GulfGov Reports: One Year Later

First Look at the Recovery, Role, and Capacity of States and Localities Damaged by the 2005 Katrina and Rita Hurricanes

Field Network Report on 22 Communities

Field research sites shown on the map above
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First Look at the Recovery, Role, and Capacity of States and Localities Damaged by the 2005 Katrina and Rita Hurricanes

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LOUISIANA

State of Louisiana
Population: 4,557,808
Capital: Baton Rouge
Racial Makeup: 64% White; 33% Black or African-American; 3% Other
Per Capita Personal Income (PCPI): $27,297
PCPI as Percent of National Average: 82.6

Cameron Parish, LA
Population: 9,558
Racial Makeup: 95% White; 4% Black or African-American; 1% Other
Per Capita Personal Income (PCPI): $19,059
PCPI as Percent of State Average: 69.8
Major Industries: Agriculture, Aquaculture, Fishing

East Baton Rouge Parish, LA
Population: 411,417 (includes entire population of the City of Baton Rouge)
Racial Makeup: 53% White; 43% Black or African-American; 3% Other
Per Capita Personal Income (PCPI): $30,641
PCPI as Percent of State Average: 112.3
Major Industries: Education, Government, Petrochemical

Jefferson Parish, LA
Population: 452,824
Racial Makeup: 68% White; 27% Black or African-American; 5% Other
Per Capita Personal Income (PCPI): $32,156
PCPI as Percent of State Average: 117.8
Major Industries: Fishing, Petrochemical, Retail, Tourism

Kenner, LA
Population: 69,911
Parish: Jefferson

St. Bernard Parish, LA
Population: 65,364
Parish Seat: Chalmette
Racial Makeup: 68% White; 23% Black or African-American; 9% Other
Per Capita Personal Income (PCPI): $19,615
PCPI as Percent of State Average: 116.0
Major Industries: Education and Health Services, Government, Retail, Transportation

Lake Charles, LA
City Population: 70,555
Parish: Calcasieu
Racial Makeup: 50% White; 47% Black or African-American; 3% Other
Per Capita Personal Income (PCPI): $17,922
PCPI as Percent of State Average: 106.0
Major Industries: Petrochemical, Retail, Tourism

New Orleans, LA
Population: 454,863
Racial Makeup: 67% Black or African-American; 28% White; 5% Other
Per Capita Personal Income: $17,258
PCPI as Percent of State Average: 102.0
Major Industries: Education and Health Services, Government, Tourism, Transportation

St. Tammany Parish, LA
Population: 220,295
Racial Makeup: 86% White; 12% Black or African-American; 3% Other
Per Capita Personal Income (PCPI): $32,866
PCPI as Percent of State Average: 120.5
Major industries: Education and Health Services, Retail

MISSISSIPPI

State of Mississippi
Population: 2,921,088
Capital: Jackson
Racial Makeup: 61% White; 37% Black or African-American; 2%
Other
Per Capita Personal Income (PCPI): $24,518
PCPI as Percent of State Average: 74.2

Biloxi, MS
Population: 50,209
County: Harrison
Racial Makeup: 71% White; 19% Black or African-American; 10%
Other
Per Capita Personal Income (PCPI): $17,809
PCPI as Percent of State Average: 112.3
Major Industries: Government, Retail, Tourism

Gulfport, MS
Population: 72,464
County: Harrison
Racial Makeup: 62% White; 34% Black or African-American; 4%
Other
Per Capita Personal Income (PCPI): $17,554
PCPI as Percent of State Average: 110.7
Major Industries: Government, Retail, Tourism

Hancock County, MS
Population: 46,711
County Seat: Bay St. Louis
Racial Makeup: 91% White; 7% Black or African-American; 2%
Other
Per Capita Personal Income (PCPI): $24,359
PCPI as Percent of State Average: 99.4
Major Industries: Government, Retail, Technology, Tourism

Harrison County, MS
Population: 183,310
Co-County Seats: Biloxi and Gulfport
Racial Makeup: 72% White; 23% Black or African-American; 5%
Other
Per Capita Personal Income (PCPI): $27,300
PCPI as Percent of State Average: 111.3
Major Industries: Government, Retail, Tourism

Hattiesburg, MS
Population: 47,176
County: Forrest
Racial Makeup: 50% White; 47% Black or African-American; 3%
Other
Per Capita Personal Income (PCPI): $15,102
PCPI as Percent of State Average: 95.3
Major Industries: Government, Retail, Tourism

Jackson County, MS
Population: 135,940
County Seat: Pascagoula
Racial Makeup: 75% White; 22% Black or African-American; 3%
Other
Per Capita Personal Income (PCPI): $25,590
PCPI as Percent of State Average: 104.4
Major Industries: Government, Retail, Tourism

Jackson, MS
Population: 177,977
County: Hinds
Racial Makeup: 71% Black or African-American; 28% White; 2%
Other
Per Capita Personal Income (PCPI): $17,116
PCPI as Percent of State Average: 108.0
Major Industries: Government, Education and Health Services, Transportation

Laurel, MS
Population: 18,298
County: Jones
Racial Makeup: 55% Black or African-American; 41% White; 4%
Other
Per Capita Personal Income (PCPI): $16,891
PCPI as Percent of State Average: 98.2
Major Industries: Petrochemical, Timber, Transportation

Pascagoula, MS
Population: 25,173
County: Jackson
Racial Makeup: 67% White; 29% Black or African-American; 4%
Other
Per Capita Personal Income (PCPI): $15,691
PCPI as Percent of State Average: 106.5
Major Industries: Fishing, Government, Transportation

ALABAMA

Bayou La Batre, AL
Population: 2,725
County: Mobile
Racial Makeup: 52% White; 33% Asian; 10% Black or African-American; 4%
Other
Per Capita Personal Income (PCPI): $9,928
PCPI as Percent of State Average: 54.6
Major Industries: Fishing, Seafood, Shipbuilding

Gulf Shores, AL
Population: 7,263
County: Baldwin
Racial Makeup: 98% White; 2% Other
Per Capita Personal Income (PCPI): $24,356
PCPI as Percent of State Average: 133.9
Major Industries: Real Estate/Rentals, Retail, Tourism

Mobile, AL
Population: 191,544
County: Mobile
Racial Makeup: 50% White; 46% Black or African-American; 3%
Other
Per Capita Personal Income (PCPI): $18,072
PCPI as Percent of State Average: 99.4
Major Industries: Retail, Shipping, Tourism

Notes:
Population data are from the U.S. Census Bureau's 2005 survey: http://www.census.gov/popest/estimates.php.
City Per Capita Personal Income (PCPI) uses 1999 U.S. Census Bureau data.
PCPI data as percent of national/state averages uses 2004 BEA data for states, counties, and parishes; cities are based on 1999 U.S. Census Bureau data.
Race information comes from the U.S. Census Bureau: states/counties use 2005 data, cities use 2000 data.
Study Methodology

_GulfGov Reports_ is a three-year longitudinal field network study of a representative sample of state and local governments damaged by the Katrina and Rita hurricanes of 2005. The 22 sites in Louisiana, Mississippi, and Alabama covered in this report are cities and counties (parishes) that experienced varied levels of destruction and economic effects following the twin disasters. The sample includes communities that experienced severe damage and concomitant population decline and others that experienced population and economic growth because of the influx of household and business evacuees. A list of sites is included on page v. The research is based on uniformly structured field research reports by professional experts from a range of backgrounds and social science disciplines. Over the course of this research program, the field researchers will collect and analyze data and reports and interview public officials, leaders of nonprofit organizations and community organizations, and businesses. Field researchers do their own analysis of conditions and issues in the communities studied; their reports are guided by a standard format of open- and closed-ended research questions. Reports submitted by field researchers to the central study staff are reviewed and compiled into summary reports. A series of special reports will accompany semiannual overview update reports.

_Hurricane Katrina_

Damaged by the 2005 Katrina and Rita Hurricanes
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Executive Summary

Hurricanes Katrina and Rita did not just devastate isolated communities; they irrevocably changed an entire region. There are degrees of damage and recovery, and what this study reveals most clearly is a natural separation of the affected communities into three distinct categories:

- **Areas that are struggling** — New Orleans and Cameron and St. Bernard parishes in Louisiana, Hancock (Waveland and Bay St. Louis) and Harrison (Biloxi and Gulfport) counties in Mississippi, and Bayou La Batre in Alabama
- **Areas that are rebounding** — Lake Charles and Jefferson Parish in Louisiana, Jackson County (Pascagoula) in Mississippi, and Mobile in Alabama
- **Areas that are growing** — East Baton Rouge and St. Tammany parishes in Louisiana, Jackson, Hattiesburg, and Laurel in Mississippi, and Gulf Shores in Alabama

The goal of the project is to provide a broad look at how the storms have changed these communities across a wide spectrum of areas, including the impact on their state and local economies, the role of nonprofits in the relief and recovery efforts, and how they plan to rebuild for the future. In addition, the project will examine closely how government at every level has helped or hindered the process. This is a long-term project that will track the progress these communities make — or do not make — over time. The jurisdictions chosen for the project are representative of areas that were devastated by the storms or that have benefitted from them.

The economics of hurricanes: What Katrina and Rita took away from the coastal areas, they gave in abundance to communities farther inland. In Louisiana, East Baton Rouge and St. Tammany parishes are thriving. Because of their proximity to New Orleans, both parishes were logical choices for businesses and residents seeking first to evacuate and then to relocate as close to the city as possible until they could return home. As a result, the population in both parishes exploded immediately after the storms and today remains significantly higher than before Katrina and Rita hit. In addition, the economy in both parishes is booming. Tax revenues — particularly sales tax revenues — are up, jobs are available, and new construction projects are underway. In Mississippi, the cities of Jackson, Hattiesburg, and Laurel also have benefitted from population and revenue increases spurred by Katrina, as has Gulf Shores, Alabama.

The communities that fall into the rebounding category all suffered significant damage in the storms, but enough of their infrastructure and business capacity survived to help propel their recovery forward. Thus, Pascagoula in Jackson County, Mississippi, has benefitted immensely by being able to get its port back online so quickly, while Lake Charles and Jefferson Parish in Louisiana and Mobile, Alabama, have been helped out by the quick return of most of their residents and businesses. Questions remain for officials in these communities: How long will the revenue flow last? How will that uncertainty affect planning for the
future? Most of these officials are cautious at the moment, understanding all too well that the boom could end as quickly as it started.

The list of communities still struggling does not contain any surprises, but the good news is that even among these cities, counties, and parishes, revenue is trickling in — albeit at a much reduced rate — and residents and businesses are making determined efforts to return. The questions are different for officials in these communities: How many of their residents and businesses will return? What shape will their rebuilt areas eventually take? Ultimately, the key to their survival will be their ability to convince people that it is safe to come back and rebuild.

It’s the shortages…: Housing and labor shortage problems cut across all of the categories described previously described. In the entire region from Cameron Parish, Louisiana, across the Mississippi Gulf Coast, to Gulf Shores, Alabama, there are simply not enough affordable housing options, nor are there enough workers to fill the available jobs. If people have nowhere to live or if they can’t afford to live where they work, it becomes difficult for them to go where the jobs are. The end result is that recovery in the struggling areas is slowed, sometimes to a near halt, while those communities that are growing or rebounding are unable to make as much progress as they might otherwise.

State of the states: Neither Louisiana nor Mississippi was brought to its knees economically by the storms. The spike in assorted tax revenues for both states ensured budget surpluses in a year when most thought severe cutbacks would be the rule. But these surpluses are misleading in that they were generated by a high volume of consumer spending, which will not last indefinitely. Louisiana lawmakers were able to pass some needed reforms during the recent special and regular legislative sessions, such as creating the Louisiana Recovery Authority, consolidating political offices in New Orleans, and taking over most of the public schools in the failing New Orleans system, but they fell prey to old temptations with the news of a projected $759 million surplus over the next two years and filled the budget with local, pet projects. Mississippi lawmakers revamped the state’s gaming law to allow the coastal casinos to rebuild on land, but news of a $70 million budget surplus came after the legislature had adjourned. Legislators will take up the surplus and how to use the money when the next regular session begins in January 2007.

The nongovernmental organization role: Nonprofits and faith-based organizations helped fill a tremendous gap left in the response by the state, local, and federal governments. In many instances, representatives of these organizations were the first to reach communities that were devastated by the hurricanes. Some problems arose as the nonprofits tried to fill the gaps left by government. Lack of coordination, both with government officials and with other nonprofit agencies, slowed progress. Many small nonprofit agencies or faith-based organizations took on more than they could comfortably handle. Managing and organizing the flood of volunteers was challenging. Transportation and housing were major problems, and continue to be problematic today. Ultimately, the biggest challenge was the lack of integration of nonprofit agencies into state and local disaster response plans. In disasters the magnitude of Katrina and Rita, such integration is crucial to delivering the most relief in the most effective manner possible.

Rebuilding plans: New Orleans has no plan at the moment, and the excruciatingly slow pace of the recovery bears witness to that. Conversely, Cameron and St. Tammany parishes in Louisiana, and Bayou
La Batre in Alabama have rebuilding plans in place thanks to local leaders who forged ahead. St. Bernard Parish also has a plan, although it first must go through a series of neighborhood hearings. While there certainly is disagreement over the specifics of each plan, at least residents and business owners in these communities have specific facts on which to make their own rebuilding decisions. Along the Mississippi Gulf Coast, Biloxi has a plan awaiting final action but, again, residents now have preliminary guidance with which to make decisions. Other cities along the Mississippi coast also have begun holding public planning meetings, trying to sort out what residents want versus what city officials realistically can do. In Lake Charles, where a rebuilding plan favored by city voters failed because voters parishwide rejected it, officials still can move forward, taking the public’s concerns into account as they try to recraft their initiatives. The lesson is clear. Without explicit guidelines from community leaders about what areas will be rebuilt and when, many residents put off making a decision about whether to return, and the longer the delay, the more likely they are to stay where they are. That, in turn, has consequences for any community’s long-term survival.

**Conclusion**

In the end, Katrina and Rita produced two disasters. The first was the immediate crisis created when the hurricanes made landfall. The second was the difficulty various levels of government had in working together to respond to the crisis. This was — and remains — the more dangerous of the two because the inability to work well together has spilled over into the recovery efforts, with ordinary citizens caught in the middle. The long-term impact could be the haphazard rebuilding of the devastated communities, meaning mistakes will be repeated, segments of the population will be left out, and a rare opportunity to reshape a region for the better will be lost.

This study provides a baseline look at how state and local governments and community and business organizations have responded to Hurricanes Katrina and Rita and what sort of progress is being made, or not made, in the jurisdictions that form the heart of the study. Going forward, the project will follow the progress of these communities over the next three years, issuing periodic reports, including four semiannual update reports, bulletins highlighting major findings and developments, and special reports focused on major topics such as health care, education, and the criminal justice system. Ultimately, this study aims to provide lessons for how government at all levels can best deal with future disasters and highlight the implications of the form that response takes.
1. Introduction

Hurricane Katrina was an unprecedented U.S. disaster, easily surpassing the previous benchmark — Hurricane Andrew in 1992 — in the magnitude of its devastation. Neither Andrew nor Hurricane Camille in 1969, the only two category 5 storms in recent history to make landfall, caused as much destruction as the category 3 Katrina when it struck the morning of August 29, 2005. By the time the hurricane was nothing more than rainstorms drifting over the Midwest, virtually the entire Mississippi Gulf Coast had been reduced to matchsticks by a 25-foot storm surge, and the crown jewel of Louisiana — New Orleans — was drowning in a stew of floodwater, sewage, and debris created when levees around the city failed and water poured in. Even Alabama did not escape Katrina’s blow, as a 15-foot storm surge heavily damaged the small town of Bayou La Batre and parts of Mobile.

