

July 2010

## HURRICANE RECOVERY

Federal Government  
Provided a Range of  
Assistance to  
Nonprofits following  
Hurricanes Katrina  
and Rita





Highlights of GAO-10-800, a report to congressional requesters

## Why GAO Did This Study

Residents of the Gulf Coast continue to struggle to recover almost 5 years after Hurricanes Katrina and Rita devastated the area in August and September of 2005. In many cases the federal government coordinates with, and provides support to, nonprofit organizations in order to deliver recovery assistance to impacted residents. A better understanding of how the federal government works with nonprofit organizations to provide such assistance may be helpful for recovery efforts on the Gulf Coast as well as for communities affected by major disasters in the future.

GAO was asked to describe (1) how the federal government has worked with nonprofit organizations to facilitate Gulf Coast recovery following the 2005 hurricanes and (2) steps the federal government has taken to address challenges to strengthen relationships with nonprofits in the future. Toward this end, GAO reviewed the applicable disaster recovery literature and relevant supporting documents. GAO also interviewed officials from federal, state, and local governments as well as a wide range of nonprofit officials involved in Gulf Coast recovery.

## What GAO Recommends

GAO is not making new recommendations in this report but discusses the implementation status of a relevant prior recommendation.

[View GAO-10-800 or key components.](#)  
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July 2010

# HURRICANE RECOVERY

## Federal Government Provided a Range of Assistance to Nonprofits Following Hurricanes Katrina and Rita

### What GAO Found

The federal government used a variety of direct and indirect funding programs to support the delivery of human recovery services by nonprofit organizations following Hurricanes Katrina and Rita in areas such as housing, long-term case management, and health care. These programs included well-established grants such as the Department of Health and Human Services' (HHS) Temporary Assistance for Needy Families and its Social Services Block Grant, as well as the Department of Housing and Urban Development's (HUD) Community Development Block Grant. Programs established in the wake of the 2005 hurricanes also provided funding to nonprofits offering recovery services. These included HHS's Primary Care Access and Stabilization Grant and HUD's Disaster Housing Assistance Program.

The federal government also supported nonprofit organizations through coordination and capacity building. For example, the Federal Emergency Management Agency (FEMA) used Voluntary Agency Liaisons (VAL) to help establish and maintain working relationships between nonprofits and FEMA as well as other federal, state, and local agencies. The Office of the Federal Coordinator for Gulf Coast Rebuilding in the Department of Homeland Security provided a variety of assistance to nonprofits including problem identification, information sharing, and networking. Other federal agencies also worked to bolster the capacity of nonprofits by providing temporary staff, training, and technical assistance to nonprofit organizations.

The federal government is taking steps to address several challenges and strengthen its relationship with nonprofit organizations providing recovery assistance. For example, nonprofit officials GAO spoke with cited challenges with the federal disaster grant process including what they viewed to be complicated record keeping and documentation procedures as well as other requirements to obtain aid. A report issued earlier this year by the President's Advisory Council for Faith-Based and Neighborhood Partnerships recognized the need to ease the administrative burden on nonprofits and contains specific recommendations for action. In an effort to make it easier for nonprofits with limited financial resources to obtain the services of AmeriCorps workers, the Corporation for National and Community Service waived the usual matching requirements in the wake of the 2005 hurricanes.

In addition, FEMA is taking steps to address challenges regarding the training of its VAL staff. Following an earlier GAO recommendation that VALs could benefit from additional training regarding federal recovery resources, FEMA issued a VAL handbook and is developing several VAL training courses that it expects to implement by the end of 2010. Finally, although there has been a lack of specific guidance regarding the role of nonprofits in disaster recovery, the federal government has taken steps to address this gap. FEMA and HUD have led a multi-agency effort that resulted in the development of a draft National Disaster Recovery Framework. Among other things, this framework contains specific information about the roles and responsibilities of nonprofits in disaster recovery.

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## Abbreviations

CDBG	Community Development Block Grant
CNCS	Corporation for National and Community Service
DHS	Department of Homeland Security
FEMA	Federal Emergency Management Association
HHS	Department of Health and Human Services
HUD	Department of Housing and Urban Development
KAT	Katrina Aid Today
LANO	Louisiana Association of Nonprofit Organizations
LFRC	Louisiana Family Recovery Corps
MCVS	Mississippi Commission for Volunteer Service
NDRF	National Disaster Recovery Framework
NNRF	National Nonprofit Relief Framework
NRF	National Response Framework
OFC	Office of the Federal Coordinator for Gulf Coast Rebuilding
SBA	Small Business Administration
TANF	Temporary Assistance for Needy Families
UMCOR	United Methodist Committee on Relief
VAL	Voluntary Agency Liaison
VOAD	Voluntary Organizations Active in Disasters

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**United States Government Accountability Office**  
**Washington, DC 20548**

