentives (Sherraden, Schreiner, and Beverly 2003). New Orleans could work IDAs into its redevelopment efforts by earmarking some redevelopment funds to match low-income families savings.

An asset-development initiative also should educate low-income families about the benefits of federal savings incentives. The Savers Credit offers up to a \$2,000 nonrefundable match on contributions to retirement account structures such as IRAs or 401(k)s for families with incomes below \$22,000. The annual refund from the federal earned income tax credit could help low-income working families take advantage of this credit. Low-income individuals who build a nest egg to supplement Social Security benefits can escape deprivation like that observed among the elderly and persons with disabilities in pre-Katrina New Orleans. Alternatively, more employers could be encouraged to offer 401(k) pension plans, making participation the default option for new hires.

People with Disabilities

New Orleans has a tremendous opportunity now to rebuild structures to meet the standards required by the Americans with Disabilities Act. The National Council on Disability (2004) provides a blueprint that defines livable communities for adults with disabilities. "Livable communities" provide affordable and accessible housing; ensure accessible transportation; ensure access to the physical environment; provide work, volunteer, and education opportunities; ensure access to key health and support services; and encourage participation in civic, cultural, social, and recreational ac-

tivities (National Council on Disability 2004). The report profiles successful partnerships that have helped communities to leverage resources, provide choice and address consumers' needs, and implement programs to help people with disabilities remain independent and involved in community life. Tax credits and other incentives, for example, can stimulate change in individual and corporate behavior and encourage investment in livable community objectives; funds now available for various disability programs can be consolidated to streamline operations.

The housing essay in this collection outlines principles for rebuilding that include mixed-income community development and communities of opportunity. Housing reinvestment in New Orleans also should provide some supportive housing opportunities for those with disabilities and other severely disadvantaged populations. Supportive housing development typically includes services that facilitate employment, access to medical care, and transportation. Experience teaches that combining affordable housing and supportive services can reduce the risk of distress and homelessness (Popkin, Cunningham, and Burt 2005).

Summary

New Orleans' disproportionately large vulnerable populations—the elderly, people with disabilities, and poor non-working single mothers dependent mainly on government programs for basic support—bring all of the issues documented in this collection home. Segregated housing, a dysfunctional education system with high dropout rates, and a weak employment environment all drove up poverty rates among the elderly, people with disabilities, and single parents. And the solutions discussed in all of the essays will help to reduce vulnerability among future generations of New Orleans residents.

But rebuilding New Orleans also presents opportunities to address the needs of vulnerable populations more directly. Research documents many strategies that can make a difference. The incidence of nonmarital teen parenthood can be reduced through education. A welfare program that addresses the needs of the hardest-to-serve recipients is more likely to move single parents into jobs before their time limits run out than one that ignores their employment barriers. A stronger child-support enforcement system can increase incomes of single-parent families. Programs that use financial incentives and education to encourage low-income families to save for the future can help individuals to avoid poverty and dependence in old age or disability. Initiatives to create livable communities for people with disabilities will facilitate independence and improve the quality

of life. These proposals will absorb some of the resources pouring into redevelopment and some will require the cooperation and support of Louisiana, but all will repay the expense and effort in the long run.

Addressing the needs of the elderly, persons with disabilities, and single parents struggling to find work could be the greatest challenge in rebuilding New Orleans, but also the greatest success. Most of these vulnerable individuals have been evacuated to other cities that must take care of them, at least for now. In the meantime, New Orleans has bought some time to create services and educational programs that reduce and alleviate future vulnerability. By seizing that opportunity, New Orleans could create a model for other cities to follow.

Notes

1. Other smaller vulnerable populations, such as ex-offenders and teenage dropouts, are not a focal point of this essay. They, too, eventually will require special services and attention from policymakers.
2. The definition of disability is based on three questions from the American Community Survey indicating (1) the person either has a long-lasting condition including blindness, deafness, or a severe vision or hearing impairment, or a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying; (2) the person has difficulty learning, remembering, concentrating, dressing, bathing, or getting around inside the home because of a physical, mental, or emotional condition lasting six months or more; or (3) the person has a “self-care limitation” (difficulty going outside the home alone to shop or visit a doctor or working at a job or business because of a physical, mental, or emotional condition lasting six months or more).
3. Over one-third of poor families with children living in Louisiana had three or more children (Maximus 2002). We expect that the share of single-parent families with three or more children in New Orleans was even higher, judging from their disproportionately high rate of poverty.
4. The federal government supports other, much smaller programs that fill out this safety net, including some funding for mental health and disability services and programs that support local services for the elderly.
5. FITAP succeeded the Aid to Families with Dependent Children program, which entitled nonworking single mothers to cash assistance with relatively weak work requirements. Parents, however, were only eligible for the low benefit level set by the state of Louisiana.
6. States administer the federal child-support program, which aims to ensure that parents who live apart from their children provide for them financially.
7. The act also provides additional TANF funding of up to 20 percent of the basic block grants as loans to three states affected by hurricane Katrina (Alabama, Louisiana, and Mississippi). However, the U.S. Department of Health and Human Services has issued guidance indicating that these states will not be penalized for failing to pay interest or repay the loans through October 2007.
8. See, for example, “From Jobs to Careers,” a program in California that allows TANF participants to attend a community college for up to 24 months to meet their work requirements (Mathur et al. 2004).