Then, to compound the misery, Hurricane Rita struck the Gulf Coast less than a month later, on September 24, leveling parts of southwest Louisiana and southeast Texas while reflooding areas of New Orleans that had barely begun to dry out.

The toll was enormous. In Louisiana, Katrina’s combined winds and surge inundated Plaquemines and St. Bernard parishes, leveled parts of St. Tammany and Washington parishes, and collapsed New Orleans’ levees. Some 17 other parishes (the equivalent of counties in other states) suffered enough damage to be eligible for all categories of individual and public assistance from the Federal Emergency Management Agency (FEMA). In Mississippi, Katrina created a swath of devastation across most of Hancock, Harrison, and Jackson counties on the Gulf Coast and caused damage in 44 other counties. In Alabama, Mobile and Baldwin counties suffered most of the storm’s wrath, but nine other counties also were affected. On the western side of Louisiana, Rita left Cameron Parish in ruins and damaged 12 other parishes, as well as 20 counties in Texas. At last count, the death toll from Katrina was 1,580 in Louisiana (of which 480 were evacuees living out of state at the time they died), 231 in Mississippi, 14 in Florida, and 2 each in Alabama and Georgia. People still remain unaccounted for in both Louisiana and Mississippi, and in New Orleans, as the recovery goes on, bodies continue to be found.

More than 1 million people in the New Orleans metropolitan area fled in advance of Katrina. It was one of the most successful evacuations of a major urban center ever undertaken, and nearly one year later, the evacuation remains one of the few aspects of the disaster response that was well-planned and executed.

To be sure, the evacuation was not a complete success and in the days immediately after Katrina hit, federal, state, and local officials were stunned by the realization that tens of thousands of people had not left New Orleans — for any number of reasons. And people across the affected areas and across the country were equally stunned when they realized that there really was no organized, coherent plan either to rescue those stranded in the city or to provide immediate relief to the survivors digging out from the rubble across the Gulf Coast. What followed was staggering. The images were seared into the nation’s collective
consciousness — people clinging to rooftops, spilling out of the Superdome, crowding an Interstate 10 interchange, picking through the debris of homes and businesses and casinos on the Gulf Coast.

Overwhelmed state and local officials fought to hold on until the wheels of the agonizingly slow federal bureaucracy turned enough to start the large-scale relief effort, while thousands of ordinary citizens poured in to try to do something, anything to help. As is always the case in national disasters, the generosity of the American people knew no bounds and not only did donations flow in, but cities and states opened up their arms and their resources to take in the displaced.

Finally, with the rescue work finished, debris removal begun, and the drying out of the flooded areas underway, state and local officials set about putting their communities back together.

Against this background, the Rockefeller Institute of Government and the Public Affairs Research Council of Louisiana developed a three-year project to examine how several communities across Louisiana, Mississippi, and Alabama are dealing with the challenges created by Katrina and Rita. The goal of the project is to provide a broad look at how the storms have changed these communities across a wide spectrum of areas, including the impact on their state and local economies, the role of nonprofits in the relief and recovery efforts, and how they plan to rebuild for the future. In addition, the project will examine closely how government at every level has helped or hindered the process. This is a long-term project that will track the progress these communities make — or do not make — over time. The jurisdictions chosen for the project are representative of the areas that were devastated by the storms or that have benefitted from them. They cover three of the four states affected by Hurricanes Katrina and Rita — Louisiana, Mississippi, and Alabama. The areas under study are: Cameron Parish, East Baton Rouge Parish, Jefferson Parish (Kenner), Lake Charles, New Orleans (which is coterminous with Orleans Parish), St. Bernard Parish, and St. Tammany Parish in Louisiana; Hancock County, Harrison County (Biloxi and Gulfport), Hattiesburg, Jackson, Jackson County (Pascagoula), and Laurel in Mississippi; and Bayou La Batre, Gulf Shores, and Mobile in Alabama.

This first report examines these communities from the perspective of their changed economic conditions, their rebuilding process, the obstacles hampering their recovery, and the roles local and state governments and nonprofit organizations are playing in the process. This study has both qualitative and quantitative elements, and the 15 field researchers involved all used the same questionnaire in gathering their information. For six weeks during the summer, the researchers fanned out across the communities that are the focus of this project and collected data through interviews, official reports, Internet sites, and media accounts. This report is a compilation of their efforts and will be used as the baseline to follow these communities over the next three years.

One of the first things that emerged from the research was a natural separation of the jurisdictions into three distinct categories:

- Areas that are struggling — New Orleans and Cameron and St. Bernard parishes in Louisiana, Hancock (Waveland and Bay St. Louis) and Harrison (Biloxi and Gulfport) counties in Mississippi, and Bayou La Batre in Alabama
- Areas that are rebounding — Lake Charles and Jefferson Parish in Louisiana, Jackson County (Pascagoula) in Mississippi, and Mobile in Alabama
Areas that are growing — East Baton Rouge and St. Tammany parishes in Louisiana, Jackson, Hattiesburg, and Laurel in Mississippi, and Gulf Shores in Alabama

The report that follows covers the topics cited previously. With the exception of the section on local economies, not every jurisdiction is mentioned in the discussion of each theme. Instead, those communities most illustrative of the findings are discussed.

Flooded roadways of New Orleans, August 29, 2005

Damaged by the 2005 Katrina and Rita Hurricanes
2. The Economics of Hurricanes

Despite the predictions of devastating deficits and the need for Draconian budget cuts, many of the jurisdictions examined in this study have found that their revenues are up or that their losses are not as severe as they anticipated. For instance, average sales tax increases range from just under 6 percent in Jackson to 20 percent in Baton Rouge and higher. Even in New Orleans, sales tax revenues so far are running about 75 percent of what they were prior to Katrina, which is better than city officials thought it would be (see Figure 1). Although property taxes generally are a more common measure of economic growth in most states, Southern states tend to rely heavily on sales taxes for a number of reasons, including poverty rates that hinder property ownership, economies that have a strong tourism component, and, in Louisiana’s case, a generous homestead tax exemption. At the same time, the increase in spending has not been universal across the affected region. Some communities are, indeed, benefiting economically, but others are struggling.

Among the areas that are growing economically in the wake of the storms are the state of Louisiana, East Baton Rouge Parish, and St. Tammany Parish, the state of Mississippi, Jackson, Hattiesburg, and Laurel, and Gulf Shores, Alabama. The areas that are struggling — not surprisingly — are New Orleans, and St. Bernard and Cameron parishes in Louisiana, Hancock and Harrison counties in Mississippi, and Bayou La Batre in Alabama. Lake Charles and Jefferson Parish in Louisiana, Jackson County in Mississippi, and Mobile in Alabama fall somewhere in between.

Areas That Are Growing

East Baton Rouge Parish, Louisiana, has benefitted from Hurricanes Katrina and Rita, but it has acquired some problems as well. After more than a decade of incremental growth, the parish found itself...
bursting at the seams with nearly a quarter-million extra people in the days after Katrina. While most of that growth has since disappeared as people moved back to their homes in metro New Orleans, East Baton Rouge still has 25,000 to 50,000 more residents, depending on who is counting. What had been a fairly sleepy Southern capital city now finds itself having to provide services and address issues on a par with larger municipalities. Fortunately, the parish is being helped along in that by explosive growth in its revenue, particularly its sales tax revenue and hotel/motel tax revenue. Sales and use tax collections, for instance, averaged 20 percent higher between January and May of this year than over the same period last year. In addition, hotel/motel tax revenues from January to May of this year were up 50 percent over the same period last year as rooms were taken up by evacuees and recovery workers. The problem is that no one is certain how long the boom will last. Nor does anyone really know how many people ultimately will make East Baton Rouge Parish their permanent home.

There has been some business relocation from New Orleans, although the firms are small to moderately sized rather than large corporations, and many of them already had offices in the capital city before Katrina struck. Despite enthusiastic predictions of Baton Rouge becoming the economic engine that New Orleans was, the reality is that the market doesn’t have enough office space, commercial space, warehouse space, or housing to support huge growth in the business sector. Passenger and cargo traffic through the Baton Rouge Metropolitan Airport skyrocketed immediately after Katrina and remains at record levels, with the New Orleans airport not yet back at full capacity. But the city likely never will become the tourist and convention destination that New Orleans was. Baton Rouge does not have the hotel infrastructure to support a large tourism and convention business now, and it does not have the means to compete head-to-head with Biloxi or New Orleans, both of which plan to have more hotels back online soon.

There is a down side to the economic growth, however. More residents may mean more revenue, but they also mean more demand on city-parish services. Traffic congestion is a serious problem, and in October 2005, parish voters approved an extension of the so-called “pothole tax” to pay for a long list of road improvements. The city-parish also has seen an increase in its poor and homeless populations, further straining already overburdened social services. In addition, the extra population is stretching the city-parish’s health care system, with doctors’ offices crowded and hospital emergency rooms overloaded. The city-parish also lost conference and meeting revenue in the wake of the storms when officials opened up Baton Rouge’s main convention space, the River Center, as a shelter, and evacuees and recovery workers moved into every available hotel room in the parish.

In St. Tammany Parish, Louisiana, the expanded post-Katrina population helped boost retail sales in the first quarter of 2006 by 55.1 percent, compared to the same quarter last year. Overall sales taxes increased by as much as 25 percent over last year’s pre-Katrina figures. The parish received more good news when Chevron Oil Corp. announced in May 2006 that it was relocating its offices to St. Tammany Parish from New Orleans and bringing 400 employees. And it is possible more New Orleans businesses could move to the north shore of Lake Pontchartrain as company officials try to minimize their exposure to hurricane damage.

The parish’s hotels remain filled with recovery workers, and first-quarter bed tax collections were 50.2 percent higher than in the first quarter of last year. The down side is that St. Tammany’s Office of Tourism does not have an adequate supply of rooms to market to either groups (conventions) or leisure travelers for
the time being, and is focusing its efforts instead on a more long-term strategy. In addition, St. Tammany’s tourism sector has suffered by association from negative national media coverage of New Orleans.

The city of **Jackson, Mississippi**, also has benefitted from Katrina, with businesses reporting increased sales from the influx of evacuees and storm recovery workers. Sales tax receipts are up, and area hotels, motels, and restaurants have seen increased activity to near capacity. The real estate market also has experienced considerable tightening along with increased prices, and the city’s unemployment rate has declined. From September 2005 to May 2006, city sales tax receipts increased $1.5 million, or 5.8 percent, compared to the same period last year. Another indicator of the vitality of spending by Gulf Coast evacuees was an increase in the revenue generated by the 1 percent hotel and restaurant tax paid to finance Jackson’s proposed convention center. For several months after the storm, hotel and motel room availability was virtually nonexistent and remained tight as long as evacuees were sheltered there. Despite the increase in tax revenue, there is no indication that it is anything more than temporary.

Jackson is expecting significant economic growth through the relocation of companies that provide services to the Gulf Coast but want to get away from the threats posed by hurricanes. The city’s Economic Development Department has recorded 29 development activities since Katrina hit and estimated investment in the projects is approximately $1.6 billion, adding approximately 4,500 new jobs to the area. The most significant of the cited projects are the construction of a new convention center and hotel, the construction of 450 housing units being built as a result of Gulf Opportunity Zone assistance, the restoration of the historic King Edward Hotel, the development of the Farish Street District with the location of eight businesses confirmed, and the development of the eight city blocks of the Old Capital. However, these were projects under consideration before Katrina hit. It is not clear that Katrina’s effects improved the possibility of the city’s development plans moving closer to implementation. Instead, it appears more likely that the increased economic development will focus on the cities surrounding Jackson.

In **Hattiesburg, Mississippi**, the retail market was in a growth mode prior to Hurricane Katrina; however, the storm accelerated the growth. Before the storm, there were approximately 425 retail establishments in Hattiesburg, not including about 18 hotels and motels and about 149 restaurants and eating places. A great deal of the initial growth can be attributed to the mobilization of Camp Shelby as a training site for the deployment of troops to Iraq. (Camp Shelby is about 10 miles south of Hattiesburg on U.S. Highway 49.) This mobilization particularly has increased the demand for hotel rooms, according to the Hattiesburg Convention and Visitors Bureau, and already had caused a reduction in traditional sports tournament and convention sales, due to the limited number of hotel rooms available, when Katrina hit. From September to December 2005 area hotels reported a 100 percent occupancy rate, while the occupancy rate in April was 94 percent, compared to an April 2005 occupancy of 89.1 percent. Currently, there are approximately 2,200 rooms in Hattiesburg and additional rooms are under construction. The impact of Katrina on area restaurant sales is also apparent. Total restaurant sales for the six months prior to Katrina amounted to $79 million, while for the six months after Katrina sales totaled $99.6 million, or about a 26 percent increase.

Sales tax collections through May of this year increased 36.6 percent over the same period last year, further evidence of a growing economy. In addition, the food and beverage tax collected within the city has increased by 23 percent during the same period cited above, while the hotel and motel tax has increased by
41 percent during this period. Although the increase has been a boon to Hattiesburg, the city’s chief financial officer feels it is not sustainable and that over the next few months tax collections will level off.

Like Hattiesburg, Laurel, Mississippi’s economy also has grown sharply. The retail market is growing, and the Jones County Chamber of Commerce has seen an increase in new members — primarily roofing companies, contractors, and other construction-related businesses. Total sales tax revenue through May 2006 was up 20.8 percent compared with total collections as of May 2005. Additionally, the tourism tax revenue increased 24.6 percent during the same period. In the hospitality sector, two new restaurants have opened since the storm and all that were open prior to the storm have reopened. A hotel is under construction in Laurel that will add 81 rooms to the 681 rooms available prior to Katrina. Before the storm, room availability was good, while after the storm the occupancy rate was close to 100 percent. Hotel rooms are still in short supply in the city.

The commercial market appears to be back to pre-Katrina levels and occupancy rates for office and commercial buildings are up; many commercial buildings that were vacant before Katrina are now occupied. The area’s timber industry was severely damaged by Katrina. However, the head of the county’s economic development agency said it appears to be rebounding and should be back soon, even though the long-term supply of timber will be limited for some time to come. The oil and gas industry in the area is booming, with new wells being explored. The tourism and convention business is now about the same as it was pre-Katrina, and commercial flights into the regional airport are back to normal.

Gulf Shores, Alabama’s economy is heavily tourist-based. Retail trade, accommodations and food services, construction, and real estate/rentals are the largest sources of employment, in that order. These industry segments provide better than half of all jobs in the city. Katrina put a damper on the end of the city’s 2005 tourist season, already slowed by Hurricane Ivan the year before. However, the city was able to announce that its beaches and public parking lots were open on September 16 — two weeks after the storm. Furthermore, Katrina did not interfere with the city’s annual Shrimp Festival held the second weekend in October.

Another measure of the returning economy, according to the Alabama Gulf Coast Convention and Visitors Bureau, is the value of taxable lodging rentals for Gulf Shores and the neighboring communities. Rental dollars fell significantly after Hurricane Ivan hit the area in 2004, and by the following April (2005) were still 49 percent below the prior April. Rentals also were off after Hurricanes Dennis and Katrina in 2005, but by April 2006 they were 43.7 percent ahead of the prior April, having made up much of the lost ground. In addition, the tourist bureau’s data on taxable retail sales for the island (Gulf Shores, Orange Beach, and Fort Morgan) show double-digit increases every year since 2002, with some of the highest monthly sales increases occurring in the four months after Katrina.

New construction also is pumping money into the economy, as more condominiums are built. More than 1,600 new condominium units are in the works over the next three years. In addition, the need for service workers is expected to grow. By one estimate, Baldwin County — home to Gulf Shores — will require 30,000 additional workers in the hospitality and retail industries by 2009. The problem is finding affordable housing for the service workers who may have to be recruited from outside the country. The average sales price for a single-family home in Baldwin County in May was $266,250, but Gulf Opportunity Zone tax credits are being used to encourage developers to build new affordable housing. In short, while Katrina
produced a brief hiatus in its basic tourism industry, the city’s overall economy continues to grow at a significant pace.