July 30, 2010

The Honorable Joseph I. Lieberman  
Chairman  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Mary L. Landrieu  
Chairman  
Ad Hoc Subcommittee on Disaster Recovery  
Committee on Homeland Security and Governmental Affairs  
United States Senate

Gulf Coast residents continue to struggle with recovery almost 5 years after Hurricanes Katrina and Rita devastated the area in August and September of 2005. These storms exacted a heavy toll on the lives of more than 1 million people in the states of Louisiana and Mississippi that for many continues to this day. The federal government continues to play a key role in helping these residents rebuild their lives and communities and, in many cases, it coordinates with nonprofit organizations for the delivery of recovery assistance.<sup>1</sup> Toward this end, the federal government has partnered with a wide variety of nonprofits including national, faith-based, and community-based organizations on a broad range of programs and services including health care, crisis and mental counseling, education, housing, and case management. Understanding the benefits and challenges of the federal government's use of nonprofit organizations to provide such important human services may be helpful for recovery efforts on the Gulf Coast as well as for communities affected by major disasters in the future. A fuller understanding of how the federal government works with nonprofits in disaster recovery may also prove useful as efforts begin to ramp up to address the human and economic impacts of the recent massive oil spill in the Gulf of Mexico.

In response to your request, this report describes (1) how the federal government has worked with nonprofit organizations to facilitate Gulf

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<sup>1</sup>The tax-exempt sector is often referred to as the nonprofit sector. For the purposes of this review, we define "nonprofit organization" as any organization having federal tax-exempt status as approved by the Internal Revenue Service under section 501(c)(3) of the Internal Revenue Code and is used interchangeably with the terms "voluntary organization" and "voluntary agency."

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Coast recovery following the 2005 hurricanes; and (2) steps the federal government has taken to address challenges to strengthen relationships with nonprofits in the future. Given their role in disaster recovery, and as agreed with your office, we place a focus on the activities of two components of the Department of Homeland Security (DHS)—the Federal Emergency Management Agency (FEMA) and the Office of the Federal Coordinator for Gulf Coast Rebuilding (OFC)—in describing how the federal government has worked with nonprofits on Gulf Coast recovery. This report is one in a series that we have issued in response to your broader request regarding Gulf Coast hurricane recovery issues including assisting households in transitioning to permanent residences, assisting disaster aid recipients through case management and crisis counseling, and working with state and local governments to support their efforts in helping disaster aid recipients recover.<sup>2</sup> Since the time of the storms, we have documented challenges in the federal disaster preparedness and response system, particularly focusing on the immediate disaster and short-term recovery periods following the storms.<sup>3</sup> This report focuses primarily on the extended long-term recovery period following the storms.

To meet our objectives, we reviewed the relevant literature on Gulf Coast recovery and the role of nonprofit organizations in recovery efforts including our prior work on disaster recovery and rebuilding. We also reviewed relevant laws, regulations, and program requirements for federal

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<sup>2</sup>Other products associated with this request include: GAO, *Disaster Assistance: Federal Assistance for Permanent Housing Primarily Benefited Homeowners; Opportunities Exist to Better Target Rental Housing Needs*, [GAO-10-17](#) (Washington, D.C.: Jan. 14, 2010); *Disaster Housing: FEMA Needs More Detailed Guidance and Performance Measures to Help Ensure Effective Assistance after Major Disasters*, [GAO-09-796](#) (Washington, D.C.: Aug. 28, 2009); *Hurricane Katrina: Federal Grants Have Helped Health Care Organizations Provide Primary Care, but Challenges Remain*, [GAO-09-588](#) (Washington, D.C.: July 2009); *Hurricane Katrina: Barriers to Mental Health Services for Children Persist in Greater New Orleans, Although Federal Grants Are Helping to Address Them*, [GAO-09-563](#) (Washington, D.C.: July 13, 2009); *Disaster Assistance: Greater Coordination and an Evaluation of Programs' Outcomes Could Improve Disaster Case Management*, [GAO-09-561](#) (Washington, D.C.: July 8, 2009); and *Disaster Assistance: Federal Efforts to Assist Group Site Residents with Employment, Services for Families with Children, and Transportation*, [GAO-09-81](#) (Washington, D.C.: Dec. 11, 2008).

<sup>3</sup>See GAO, *Disaster Recovery: Past Experiences Offer Insights for Recovering from Hurricanes Ike and Gustav and Other Natural Disasters*, [GAO-08-1120](#) (Washington, D.C.: Sept. 26, 2008); *Homeland Security: Observations on DHS and FEMA Efforts to Prepare for and Respond to Major and Catastrophic Disasters and Address Related Recommendations and Legislation*, [GAO-07-1142T](#) (Washington, D.C.: July 31, 2007); and *Disaster Assistance: Better Planning Needed for Housing Victims of Catastrophic Disasters*, [GAO-07-88](#) (Washington, D.C.: Feb. 28, 2007).