The program tracked employment for participants and reports that they were twice as likely to work year-round after having attended community college than before.

9. The National Campaign to Prevent Teen Pregnancy describes many solutions that work in various papers, including “Making the List: Understanding, Selecting, and Replicating Effective Teen Pregnancy Prevention Programs” and “No Time to Waste: Programs to Reduce Teen Pregnancy among Middle School–Aged Youth,” which can be accessed on their web site, <http://www.teenpregnancy.org>.
10. Information about these healthy marriage promotion initiatives is available on the Administration for Children and Families web site, <http://www.acf.hhs.gov/healthymarriage>.

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Rebuilding Opportunity and Equity Into the *New* New Orleans

A Framework for Policy and Action

When communities are rebuilt, they must be even better and stronger than before the storm. Within the Gulf region are some of the most beautiful and historic places in America. As all of us saw on television, there's also some deep, persistent poverty in this region as well. That poverty has roots in a history of racial discrimination, which cut off generations from the opportunity of America. We have a duty to confront this poverty with bold action. So let us restore all that we have cherished from yesterday, and let us rise above the legacy of inequality.

President George W. Bush,
September 15, 2005

Long before the onslaught of Hurricane Katrina, the collapse of the levees, or the chaos of evacuation, the social infrastructure of New Orleans was failing many of the city's residents. Jobs and population had been leaving the city for decades; public school performance was dismal; and rates of unemployment, poverty, poor health, and hardship were high. Conditions were especially bleak in the city's poor neighborhoods, where decades of racial segregation, disinvestment, and neglect fostered severe isolation and distress. People living in these neighborhoods faced daunting risks and few prospects for economic security or advancement. Scenes from the Superdome and the flooded streets of New Orleans exposed the poverty and vulnerability of many African American residents.

New Orleans' lower-income residents also face the greatest risks of lasting damage in Katrina's aftermath. Certainly, many people who lived or had a business in New Orleans are experiencing uncertainty and loss. But for families with no financial assets, little work experience, limited education or skills, poor health, or disabilities, the challenges of starting anew can seem paralyzing. Moreover, some of the city's poorest neighborhoods were essentially washed away by the flooding that followed Hurricane Katrina, leaving their residents with no homes, schools, businesses, churches, or social networks to which to return.

As New Orleans begins to rebuild, what are the prospects for these families and their communities? Some will decide not to return—because they have simply lost too much, because the costs and uncertainties are too daunting, or because they have found new opportunities elsewhere. Current forecasts put the city's population at 247,000 by September 2008, just over half of its pre-Katrina level (Bring New Orleans Back 2006), and some experts argue that low-income and minority residents are the least likely to return (Logan 2006). Thus, policies aimed at giving victims of Katrina opportunities to put their lives back together must include initiatives targeted to the communities where they are living now.

But what about those who want to return to New Orleans? Federal, state, and local officials have all expressed a commitment to a safe return and a better future for all the city's residents. Despite the rhetoric, whether and how these commitments will be realized remains uncertain. Can a city that was failing its lower-income residents on so many fronts before the storm avoid the mistakes of the past and instead create the

economic opportunities and supports that give people a chance at better lives?

There are good reasons to try. New Orleans' lower-income residents and their communities did possess important assets that contributed to the city's unique character and vitality. For example, despite the high poverty of the Lower Ninth Ward, 60 percent of households there owned their homes. Many had lived in the neighborhood their whole lives in homes that had been in their families for generations. They had built strong social networks of family, friends, and neighbors that helped them weather hardship and join in producing New Orleans' distinctive Mardi Gras festivities. And they played irreplaceable roles in creating the distinctive music, art, architecture, and cuisine that made New Orleans unique and attracted millions of tourists to the city every year.