**Areas That Are Rebounding**

In Jefferson Parish, Louisiana, sales tax collections for 2005 were down $8 million or 2.6 percent over 2004, primarily because of the loss of economic activity in the months immediately following the hurricane. Property tax assessments for 2005 (prepared after the hurricane) are estimated to be 20 percent lower than 2004 figures because of the large number of damaged properties. In addition, the parish’s population is down an estimated 17 percent and school enrollment for 2005-2006 was down 14 percent, further limiting money flowing into the parish. The news is not all bad, however, with new business registrations up 80 percent in October 2005 and 40.8 percent in November 2005 over the same months in 2004. The total number of businesses registered in the parish, post-hurricane, is up 5.5 percent, and sales tax collections for the final quarter of 2005 showed an increase of 15.4 percent over 2004, with December sales tax revenue rising 19 percent over December 2004.

In short, Jefferson Parish fared better than neighboring Orleans and St. Bernard parishes. What flooding did occur was caused mostly by a parish decision to shut down the pumps that were part of its flood control system and evacuate the pump operators. As a result, Jefferson Parish suffered only moderate damage and is in a position to serve as a staging area for rebuilding the region. To do that, parish officials have created a list of activities to facilitate the economic recovery of the region: address the lack of available and affordable housing, provide financial and technical assistance to help retain existing businesses and attract new ones, diversify the economy by developing new industries and job opportunities in sectors such as tourism, film, and technology, provide programs to train displaced workers and to prepare the workforce for opportunities in the post-Katrina economy, and rebuild the seafood industry.

The city of Lake Charles, Louisiana, is rebounding after suffering severe damage at the hands of Rita. According to the city Occupational License Department, 378 licenses for new and renewing businesses were issued between October 1, 2005, and July 7, 2006, compared to 560 occupational licenses in the same time period last year. Sales tax revenues, which dropped sharply after Katrina and Rita, have started to increase again, averaging between 17 and 23 percent higher than the same period last year. In addition, the city and surrounding parish are benefiting from a sharp increase in casino traffic. Casino gaming is the No. 1 reason most visitors come to the area, and both L’Auberge du Lac Hotel & Casino and the Isle of Capri Casino reopened to the public two weeks following Hurricane Rita. The city’s third casino, Harrah’s, will not reopen and was sold. In addition, the city’s petrochemical industry has recovered from the effects of Rita, with all but one of the refineries and plants now open.

In Jackson County, home to Pascagoula, Mississippi, the economy also appears to be rebounding quickly from Katrina. Sales tax revenues are up 35.9 percent year-to-date as of July 2006, compared to the same period last year. Although the storm did have a significant and long-term impact on the county’s annual revenue due to losses in property taxes, damage to businesses, and the costs associated with paying for recovery, that was offset in part when Chevron Refinery deposited $14 million in property taxes three months early to provide support for the county’s revenue stream. The county also expects a boost of $7
million in revenue when Mississippi Power Company reaches the conclusion of its exemption period at the
end of the year. Overall, the county’s revenues are approaching pre-Katrina levels. Thanks to a diversified
industrial/commercial/retail economy, skilled labor force, and excellent transportation infrastructure, the
county has been able to recover more rapidly than neighboring Harrison and Hancock counties. Jackson
County’s good fortune to have had less damage to its port facility, compared to the virtual destruction of
Gulfport’s harbor and port facilities, also has contributed significantly to the county’s recovery. Even so, the
Jackson County Port Authority sustained $15 million in damages at port facilities as a result of 135-mph
winds and a 14- to 16-foot tidal surge. Rapid clearing of debris from harbors, channels, docks, and
warehouses enabled traffic to move back into the harbors on a restricted basis by September 8, 2005. As of
July 2006 the port was operating at 95 percent of its pre-Katrina level.

Using Mobile’s general sales tax, room tax, and business licenses as indicators of economic activity, the
Alabama city’s economy has been doing quite well since Katrina. The latest collection data for these
selected taxes, year-to-date, as of May compared to the same period in 2005, show significant increases. City
sales taxes were up 19.1 percent, city room taxes were up 33.5 percent, and business licenses were up 8.5
percent. While the immediate impact of Katrina has been to accelerate, at least temporarily, major aspects of
the local economy, the question remains as to how long this phenomenon will continue. The growth rate has
begun to fade, although it remains well above pre-Katrina levels.

Katrina has negatively affected some aspects of Mobile’s tourist industry. The 11-foot storm surge,
which made its way into the downtown area, temporarily shut down several attractions. The battleship USS
Alabama closed for four months and the city history museum closed until March. However, the city’s hotels
were fully occupied through the end of the year with evacuees, insurance adjusters, federal employees, and
construction workers. The decline in traffic passing through to Mississippi and Louisiana has had a
dampening effect on tourism. The city’s new mayor has been making a special effort to convince the media
in Atlanta and New York, in particular, that Mobile has recovered from Katrina and that the city is ready to
receive new companies locating or relocating in the South.

Mobile is receiving some benefit from the greater devastation in New Orleans and along the Mississippi
coast. On June 26, the International Shipholding Corp. announced it was moving its headquarters and
subsidiary CG Railway operations, along with 135 jobs, from New Orleans to Mobile. The company will bring
a 10 percent increase in ship traffic and $3 million annually to the Mobile docks. The move was prompted by
plans to close the Mississippi River Gulf Outlet shipping channel, which was blamed for some of the Katrina
flooding. The state of Alabama promised $23 million in incentives to help encourage the relocation.

Areas That Are Struggling

The magnitude of damage to New Orleans, to both lives and property, continues to challenge
quantitative analysis even a year after the fact. It is not that data are inaccessible; it is simply that usual
methods for collecting and reporting the kinds of data taken for granted about metropolitan statistical areas
have been disrupted. Evidence suggests that overall, businesses are returning slowly to Orleans Parish. But
this assessment is offered with the caveat that in the areas most seriously damaged, such as the Lower Ninth
Ward, the economy is barely functioning at all and those neighborhoods remain largely deserted.
Still, there has been progress. The Louisiana Department of Economic Development estimates that roughly 18,000 Orleans Parish businesses have reopened, which translates into nearly 90 percent of pre-Katrina numbers. Job recovery has been slow, however. Katrina cost the New Orleans metro area approximately 217,000 jobs in the month after the storm, according to the “Metropolitan New Orleans Real Estate Market Analysis.” Since then, the area has regained an average of 3,700 jobs a month, with a boost of 5,500 more jobs in June. To put these numbers in context, although the U.S. economy was growing between 3 percent and 4 percent annually before Katrina, the employment base in New Orleans was growing by less than 2 percent during the same period — which is to say that New Orleans’ economy was sluggish before Katrina hit. Conversely, consumer spending in New Orleans has rebounded much faster than city officials had thought it would, with sales tax collections running about 75 percent of last year.

The city’s traditional economic driver, the leisure and hospitality industry, has been recovering slowly. Before Katrina, conventions and tourism pumped nearly $10 billion into the local economy each year, providing about 126,000 jobs. The city hosted nearly 10 million visitors a year and was the nation’s fifth-busiest convention destination. But a comeback has started. The American Library Association was the first large national group to hold a convention in post-Katrina New Orleans, with 17,000 people attending in June. By all accounts, the convention was a success, and at least three more large conventions and several smaller ones are booked through the end of the year. Pre-Katrina, the New Orleans metro area had 38,000 hotel rooms available; post-storm, 27,300 rooms are back in service, according to the New Orleans Convention & Visitors Bureau. In addition, more than 700 restaurants are open in the metro area, excluding fast food and national chain restaurants. The progress in the leisure and hospitality sector remains fragile, however, and given the uncertainty, the city dropped out of the bidding to host the 2008 Democratic National Convention.

According to city budget projections as of March 22, 2006, the city anticipates general fund expenditures of $369.1 million in fiscal year 2006 and projects general fund revenue of $324.2 million. Through April 2006, New Orleans had received general fund revenue totaling $102.1 million and reported expenditures of $104.2 million, reducing the city’s small budget surplus carried over from 2005 to $42.8 million. If current revenue projections are accurate, even with a $150 million bank loan and the remaining $36.2 million in federal Community Disaster Loan money, the budget surplus will be needed to meet anticipated expenses in 2006.

In addition, New Orleans has outstanding bond obligations of $280.4 million, including $125 million in certificates of indebtedness, $150 million in pension revenue bonds, and $5.1 million in Louisiana Community Development Authority bonds. The city also owes $492.8 million in general obligation bonds, and $31.5 million in limited tax bonds. The city’s total bond indebtedness is $773.2 million, according to the State Bond Commission. Other major debt includes a $150 million private bank loan and a $120 million Community Disaster Loan.

To be sure, revenue levels projected in the 2006 budget, not counting loan money, are intentionally “extremely conservative,” according to one budget official, and will in all likelihood be surpassed, based on sales tax and other collections year to date. But even under the most optimistic conditions — which include robust population increases (330,000 by 2010) and property tax revenue of $93 million by 2010, a 75 percent increase over 2004 collections — the city would face an $80 million deficit by 2010. Under the “conservative” outcome, the city would face a crushing deficit of $601 million by 2010. Although city
officials are counting on an increase in sales taxes and other revenue to bolster future income, they see a huge increase in property tax collections as the panacea to avoid an ocean of future debt.

While the city has yet to collect much in the way of property taxes — the bills, which normally go out in January, were not sent out until May — it is ahead of projections for sales tax revenue. As of April 30, the city had collected $30.6 million in sales tax revenue, or 44 percent more than the projected 2006 total of $21.3 million. Franchise fee collections, another source of city revenue, also were higher than projected — $13.2 million through April 2006 versus a projected $11.4 million. And hotel/motel tax revenue already had reached $2.5 million by the end of April 2006, equaling the city’s projection of $2.5 million for the entire year.

City officials are basing their financial forecast on population growth, which is itself driven by the rebuilding of neighborhoods and housing availability. The city’s “optimistic” population projection of 333,000 by 2010 is too optimistic, according to one Louisiana demographer. City assessors also are skeptical about the population growth numbers used by city officials, and they are dubious of optimistic projections regarding large, rapid increases in property tax revenue. One assessor predicts that property tax income will not reach pre-Katrina levels for at least five years.

In St. Bernard Parish, virtually all businesses were forced to close as a result of the flooding and the damage sustained to buildings and utilities. Most retail businesses have remained closed because of a lack of resources to replace damaged equipment. Others are awaiting loans or insurance settlements. The few businesses that have reopened, mostly banks and small eating establishments (24 restaurants were reported open by the Department of Tourism as of June 1), are operating out of mobile trailers because of damage to their buildings. One full-service grocery is operating, and a local supermarket chain is expected to open a store in September. Professional services like physicians and lawyers have temporarily relocated to other cities to re-establish their practices.

Home Depot reopened at the end of February 2006 and remains the only large commercial business open in the parish. As of March 2006, an estimated 110 businesses, fewer than 10 percent of the predisaster total, had resumed operation. However, more than 500 businesses have notified St. Bernard officials via the parish’s website that they would like to return. Larger companies have used their own resources to reopen, including providing temporary housing for their employees. By mid-December 2005 two major businesses had returned, the ExxonMobil plant in Chalmette and the Domino Sugar plant in Arabi. Pre-Katrina, more than 50 companies employing in excess of 1,000 workers operated at the St. Bernard Port, Harbor, and Terminal District. Although the Mississippi River port sustained significant water and wind damage, reconstruction efforts have allowed limited commercial operations to resume. Port officials indicated nearly 95 percent of all of their tenants have expressed interest in returning. By the end of June, parish officials indicated that they were on track with their 2006 budget — which is 39 percent smaller than it was in 2005. In addition, parish sales tax collections are bringing in $250,000 more per month than officials had projected because of replacement spending by residents and businesses reopening.

In Cameron Parish, which is the fifth largest fishing port in the United States, the U.S. Coast Guard estimated that at least 60 percent of the commercial fishing fleet was destroyed or severely damaged, and many of the boats were uninsured or underinsured. In addition to commercial fishing, sport fishing had been a big part of Cameron Parish’s economy, and many charter operations were put out of business. Agriculture,
another component of the parish’s economy, was also severely affected. Officials estimated 70 percent of the rice crop went unplanted this year because of saltwater intrusion caused by Rita’s surge, and numerous livestock drowned in the surge waters.

The loss of revenue from the seafood, sport fishing, and agriculture sectors has dealt a major blow to parish finances. In addition, the parish’s budget has been affected by drops in revenue from property taxes and the hotel/motel tax. The hotel/motel tax revenue has dropped from an average of $15,000 a year before Rita to $4,000 since the storm. Likewise, property tax revenue before the storm was roughly $4.4 million a year, while post-storm, officials are projecting about $3.3 million, or a 25 percent decline.

In Harrison County — home to Biloxi and Gulfport — the economy was mainly tourism-driven prior to Katrina, as evidenced by the approximately 24,000 people employed in the accommodations and food services sector, 5,000 employed in arts, entertainment, and recreation sectors, and approximately 14,000 employed in retail trade. Katrina destroyed or shut down every one of the 12 casinos operating in Harrison and Hancock counties, and the vast destruction of the storm brought all tourism to a halt. Harrison County had an estimated 13,561 hotel/motel rooms before Hurricane Katrina. As of April 1, 2006, only an estimated 3,794 hotel/motel rooms were open. The Mississippi Hotel and Lodging Association projected that it will be a minimum of two years before significant room tax collection returns. However, five casinos already have reopened in Biloxi and the hotel/motel shortage that existed in the months immediately following Katrina has lessened considerably. Gaming taxes, ad valorem taxes, and sales taxes historically have been the three largest components of Biloxi’s self-generated revenue stream, and while they are slowly increasing again, the costs of the recovery work are outpacing the gain. The city had been able to create a cash reserve fund before Katrina, however, which has helped it maintain operations.

In Gulfport, self-generated revenue is approaching pre-Katrina levels thanks to a sharp increase in sales tax revenue. Sales tax collections are up because much of the city’s building supply and retail shopping area survived Katrina, which has enabled it to become the center of rebuilding activities on the Mississippi Coast. That gain has been offset, however, by the slow recovery of the city’s port and could be short-lived as the business infrastructure in adjoining cities and counties rebounds. In addition, the Biloxi-Gulfport commercial fishing industry suffered heavy damage from Katrina. Biloxi, which is the principal fishing port in Mississippi, lost 10 seafood processing plants and related infrastructure in the storm. The cost to replace the plants and infrastructure is estimated to be $56 million. Besides the loss of roughly $26.8 million in revenue, the destruction of the industry also wiped out 6,000 to 7,000 jobs, taking a toll on the vibrant Vietnamese community living in East Biloxi.

The economy in Hancock County — where Waveland and Bay St. Louis are located — consisted of a mix of high technology industries attracted to the area by NASA’s John C. Stennis Space Center and the county’s cultural heritage/historic tourism. The Stennis Space Center is the largest employer within the county, creating 19,700 jobs in direct and indirect employment, and has a direct economic impact of $503 million within a 50-mile radius of the facility. Although approximately 25 percent of employees at the center lost their homes, the facility itself was spared major damage by Katrina. At Port Bienville in Hancock County, the industrial park suffered $70 million in infrastructure damage in Katrina, and the Hancock County Port and Harbor Commission has received $6.6 million in federal funding to repair damage to rail lines destroyed by the storm.