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recovery-related programs that rely on nonprofit organizations to deliver services. We conducted interviews in Louisiana, Mississippi, and Washington, D.C. with federal, state, local, and nonprofit officials from 48 agencies and organizations that represented a range of organizations, services, and service delivery approaches. We did this to understand how the federal government has worked with nonprofit organizations to facilitate Gulf Coast recovery following the 2005 hurricanes and the steps the federal government has taken to address challenges that were encountered. For additional details on our scope and methodology, please see appendix I.

We conducted this review from February 2008 to July 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained in this report provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

The nonprofit sector is diverse and has a significant presence in the U.S. economy. Of the estimated 1.7 million tax-exempt organizations in fiscal year 2008, about 69 percent were religious, charitable, and similar organizations, or private foundations and were referred to as 501(c)(3) organizations, and about 8 percent were social welfare organizations.<sup>4</sup> Nonprofit organizations provide services in a wide variety of policy areas such as health care, education, and human services. As we have previously reported, the federal government is increasingly partnering with nonprofit organizations because nonprofit organizations can offer advantages in delivering services compared to government agencies—they are more flexible, they can act more quickly, and they often have pre-existing relationships with local officials and communities.<sup>5</sup>

Nonprofit organizations have provided a wide range of direct long-term assistance and recovery services to those affected by the Gulf Coast hurricanes including job training, counseling, and housing. Nonprofit

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<sup>4</sup>U.S. Internal Revenue Service, *Data Book*, <http://www.irs.gov/pub/irs-soi/08db25eo.xls> (accessed Mar. 25, 2010).

<sup>5</sup>GAO, *Nonprofit Sector: Increasing Numbers and Key Role in Delivering Federal Services*, GAO-07-1084T (Washington, D.C.: July 24, 2007).

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organizations have contributed significant support—financial and non-financial—to post-Katrina and Rita recovery efforts. At the end of 2009, FEMA officials in Louisiana reported that more than \$24 million in donated dollars, volunteer hours, and goods had been leveraged through long-term recovery groups to provide permanent housing and address other unmet needs.<sup>6</sup>

In addition, some nonprofit organizations provided technical and support services to those nonprofit organizations that rendered direct recovery services to Gulf Coast residents. For example, as of 2007, the Louisiana Family Recovery Corps (LFRC) had provided more than \$20 million in programs, initiatives, and activities in the Greater New Orleans area since the storms. In its 2005-2008 retrospective, the Louisiana Disaster Recovery Foundation reported awarding grants totaling nearly \$29 million to nonprofit organizations involved in Louisiana's recovery process.

Organizations such as the Mississippi Center for Nonprofits had a well-established communications infrastructure with hundreds of nonprofits within the state of Mississippi before the 2005 storms and used this network following the hurricanes to disseminate grant and technical information, provide vital resource referrals, and communicate available training workshops for nonprofit service providers. The Louisiana Association of Nonprofit Organizations (LANO) was similarly positioned in the state of Louisiana. According to its officials, LANO serves more than 1,000 nonprofit organizations throughout the state of Louisiana. One of LANO's field offices is located in New Orleans in a building that it shares with approximately 30 other nonprofit organizations, many of whom are providing recovery assistance to residents of the surrounding neighborhoods which are among the poorest in the Metropolitan New Orleans area. Table 1 below provides examples of some of the nongovernmental partners that helped to build the capacity of direct service providers involved in the Gulf Coast recovery by providing human resources, guidance, training, funding, and technical assistance.

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<sup>6</sup>According to FEMA officials, this figure may be understated as nonprofits and long-term recovery committees do not have a central repository of all dollars spent. Officials stated this figure does not include dollars spent by voluntary agencies that did not flow through the long-term recovery committee process.

**Table 1: Examples of Nongovernmental Partners Involved in Gulf Coast Recovery**

Nongovernmental Partner	Mission
National Voluntary Organizations Active in Disaster (National VOAD)	Coalition of national nonprofit organizations that share knowledge and resources throughout the disaster cycle to help disaster survivors and their communities. Members include the American Red Cross and the Salvation Army.
State VOADS in Louisiana and Mississippi	Consortium of voluntary organizations active in disasters within the states of Louisiana and Mississippi whose mission is to foster, through cooperation in mitigation and response, more effective service to people affected by disaster.
Local/Community VOADS in Louisiana and Mississippi	Consortium of voluntary organizations active in disasters at the local and community levels.
Long-Term Recovery Committees/Organizations in Louisiana and Mississippi	Groups of community leaders, including nonprofit, interfaith, local government, and private sector leaders, whose mission is to identify needs that have not been addressed through insurance or governmental aid and then match up voluntary agency sources and/or local sources for goods and services to meet those needs.
Greater New Orleans Disaster Recovery Partnership	Coalition of 70 plus member agencies including faith-based, nonprofits, government liaisons, and Long-Term Recovery Organizations serving those impacted in the Greater New Orleans region and supporting the region's Long-Term Recovery Committees.
Mississippi Commission for Volunteer Service (MCVS)	Oversees Mississippi's national service network, helping local organizations meet local needs and promotes community service and volunteerism to help meet local needs more effectively.
Louisiana Family Recovery Corps (LFRC)	Facilitates human recovery for Louisiana by partnering with human service and nonprofits throughout the state and country to deliver assistance as effectively and efficiently as possible.
Mississippi Interfaith Disaster Task Force	Umbrella organization for faith-based entities in Mississippi that facilitates communication, coordination, and collaboration among organizations involved in disaster preparedness and recovery, and advocates for vulnerable populations.
Mississippi Center for Nonprofits	Mississippi's nonprofit management resource service whose mission is to strengthen the capacity of the nonprofit sector. The Mississippi Center for Nonprofits is the primary source of management training, technical information, advice, answers, coaching, and connection to the nonprofit sector.
Louisiana Association of Nonprofit Organizations (LANO)	Statewide network of nonprofits, foundations, corporations, and individuals dedicated to supporting Louisiana's nonprofit sector. LANO's mission is to strengthen, promote, and build the capacity of nonprofits through education, advocacy, and member services.