Over the coming years, massive sums of money—public, private, and philanthropic—will be invested in rebuilding. Much of this investment must go to physical infrastructure, beginning with reliable levees and other flood protection systems. But without parallel investments in affordable housing, quality public schools, effective job training, health care, and other social infrastructure, New Orleans will not attract back as many families, nor can it become a city where all residents enjoy opportunities for security and success. An unprecedented opportunity will be missed if some of the investments in the city's reconstruction are not used to rebuild stronger, smarter social support systems and avenues for economic advancement.

The challenges facing New Orleans today are unique. No other city in the country—however distressed its economy or frayed its social safety net—has had to rebuild almost everything at once. Nonetheless, almost every American city is grappling with unemployment, racial segregation, failing public schools, inadequate health care, unaffordable housing, poverty, and hardship. If New Orleans tackles these problems seriously and systematically as it rebuilds, it can become a model for the rest of the country. A sustained commitment to providing real economic opportunities and effective social supports for all residents could rebuild not only New Orleans, but also the nation's collective vision of how cities should work for Americans, including the poorest and most vulnerable.

Promising Models for the New New Orleans

Innovation and experience from other cities around the country offer promising strategies that can help reduce the risks of poverty and create economic opportunity. The es-

says in this collection assess the challenges facing New Orleans today and in the future and recommend tested models for rebuilding employment and training opportunities for low-skilled workers, affordable housing in healthy communities, a public school system that prepares the city's children for success, programs that give infants and preschoolers a healthy start in life, health care services for low-income families and their children, grassroots support networks for struggling musicians and artists, and help for the most vulnerable, including the elderly and the disabled.

Employment

Although Hurricane Katrina shut down businesses and displaced hundreds of thousands of people from their jobs, rebuilding will create many new jobs in the years ahead, not only in cleanup and reconstruction, but also in the delivery of essential public services such as child care, health care, and education. In "Employment Issues and Challenges in Post-Katrina New Orleans," Harry J. Holzer and Robert I. Lerman propose an aggressive and coordinated program of employment placement and training initiatives to ensure that former New Orleanians can gain access to the new jobs being created there and use these jobs to build their skills and credentials.

More specifically, employers should be encouraged (if not required) to make jobs and training opportunities available to former residents of the city, particularly where the work is publicly funded. Public funds should support proven skill-building initiatives, such as formal apprenticeships and Job Corps slots. And intermediary organizations should be funded to reach out to the former residents of New Orleans—wherever they may now be living—and help them find suitable jobs or training opportunities. The longer-term need is for policies aimed at upgrading the skills and credentials of the New Orleans workforce, providing incentives for employers to create "career ladders" so that workers can build skills and advance over time, and offering reasonable workforce supports (like child care) that enable low-wage workers to stay employed.

Affordable Housing

To return to New Orleans to work and rebuild, people need somewhere to live. Across the metropolitan area, roughly a quarter of a million housing units were flooded, and though residents are starting to return to repair homes in some parts of New Orleans, other neighborhoods are uninhabitable. Almost inevitably, residential rebuilding will have to proceed in stages, as outlined by the Bring New

Orleans Back Commission (2006), and a redevelopment authority will be needed to assemble and clear land, compensate property owners fairly, and manage neighborhood redevelopment.

Within such a framework, Susan Popkin, Margery Austin Turner, and Martha Burt, in “Rebuilding Affordable Housing in New Orleans: The Challenge of Creating Inclusive Communities,” propose strategies for incorporating affordable rental and homeowner housing into healthy communities as they are rebuilt. Specifically, recent experience with inclusionary zoning programs, the revitalization of distressed public housing, and the use of housing vouchers demonstrates the feasibility of building mixed-income communities that provide deeply subsidized units for the poorest households alongside units affordable to moderate-income working families, and market-rate homes and apartments as well. This type of development should occur in all neighborhoods, so that poor people are not trapped and isolated in a few distressed communities. In the short term, trailers or other types of temporary housing may be necessary to accommodate an expanding work force. But these temporary enclaves should be kept small, managed effectively, and phased out quickly as new neighborhoods are built, so that temporary accommodations do not become permanent housing of last resort for the city’s poorest residents.

Public Schools

Along with homes and jobs, Hurricane Katrina devastated New Orleans’ public school system, with most schools damaged or destroyed and teachers, administrators, and students at least temporarily relocated. The single biggest challenge facing New Orleans’ public school system is uncertainty—about how many schoolchildren will return to the city, when they will arrive, and where their families will live. However, schools and teachers must come back into service if families are to return. In response, Paul Hill and Jane Hannaway recommend a strategy that maximizes flexibility in the redevelopment of school facilities, the assignment of teachers, and the options available for students.