First Look at the Recovery, Role, and Capacity of States and Localities
The county’s self-generated revenue stream is beginning to recover due to rising property values in the northern part of the county, the lack of damage to the Stennis Center, and the quick recovery of Port Bienville. However, revenues related to gaming, sales taxes, and tourism will take considerable time to recover. In addition, the cities of Waveland and Bay St. Louis are struggling. Before Katrina, the two were noted for their eclectic mix of intimate and “down-home” restaurants, artist-in-residence galleries and shops, and small-town Main Street ambience. These two cities were also among the hardest hit of the Mississippi communities by virtue of their location just east of where Katrina made landfall. Waveland was essentially scoured from the earth and Bay St. Louis did not fare much better. As a result their self-generated revenue is minimal right now. Overall, an estimated 800 of Hancock County’s small businesses were destroyed in the storm. Of the remaining 500, many have not yet reopened.

Alabama’s seafood industry, which is anchored in Bayou La Batre, the hardest hit community in the state, lost an estimated $112 million due to Katrina, according to a study by Dr. Semoon Chang of the University of South Alabama. With gross sales in 2004 of nearly $400 million, Alabama’s seafood industry had 5,765 workers before Katrina and 2,485 immediately after. Losses in sales are expected to continue through 2006. Bayou La Batre had been one of the top eight seafood processing ports in the United States, and much of the seafood processed in the town was caught in Mississippi, Louisiana, and Texas. With nearly all of the 4,750 fishing boats in the Louisiana area damaged or destroyed, the processors that remained open had little to process initially. However, as the boats began working, catches have been good, and the major shrimp processors have returned to perhaps three-quarters of their capacity. The smaller crab-picking and oyster-shucking operations have not made as strong a return. One major packinghouse for several national brands has closed permanently. Even as the seafood industry recovers from Katrina, it still faces the problems that were troubling it before the storm — foreign competition and high fuel costs. In June, Congress appropriated $28 million to help restore oyster beds and shrimp grounds in areas affected by Katrina. Alabama’s seafood industry was lobbying for $300 million for shoreside development. Under another federal program, shrimpers and shrimp processors currently are applying to participate in a distribution of fines levied on countries accused of dumping shrimp in the U.S. market.

Just prior to Katrina, developers had presented a plan to convert the largely vacant downtown, city-owned docks, and other property along the bayou into an upscale tourist attraction with a $200 million resort condominium project, restaurants, spas, marinas, a French colonial park, and a quaint shopping district. The developer was to pay the city about $8 million for its docks and build a $15 million sewage processing plant. While Katrina has added to the project’s cost and risk, it apparently has not dissuaded the developers. With Community Development Block Grant funding for a new sewage plant, the city may be able to negotiate additional infrastructure improvements as part of the development.

It is unclear at this point how much of the seafood industry will return to Bayou La Batre and whether the planned transition to an upscale resort area will provide an economic future for the city. However, much of the city’s previously deteriorating infrastructure is being updated, which should help support economic development efforts. There is some worry that scaling up the city will increase waterfront values and force out seafood businesses unless some type of protection is provided. Most of the businesses that are going to return to Bayou La Batre are now in operation.
To put it succinctly, what Katrina and Rita took away from the Gulf Coast communities, they gave in abundance to communities farther inland. The pattern was clear. Those communities out of range of the storm surge or that were not as severely damaged are watching their economies grow or recover quickly. Those areas that were hit hard are essentially rebuilding their economies from scratch.

By virtue of their proximity to New Orleans, the economies of East Baton Rouge, St. Tammany, and Jefferson parishes were linked with the city before Katrina hit. In some instances, businesses maintained an office in New Orleans and an office in one of the other three parishes. In other cases, employees of New Orleans-based businesses lived in St. Tammany or Jefferson, or even East Baton Rouge, and commuted into the city. As a result, East Baton Rouge and St. Tammany were logical choices for businesses and residents seeking first to evacuate and then to relocate as close to New Orleans as possible until they could return home. That has meant both a boom in population and in the local economies of these two parishes. Most Jefferson Parish businesses and residents evacuated in the face of Katrina, but because the parish suffered relatively moderate damage, they were able to return quickly and the parish’s economy is recovering more rapidly as a result.

In Mississippi, the same pattern is evident — although on a smaller scale. People fleeing the Gulf Coast tended to stop in Hattiesburg, Laurel, or Jackson if they could so they could remain as close to their homes as possible. Nearly a year later, local officials believe the number of residents in their communities remains larger than it was before Katrina, despite Census Bureau numbers that show a slight decline in population, and their economies are on an upswing. In Lake Charles, Jackson County, and Mobile and Gulf Shores, the storms caused considerable damage but left the economic infrastructures intact, giving these communities a firmer base on which to rebuild and shortening the recovery process.

The question for officials in these cities and counties and parishes is how long the increased revenue flow will last and how that will affect planning for the future. Most are fairly cautious at the moment, understanding all too well that the boom could end as quickly as it started. Like everything else associated with the recovery, these also will be questions to follow over the next few years because it will take time for the affected communities to reshape themselves to meet the challenges imposed by Katrina and Rita.
3. It’s the Shortages …

Housing and labor, labor and housing — the two go hand-in-hand in any rebuilding effort, and there is not enough of either to move the recovery effort in the devastated areas along in a timely manner. The impact from Katrina and Rita stretches across an area from Cameron Parish, Louisiana, on the Texas border straight across South Louisiana and the Mississippi Gulf Coast to Mobile, Alabama. The storms scattered workers and rendered the majority of housing uninhabitable in the hardest hit areas. Those communities that were not as badly damaged also found themselves struggling with labor and housing shortages because of the sudden influx of new residents.

A sampling of the numbers from some of the hardest hit areas and from some of the areas flooded with new residents provides the picture. In New Orleans, roughly 56 percent of the city’s 188,251 housing units were badly damaged or destroyed. In addition, 35 percent of New Orleans’ 100,662 rental units were severely damaged or destroyed by Katrina, while another 16 percent received major damage. As a result, the average sales price of homes in New Orleans increased 26 percent during the period immediately following Katrina, September through December 2005, versus the pre-Katrina period, January through August 2005, and remained at that level. Rental prices, too, have increased by an average of 44 percent since the storm. (See Table 1, which provides information about FEMA housing damage estimates.)

On a somewhat brighter note, a New Orleans Times-Picayune article reported that developers were “swamping” the Planning Commission seeking zoning variances and permits to start apartment and condominium projects, mostly high-rises in the downtown area. Nine different projects, only one of which is pre-Katrina, propose to bring 1,800 new condos and apartments to downtown New Orleans. If the projects are completed, the number of downtown high-rise residential units will be more than doubled, increasing from 2,100 to 4,300. That would ease the housing crunch in terms of sheer numbers, but not the affordable

| Table 1. FEMA Housing Damage Estimates in Most Damaged Parishes/Counties |
|---|---|---|
| % damaged or destroyed |
| Owner-Occupied | Renter-Occupied | Total |
| **Louisiana** | | |
| Orleans Parish | 29% | 35% | 31% |
| St. Bernard Parish | 76% | 67% | 71% |
| Cameron Parish | 75% | 97% | 81% |
| Jefferson Parish | 84% | 127% | 90% |
| St. Tammany Parish | 50% | 58% | 53% |
| **Mississippi** | | |
| Hancock County | 71% | 68% | 70% |
| Harrison County | 82% | 121% | 90% |
| Jackson County | 62% | 78% | 68% |
| **Alabama** | | |
| 61% | 73% | 64% |
| 3% | 3% | 3% |

SOURCE: Current Housing Unit Damage Estimates Hurricanes Katrina, Rita, And Wilma, February 12, 2006 (Data from FEMA Individual Assistance Registrants and Small Business Administration Disaster Loan Applications; Analysis by the U.S. Department of Housing and Urban Development.)

NOTE: Some percentages are counter-intuitively above 100% percent, because the denominator used in the formula was the number of housing units in 2000, which may be lower than the number damaged in 2005.
housing crisis. None of these new projects is likely to produce housing that is affordable for the average hospitality industry worker.

Finding enough workers to staff reopening businesses as well as work on the clean-up and reconstruction efforts has been an ongoing challenge for the city. In its latest Katrina Index, dated August 2006, the Brookings Institution found that the New Orleans area labor force is 30 percent smaller than it was a year ago and the unemployment rate is higher than it was before Katrina. But there are measures being taken to ease the situation. The New Orleans Workforce Resource Center has opened up a job training center that can offer training for positions in such areas as construction and health care. In addition, a Washington, D.C.-based group called the Business Roundtable has announced a plan to recruit and train as many as 20,000 construction workers over the next two-and-a-half years. The training centers will be set up in Baton Rouge, Louisiana, and Jackson, Mississippi. (See Figure 2, which provides labor force comparisons for the MSAs affected by the storms.)

In St. Bernard Parish, the demand for workers in the private sector is tremendous. However, there is no place for workers to live. Parish officials report that wages for skilled and unskilled workers are 40 percent to 50 percent higher than they were before Katrina. That still hasn’t helped. Even with the higher wages, the few businesses open in the area find it hard to compete with FEMA employment and those in need of workers must help potential employees with housing. Local residents and volunteers from other parts of the country are filling the FEMA rebuilding jobs.

St. Bernard’s housing situation is critical. Virtually every home in the parish was damaged by the flood, and the cost of present housing stock has declined in many cases to less than half of its pre-Katrina price. Parish officials report damaged houses being sold for less than half of their pre-Katrina prices. Officials have

![Figure 2. Pre-Storm to Current Labor Force Comparison for Metropolitan Statistical Areas in Affected Locations](source: U.S. Bureau of Labor Statistics)
seen a rise in the number of reconstructed housing units being turned into rental property, a trend they do not welcome and are trying to address. On average the price of a house declined from $111,500 to $59,500 after Katrina, according to Multiple Listing Services. Houses that once sold in ranges from $150,000 to $400,000 now can sell anywhere from $21,000 to $150,000.

Across the Mississippi Gulf Coast the most common issue is “housing, housing, housing.” Property prices are escalating; construction material prices and construction labor shortages are driving up the cost of building, and insurance costs are further raising the cost of housing. Upper-income housing growth is significantly on the rise; however, affordable housing for workers, the elderly, and low-income residents remains problematic. The massive destruction of housing caused by Katrina, and the large number of homeowners who were uninsured, underinsured, or have had difficulty collecting insurance payments represent a significant challenge to rebuilding efforts.

Labor is another concern, and while employment levels as of July 2006 are not significantly different than pre-Katrina levels — with the exception of Hancock County, Waveland, and Bay St. Louis — the lack of affordable housing, the rising costs of long-distance commutes to work, and the increasing demand for labor is driving up prices and creating shortages. The need to balance the lack of affordable housing with increasing labor demand is a major problem across all coastal Mississippi communities and is the most serious obstacle to the area’s recovery.

Lake Charles is feeling the labor pinch in the retail, food service, and health care sectors. The executive director of The Chamber/Southwest Louisiana confirmed that many businesses in the retail and service areas have had a hard time filling positions. Lake Charles’ mayor noted that the hurricane recovery construction jobs are offering wages above those available in many sectors of the economy, leading to an artificial labor shortage. Numerous minimum wage jobs are available but remain unfilled for a long time.

In East Baton Rouge Parish, one word sums up the housing market: tight. The single-family residential home market is tight and the apartment market is even worse. In the months immediately after Hurricane Katrina, home sales and apartment rentals in East Baton Rouge Parish exploded as displaced New Orleanians snapped up everything available. Baton Rouge’s close proximity to New Orleans helped drive the boom as anxious evacuees sought to place themselves as near as possible to the devastated city so they could return quickly. Despite some feeling among real estate professionals that there would be a mass exodus of evacuees from Baton Rouge once summer arrived, that hasn’t happened and the market reflects it. The availability of housing is likely to remain problematic given the delays and rising costs plaguing the construction industry. Further, the average sale price for a home in East Baton Rouge Parish has risen 22 percent to $188,095, making housing that much more expensive.
At the same time, the labor market is extremely tight. Finding and keeping employees has become a constant battle for business owners and managers, and even when they can be found, Baton Rouge, like all of the other hurricane-affected areas, is suffering from a severe housing shortage. The state Department of Labor’s latest figures show an increase of 14,200 jobs in the parish in May, compared with May of last year. When broken down by specific sectors, the increase is even more striking. Construction jobs are up from 37,600 in May 2005 to 40,100 in May of this year. Manufacturing jobs have increased by 1,000, and retail jobs are up by 1,100. In addition, the number of leisure and hospitality jobs has grown from 31,900 in May 2005 to 33,400 in May of this year.

In Hattiesburg, home sales prices have increased about 10 percent since the storm, while rental prices are up 10 percent to 20 percent. During the eight-month period after Katrina, a total of 102 building permits were issued for residential new construction. In terms of apartment permits, none have been issued since Katrina for new construction of apartments. Local officials acknowledge that there is a greater demand for housing than what is available in the current market, especially affordable housing.

Labor shortages are acute in a number of sectors. The service sector, in particular, needs restaurant and food workers. The number of “now hiring” signs at various establishments is striking. The manufacturing sector needs skilled and experienced workers, and there is also a labor shortage in the poultry processing industry. Typical wages for unskilled workers in the area is minimum wage plus $1. Fast food workers currently are starting at above $6 per hour, where pre-Katrina the starting wage was $5.15 per hour. The wages have escalated because of the storm and the high demand for workers. Additionally, high-paying federally funded jobs related to the recovery effort are driving up the pay scale on other jobs. (See Figure 3 for information on the unemployment rates by state.)

![Figure 3. Unemployment Rates by State](source: U.S. Bureau of Labor Statistics)
The demand for workers is extremely high in Laurel as well, with roughly 600 available jobs in the area. Moreover, the unemployment rate in Jones County for April 2006 was 4.8 percent, compared to the April 2005 rate of 5.5 percent and the annual average in 2005 of 6.1 percent. Workers are needed in metal working industries, oil field service businesses, transformer manufacturing, health care, and the hospitality industry (restaurants and motels). There is also a shortage of workers trained in welding and engineering and technical fields. Typical wages for unskilled workers now range from a starting amount of $9 to $11 an hour for those occupations where demand is high (e.g., construction workers, oil field workers).

Housing is also in short supply in Laurel, with a long list of residents waiting to purchase homes. In addition, the housing that is on the market currently is not affordable for a large number of local residents. Compounding the problem here, as elsewhere, are rising rental prices. Four apartment complexes, containing between 125 to 200 units, are pending construction in the city, but it will be some time before they are completed. Nor will those projects address the need for affordable rental houses and affordable single-family homes. There is demand for housing in all price ranges, although a higher income single-family development is being proposed with houses selling in the $200,000 to $300,000 price range. It will include between 125 and 130 units.
Summary Analysis of the Most Critical Shortages

A number of factors have exacerbated the housing and labor problems. In New Orleans, Katrina damaged the city’s large public housing complexes, resulting in the U.S. Department of Housing and Urban Development (HUD) shutting down four of the complexes and taking 4,000 units out of commission. To counter that, HUD has sharply increased the amount of rental assistance vouchers to allow complex residents the opportunity to find places to live. In many instances, the vouchers are more than what rental rates had been before Katrina. As a consequence, rents have increased; many people that had been living in apartments have been forced out because they couldn’t afford the increase, and the influx of residents formerly living in public housing has overloaded the limited supply even more.

In other areas, speculators are moving in to buy up damaged homes and desirable property — particularly in parts of New Orleans, St. Bernard Parish, and the Mississippi Gulf Coast. In some cases, the homes are to be repaired and rented out, thereby changing the character of some parts of the affected communities. In other cases, the plans call for the construction of high-priced condominiums or casinos. The practical effect, of course, is that affordable housing becomes even harder to find.