Source: GAO analysis.

One of the primary mechanisms the federal government uses to provide support to nonprofit organizations is federal grants. Federal grants are forms of financial assistance from the government to a recipient for a particular public purpose that is authorized by law. Federal grant funds flow to the nonprofit sector in various ways. For example, some grant funds are awarded directly to nonprofits, while others are first awarded to states, local governments, or other entities and then awarded to nonprofit service providers. Federal grant funding may also be awarded to nonprofit subgrantees through contracts. Federal laws, policies, regulations and

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guidance associated with federal grants apply regardless of how federal grant funding reaches the final recipients.

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## The Federal Government Supported Nonprofits' Delivery of Human Recovery Services through a Variety of Funding Programs

Nonprofit organizations in Louisiana and Mississippi provided numerous human recovery services to Gulf Coast residents following Hurricanes Katrina and Rita, and several of those services, including housing, case management, and mental health services were supported either directly by the federal government or indirectly through other organizations receiving federal support. The federal government relied on both pre-existing as well as newly developed funding programs when supporting nonprofit organizations. For example the federal government used well-established grants such as the Temporary Assistance for Needy Families, Community Development Block Grant, and the Social Services Block Grant to provide financial and human recovery assistance to Louisiana and Mississippi residents. Nonprofit as well as Louisiana and Mississippi state officials also identified additional federal funding programs that were in place before the storms that were used to assist in human recovery services such as the Department of Housing and Urban Development's (HUD) workforce housing grants, Entitlement Cities, and the Low-income Home Energy Assistance Program; FEMA's Community Disaster Loans; and the Low Income Housing Tax Credit program.

There were also several newly created grants with emergency supplemental funds designed to provide human recovery assistance to hurricane-affected areas. Some of these grants include the Department of Health and Human Services's (HHS) Primary Care Access and Stabilization Grant and HUD's Disaster Housing Assistance Program. See table 2 for descriptions of selected federal funding programs that provided assistance to victims of the Gulf Coast hurricanes.

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**Table 2: Selected Federal Funding Programs Providing Support to Victims of Gulf Coast Hurricanes**

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Federal funding program	Description
Temporary Assistance for Needy Families (TANF)	HHS's TANF program provides assistance and work opportunities to needy families by granting states, territories, and tribes the federal funds and wide flexibility to develop and implement their own welfare programs.
Community Development Block Grant (CDBG)	HUD's CDBG is a flexible program that provides communities with resources to address a wide range of unique community development needs. Its Disaster Recovery Assistance program provides flexible grants to help cities, counties, and states recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