The hybrid approach Hill and Hannaway recommend in “The Future of Public Education in New Orleans” brings schools back incrementally as students return. Public funds would follow children to any school their parents choose for them, provided the school meets high standards of teacher quality and student success. At the same time, qualified organizations would receive public funding to start up new charter schools as enrollment gradually expands. Returning families would have many high-quality options

from which to choose. Because student housing patterns and needs would be hard to predict, no teacher could be guaranteed a permanent job in a particular school. But, say Hill and Hannaway, a variety of incentives, including high pay, would attract qualified teachers back to the city.

Young Children

Infants and preschool children displaced and traumatized by Hurricane Katrina remain at risk of long-term damage, especially if their families were struggling with poverty and insecurity before the storm and are having difficulty rebuilding stable lives in its wake. Without high-quality care and support, the youngest New Orleanians are likely to experience lasting physical and emotional distress and may not be ready to learn when they enter public school. Moreover, their parents—especially single mothers—may fail to find or retain jobs if their children are sick or troubled and quality child care is impossible to find or afford.

To meet these extraordinary and urgent needs, in “Young Children after Katrina: A Proposal to Heal the Damage and Create Opportunity in New Orleans,” Olivia Golden proposes a major expansion of services to young children, built around—but extending beyond—existing Head Start and Early Head Start programs. Eligibility for these programs would be expanded to include all children (though higher-income families would pay a share of the costs). Then funds would be provided to a wide variety of organizations to establish high-quality programs, hire trained staff, and reach out to enroll young children. Gradually, as families return to New Orleans, these programs would expand in number and capacity, providing care in a variety of locations and settings, and linking with health care and mental health care providers to ensure that New Orleans’ youngest generation gets the help it needs to succeed in school and in life.

Health Care

As with public schools and affordable housing, any strategy for rebuilding New Orleans’ health care system must address both demand-side and supply-side constraints. Prior to Katrina, the share of low-income adults receiving public health insurance was low by national standards (though low-income children were more adequately covered), and New Orleans relied primarily on a single public hospital to deliver care to low-income and uninsured residents. This hospital has essentially been damaged beyond repair, leaving low-income residents with no reliable source of care.

In “Initial Health Policy Responses to Hurricane Katrina and Possible Next Steps,” Stephen Zuckerman and Teresa Coughlin argue for a more decentralized system of community clinics and smaller hospitals that could be rebuilt gradually as residents return and neighborhoods are rebuilt. Such a system would be more flexible and responsive to the health care needs of low-income residents, and care might be more accessible in community-based clinics. Ideally, such a system would be complemented by an expanded program of public insurance (or subsidies to buy private insurance) for uninsured adults. If, however, broadening public health insurance coverage is not considered politically (or financially) feasible, using federal funds to reimburse community clinics and small hospitals for uncompensated care, rather than relying on a single public hospital, could significantly improve both access to care and low-income New Orleanians’ health status.

Arts and Culture

Planners and policymakers in New Orleans clearly appreciate the importance of arts and culture to the city’s unique identity and future. Initiatives aimed at recovering and rebuilding New Orleans’ cultural heritage already recognize the role of lower-income people and communities in inventing, producing, and sustaining the city’s artistic traditions. Since some of these artists are self-employed or amateurs, efforts to bring artists back to the city need to go beyond reopening mainstream performance venues, hotels, and restaurants.

In “Rebuilding the Cultural Vitality of New Orleans,” Maria-Rosario Jackson argues that the challenge facing New Orleans is to ensure that resources are effectively channeled to community-based support networks for musicians, sculptors, dancers, actors, and visual artists, whether amateur or professional. Often these networks, though vigorous and resilient, are not the kinds of formal organizations that public agencies fund. And overreliance on tourism as an economic anchor for rebuilding poses risks; indeed, a short-sighted preoccupation with the most marketable of the city’s cultural offerings could overshadow the crucial role of living artists and tradition bearers, allowing the cultural heart of the city to wither. Potentially, tourism-related businesses and philanthropies could be tapped for money to establish a local institution with responsibility for supporting and strengthening authentic artistic and cultural practices that have been rooted in poor communities and are critical to the city’s cultural identity.

Vulnerable Populations

Within New Orleans’ low-income population, three groups—the elderly, the disabled, and jobless single mothers—face particularly daunting challenges and need special support. It is impossible to predict how many of these people will come back to New Orleans. On the one hand, they may be among the least likely to return because relocating and finding a place to live will be so difficult. On the other hand, they may be unable to find opportunities elsewhere and may gradually follow family and friends back to the city.