The labor shortage is tied into the lack of housing. If people have nowhere to live or if they can’t afford to live where they work, it becomes difficult for them to go where the jobs are. And when there are more jobs than workers, wages are driven up. The cycle then feeds on itself, as workers are drawn to the areas with the highest wages and businesses in other communities then have to raise their wages to attract and keep employees. The federal government, in the form of FEMA, also has helped to worsen the worker shortage for businesses by creating numerous temporary positions that pay well. Federal emergency aid has had another unintended consequence as some people receiving the funds stayed out of the labor market for as long as they could while they tried to rebuild their homes or simply recover from the trauma of the storms.

There is another factor at work in the housing/labor puzzle. East Baton Rouge and St. Tammany parishes in Louisiana, and Jackson, Hattiesburg, and Laurel in Mississippi are the primary evacuation stop-over points when people are ordered out of the coastal areas. Historically, these communities have hosted evacuees during “storm-made” stays that were of short duration. However, with Katrina, these areas went from being emergency stop-over destinations to temporary residences to permanent residences for many people. Moreover, these areas became staging points for recovery workers working on the Gulf Coast, creating a whole new type of economic activity. That means these communities need to craft their disaster response plans to take into account not just actions required in immediate crises, but also what to do if temporary evacuees are likely to turn into long-term guests.
4. State of the States

Overall, Louisiana has experienced an economic renaissance since Katrina and Rita struck. The construction market is strong, the oil and gas industry has rebounded, and the boom is predicted to continue for several years because of the long-term rebuilding required for the recovery. Though the state’s workforce and population have declined, tax revenues are up, due in large part to the influx of temporary relief workers and construction workers and the time they spend shopping and/or gambling and to the replacement spending by residents in the affected areas. Additionally, gas tax revenues have increased in spite of the rise in gas prices. Initial predictions that the state’s revenues would suffer as construction costs and demands rose have yet to materialize.

With revenues on the rise and federal aid disbursements at unprecedented levels, the state’s budget for 2006-2007 grew 26.7 percent over the 2005-2006 budget, including $7.4 billion in federal disaster recovery aid. State sales tax revenues were roughly $500 million more by the end of the 2006 budget year than officials had anticipated, while gaming revenue rose from $453.3 million in 2004-2005 to $508.5 million in 2005-2006.

In Mississippi, sales tax collections increased by 15.9 percent, or $377 million, from July 1, 2005, to June 2006, over the same period the year before, while occupancy tax income from hotels and motels rose 20.9 percent. In addition, revenue from several motor vehicle taxes increased sharply as residents bought new vehicles to replace those destroyed in the storm. Thus, the casual auto sales tax increased 66.6 percent, or $5.1 million; motor vehicle title fees were up 20.4 percent, or $922,969; and motor vehicle privilege taxes increased by $5.7 million. The state also saw a big increase in motor vehicle rental sales tax revenue — 49.1 percent, or $2.3 million.

The news was not all good for Mississippi, though. The growth rate of the State Gross Product declined from 2.9 percent in 2005 to 1.2 percent in 2006. Ad valorem tax collections plummeted 92 percent, or $138 million, in the 2005-2006 fiscal year. Louisiana does not have a state property tax. In addition, Mississippi’s gross gaming revenues for all casinos decreased approximately $306 million, or 11 percent, after all 12 of the casinos on the Gulf Coast were shut down by Katrina. The first three coastal casinos to reopen generated $65.1 million in gross gaming revenues in June 2006, exceeding the previous record of $64.2 million in January 2006. These revenues are less than the $107.5 million the coastal casinos generated in June 2005, but they are a sign that the industry is regaining its momentum, as is the recent reopening of two more coastal casinos.

Louisiana and Mississippi also have been the beneficiaries of billions of dollars in federal relief money. The numbers here represent the best efforts of the researchers to compile as thorough a list as possible. In reality, the federal aid numbers are difficult to track, hard to classify, and change almost constantly. There is also a distinct difference between money that has been allocated and money that actually has been disbursed. As a result, *GulfGov Reports* already is planning a special study devoted exclusively to the federal aid question.

In Louisiana’s case, its most flexible source of federal recovery aid has been the Community Development Block Grant (CDBG) money administered through HUD. Congress has appropriated a total of
$10.4 billion in CDBG funding for Louisiana to use for post-storm housing needs, economic development, and infrastructure repair. In addition, the state has been awarded billions in FEMA funding. Through June 19, 2006, $5.9 billion had been awarded to 1.7 million individuals in the individual assistance program. In the public assistance program, as of July 17, 2006, $3.1 billion had been awarded to public and nonprofit entities.

Louisiana also is eligible for more than $1.5 billion in hazard mitigation money, although it has not received any disbursements yet. Other forms of federal aid the state will benefit from are direct appropriations, Gulf Opportunity Zone (GO Zone) tax credits and bonds, Small Business Administration loans, and Community Disaster Loans. Direct appropriations are made to specific state departments for purposes outlined in the federal supplemental spending bills. This supplemental funding so far has gone to elementary and secondary education, higher education, health care services, social welfare programs, the Louisiana National Guard, and State Police, among other purposes. More than $500 million in Community Disaster Loans to local governments have been approved ($400 million disbursed), and $400 million in GO Zone bonds have been sold to aid local governments. In addition, the SBA has approved more than 13,000 disaster assistance loans, totaling $1.3 billion, and 78,237 loans to renters and homeowners, totaling more than $5 billion.

The total amount of federal aid awarded to Mississippi through July 28, 2006, was $8.8 billion. Included in that is more than $1.2 billion to individuals and families and $2.1 billion in public assistance. Other federal aid includes $2.4 billion in payments through the National Flood Insurance Program, more than $2.5 billion in loans approved by the Small Business Administration, and $2.4 million from HUD to help subsidize child care for low-income families. In addition, Congress appropriated $5.2 billion for Mississippi to disburse to residents in housing relief money.

Federal aid also has come in the form of contracts let to businesses in the affected states. As of July 10, 2006, FEMA had awarded $6.2 billion in contracts in support of Hurricane Katrina recovery efforts. Approximately 13 percent of the total was awarded to local businesses in Louisiana, Mississippi, and Alabama. Louisiana received 8.2 percent (approximately $506 million), Mississippi received 1.4 percent (approximately $89 million), and Alabama received 3.4 percent (approximately $214 million).
Summary Analysis of the Effects on the States

Neither Louisiana nor Mississippi was brought to its knees economically by the storms. The spike in assorted tax revenues for both states ensured budget surpluses in a year when most thought severe cutbacks would be the rule. But these surpluses are misleading in that they are generated by a high volume of consumer spending, which won’t last indefinitely. The question is what will state officials do with these temporary surpluses?

Louisiana seems to have chosen to conduct business as usual. Many hoped that the 2006 Regular Legislative Session would herald a new phase for Louisiana government, because the state would have to develop its first post-storm budget constrained by harsh new revenue realities. It was expected that the state might finally be forced to reinvent and redesign some of its outmoded and inefficient policies and institutions. Midway through the session in May, however, a new revenue estimate was issued that projected an extra $759 million in revenue over the current budget year and the next budget year, and lawmakers added back in numerous local projects. With the additional money, the legislature passed over the rare chance for meaningful debate and successful reform involving health care, higher education, and the state ethics code.

In Mississippi, lawmakers found themselves with a $70 million budget surplus at the end of the 2005-2006 fiscal year. Gov. Haley Barbour has indicated that he wants lawmakers to approve putting $45 million of that toward the state’s Medicaid funding shortfall. While Barbour is urging caution in deciding how to spend the extra money, Mississippi legislators are not making any commitments. They plan to take up the surplus in the fall when the Joint Legislative Budget Committee meets to review state agency 2007 budget proposals. The final decision on how to spend the extra money will not come until the Legislature goes back into session in January 2007.

Despite their failure to rein in their spending habits, Louisiana legislators did push through some important hurricane-related reform measures over the course of two legislative special sessions and the 2006 regular session. Among them were the creation of the Louisiana Recovery Authority (LRA) and the passage of three pieces of legislation aimed specifically at New Orleans. The first of the three legislative measures authorized the state to take over 107 of the 128 schools in the New Orleans public school district. The result is a divided education system and a myriad of options for parents. The state-run Recovery School District plans to open 57 schools for 2006-2007, which will have space for 34,000 students. In addition, parents can choose from among independently operated charter schools, charter schools authorized by the Orleans Parish School District, the handful of public schools still run by the Orleans Parish School District, or private schools.
The second piece of reform legislation passed by lawmakers was a measure consolidating the seven tax assessor offices in New Orleans into one. The move requires a constitutional amendment that will go before voters in November. In addition, a similar reform to consolidate redundant courts and sheriffs’ offices in New Orleans passed, but it does not require an amendment to the constitution. Both of these reforms have been urged for decades, but supporters could never get the momentum necessary to overcome entrenched interests until the unique opportunity brought on by the destruction of Hurricane Katrina.

The LRA was created as a new entity of the executive branch charged with setting priorities for spending the billions of dollars in federal recovery aid headed to Louisiana. The establishment of the LRA was controversial because many viewed it as a power grab by the governor in an effort to usurp the legislature’s appropriations powers. However, the controversy was defused when a compromise was reached that requires all spending plans to be approved by legislative committees and the full body.

In contrast, Mississippi lawmakers’ efforts to have some say in how the state spends its federal recovery money was shot down. In the 2006 session, the Mississippi House approved legislation creating a committee of seven representatives and seven senators that would have overseen how the federal money was spent, but the bill died in a Senate committee. That means that Gov. Barbour and his staff will determine how the money is spent without having to get legislative input. In an Associated Press story, Barbour said the legislative oversight would have been redundant because the federal government already has systems in place to make sure the states are accountable for how the money is spent.

Mississippi lawmakers did, however, approve legislation allowing the coastal casinos to move to land-based operations and giving the industry’s recovery a boost in the process. All 12 of the Gulf Coast casinos were shut down, if not destroyed, by Katrina. Five casinos are back in operation, with a sixth — Beau Rivage — scheduled to reopen on the anniversary of Katrina’s strike. In addition, plans call for three more coastal casinos to reopen throughout the fall. In the wake of the storm, casino operators pressed to have Mississippi law changed so they could rebuild on land. Since the industry had been thriving on the coast before Katrina and gaming tax revenue had become such a significant part of the state’s budget, lawmakers ultimately agreed to make the change.
5. The Vital Role of Nongovernmental Organizations

In the aftermath of Katrina and Rita, local nonprofit organizations were at the forefront of the relief efforts. Often stymied in their efforts to work with government officials, some agencies banded together and set up their own plans for relief and recovery work. Others chose to go it alone. In many instances, they proved to be far more responsive and creative than government in getting aid to those who needed it. In Louisiana, in particular, the flexibility of local agencies allowed them to move much more quickly and effectively at first than an agency like the Red Cross, which has fewer chapters in Louisiana and Mississippi than in most other states and is bound by a more rigid bureaucracy. A check of the Red Cross’s website showed that Louisiana and Mississippi both have 7 chapters, while Alabama has 11, Florida has 20, and Texas has 21. Among other Southern states, Arkansas has 4 chapters, Georgia has 18, Kentucky, 13, North Carolina, 32, South Carolina, 12, and Tennessee, 13. In other words, given the limited Red Cross presence in Louisiana and Mississippi, it was difficult for the organization to mount an adequate initial response to Katrina and Rita. Thus, local nonprofit agencies, along with faith-based organizations, outside groups, and countless individual volunteers stepped up.

The outside help was especially crucial in heavily damaged areas like New Orleans, Cameron and St. Bernard parishes, the Mississippi Gulf Coast, and Bayou La Batre where most nonprofit agencies were forced to shut down operations — some for a short period of time, some indefinitely — after losing their offices, resources, and volunteers. In East Baton Rouge Parish, an organization called Volunteer Baton Rouge set up a clearinghouse operation to try to bring some order to the individual volunteers pouring into the state when it became apparent that neither the state nor the parish had given much thought to how to handle the flood of people. The group kept track of volunteers coming in, what the needs were for volunteers, where the volunteers could be housed, and how to provide transportation to places where they were needed. Formal organization mission statements went out the window as nonprofit agencies simply took on the responsibility for getting things done.

That theme of just doing whatever needed to be done echoed throughout the early days of the relief efforts, particularly among faith-based organizations. As one nonprofit official observed, faith-based organizations are among the first groups of responders into an affected area and often the last ones out. It was no different with Katrina and Rita. Groups of every religious denomination flowed into the worst hit areas, bringing supplies and comfort. Some stayed to provide meals and help with the clean-up efforts. Others focused on helping fellow churches regain their footing. In areas where evacuees fled, church after church opened up its doors to take them in, providing shelter, food, and other basic necessities.

Nonprofit and faith-based organizations faced a special challenge in Lake Charles. After taking in Katrina evacuees, they were forced to evacuate themselves ahead of Hurricane Rita and then had to regroup to address the needs of both those affected by Katrina and by Rita.

Post-storm, many of the nonprofits have reworked their operations to improve their disaster response capabilities and to maintain services to those in need. In Hattiesburg, for example, the United Way formed a new nonprofit organization called Recover, Rebuild, Restore Southeast Mississippi (R3SM), a coalition of service providers designed to address the long-term recovery needs of the area. The organization has focused its efforts on helping with clean-up and rebuilding, leaving food service efforts to other nonprofits,
including United Way member agencies. R3SM uses a case management approach and has been involved in conducting needs assessments throughout the three-county area that is serving as its service area. The nonprofit community in Laurel also created a new nonprofit, called Pine Belt Restoration Inc., specifically to assist local residents in the recovery effort. This new nonprofit primarily provides assistance with roofing, house rebuilding, and grounds clean-up. The organization also works with the Red Cross to channel assistance to residents who may not qualify for Pine Belt’s program. The United Way acts as a conduit for funds coming to Pine Belt and provides office space.

In East Baton Rouge Parish, Volunteer Baton Rouge helped to reorganize the local VOAD (Voluntary Organizations Active in Disasters) group and develop a disaster plan that will be used by agencies and local governments in the VOAD’s eight-parish jurisdiction. Briefly, the new plan calls for the eight parishes to prefile their disaster needs so Volunteer Baton Rouge can pull them in the face of a catastrophic event and check to see if they still have those needs. In addition, Volunteer Baton Rouge will be responsible for organizing the work of individual, unaffiliated volunteers. Toward that end, if a large-scale disaster occurs, Volunteer Baton Rouge will set up a reception center to register volunteers, provide training and assignments, and get them where they are most needed.

Likewise, the Mississippi Commission for Volunteer Service (MCVS) is working with the Mississippi Emergency Management Agency to develop procedures for coordinating volunteer efforts in future disasters. MCVS estimates that more than 150,000 volunteers have come through Mississippi to participate in Katrina disaster assistance and relief. During the recovery work, MCVS played a major role in helping local organizations to secure volunteers and to coordinate these efforts. As a result of “lessons learned,” MCVS is working to develop a system that can track and allocate volunteers. A part of this initiative involves creating a strong volunteer center network on the coast that is capable of tracking and assigning volunteers to organizations from the ground. MCVS identified the challenge of moving unaffiliated volunteers into productive roles with responsible organizations when the work is on the coast and the coordination is being done from Jackson. This problem was similar to that experienced by the Mississippi Department of Health in assigning medical health care volunteers from its Jackson center of operations to hospitals and health care facilities on the coast during Katrina.

In Bayou La Batre, the major nonprofit players taking part in the recovery efforts are loosely coordinated by participation in a Long-Term Recovery Committee, which helps to identify recipients for assistance. These agencies provide a range of family services and housing renovation. The housing efforts have been able to draw on many sources of private funding including the Governor’s Emergency Relief Fund comprised of $3.5 million in private donated funds. The recovery committee uses this fund as a source of last resort to provide materials for housing renovations.