Federal funding program	Description
Social Services Block Grant	Social Services Block Grant funds are distributed by HHS to enable states to provide social services best suited to meet the needs of its residents. Such services may include, but are not limited to: daycare and protective services for children or adults, special services to persons with disabilities, adoption, case management, health-related services, transportation, foster care for children or adults, substance abuse, housing, home-delivered meals, independent/transitional living, employment services or any other social services found necessary by the state.
CDBG workforce housing grant	This HUD grant targets housing that is affordable to those between 60 percent and 120 percent of the area median income. Many households in this group do not qualify for federal programs yet do not have enough income for adequate housing.
CDBG Entitlement Communities	CDBG entitlement program through which HUD allocates annual grants to larger cities and metropolitan cities and urban counties to develop viable communities.
Low-income Home Energy Assistance Program	The Low-income Home Energy Assistance Program is a federally funded block grant program administered by HHS and implemented at the state level. The grant serves individuals and families from low-income households who seek assistance for their home energy bills.
Community Disaster Loans	FEMA offers these loans to any eligible jurisdiction in a designated disaster area that has suffered a substantial loss of tax and other revenue. The jurisdiction must demonstrate a need for financial assistance to perform its governmental functions to maintain essential services such as public schools, and fire and police services.
Gulf Opportunity Zone Low-Income Housing Tax Credit Program	The Gulf Opportunity Zone Low-Income Housing Tax Credit program was designed to provide tax incentives to encourage the development of affordable rental housing between 2006 and 2008 in the areas affected by the 2005 Gulf Coast hurricanes.
Primary Care Access and Stabilization Grant <sup>a</sup>	HHS awarded the Primary Care Access and Stabilization Grant to Louisiana to help restore primary health care services to low-income populations.
Disaster Housing Assistance Program <sup>a</sup>	This HUD program provides temporary long-term housing rental assistance and case management for Hurricanes Katrina and Rita households.
Community Mental Health Services Block Grant	The Substance Abuse and Mental Health Services Administration's Community Mental Health Services Block Grant is awarded to states to provide mental health services to people with mental disorders. The Mental Health Services Block Grant supports existing public services and encourages the development of creative and cost-effective systems of community-based care for people with serious mental disorders.
Continuum of Care Program	HUD's Continuum of Care Program is a set of three competitively-awarded programs (Supportive Housing Program, Single Room Occupancy Program, and the Shelter Plus Care Program) created to address the problems of homelessness in a comprehensive manner with other federal agencies.
Disaster Case Management Pilot Program	FEMA used funds from its Disaster Relief Fund, the major source of federal disaster recovery assistance for state and local governments when a disaster occurs, for the state-managed Disaster Case Management Pilot Program. Through this pilot, case management services were intended for households in Louisiana and Mississippi affected by Hurricanes Katrina and Rita with the primary goal of helping them achieve sustainable permanent housing.
Katrina Aid Today (KAT) <sup>b</sup>	FEMA awarded a 2-year case management grant that channeled \$66 million of foreign donations to the United Methodist Committee on Relief (UMCOR). UMCOR used the grant to establish KAT, a national consortium of nine social service and voluntary organizations to provide case management services to victims of Hurricane Katrina.

Source: GAO analysis.

<sup>a</sup>New grants created following the Gulf Coast Hurricanes.

<sup>b</sup>KAT grant-funded activity expired in March 2008.

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Louisiana and Mississippi differed in how funds from these programs were distributed. Louisiana created organizations like the nonprofit LFRC and the state-level Louisiana Recovery Authority to serve as custodians and distributors of some of its federal funding, while Mississippi took advantage of provisions in the National Community Service Trust Act to establish a state-level commission to oversee the state's community service block grants.

Using federal funding programs such as those shown in table 2, nonprofit organizations have provided a wide range of recovery services to residents affected by Hurricanes Katrina and Rita including housing, long-term case management, and a variety of counseling services (including crisis management and substance abuse). According to nonprofit officials in both Louisiana and Mississippi, as of early 2010, Gulf Coast residents continue to need services in these areas. CDBG funds are being used by Providence Community Housing, a collaborative effort of Catholic housing and social service organizations in the New Orleans community, to build, rebuild, or repair 7,000 units of affordable houses and apartments over a 5-year period that began in 2006. Some nonprofit officials also told us that long-term case management services were still widely needed. For example, according to officials with the Lutheran Episcopal Services in Mississippi, as of the summer of 2008, this nonprofit had provided case management services for several years to Katrina-affected residents in the Mississippi Gulf Coast region through the efforts of approximately 60 case managers who worked with clients throughout Mississippi.

Some nonprofits in our review were instrumental in helping other nonprofits access available federal funds in order to deliver much needed services. The United Methodist Committee on Relief (UMCOR), for example, also served as the umbrella grants manager for Katrina Aid Today (KAT), a national consortium of nine subgrantees.<sup>7</sup> The consortium was required to provide matching funds and was able to put up \$30 million of in-kind funds, while FEMA channeled foreign donations of \$66 million over a 2-year period.<sup>8</sup> At the completion of its grant-funded activity in March 2008, KAT had enabled case management services for approximately 73,000 households. As the umbrella grants manager,

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<sup>7</sup>See GAO-09-561.

<sup>8</sup>While UMCOR had originally planned for matching funds, many nonprofits were not in a position financially to put up a match so that requirement was never enforced, although some did do so.

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UMCOR provided financial compliance monitoring, technical assistance and training to the nine consortium members. Nonprofits such as Louisiana's Odyssey House and Mercy Family Center also provided crisis, mental health, and substance abuse counseling made possible as the result of federal funds.<sup>9</sup> In addition, according to officials from the Catholic Charities Archdiocese of New Orleans, their organization contracted with the Louisiana State Office of Mental Health and the resulting Louisiana Spirit hurricane recovery project, funded by FEMA, helped provide intervention and mental health services to its clients.

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## The Federal Government Supported Nonprofits through Coordination and Capacity Building to Facilitate Gulf Coast Hurricane Recovery

### Nonprofits Reported Usefulness of Coordination with FEMA Voluntary Agency Liaisons

The National Response Framework (NRF) designates the FEMA Voluntary Agency Liaison (VAL) as the primary liaison to the nonprofit community. VALs are responsible for initiating and maintaining a working relationship between FEMA, federal, state, and local agencies and nonprofit organizations. VALs also advise state emergency agencies on the roles and

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<sup>9</sup>See GAO-09-588.