If these vulnerable residents are overlooked as New Orleans rebuilds, they will likely remain mired in poverty and dependency, with little chance of achieving greater security or independence. In “Building a Better Safety Net for the New New Orleans,” Sheila R. Zedlewski argues for a holistic strategy that encourages and supports work through a stronger welfare system, reduces the incidence of teen pregnancy and single parenting, and provides supportive housing environments for those who cannot live independently.

Two groups—adults with disabilities and single mothers with serious barriers to work—typically need more than the package of job training and placement assistance discussed by Holzer and Lerman. Programs that include basic skills training and opportunities to achieve a high school equivalency degree, along with ongoing support services to help vulnerable workers retain their jobs, seem particularly promising as New Orleans rebuilds. Over time, reducing the number of single-parent families (especially families with a single teen parent) calls for enhanced teen pregnancy prevention and the promotion of healthy marriage, along with stronger child-support enforcement. Zedlewski also recommends asset-building strategies to help increase opportunity and reduce poverty over the long term. Finally, many elderly and people with disabilities need both accessible housing units and assistance with the activities of daily living. Experience teaches that small-scale supportive housing developments can provide this assistance very effectively, allowing residents to maximize security and independence within their communities.

Reality-Based Principles for Rebuilding

A short list of shared principles links the policy recommendations outlined in this collection, all of which respond to the unique challenges facing New Orleans today: a commitment to individual *choice* and the *information* people need to exercise choices, *flexibility* that goes hand

in hand with high standards of *quality*, and *asset building* to help people and communities sustain themselves and advance over time. Taken together, these principles invite lower-income families into the *social and economic mainstream*.

As elected officials, community leaders, businesspeople, and returning residents sort through the innumerable challenges and choices they face, these principles can help shape public policies, philanthropic investments, and private-sector initiatives that promote opportunity and equity in place of exclusion, inequality, and social distress.

Choice

The first of these principles is to offer people real choices. Both the hybrid system of educational vouchers and public charter schools proposed by Hill and Hannaway and the decentralized system of health clinics and small hospitals recommended by Zuckerman and Coughlin epitomize this principle. They would let New Orleanians—including low-income residents—decide for themselves which facilities best meet their needs for essential public services.

Similarly, Popkin, Turner, and Burt argue for including at least some affordable housing in every part of the new New Orleans, replacing isolated clusters of subsidized housing with more diverse mixed-income communities and using housing vouchers to enable low-income residents to rent or buy in communities of their choice throughout the region. And Golden explains the necessity of offering diverse child care options, including both home-based and center-based programs, so that parents can choose the type and location of care that best meet their children's needs.

The issue of choice takes on special poignancy when it comes to the question of whether low-lying neighborhoods like the Lower Ninth Ward should be rebuilt at all. Depending on decisions about the reconstruction of levees and the need for marshes or parklands to buffer future flooding, some areas of New Orleans may be declared off-limits for residential rebuilding. And if the city's redevelopment occurs in stages, as many recommend, some neighborhoods may not be habitable for years. Some of the most severely damaged neighborhoods have been home to generations of African Americans, suffering in many ways from segregation and poverty concentration, but also rich with history, cultural traditions, and social networks. Historically, where whole communities (like Love Canal) had to be uprooted, residents received relocation assistance, fair compensation for lost property, and the option of rebuilding their lost community in a new location. The same

kinds of choices should be offered to the residents of devastated neighborhoods in New Orleans.¹

Information

Choices are only meaningful if people have the information they need to understand and act on them. But providing reliable information to people who lack it is not a trivial undertaking.

Holzer and Lerman argue persuasively for publicly funded employment intermediaries that would assemble and update information about jobs and training opportunities in New Orleans and reach out proactively to former residents to help them understand what opportunities are available, what skills may be required, and what training they need to qualify. Drawing on lessons from housing-mobility programs, Popkin, Turner, and Burt recommend counseling and search assistance that would help low-income families find out about affordable housing options, overcome barriers of racial discrimination and segregation, and take advantage of housing vouchers to move back to neighborhoods of their choice. And Hill and Hannaway propose a "parent information agency" to help returning families learn about schooling options, decide what is best for their children, and act on their preferences.

As New Orleans rebuilds, it should invest in qualified intermediaries that can reach out to former residents (wherever they may currently be living) and provide the information and decisionmaking help they need to return. As several of the essays in this collection point out, families making simultaneous decisions about jobs, housing, schools, and child care need information and guidance on all these issues at the same time. This does not mean that a single information and counseling agency has to be created to do everything, but it does mean that organizations providing employment outreach and counseling, housing-search assistance, and school-enrollment counseling all have to talk to one another, and clients should be able to move seamlessly back and forth among them.