Foundations

Across the hurricane-affected areas, other groups continue to raise money for organizations directly involved in the rebuilding. Chief among them has been the Baton Rouge Area Foundation, which to date has distributed about $5.7 million to organizations throughout Louisiana helping storm victims. In Mississippi, the Foundation for the Mid-South organized Entergy Corporation’s Power of Hope Fund, which has...
distributed more than $4.3 million in financial aid to individuals and nonprofit organizations working with those affected by the hurricanes. In Alabama, the Community Foundation of South Alabama distributed $1.4 million of the $1.9 million in donations to its Hurricane Katrina Relief Fund. With the remaining $500,000, the foundation is spearheading a Rebuild the Bayou initiative.

National foundations also are devoting money and resources to help in the recovery effort. Among them are the Bill and Melinda Gates Foundation, the Ford Foundation, the Rockefeller Foundation, the W.A. Kellogg Foundation, and the Robert Wood Johnson Foundation.

Summary Analysis of the Vital Role of Nonprofit Organizations

Nearly a year after Katrina struck, the verdict on the nonprofits’ role in the relief and recovery efforts is almost universally positive. Nonprofits and faith-based organizations helped fill a gap left in the response by the state, local, and federal governments. In many instances, communities that were devastated by the hurricanes saw representatives of these organizations long before any other relief help showed up.

But there were some problems. Lack of coordination was an issue, both with government officials and with other nonprofit agencies. As a result, services sometimes were duplicated or too many volunteers showed up at one place and not enough at another. In other cases, small nonprofit agencies or faith-based organizations took on more than they could comfortably handle, not realizing the demands the crisis would place on them, and frustration resulted. Another issue was how to organize the flood of volunteers, particularly the unaffiliated individuals. Transportation and housing for the volunteers were major problems, and continue to be problematic today. So is having the right kind of volunteer. In the days just after the storms, simply having people was enough. No particular skills were required. Volunteers still are needed today, nonprofit officials say, but now the need is for people who have specialized skills or training, and who can spend a week at a time in the affected areas.

Having enough warehouse space both to stockpile relief supplies and to store donations sent in the immediate aftermath of a disaster is another problem, as is coordinating the distribution of those supplies. The Greater Baton Rouge Food Bank, for instance, which distributed food supplies from one end of Louisiana to the other in the wake of the storms, had to set up a drop-off point for donations separate from its warehouse when the volume of traffic threatened to become dangerous.

Another difficulty has emerged, primarily in New Orleans, where city officials have found their recovery work delayed at times by nonprofit groups acting as advocates for segments of the community they believe are being taken advantage of. For instance, New Orleans has
made little progress in cleaning up and removing debris from some areas because it has had to respond to the challenges of residents and activists.

Ultimately, the biggest problem was the lack of integration of nonprofit agencies into state and local disaster response plans. In disasters the magnitude of Katrina and Rita, such integration is crucial to delivering the most relief in the most effective manner possible. No one entity is going to be able to handle all the needs that arise, and that was played out in the aftermath of the storms. Unfortunately, the victims paid the price. Nonprofit agencies have the flexibility to adapt their missions quickly to address crises; governments have the capacity to mobilize vast resources. By combining their talents, they can strengthen and improve their response capabilities.

The Palace Casino in Biloxi, Mississippi, is partially submerged and severely damaged.
6. Rebuilding Plans

Louisiana lost approximately 123,000 homes and 82,000 rental properties to both storms. Although relatively little reconstruction has occurred in the most heavily damaged areas, there are planning mechanisms in place, and two programs for long-term housing and community redevelopment are being implemented. The first is Louisiana Speaks, the Louisiana Recovery Authority’s short- and long-term planning program designed to develop a regional action plan by March 2007. The plan aims to make tough choices about storm protection, wetlands restoration, economic development, community growth, infrastructure priorities, and cultural diversity. Intensive efforts to gather public input in the development of the long-range plans have begun. The program is funded by a mix of public and private money, and private funds raised by the Louisiana Recovery Foundation were used to hire consultants to design neighborhood, parish, and regional plans as well as architectural guidelines and advising tools for mass dissemination.

The Road Home is Louisiana’s program to compensate homeowners and landlords for their losses and to help them repair, rebuild, relocate, or sell their damaged properties. The program also is designed to offer incentives to developers to establish mixed-income communities in areas with widespread destruction. The program is funded with a mixture of CDBG federal aid and FEMA hazard mitigation grants. The latest report by the program’s management firm estimates that the program will begin distributing checks in early September 2006. The program has preregistered more than 100,000 people.

In Mississippi, Gov. Haley Barbour created the Governor’s Commission on Recovery, Rebuilding, and Renewal — otherwise known as the Barksdale Commission — immediately after Katrina struck and charged the members with developing a long-term plan for rebuilding the Gulf Coast. The result was “Building Back Better Than Ever,” a 178-page report with 238 recommendations covering land use, transportation, public services, housing, tourism, small business, agriculture, forestry, and marine resources, defense and government contracting, education, health and human services, and nongovernmental organizations. The goals were to relearn the lessons of Camille, show Gulf Coast leaders what their communities could be, and encourage coastal residents to take advantage of the chance to start with a clean slate. At this point, some of the report’s recommendations are moving closer to implementation, such as the Gulf Coast Regional Infrastructure program, while others face obstacles. Across the Mississippi Gulf Coast, broad differences of opinion exist over specific recommendations made by the commission, and some residents are skeptical about what they see as an attempt to change their way of life. Local leaders also are concerned that the planning and recovery process be controlled at the local level and that the process remain responsive to residents in the affected communities.

Katrina destroyed roughly 70,000 homes in Mississippi. Now the state, which is somewhat farther along with using its share of the Community Development Block Grant federal housing aid than Louisiana, is getting ready to disburse its money. After the recent completion of a pilot program in which six families received grants averaging $80,000, Mississippi received 16,500 applications from homeowners who may be eligible for up to $150,000 to help rebuild their homes. Officials estimate that the first checks should be sent out by the end of August 2006.

Despite the states’ progress in devising a rebuilding plan, local officials in the devastated areas have found the process to be one of the more intractable problems they face, and it is easy to understand why.
Whether it’s rural Cameron Parish, metro New Orleans, or coastal Biloxi, residents have strong feelings about how they want their cities rebuilt. For some, Katrina and Rita have presented an opportunity to start over and completely reshape the face of their communities, discarding what did not work before and focusing on what worked best. Others see the clean slate as a way to put their communities into economic overdrive, with the focus on attracting as much business as possible. And still others simply want to recreate their communities exactly the way they were prior to the storms.

There are additional, outside factors that officials have to consider as they try to move forward. One is the FEMA flood elevation standards, which will have a significant impact on where and how people are able to rebuild their homes. Another is the insurance industry and what measures it plans to take to minimize losses in coming years. There is no doubt that insurance rates will go up; they already have begun to climb. The question is how many companies will refuse to offer insurance coverage in the hurricane-affected areas because they believe the risk is too great? Then there is the uncertainty of how homeowners in Louisiana and Mississippi plan to use their share of the nearly $16 billion in federal housing aid coming their way. Will they rebuild and come back? Will they take the money, sell their homes, and leave the state? No one knows for certain.

And, in New Orleans’ case, there is yet another consideration. Before the storms struck, the city was home to 10 large public housing projects run by the federal government. The U.S. Department of Housing and Urban Development has indicated that it intends to demolish four of the complexes and build low-income housing scattered throughout the city for people who need it. The outcry from the people who lived in the projects has been tremendous and a lawsuit has been filed to stop HUD. The city also has been delayed in moving forward with rebuilding by opposition from homeowners in the Lower Ninth Ward. In December 2005, the city tried to begin demolition of homes in the neighborhood that had been knocked off their foundations and were blocking rights-of-way. Homeowners and activists promptly filed suit, forcing the city to stop any work until March and delaying recovery efforts. City officials are anticipating the same reaction if they try to enforce an August 29 deadline for homeowners citywide to begin cleaning out their houses. (Much of the Lower Ninth Ward is exempt from the deadline.) Under a measure passed by the City Council, those who miss the deadline will have their homes seized by the city and the city will begin the clean-up process. If lawsuits are filed as city officials expect, then that will further slow rebuilding efforts.

Developing a rebuilding plan is a monumental juggling act, and local officials are struggling to find ways to come up with realistic plans that allow for as much public input as possible. Most notable among the areas without an overall rebuilding plan so far is New Orleans. There have been numerous attempts, beginning with the Urban Land Institute, which was one of the first groups to suggest that perhaps some of the city’s lower-lying, flood-prone areas should not be rebuilt. Then the land use committee of Mayor Ray Nagin’s Bring New Orleans Back Commission proposed in January that the city enact a four-month moratorium on building permits while a neighborhood planning process underwritten by FEMA helped determine the most viable areas in which to rebuild. That proposal died amid public outcry and FEMA’s refusal to provide money for the planning process. The New Orleans City Council then jumped into the fray, hiring its own planners with $3 million in Community Development Block Grant money to work neighborhood-by-neighborhood to develop a rebuilding plan.
Meanwhile, as the weeks dragged by and no plan emerged, frustrated residents started their own planning and rebuilding processes. The number of building permits the city has issued is testament to residents’ determination. Between January and August of 2005, the city issued 2,345 permits. Between September 2005 and May 2006, the number soared to 51,849. The problem is that the city is repopulating and rebuilding at an uneven rate, lending credence to fears about the so-called “jack-o-lantern” effect, where only one or two houses on a block are rebuilt or repaired.

Now, however, there is a new push to develop a citywide plan for rebuilding, driven by the Greater New Orleans Foundation, the Louisiana Recovery Authority, and Louisiana Gov. Kathleen Blanco, and a $3.5 million grant from the Rockefeller Foundation. The money is to be used to set up a citywide planning process that integrates the City Council’s work and the individual neighborhood plans already underway. But even if everything falls into place, the most residents can expect is that there will be a proposed citywide rebuilding plan in place by the end of the year — 16 months after Katrina hit.

Other devastated areas have made more progress in planning to rebuild. St. Bernard Parish, Louisiana, officials, for instance, have enacted several measures to push their rebuilding process along. St. Bernard was inundated when Katrina’s surge breached the levees walls along the Mississippi River Gulf Outlet and the Industrial Canal. Virtually every structure in the parish was flooded up to the roof line, and the floodwater took longer to drain than in other areas, compounding the mold and rot problems. In addition, an oil spill at the Murphy Oil refinery slowed down initial clean-up efforts. St. Bernard officials have adopted a two-pronged approach to the long-term future of the parish. The first is a master plan that was crafted by a citizens committee and that will be debated in upcoming neighborhood meetings. Among the proposal’s more controversial recommendations is a suggestion to buy out property owners near one of the main canals and create a green space that can double as a flood protection measure. It’s the same type of suggestion that was shouted down in New Orleans. The second prong of the parish’s long-term rebuilding effort is best described as a “tough love” stance. That is, parish officials, through a series of actions, are forcing residents to decide whether they’re coming back or leaving for good. And if residents do not plan to come back, they still must clean up and/or clean out their property or sign up for a free demolition program. Despite some grumbling, the approach appears to be working. A New Orleans Times-Picayune story reports that out of some 27,000 homeowners, only 7,000 have failed to tell the parish what they intend to do. The pressure, parish officials say, is deliberate because of a change in their thinking. From now on, the focus will be on residents who already have returned and what they need, not on those who are not coming back or who cannot make up their minds about returning.

Across the state, Cameron Parish recently unveiled its long-term rebuilding plan. The process began in the spring, and what the parish finally decided on was a plan that features several components, including rebuilding the coastal town of Holly Beach to be more reminiscent of Alabama’s Gulf Shores, constructing a government complex in the town of Cameron, and developing a deep-water port. The parish already has issued a request for proposals for firms to do the engineering work and is working on finding funding for the projects. Not everyone supports the plan, however. There is a real concern among many of the parish’s poorer residents that they will be priced out of rebuilding by the extra costs associated with flood elevation standards and new requirements mandating larger lots that can accommodate septic systems.
In Lake Charles, Louisiana, which also suffered significant damage, officials took advantage of a Louisiana Recovery Authority-hosted planning session earlier this year that resulted in a long-term redevelopment plan called Calcasieu 2025. Developed in concert with Calcasieu Parish officials and officials from the six municipalities in the parish, the $200 million plan called for about 40 projects designed to help the parish recover from the impact of Rita and to encourage economic development. The projects covered such areas as road improvements, drainage improvements, water and sewer infrastructure improvements, business development and tourism, education, and public safety and emergency response. Lake Charles, specifically, would have benefitted from roughly $25 million for downtown redevelopment. Implementation of the plan hinged on voter approval of a $5 million increase in property taxes, a quarter-cent increase in sales taxes, and the diversion of gambling revenue. But, while voters in the city of Lake Charles approved the two 20-year tax increases, voters parishwide did not, and the plan failed by a 54 percent to 46 percent margin.

Along Mississippi’s Gulf Coast, several towns have begun long-range planning by bringing in experts and holding neighborhood meetings. At the moment, Biloxi appears to have made the most progress with the recent release of its plan for rebuilding. The plan is the result of the work of the Reviving the Renaissance Committee, a group formed by the mayor and composed of more than 200 members of the community. According to the Biloxi Sun-Herald, the plan contains 167 recommendations and focuses specifically on redeveloping East Biloxi, the area that suffered the most damage in Katrina. In addition, the plan calls for improving the city’s downtown and looking for ways to rebuild that will minimize future hurricane storm surge damage.

In Bayou La Batre, Alabama, officials prepared a $42 million plan for capital renovation for inclusion in the Mobile County Recovery Plan. The city revised the higher priority project requests and submitted requests for $39.2 million to the Alabama Department of Community Affairs (ADECA). ADECA administers the Katrina Disaster Fund Awards, made possible through a supplemental federal appropriation of Community Development Block Grant funds. Bayou La Batre was awarded $37 million of the $71 million total awarded to Alabama local governments. Among the projects funded by the CDBG money will be an affordable housing project. The city will be able to purchase a 40-acre plot, already optioned by the Volunteers of America (VOA), and provide street and utility improvements for single-family and senior multiplex dwellings. The VOA is seeking funding for construction.

The city also has approved proposals by two private developers to build multifamily rental projects for a total of 126 low-to-moderate income units. In addition, just before Katrina hit, different developers had presented city officials with a plan to convert the largely vacant downtown, city-owned docks, and other property along the bayou into an upscale tourist attraction with a $200 million resort condominium project, restaurants, spas, marinas, a French colonial park, and a quaint shopping district. The developers were to pay the city about $8 million for its docks and build a $15 million sewage processing plant for the city. While Katrina has added to the project’s cost and risk, it apparently has not dissuaded the developers from going forward.

Rebuilding plans have taken a slightly different direction in St. Tammany Parish, Louisiana. Although the city of Slidell was hit hard by Katrina and still is struggling to recover, other parts of the parish were relatively unscathed and in the aftermath of the storm, the area has become one of the population
centers of Louisiana with displaced residents from New Orleans and St. Bernard Parish settling there for the foreseeable future. As a result, St. Tammany’s infrastructure is swamped. To deal with the demand, parish officials have accelerated the implementation of the 10-Year Capital Infrastructure Plan they adopted just before Katrina hit. The plan focuses on road development, drainage improvements, utility improvements, and cultural resource development through 2015.

**Summary Analysis of the Status of Rebuilding Plans**

What became clear in looking at the long-term planning efforts in these communities is that unambiguous, decisive leadership, coupled with public input, is crucial. Where that has occurred — Cameron Parish, St. Tammany Parish, Bayou La Batre — there is a rebuilding plan in place and officials are acting on it. That is not to say there is not disagreement, but at least residents and business owners in those communities have specific facts on which to make their own decisions about rebuilding. St. Bernard Parish in Louisiana and Biloxi in Mississippi have plans in the works that need to be finalized. Other cities along the Mississippi coast have begun holding public planning meetings, trying to sort out what residents want versus what city officials realistically can do. The process is moving considerably more slowly in cities such as Waveland and Bay St. Louis, which suffered a direct hit from Katrina, than it did in Biloxi, but it is moving, nonetheless. In the case of Lake Charles, officials still can move forward despite the defeat of their plan, taking the public’s concerns into account as they try to recraft their initiatives.