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responsibilities of nonprofit organizations active in the recovery.<sup>10</sup> The FEMA VAL system is staffed by a combination of permanent federal employees as well as temporary and term-specified employees whose work focuses on a specific disaster. Among the permanent FEMA employees are 10 regional VALs—one for each FEMA regional office—along with an additional 2 VALs in the Caribbean Area and Pacific Area offices.<sup>11</sup> FEMA also has five VAL staff based at headquarters whose role is to provide the overall VAL program and policy development, the national perspective, training and development to states and regions, support services in the field, coordination with other DHS and FEMA entities with nonprofits as stakeholders, and oversight of the FEMA Donations and Volunteer Management Program including the National Donations Management Network. FEMA also deploys Disaster Assistance Employees, reservists who can be called up to carry out the VAL role in local communities following a specific disaster and, depending on the size of the disaster, typically serve for a period of approximately 50-60 days

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<sup>10</sup>According to FEMA, among the specific job duties of VALS include the following: (1) assisting voluntary agencies in the development and promotion of state and local Voluntary Organizations Active in Disasters and other coalitions such as unmet needs/resource coordination committees for long-term recovery; (2) initiating and maintaining a close working relationship between FEMA and voluntary agencies including soliciting participation of the voluntary agencies in preparedness activities such as training and exercises to improve response and recovery capacity; (3) providing technical advice to FEMA Regional and Area Offices, other federal agencies, and state emergency management officials regarding the roles and responsibilities of voluntary agencies active in disaster and emergency situations; (4) assisting and collaborating with other FEMA Regional and Area Offices staff in the development and maintenance of emergency response and recovery plans to ensure that voluntary agencies' capabilities, specifically as they relate to emergency assistance, mass shelter and feeding, donations management, and other voluntary agency disaster relief activities are recognized in the plans; (5) assisting with the collection and dissemination of information concerning emergency incidents, including initial damage assessment, emergency response activities, and continued response and long-term recovery activities/plans of voluntary agencies; (6) assisting and supporting the FEMA Individual Assistance officer on disaster operations in providing consultative support to voluntary agency leadership and encouraging collaboration among voluntary agencies; and (7) providing or making available to the voluntary agencies information on the status of federal and state response and recovery programs and activities.

<sup>11</sup>According to FEMA VAL officials, currently there is one vacancy in the Region 9 Pacific Area Office.

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with a maximum of 50 consecutive weeks in a calendar year.<sup>12</sup> As of March 31, 2010, FEMA had 90 disaster assistance employees in its reserve VAL cadre. In addition, after the Gulf Coast hurricanes, FEMA hired 40 “Katrina VALs,” of which 10 are remaining in Louisiana as of May 24, 2010.<sup>13</sup> These are term-limited federal employees hired locally who are designated to specifically address Katrina-related issues and 10 remain based on FEMA’s need for their continued work.<sup>14</sup> FEMA is not planning to retain these individuals after Katrina-related work is finished.

FEMA’s VAL program received general approval from state, local, and nonprofit officials we spoke with. Several nonprofit officials told us that VALs were instrumental in helping initially set up and guide the operation of long-term recovery committees. Officials from state Voluntary Organizations Active in Disasters (VOAD) in Louisiana and Mississippi spoke highly of the respective regional VALs and said they were involved with the VOADs on a regular basis helping coordination between the VOADs and nonprofits. And officials from various nonprofit organizations cited how useful they found the VAL coordination. For example, VALs helped extend the federal government’s reach to the nonprofit sector by also working with state-level intermediaries, such as the Louisiana Family Recovery Corps (LFRC) and the Mississippi Commission for Volunteer Service (MCSV), whose responsibilities included the coordination of nonprofit service providers active in the recovery effort. The LFRC was created in 2005 following the Gulf Coast hurricanes and was designated by the Louisiana legislature in 2007 as the state’s coordinator for human resources. The MCSV is the state’s office of volunteerism through statute and is an affiliate of the federal Corporation for National and Community Service (CNCS) and was designated by the Governor of Mississippi to coordinate the general activities of the nonprofit sector and oversee the

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<sup>12</sup>As of 2009, VALs are no longer under the FEMA headquarters’ direction but instead are under each FEMA Region Individual Assistance office’s direction. However, FEMA’s VAL headquarters is responsible for establishing memorandums of understanding with nonprofit organizations that have strong operational capability that complements FEMA’s programs. FEMA has 10 memorandums of understanding with large nonprofits: National VOAD, American Red Cross, The Salvation Army, the United Methodist Committee on Relief, the Adventists Community Services, Church World Service, Feeding America, Mennonite Disaster Service, Northern American Mission Board—Southern Baptist Convention, and Operation Hope USA.