Information will continue to play an essential part in effective social programs long after families return to New Orleans. Low-income parents struggling to create better lives for themselves and their children have been shown to benefit from programs that provide reliable information and counseling support. Thus, one prong of Zedlewski's strategy for helping single parents achieve greater economic security is financial counseling and information about federal asset-building programs. And another is to help young teens understand the consequences of premarital pregnancy. Also, Golden calls for programs providing care to

infants and young children to also become resource centers for parents, offering information and advice and helping people gain access to the array of services and supports they may need.

Flexibility

Policies that promote choice also promote flexibility, which New Orleans sorely needs as it rebuilds. Hill and Hannaway point out the futility of trying to reconstruct the city's pre-Katrina school system when no one can predict how many children will return or how soon. All of New Orleans' social infrastructure will have to be built back incrementally, with facilities and services coming online at roughly the same pace as families return to the city. In short, strategies that give returning families and individuals the power to choose—and resources to pay for—the services they need, when and where they need them, can help direct the step-by-step redevelopment of public schools, affordable housing, health care facilities, and other essential services.

The importance of choice notwithstanding, New Orleans' social infrastructure cannot be effectively regenerated through demand-side (voucher) policies alone. Public funds must flow to service providers as well as to the consumer, so they can build the schools, child care and health facilities, and affordable homes from which families can choose.

The supply-side strategies proposed in this collection would support diverse providers, rather than funding a single public agency to carry out each task. More specifically, charter schools could be launched and managed by groups of qualified administrators and teachers, local universities, or national organizations. Capital subsidies for constructing affordable housing would be allocated to nonprofit and for-profit developers as well as to the local public housing agency. And Golden's proposal to dramatically expand the system of care for infants and young children relies not only on existing Head Start facilities, but also on other home-based and community-based providers.

All components of the city's social infrastructure will need to be nimble to adapt to the coming changes in the city's population and economy. In particular, job training and placement programs must take both the skills of returning workers and the evolving needs of the city's employers into account. The most effective training programs are those that equip people with the skills that local employers are seeking. As New Orleans rebuilds, the mix of job openings may change quite dramatically, requiring training programs, high school career academies, and com-

munity college programs to retool their offerings relatively often.

Quality

The intensity and urgency of problems facing New Orleans today and in the coming years may argue for quick fixes—tolerating less-than-ideal school facilities, housing construction, or child care in hopes of getting essential needs addressed quickly. But the contributors to this collection argue that low-quality remedies may do more harm than good. Troubled toddlers and school-aged children need smaller class sizes and more qualified teachers, or their emotional and learning problems are likely to intensify. Workers returning to the city must be able to earn decent wages, even though waiving Davis-Bacon provisions may have seemed like a way to jumpstart cleanup. And encampments of trailers or other temporary housing facilities can too easily become isolated ghettos for the poorest families.

Instead of tolerating mediocre performance, New Orleans' new social infrastructure should be designed to meet high standards of quality, including—as outlined by Hill and Hannaway—explicit performance standards and accountability mechanisms. Making public dollars contingent on attaining high standards is especially important if a diversity of new organizations is being funded to deliver public services. Charter schools, neighborhood health clinics, neighborhood-based child care options, and dispersed affordable housing developments must be held accountable for their performance if the principles of choice and flexibility are to have teeth.

Well-established models of performance management and performance contracting provide tools for setting quality standards and performance targets, monitoring an organization's performance over time, offering financial incentives for high performance, and terminating support to organizations and facilities that fall short (Hatry 1999). Collecting and publishing performance data have the added benefit of providing information that households can use to decide which facilities or services best meet their needs, thereby reinforcing informed choice.

Asset Building

To achieve greater economic security and brighter prospects for the future, low-income families need help building financial assets. Savings can cushion families from unexpected setbacks and may open up opportunities to acquire more training or education, start a business, send children

to college, or enjoy a more secure retirement. Therefore, Zedlewski argues, rebuilding efforts in New Orleans should encourage savings among low-income residents by allocating public and private funds to match family savings and by spurring families to take advantage of other federal savings incentives. And Popkin, Turner, and Burt recommend assistance for low-income homeowners as part of an affordable housing strategy for the city, not only for those who lost their property to Katrina, but also for first-time buyers.

But the goal of asset building should look beyond just financial assets. New Orleans and its residents had valuable social and institutional assets that should be restored and expanded as well. Reactivated, these assets may provide essential building blocks for helping low-income residents identify and seize new opportunities. For example, Golden points to the effective network of Head Start and Early Head Start programs that could be used to provide essential care to poor children, enabling their parents to return to the city right away and get jobs. And Jackson describes the dense network of connections linking amateur and professional artists through social and pleasure clubs, mutual aid societies, the Mardi Gras Indian tribes, and other community-based organizations as among New Orleans' key assets. Strengthening these networks as vehicles for informing residents about their options and linking needy families to assistance and opportunities represents an important form of social capital building.