No such clarity exists in New Orleans, however, and the excruciatingly slow pace of the recovery bears witness to that. Without clear guidelines from the city about what areas will be rebuilt and when, many residents have put off making a decision about whether to return, and the longer the delay, the more likely they are to stay where they are. That, in turn, has consequences for the city’s long-term survival. The problem lies in New Orleans’ long history of political and racial divisions and in the difficulty the city’s leadership has setting aside differences to work together. In addition, there is genuine disagreement over the best way to approach rebuilding the city. The difficulty of the mayor and city council members to work together is a problem that has plagued New Orleans since long before Katrina hit. The storm simply exacerbated the problem. However, the council’s makeup has changed since the storm after elections in May. As a result, there is hope the mayor-council relationship will not be quite so contentious and that with the start of the latest planning process, there will be more cooperation.

The other overarching question that must be resolved in New Orleans is how to approach the rebuilding process. One view holds that every neighborhood should be rebuilt, period. The other contends that it makes no sense to rebuild areas just to have them flood in the next storm. Those involved in the planning process must find a way to set aside enough of
their differences to at least reach a consensus on a plan, or this latest effort is likely to stall as well.

Data Problems

One of the other primary components in the rebuilding process is the ability of local officials to determine how many people live in their communities now and how many will live in them in the future. Obtaining accurate population information in the wake of Katrina and Rita is proving to be one of the more vexing problems state and local officials face. Despite a variety of organizations doing their best to figure out how many people are where in the hurricane-affected areas, there are no reliable numbers. This is as true in the heavily damaged communities as it is in those areas experiencing a population boom. Counting methodologies run the gamut from U.S. Postal Service change-of-address requests to requests for electricity hookups to credit card use to school enrollment figures. (See Figure 4, which shows Census Bureau numbers.)

Among the more disputed numbers have been those provided by the U.S. Census Bureau, which did a special population estimate for the period between July 1, 2005, and January 1, 2006. Census Bureau officials admitted the numbers probably were flawed because they deviated from their traditional method of counting, but they also defended the estimates as indicative of general population trends. Officials in the affected areas were not impressed and almost to a one, they denounced the numbers as being too low. And in some

![Figure 4. Population Change between July 1, 2005 and January 1, 2006 (using special estimates by the U.S. Census Bureau)](image)

instances, the Census numbers showed that some of the areas that served as evacuee destinations actually lost population. Local officials simply did not believe the numbers, citing such factors as increased traffic congestion, increased consumer spending, and increased demand for services as indicators of their growing populations.

The other component of the population shift that all of the estimates have not yet quantified is the change in the makeup of the people living in the affected communities. How many Caucasians, how many African-Americans, how many Hispanics? How many low-income, how many working-class, how many wealthy? Again, anecdotally, most local officials have a sense that the demographics of their communities have changed; they just don’t know precisely how yet. For instance, it is clear there are many more Hispanics in the hardest hit areas than before Katrina and Rita hit. But nobody knows how many have come, whether they are documented or undocumented, or whether they intend to stay on once the recovery work is finished.

The bigger problem for local officials is that without some sort of dependable population estimate, it is difficult to draw up a rebuilding plan that takes the needs of the entire community into consideration. How big does the budget need to be? What sort of public services and social services need to be provided? What neighborhoods should be rebuilt? How much leeway should developers be given? Clearly, population and demographic information for the affected areas will be in flux for some time. Tracking the changes and determining who is moving where will be a critical component of these reports over the next three years because of the impact it will have on what the region ultimately looks like.

Without a coherent rebuilding plan that encompasses all segments of a community, redevelopment is likely to follow the path of least resistance, meaning some areas will be better served than others. Developers, understandably, will focus more on high-end projects than on affordable housing developments because there is a greater profit to be made. The same holds true for the banking and insurance industries in that it is much easier to provide loans and write policies for people who can afford them and are able to pay the higher prices. Middle- and low-income residents get left out in a scenario like that. They cannot afford the housing, they cannot afford the insurance, they cannot live in the community, and they cannot work in the community. Ultimately, the communities lose their labor force and that, in turn, has significant consequences for their economies. Yet it is precisely those segments of the community that are easy to overlook unless officials make a concerted effort to create a planning process that is as open as possible to as many residents as care to participate. Only after considering input from all segments of a community can officials be comfortable that they are putting together the best rebuilding plan possible. And people will only get involved if they believe officials are being open about what they are doing and will listen to their input.
Conclusion

The scope of the Katrina and Rita disasters was beyond the capacity of any single government to handle. Even if the city of New Orleans had had a well-thought-out, comprehensive evacuation plan that made provisions for the poor, the elderly, and the sick, many people still would have chosen to stay behind. The lessons taught by Hurricane Audrey in 1957, Hurricane Betsy in 1965, and Hurricane Camille in 1969 had long since been forgotten. Even the four hurricanes that pummeled Florida in 2004 did not produce the all-encompassing devastation of Katrina and Rita. The truth was very few people living along the Gulf Coast believed a hurricane could wreak the kind of long-term havoc that Katrina and Rita have. They saw Hurricane Andrew in 1992, but Florida and Louisiana recovered from that; they saw September 11, 2001, but New York came back stronger than ever; and they saw the Indonesian tsunami in 2004, but that was half a world away. Most people just did not believe something that devastating could happen here, and they certainly did not expect the levees protecting New Orleans to fail.

Reality has been harsh and the lessons of Katrina and Rita are pointed. Among them:

• Begin the planning for rebuilding as soon as possible after the immediate crisis is over. The longer a community waits to begin, the more likely residents will be to take matters into their own hands, whether that means starting their own planning process or simply moving away.

• Planning and rebuilding efforts have progressed the most in those communities where officials have pushed the process forward, encouraging citizen input and participation. At the same time, planning and rebuilding have stalled in communities where officials have failed to provide clear direction. Such direction is crucial for residents and business owners trying to make their own personal decisions about whether to rebuild.

• Some federal financial aid will be forthcoming immediately after a disaster, but most of it will take weeks and months to arrive. The wheels of Congress and the federal government turn very slowly.

• It’s all about the housing. Without it, workers cannot come back. Without the workers, businesses cannot reopen and cities cannot provide an adequate level of service, and the recovery will stall.

• Nonprofit organizations are a critical part of any disaster response plan. They have the flexibility, the ingenuity, and the capacity to counterbalance the rigidity of the government response. Integrating nonprofits into disaster planning can only make the response effort that much stronger.

• Some communities will benefit tremendously in the aftermath of a hurricane. State coffers also will swell as recovery spending takes off, leaving elected officials with difficult decisions about the best way to use the additional money.

In the end, Katrina and Rita produced two disasters. The first, of course, was the immediate crisis created when the hurricanes made landfall. The second was the difficulty the various levels of government had in trying to work together effectively to respond to the crisis. This was — and remains — the more dangerous of the two because the inability of the various levels of government to coordinate their efforts has spilled
over into the recovery work, with ordinary citizens caught in the middle. The long-term impact could be the haphazard rebuilding of the devastated communities, meaning mistakes will be repeated, money will be wasted or used ineffectively, segments of the population will be left out, and a rare opportunity to reshape a region for the better will be lost.

For the Future…

This report provides a baseline on 22 jurisdictions of the Gulf region to be studied on a continuing basis. Follow-up reports will be issued every six months to update the information presented in this one-year-later report on the institutional, economic, and social impacts of the twin hurricanes. Three reports will be issued soon on the storms’ impact on federal grant-in-aid flows, affordable housing, and the educational systems of the sample jurisdictions.

Over the longer term, the project will assess the changing character of the region from the perspectives of demographic and socioeconomic shifts, rebuilt economies, and the role played by local, state, and federal governments, nonprofit groups, and major businesses.

Katrina and Rita will reshape the region. Among questions that need to be addressed are:

• How is the planning process moving forward? Do all segments of the community have a voice on how their cities and counties and parishes will be rebuilt? Or are some being left out?
• What will the population of the affected areas ultimately look like in terms of ethnic background, socioeconomic status, and educational achievement? Will the damaged communities be as diverse as they were before the storms? Less diverse? More diverse?
• Will the economics of the affected areas change? What sectors will benefit? What sectors will not recover? What will the business climate eventually be?
• What impact will that have on the social and cultural development of the affected communities?
• How are the affected communities handling the need to balance labor market demands with affordable housing needs?
• What will be the effects on K-12 and higher education, health services, and criminal justice and corrections?
• What will be the major federal aid flows? For what purposes? For what recipients? How will these funds be used to help the region and its recovery?
• Many of the affected communities are borrowing heavily to pay for the expenses of recovery. What impact will this have on their ability to move forward from the hurricanes?
• Will the affected areas retain the uniqueness that made them interesting places to live and popular tourist attractions, or will they be rebuilt in a more homogenized form?
• Are the affected communities and states restructuring their disaster plans to reflect the realities of responding to hurricanes and other catastrophic events?
In the full period of this planned research, the *GulfGov Reports* project will examine lessons for the nation drawn from the storms and offer insights into how to prepare for and recover from a future mega-disaster.

The reports from this project will be of five types:

- **First-Look Report** — This report presents baseline information and an analysis of Katrina’s and Rita’s impact on the Gulf region one year after the storms.

- **Update Reports** — Four semiannual update reports will be issued building on this baseline analysis to describe changes made, progress (or lack of progress), and notable developments and events for the region and the sample sites.

- **Bulletins** — Shorter reports will highlight major findings, developments, events, and challenges.

- **Special Reports** — Longer in-depth, and in some cases continuing, studies are planned, focusing on federal-aid effects, affordable housing, education, health care, criminal justice, transportation and other infrastructure needs, demographic and economic changes in the region, and effects on governance and American federalism.

- **Final Report** — The planned final reports will be twin book-length treatments of major findings and major lessons. They will highlight the implications of this research for the nation and for American federalism.

*U.S. Navy divers remove a sunken channel marker from a commercial port in Mobile, Alabama*
Appendix

Advisory Committee

(In formation)

• **Chair**: William F. Winter, former Governor of Mississippi, Attorney, Watkins Ludlam Winter and Stennis, P.A.

• Brenda Birkett, Dean and Professor of Accounting, College of Business, McNeese State University, Lake Charles, Louisiana

• Donald M. Blinken, former Chair, Board of Trustees, State University of New York, Vice Chair of Council of American Ambassadors

• G. Porter Brock, President, Community Foundation of South Alabama

• Ronald Mason, President, Jackson State University

• George Penick, Director, Gulf States Policy Institute, Rand Corporation

• James Richardson, Director, Public Administration Institute, E.J. Ourso College of Business, Louisiana State University

• Oliver M. Thomas, Jr., President, New Orleans City Council

*Members of the Field Research Network discuss the research questions that will guide the project.*
GULFGOV RESEARCH STAFF

The Nelson A. Rockefeller Institute of Government is the public policy research arm of the State University of New York. The Institute conducts studies and special projects to assist government and enhance the capacity of states and localities to meet critical challenges. Through its research, publications, and conferences, the Institute works with the best policy experts in the country and with top officials at all levels of government to forge creative solutions to public problems. The work of the Institute focuses on the role of state governments in the American federal system. Many of the Institute’s projects are comparative and multistate in nature.

The Public Affairs Research Council of Louisiana (PAR) is an independent voice, offering solutions to critical public issues in Louisiana through accurate, objective research and focusing public attention on those solutions. As a private, nonprofit research organization, PAR is supported through the tax-deductible membership contributions of thousands of Louisiana citizens who want better, more efficient, and more responsive government. Although PAR does not lobby, PAR’s research gets results. Many governmental reforms can be traced to PAR recommendations. In addition to serving as a catalyst for governmental reform, PAR has an extensive program of citizen education, believing that the soundest way to achieve political progress is through deep-rooted public understanding and support rather than political pressure.

CO-PRINCIPAL INVESTIGATORS

Richard P. Nathan

Co-Director, Rockefeller Institute of Government

Richard Nathan is co-director of the Rockefeller Institute and the Distinguished Professor of Political Science and Public Policy at the State University of New York at Albany. Dr. Nathan has written and edited books on the implementation of domestic public programs in the United States and on American federalism. Prior to coming to Albany, he was a professor at Princeton University. He served in the federal government as assistant director of the U.S. Office of Management and Budget, deputy undersecretary for welfare reform of the U.S. Department of Health Education and Welfare, and director of domestic policy for the National Advisory Commission on Civil Disorders (The Kerner Commission).
James C. Brandt
President, Public Affairs Research Council of Louisiana

Jim Brandt was appointed president of PAR in May 1999. He has more than 30 years of experience in government administration, public policy research, and nonprofit management. He is the author of more than 75 studies or reports in the areas of governmental finance, state and local tax issues, public administration, and governmental structure and organization. In addition, he has received numerous national, state, and local awards for his work. Prior to joining PAR, Mr. Brandt served for 12 years as president and CEO of the Bureau of Governmental Research in New Orleans. His previous professional experience also includes his affiliation with the Institute for Governmental Studies at Loyola University in New Orleans, where he was the assistant director and senior associate. Mr. Brandt is an honors graduate of the University of Colorado where he earned a bachelor of arts degree in history and political science and was elected Phi Beta Kappa. He received his master’s degree in community organization and planning from Tulane University.

FIELD RESEARCH ASSOCIATES

Richard H. Brown (New Orleans)
Research Analyst, Public Affairs Research Council of Louisiana

Before joining PAR, Richard Brown was director of research for the Metropolitan Crime Commission in New Orleans, where he supervised research on the pretrial phase of the adult justice system and court case processing studies for the Orleans Criminal District Court and the 24th Judicial Circuit. Prior to that, he was an analyst with the Bureau of Governmental Research in New Orleans, where he researched and wrote reports on effective use of public resources with a focus on policy, budget analysis, and local election issues. Before that, he was the director of program development for the Orleans Parish Criminal District Court and deputy director of the Office of Criminal Justice Coordination in New Orleans. He has a bachelor of science degree in sociology and psychology from Louisiana State University and a master’s degree in social work from Tulane University.

Cathy L. Denison-Wicke (Lake Charles & Cameron Parish)
Owner, Cathy Denison-Wicke, Ph.D. and Associates Inc.

Cathy Denison-Wicke has run her own workforce training and business and economic development firm since 2003. Most recently she was employed by FEMA as part of the Long-Term Community Recovery team assigned to southwest Louisiana in the wake of Hurricane Rita. She worked as a community outreach and external affairs liaison and as a planner and project developer for the education, health, and human services sectors. She helped with planning for economic/ workforce development, and for coastal/environmental and public safety projects. Prior to starting her own business, she worked as the director for project development and grant management for Trestle Corporation in California and as a consultant for telehealth/telemedicine issues with the Hawaii Health Systems Corporation. Before that, she worked extensively in the Southwest Louisiana health care field in the telehealth/telemedicine and distance education areas. She has a bachelor of science degree in ag-business and an MBA from McNeese State University, and a master of science degree in...
vocational/adult education and a Ph.D. in vocational/adult education, training and workforce development from Louisiana State University.