<sup>13</sup>In addition, according to FEMA officials, there is one VAL assigned as the Disaster Case Management Pilot Program Coordinator/Liaison for Louisiana.

<sup>14</sup>As of February 2010, Mississippi no longer had any Katrina VALs in the state.

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implementation of FEMA's Phase I and Phase II Disaster Case Management Pilot program specifically. Officials from the Mississippi Center for Nonprofits and the Mississippi Interfaith Disaster Task Force said they had good working relationships with the FEMA VALs. Further, officials from state entities such as the Louisiana Recovery Authority characterized their partnership with FEMA VALs as successful and one of the best examples of local coordination they encountered.

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### Office of the Federal Coordinator for Gulf Coast Rebuilding Provided a Variety of Assistance to Nonprofits Including Problem Identification, Information Sharing, and Networking

In November 2005, the President issued an executive order establishing the Office of the Federal Coordinator for Gulf Coast Rebuilding (OFC) with the broad mission of supporting recovery efforts following Hurricanes Katrina and Rita. OFC was created as a response to the unprecedented rebuilding challenges presented by these storms as well as concerns regarding the lack of coordination in the government's initial response to these events. Although the OFC was originally scheduled to expire in November 2008, the President extended it several times until the office closed on April 1, 2010.<sup>15</sup> In previous work on OFC, we identified four key functions performed by the office, which provides a useful framework for understanding how the office provided support for nonprofits working on Gulf Coast recovery.<sup>16</sup> Nonprofits were directly involved in three of these four OFC functions.

First, OFC helped nonprofits to identify and address obstacles to recovery. These obstacles included both challenges facing specific organizations as well as broad problems facing entire communities of which nonprofits were a part. An example of the former occurred when OFC worked with MCVS and FEMA to address contracting challenges involving FEMA's Disaster Case Management Phase II pilot program. An example of the latter is OFC's sponsorship of a series of forums and workout sessions, which brought together a diverse group of stakeholders including numerous nonprofits, foundations, and faith-based organizations to

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<sup>15</sup>OFC was established by Executive Order 13,390; 70 Fed. Reg. 67,327 (Nov. 1, 2005). The order was amended by Executive Order 13,463, which extended the office through February 28, 2009; 73 Fed. Reg. 22,047 (Apr. 18, 2008). On February 20, 2009, the President signed Executive Order 13,504, which again extended the office through September 30, 2009; 74 Fed. Reg. 8431 (Feb. 24, 2009). On September 29, 2009, the President extended OFC for a final time, authorizing its continued operation for another 6 months in Executive Order 13,512; 74 Fed. Reg. 50,911 (Sept. 30, 2009).

<sup>16</sup>See GAO, *Office of the Federal Coordinator for Gulf Coast Rebuilding: Perspectives and Observations*, GAO-09-411R (Washington, D.C.: Apr. 10, 2009).

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discuss impediments to recovery and try to identify potential solutions. The topics of these sessions have included crime, education reform, and economic development.

Second, OFC supported nonprofits by sharing and communicating a variety of recovery information. One example of this was the joint OFC-FEMA effort known as the Transparency Initiative that began in February of 2008. This Web-based information sharing effort enabled interested stakeholders, including nonprofits, to track the status of selected public infrastructure rebuilding projects (such as a school or hospital) by providing detailed information on the Public Assistance Grants funds allocated for the project and the project's status. The initiative has received positive feedback from a range of nonprofits involved in Gulf Coast building including Catholic Charities and Tulane University. OFC also worked to provide updates and other information relating to Gulf Coast recovery through a nonprofit outreach strategy, which has changed and developed over time. During the first few years of the OFC's operation, although the office compiled a listing of many nonprofits involved in recovery and rebuilding activities, it focused its outreach efforts primarily on large, well-known, national nonprofit organizations, such as Catholic Charities, the Southern Baptist Convention, and the United Methodist Committee on Relief. These organizations had the capacity to work with the government and, in many cases, already had pre-existing relationships with federal and state officials.

OFC largely relied on these national organizations to relay information to the local level through their various local partners and affiliates. Given this approach, it is perhaps not surprising that many of the nonprofit officials we spoke with in both Louisiana and Mississippi told us that initially they did not have any direct interaction with OFC following the hurricanes. Since 2009, however, several nonprofit and local officials we spoke with in Louisiana and Mississippi said that OFC has conducted considerably more outreach and become much more involved with them and commended the OFC's current efforts. According to a senior OFC official, in 2009, the office changed its nonprofit outreach to place a heavier emphasis on direct contact with smaller organizations at the grassroots level. Toward that end, the Federal Coordinator frequently visited Louisiana and Mississippi to personally conduct outreach to a variety of smaller nonprofit organizations and subsequently built a database of 300 to 400 nonprofit organizations.