Mainstream Access

All the rebuilding strategies outlined in this collection are designed to forge stronger connections between low-income families and the economic mainstream. In other words, the underlying objective is not only to ameliorate poverty, but also to break down barriers that prevent people from escaping poverty.

As Holzer and Lerman argue most explicitly, the enormous public-sector investment in cleanup and rebuilding should be used to create employment and training opportunities for former residents. Not everyone can be expected to move quickly to self-sufficiency, but Holzer and Lerman's apprenticeship and Job Corps proposals, as well as Zedlewski's proposal for more intensive training and work supports for people with disabilities and single mothers facing serious personal challenges, aim to draw people into the world of work. Similarly, Popkin, Turner, and Burt's argument for inclusionary zoning and mixed-income housing developments, as well as Hill and Hannaway's proposal for metrowide school choice, would also further economic and social integration.

Holzer and Lerman also highlight the importance of combating racial discrimination, which has historically limited employment opportunities for African Americans, not only in New Orleans but across the U.S. And Popkin, Turner, and Burt stress the role of racial segregation and exclusion in the concentration of poverty and neighborhood distress. Although the other essays do not address the issue of race as explicitly, expanding access to mainstream opportunities means tackling barriers that are based on both class and race. As a consequence, opening up access to mainstream institutions and neighborhoods is likely to provoke at least some fear and hostility. Indeed, residents in some of New Orleans' more affluent communities have blocked plans to install temporary trailers in neighborhood parks and other open spaces, due in part to prejudice and fear about the people who would live in them (as well as skepticism about the city's capacity to manage makeshift facilities effectively).

The challenges of prejudice and discrimination are likely to become more complex, since substantial numbers of Latinos have moved to New Orleans to work on cleanup and reconstruction projects. It is not known whether these workers will stay on, but their presence may generate new fears and resentments on the part of both African Americans and whites worried about finding jobs and preserving the city's culture. Community leaders from all segments of New Orleans—including white, black, and Latino religious leaders—will have to work together to promote a sense of common purpose across lines of race and class as New Orleans rebuilds.

Moving New Orleans Forward

The circumstances facing New Orleans are unique in the experience of urban planners and policymakers, because so many dimensions of people's lives were demolished at once. Now, all aspects of rebuilding must be synchronized in order to succeed. Without the prospect of jobs and income, few of the city's residents can afford to return and begin reestablishing homes and communities. But without at least temporary housing for their workers, many businesses may not risk reopening. Without schools for their children to attend, day care facilities, hospitals, and health clinics, families may postpone their return to the city. But until the families are back, neither the city nor the private sector can afford to hire teachers, child care workers, or health care providers.

In the short term, New Orleans is trapped in uncertainty about how these puzzle pieces will fit back together. This "catch 22" dimension is especially problematic for

lower-income families, who lack the wealth and other resources to compensate for essential elements of daily life that may be missing when they try to return. Overcoming inertia and moving forward to rebuild the city's social infrastructure along with its physical infrastructure requires coordinated public-sector leadership, new partnerships with businesses, nonprofits, and philanthropies, and—of course—money. Resolving uncertainty is critical for allowing private parties to begin reinvesting and rebuilding.

Public Leadership

Any hope of crafting and implementing a coherent, long-term response to New Orleans' social needs will require systematic coordination of federal, state, and local plans and investments. As of this writing, the response of federal, state, and local governments to the needs of New Orleans' residents has been inconsistent and uncoordinated. Every level of government has at least one committee or commission (and sometimes more than one) jostling for attention and authority. Foundations and other private institutions are offering valuable resources and expertise, but there is no evidence that these resources are being channeled where they are needed most.

It may be tempting to look to the federal government to take the lead in directing a comprehensive rebuilding effort, particularly given the limited fiscal capacity—and in some areas, the history of mismanagement—at city and state levels. Unfortunately, however, the federal government has so far shown no inclination to use its resources or authority to effectively lead the rebuilding of New Orleans. The administration's refusal to support Congressman Richard Baker's proposed plan for compensating property owners and managing redevelopment raises new doubts about the federal government's commitment (Walsh 2006). Moreover, some aspects of rebuilding involve fundamental responsibilities of city or state government that the federal government should not usurp. And others involve systems that have historically been funded and managed jointly by federal and state or federal and local agencies.