**Rachel L. Emanuel** (St. Tammany Parish & St. Bernard Parish)
*Director of Publications and Electronic Media, Southern University Law Center*

Rachel Emanuel has been director of publications and electronic media for the Southern University Law Center since 1998. Prior to that, she held the same position for Southern University. In addition, she served as an adjunct professor at the Manship School of Mass Communication at Louisiana State University from 1999 to 2003. She also worked as a senior editor for the LSU Office of Public Relations and as a departmental information representative for the Louisiana Department of Urban and Community Affairs. She earned her bachelor’s and master’s degrees in journalism from Louisiana State University and a Ph.D. in journalism from the University of Texas at Austin. Her research projects include a forthcoming biography of Alexander Pierre Tureaud Sr., a documentary about the civil rights sit-ins in Baton Rouge, and a documentary about A.P. Tureaud’s life.

**Emily Metzgar** (New Orleans)
*Independent Contractor/Doctoral Student, Louisiana State University*

Emily Metzgar received her bachelor’s degree in political science and French from the University of Michigan in 1993 and then taught English in Japan for two years as a participant in the Japan Exchange and Teaching (JET) Program sponsored by the Japanese government. She earned a master’s degree in international politics from The George Washington University’s Elliott School of International Affairs in 1997. While completing that degree, she served editor-in-chief of the *International Affairs Review*, a publication of the Elliott School. After graduating from The George Washington University, Ms. Metzgar joined the U.S. Foreign Service, eventually working for the Department of State at the American Embassy in Beijing where she served as a liaison between the embassy and China’s Ministry of Foreign Affairs. Upon returning to the United States, she conducted research as a program officer at the U.S. Institute of Peace in Washington, D.C., focusing on East Asian and European issues. Since mid-2001, Ms. Metzgar has been working as a freelance writer and community volunteer in Shreveport, Louisiana. Currently she is working on her Ph.D. in mass communication at LSU.

**Jennifer Pike** (State of Louisiana)
*Research Director, Public Affairs Research Council of Louisiana*

Jennifer Pike joined the PAR staff in 2005. Her research focuses on state finance issues. Ms. Pike previously served PAR as a research intern in 2002-03. She worked primarily on the “White Paper on Higher Education,” which won the Governmental Research Association award of Most Distinguished Research in 2003. Ms. Pike is an alumnus of Louisiana State University, where she earned bachelor of arts degrees in mass communication and Spanish literature in 1996 and a master of arts in political science in 2004. Her primary graduate research focus was on public opinion analysis and political preference formation. As an undergraduate student, Ms. Pike was editor of *The Daily Reveille*, the student-run LSU newspaper. She studied Arabic in the U.S. Army and previously worked in various editorial capacities for newspapers and nonprofit organizations. She also served as an AmeriCorps member for Volunteer Baton Rouge.
Karen Rowley (East Baton Rouge Parish)
Special Projects Manager, Public Affairs Research Council of Louisiana

Karen Rowley joined the PAR staff in May 2006 as special projects manager. Her professional experience is in journalism, most recently as managing editor for The Greater Baton Rouge Business Report. Before that, she worked for daily newspapers in Florida and North Carolina. Since 2002, she has been in the doctoral program at the Manship School of Mass Communication at Louisiana State University and is in the process of writing her dissertation on statewide public affairs television and its role in the institution of state government. Her research focuses on media and public affairs, and she has been the lead author on articles published in such academic journals as Journalism & Mass Communication Quarterly, American Journalism, and The Howard Journal of Communications. She earned her bachelor of arts degree in journalism from the University of North Carolina at Chapel Hill and her master's degree in mass communication from Louisiana State University.

Carlos A. Thomas (Jefferson Parish & Kenner)
Research Assistant/Adjunct Instructor, Louisiana State University

Carlos Thomas has earned a bachelor of science degree in human and organizational development from Vanderbilt University, a master of arts degree in sociology from the University of Memphis, a master of science degree in information systems and decision sciences from Louisiana State University, and a Ph.D. in public administration from Tennessee State University, and he is currently working on a Ph.D. in business administration from Louisiana State University. His research interests include e-government, IT strategic management, global IT outsourcing, public policy and technology, and technology and health care, and he has taught classes in those areas as well as on the digital divide, economic development, African-American studies, IT auditing, and systems development.

Mississippi

Otha Burton, Jr. (State of Mississippi)
Interim Chair, Department of Urban and Regional Planning, Jackson State University

Otha Burton has served as interim chair of the Department of Urban and Regional Planning since August 2005. Prior to his appointment, Dr. Burton was chief administrative officer for the City of Jackson from 1998 to 2005. Before that he was an assistant professor of public policy and administration and director of the Center for Technology Transfer at Jackson State University. His professional experience includes serving as director of the Department of Human and Cultural Services for the city of Jackson, deputy director and director of the Department of Administration for Jackson and manager of the Office of Development Assistance in Jackson. He has a bachelor’s degree in history from Jackson State University, an M.A.T. in political science communication from Jackson State University, and a Ph.D. in public administration from Mississippi State University. His publications include a chapter titled “Public Service in America’s Urban Areas: Why the Bar in Perception and Practice Remains Higher for African American Public Managers” in Diversity and Public Administration: Theory, Issues, and Perspectives, and “The Marriage of TANF and WIA: Are Mississippi’s Needy Families Finding Real Employment” in the Journal of Public Management & Social Policy.

Damage by the 2005 Katrina and Rita Hurricanes
Benjamin C. Collins (Mississippi Gulf Coast)
Research Associate, Stennis Institute of Government, Mississippi State University

Ben Collins is a Mississippi native, born in Tupelo. He holds a bachelor’s degree in psychology and a master’s degree in counselor education, both from Mississippi State University. He has worked in public service since 1995, and has held positions at the Mississippi Department of Rehabilitation Services, Region III Mental Health Center, and the Mississippi Department of Mental Health. Collins came to the Stennis Institute in 2000, where he works in the areas of population/demographic analysis, election system education, election system compliance, cartography, and applied solutions utilizing GPS (Global Positioning Systems), GIS, and remote sensing (satellite imagery) technologies.

Johnny B. Gilleylen, Sr. (City of Jackson)
Assistant Professor, Department of Urban and Regional Planning, Jackson State University

Johnny Gilleylen has a bachelor of science degree in mathematics from Tougaloo College, a master of science degree in manufacturing management from the General Motors Institute, and a Ph.D. in public administration from Jackson State University. His research interests include quality management, economic development, transportation, and health care. His teaching areas include management of information system quantitative analysis, research and principles of public administration.

Harvey Johnson, Jr. (Cities of Hattiesburg & Laurel)
Distinguished Research Fellow, Mississippi Urban Research Center, & Visiting Professor, College of Business, Jackson State University

Harvey Johnson is the former mayor of Jackson, Mississippi, and the first African-American mayor of the city. He served two terms from 1997 to 2005 and then returned to teaching when he joined the faculty of Jackson State University in July 2005. A native of Vicksburg, Mississippi, Mr. Johnson earned a bachelor’s degree in political science from Tennessee State University and a master’s degree in political science from the University of Cincinnati. He has also done additional study toward a doctoral degree in public administration at the University of Southern California’s Public Affairs Center in Washington, D.C. Before winning the mayor’s seat, Mr. Johnson was the founder and executive director of the Mississippi Institute for Small Towns, a nonprofit agency designed to help small economically depressed towns with minority leadership with housing, community development, and infrastructure needs. He has some 25 years of experience in planning and community development and was an assistant professor previously at Jackson State University, where he taught graduate-level courses in public administration and directed the Center for Technology Transfer.

C. Denise Keller (Mississippi Gulf Coast)
Research Associate, Stennis Institute of Government, Mississippi State University

Denise Keller has been a research associate with the Stennis Institute since 1999. She holds a bachelor’s degree in sociology and a master’s degree in public policy and administration. She is currently pursuing her doctorate degree in public administration with a minor in research methodology. Research areas include federalism, health and human services policy, welfare reform policy, child care policy, workforce development, and political theory. Keller served as part of a multi-state field network study of welfare reform led by the
Rockefeller Institute, the results of which were published as a book chapter in Managing Welfare Reform in Five States: The Challenge of Devolution. Her research has been published in Public Administration Review, American Review of Politics, and elsewhere. Keller manages the Stennis Institute’s Center for Survey Research, teaches courses in the Political Science Department at MSU, and is as an adjunct instructor for East Central Community College, teaching courses at the Choctaw Indian Reservation. She has taught courses in American government, public policy, and gender and politics.

Jeffrey Markham (Mississippi Gulf Coast)
Research Associate, Stennis Institute of Government, Mississippi State University

Jeff Markham is a research associate at the John C. Stennis Institute of Government at Mississippi State University and an adjunct instructor of history and political science at Itawamba Community College. As a research associate, Mr. Markham provides human resources-related technical assistance to local governments throughout the State of Mississippi. He holds a bachelor’s degree in history and an M.P.P.A. in public policy and administration, both from Mississippi State University, where he is also a doctoral student in Community College Leadership. He served as secretary of the Graduate Student Association in 1998, and is also a member of Pi Alpha Alpha and Phi Alpha Theta.

Judith Phillips (Mississippi Gulf Coast)
Research Associate, Stennis Institute of Government, Mississippi State University

Judy Phillips moved over to the John C. Stennis Institute of Government five years ago from the Office of External Affairs at MSU’s College of Business, where she was director of the Small Business Development Initiative. At the Institute she works with communities to develop strategic revitalization plans, helping them to create collaborative working partnerships across multiple constituency groups, and assisting them to implement and recognize tangible outcomes. Her work with Mississippi communities is frequently provided at the direct request of elected leaders at both the state and federal level. Prior to joining the Mississippi State family, she worked for Westinghouse Electric Corporation in human resources and as national sales manager for Bart Manufacturing in Charlotte, North Carolina. She has owned and operated multiple small business firms, including a personnel placement agency, an interior decorating contracting firm, and a farming operation. Ms. Phillips completed her M.B.A. and doctoral course work at MSU’s College of Business, with an emphasis on marketing and minors in statistics and economics. Her credentials include six years of teaching experience at the College of Business on MSU’s main campus and at the Meridian campus, where she has taught courses in statistics, marketing management, consumer behavior, retail management, sales management, business communications, and personal selling.

W. Martin Wiseman (Mississippi Gulf Coast)
Institute Director and Professor of Political Science, John C. Stennis Institute of Government, Mississippi State University

Marty Wiseman is the director of the John C. Stennis Institute of Government and professor of political science at Mississippi State University. Dr. Wiseman holds a bachelor’s and master’s degree in political science, a master’s degree in public policy and administration, and a Ph.D. in rural development in sociology — all from Mississippi State University. His major interests are in the areas of state and local government and politics, and management innovation in rural governments. Dr. Wiseman has provided testimony on numerous

Damaged by the 2005 Katrina and Rita Hurricanes
occasions to Mississippi Senate and House committees on governmental issues. He has had articles published in Public Productivity and Management Review, Mid-South Journal of Political Science, Public Administration Quarterly, International Journal of Public Administration, and others. He has also published numerous research and technical assistance reports. Dr. Wiseman is a member and past president of the Southern Consortium of University Public Service Organizations and member and past president of the Mississippi Chapter of American Society of Public Administration.

Alabama

Ty Keller (Bayou La Batre, Gulf Shores & Mobile)
Senior Research Associate, Emeritus, Public Affairs Research Council of Louisiana

With nearly 40 years’ experience in public policy research, Ty Keller holds the position of senior research associate at PAR. Since joining PAR in 1971, he has written or directed research on dozens of publications dealing with a wide variety of Louisiana state and local government issues. His studies on economic development, comparative taxes, and community colleges have received awards for distinguished research and special achievement from the national Governmental Research Association. Mr. Keller has done extensive research on tax and fiscal policy, property tax issues, vo-tech education, and education management. He has also conducted numerous management studies of state agencies and undertaken contract studies for local governments throughout the state. Mr. Keller graduated cum laude from Brigham Young University in 1962 and did postgraduate work at BYU and the New York University Graduate School of Public Administration. Prior to joining PAR, he was an assistant professor at California State University at Fullerton and worked for the National Municipal League.

PROJECT ASSOCIATES

Rockefeller Institute of Government

Brian T. Stenson
Deputy Director, Rockefeller Institute of Government

Prior to coming to the Rockefeller Institute, Brian Stenson was vice chancellor for finance and business for the State University of New York, where he oversaw the finances of the State University, including the operating budget and allocation process, financial statements, human resources, and other business functions. Prior to joining the State University, he served in the New York State Division of the Budget. His last position there was as chief budget examiner for fiscal planning, management, and authorities. In this capacity, he was responsible for the development of the state’s financial plan including projections of receipts and disbursements, the state’s borrowing and capital financing plan, and the state’s public authorities and local government relations. Stenson received his bachelor of arts degree in political science from the State University of New York at Albany and his master’s degree in public administration from the university’s Graduate School of Public Affairs.
Barbara Stubblebine

Administrative Officer, Rockefeller Institute of Government

Barbara Stubblebine is the project administrative officer for the Fiscal Studies Program. Ms. Stubblebine is responsible for project coordination, contract management, fiscal administration, writing, editing, website management and maintenance, and research support. She received her bachelor of arts in English degree from the State University of New York at Albany.

Mukesh Kumar

Assistant Professor, Department of Urban and Regional Planning, Jackson State University

Mukesh Kumar has been an assistant professor in the Department of Urban and Regional Planning at Jackson State University since 2004. Before that, he was a research assistant for the Center for Economic Development at the Maxine Goodman Levin College of Urban Affairs, Cleveland State University, and a research associate at the Indian Institute of Public Administration in Delhi, India. He earned a bachelor’s degree and a master’s degree in political science from Delhi University, a master’s degree in public policy from the University of Northern Iowa, and a Ph.D. in urban studies and public affairs from Cleveland State University. His research interests include housing, economic development, industry clusters, complex systems modeling, polycentric models of urban spatial structure, optimization and land use planning, urban simulations, and public finance. His publications include “Locating Capital Cities Within an Economy: An Analysis of the Spatial Structure of Knowledge-Based and Other Government Related Industry,” with William M. Bowen, in the Asia Pacific Planning Review, and “Sovereignty in the Global Economy: An Evolving Geopolitical Concept,” with C. Murray Austin, in Geographic Research Forum.

L. Frances Liddell

Interim Chair, Department of Public Policy and Administration, Jackson State University

In addition to being interim chair of the Department of Public Policy and Administration, Frances Liddell is also associate professor and acting coordinator for the MPPA Program at Jackson State University. She earned her bachelor of science degree from Grambling State University, her master of science degree at the former Northeast Louisiana University — now the University of Louisiana at Monroe — and her Ed.Sp. and Ed.D. at Mississippi State University. Her research interests include policy, workplace issues, and welfare reform, and her teaching areas include management of information systems, professional development, and research.
Mississippi State University

Phil Hardwick (Mississippi Gulf Coast)
Coordinator of Capacity Development Initiatives, Stennis Institute of Government, Mississippi State University

Phil Hardwick joined the Stennis Institute in August 2003. His areas of interest include strategic planning and leadership development. Prior to joining the Institute, he was vice president of community and economic development at Mississippi Valley Gas Company. He is the immediate past-president of the Mississippi Main Street Association and a past-president of the Mississippi Economic Development Council and the Mississippi Sports Hall of Fame and Museum. He is currently president-elect of the Mississippi Association of Partners in Education. Mr. Hardwick received his undergraduate degree from Belhaven College and his MBA from Millsaps College. He is also a graduate of the Senior Executives in State & Local Government executive program at the John F. Kennedy School of Government at Harvard University, where he attended as a Fannie Mae Foundation Fellow. During his military service, Mr. Hardwick was Security Team Leader for Army One, the presidential helicopter. In his spare time he is a prolific writer. His award-winning column on real estate and economic development appears bi-weekly in the Mississippi Business Journal, and he is the author of 10 books, including the Mississippi Mysteries Series, a collection of short novels set in Mississippi towns.

GulfGov Reports project team at Field Network Research Conference on May 31, 2006, in Baton Rouge.