For all these reasons, the only plausible solution to the urgent need for intergovernmental coordination is to for the city and state to establish a formal institutional structure within which relevant agencies share information and plans, resolve conflicts, develop joint strategies, and coordinate their activities. The federal government (working through the coordinator recently appointed by President Bush) should support this joint venture with funding tied to clear performance requirements. Such a governance structure should be accountable to elected officials and to

the public at large, reporting on its information gathering and decisionmaking processes, monitoring the use of funds to protect against fraud and waste, and creating open forums for current and former residents of New Orleans to express their views on and priorities for rebuilding.

New Partnerships

To be effective, emerging forms of social support and access to opportunity have to interlock. At each stage of rebuilding—and as successive sections of the city are reopened and rebuilt—planners must look for strategies to bring all essential services back online together. Tulane University pursued this kind of coordinated strategy in preparing to reopen for the spring 2006 semester, including temporary housing for students, faculty, and staff whose pre-Katrina housing is uninhabitable, shuttle buses linking temporary housing with the campus, a school for the children of returning employees, and teachers to staff the school.

Other employers hoping to attract workers back to restart business in New Orleans are not big enough to do the same on their own. They need proactive “matchmakers”—publicly funded (but probably not public) agencies—to help link the staging of jobs and housing to that of schools, health care, and child care. For example, such an intermediary could help a small business partner with a new charter school, several nonprofit housing developers, and a shuttle bus service to prepare for the return of employees and their families. The information sharing and negotiation necessary to make such partnerships work will not happen unless it is someone's job to make them happen.

A parallel set of intermediaries must then reach out to former residents of New Orleans who are currently living in other cities, bringing current and reliable information about employment and training opportunities and about where returning families can live, what schools are available for their children to attend, how they will find health care, and where young children can get care while their parents work. Such a network of information providers could help ensure that information flows in the opposite direction as well, giving the former residents of New Orleans—including those who lack money and political connections—an effective voice in decisions about how their city is rebuilt.

Money

All the programs and strategies recommended in this collection will cost money; most call for public funding, from federal, state, or local coffers. But much of the funding re-

quired by the proposals presented here is already earmarked for the city's rebuilding. Indeed, the authors here have mainly recommended smarter and more effective ways to use existing funds—for public schools and public health clinics, for example—or better ways to deploy resources already allocated for rebuilding.

In the fall of 2005, the Congressional Budget Office reported that the federal government had committed more than \$60 billion to relief and recovery from Hurricanes Katrina and Rita, in addition to expanded funding for TANF, food stamps, and Medicaid; unemployment insurance and job placement assistance; emergency tax relief for businesses and individuals; small business loans; and housing reconstruction.² And although the administration's 2007 budget submission includes no new money for Gulf Coast recovery or rebuilding, an \$18 billion supplemental funding package is anticipated (Jordan 2006). Certainly, money will remain an issue, but public funds will be pouring into New Orleans in the coming years; deploying them effectively is the biggest challenge.

In Sum

Hurricane Katrina vividly exposed the exclusion, isolation, and distress of low-income African Americans, many of whom have called New Orleans home for generations. Unfortunately, it would be all too easy for these residents to be excluded and isolated again as the city rebuilds. But New Orleans' future could be more just and equitable. In his September 15 speech from Jackson Square, President Bush acknowledged the past failures of New Orleans' social infrastructure and called for greater equity and opportunity in the future.

The essays collected here provide models to guide the city's social reconstruction, including proven employment and training initiatives and ways to create affordable housing and healthy communities, a well-performing public school system, high-quality programs for infants and preschoolers, accessible health care for low-income fami-

lies, flexible support for musicians and artists, and help for the city's most vulnerable residents. All these proposals hold promise for connecting New Orleans' low-income residents to mainstream social and economic opportunities—by providing people who want to return to the city with real choices and the information they need to act on these choices, by creating flexible systems that respond to the changing needs of the city's residents and businesses, by adhering to high standards of quality, and by helping residents build up their financial and social capital. Billions of dollars are pouring into the city's reconstruction. If these resources are used strategically—rebuilding the social infrastructure along with the physical infrastructure—New Orleans can be reborn as a city of openness and opportunity for all its residents.

Notes

1. U.S. Representative Richard Baker, from Baton Rouge, introduced federal legislation to compensate property owners in the most severely damaged neighborhoods, so that they could rebuild on higher ground and New Orleans' redevelopment could be effectively managed. However, the Bush administration rejected this proposal, arguing that Community Development Block Grant funds appropriated late in 2005 would be sufficient to meet redevelopment needs (Walsh 2006).
2. Douglas Holtz-Eakin, statement to the U.S. House of Representatives Committee on the Budget, October 6, 2005.

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