A third way OFC assisted nonprofits is through their facilitation of networks and dialogue among a wide range of recovery stakeholders from

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federal, state, and local governments, other nonprofits, and as well as the private sector. OFC brought a diverse group of stakeholders together to meet each other and discuss issues of common interest through numerous forums and roundtables. In contrast to the workout sessions mentioned above, the primary goal of these meetings was not to focus on a specific set of challenges, but rather to help foster and expand connections among members of the Gulf Coast recovery community and provide a forum for them to share information with each other. Similar to what took place with OFC's approach toward information sharing with nonprofits, the way the office fostered networking changed over the years. In its final year of operation, OFC moved away from solely relying on formal events like forums and roundtables to increasingly making use of less formal meetings and networking events. For example, the Federal Coordinator at the time said the office placed a high priority on informal and direct interactions with communities on the ground, with whom she and her staff spent more than half of their time. In addition, OFC facilitated connections between nonprofits that were in the process of applying for recovery grants and other organizations that have had prior success in obtaining such funds and were willing to share their knowledge and expertise.

Finally, in its last year of its operation, the OFC facilitated meetings between the White House Office of Faith-Based and Neighborhood Partnership centers established within 12 federal agencies including DHS, HUD, and the Small Business Administration (SBA) with local community and faith-based organizations. Additionally, during its last year of operation, OFC worked to ensure that secretaries of federal agencies relevant to disaster recovery established a senior-level advisor to serve as a point person with OFC as well as the nonprofit organizations on the ground. Some of the federal agencies that established this position included DHS, HUD, SBA, HHS, and the United States Department of Agriculture.

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### Other Agencies Also Bolstered the Capacity of Nonprofits by Providing Temporary Staff, Training, and Technical Assistance

Other federal agencies also provided important nonmonetary assistance to nonprofit organizations involved in Gulf Coast recovery. Federal agencies provided trained volunteers and volunteer management services to community-based nonprofits to help them meet increased demand for services. For example, CNCS reported that it provided more than \$160 million worth of resources, including more than 105,000 volunteers who contributed more than 5.4 million hours to Gulf Coast states recovering from the 2005 hurricanes. Some of the nonprofit officials we interviewed indicated that they had either hired an AmeriCorps worker or Vista volunteer, or were familiar with their work as a result of partnering with

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them on various recovery projects. Nonprofits such as Rebuilding New Orleans Together were able to take advantage of a waiver that enabled FEMA and CNCS to cover the cost of some volunteer stipends.

Federal agencies also provided nonprofit organizations with training and technical assistance that helped them manage federal grant program requirements. For example, nonprofit officials attended a 2008 White House sponsored conference designed to highlight and strengthen the role of faith-based and community-based organizations in disaster relief and preparedness. The conference, held in New Orleans, Louisiana, offered workshops hosted by federal agencies including the Departments of Justice, Agriculture, Labor, HHS, HUD, Education, Homeland Security, Commerce, and Veteran's Affairs; the Agency for International Development; and SBA. These workshops provided technical assistance and training designed to help faith-based and community-based nonprofits understand the federal grant process as well as provide networking opportunities with the federal government.

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## The Federal Government Is Taking Steps to Address Challenges and Strengthen Relationships with Nonprofits

### Challenges Experienced by Nonprofits in Obtaining Federal Disaster Assistance Led to Efforts to Address Some Concerns

The rules and requirements that typically accompany federal grants along with the limitations of many nonprofits' financial and administrative capacity made it difficult for some organizations to access federal funding to deliver recovery services. Our previous work has shown that many nonprofits struggle to accomplish their mission because they lack the resources that would allow them to better manage their finances and strengthen their administrative or technology infrastructure.<sup>17</sup> We have recently reported that federal grants typically do not provide support for

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<sup>17</sup>See GAO-07-1084T.

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these types of overhead costs, which include administrative or infrastructure costs.<sup>18</sup> In light of this gap, officials from several nonprofits told us that they believed the record keeping, documentation, and reporting requirements of federal grants were too complicated and cumbersome.

Nonprofit organizations' perceptions of federal accountability requirements sometimes also served as an impediment to obtaining funding from the federal government because officials at these organizations perceived compliance with federal grant requirements to be too resource-intensive and not worth meeting the requirements that accompanied such funds. Officials at one nonprofit raised concerns about what they characterized as the "massive" documentation required by the state to justify reimbursements for costs incurred in implementing federal grant programs. According to these nonprofit officials, paperwork sometimes had to be submitted repeatedly and state officials, who were supposed to facilitate communication between federal agencies and nonprofit service providers, did not always know what documents were required. Further, these officials stated that the preparation of the required reimbursement documentation consumed approximately 30 hours of staff time each month and that did not include the time required to comply with other reporting requirements under the grant. According to some state recovery officials, the fear of being audited or being found noncompliant with program regulations caused many nonprofits to shy away from federal disaster assistance, much to the detriment of the state which relies on nonprofits to provide services after a disaster. One nonprofit official, who chose not to apply for federal funds, explained that even if he had the resources to hire the additional staff to fill out all the federal grant paperwork, he would rather put those resources into a direct service, such as rebuilding damaged homes in the community. While recognizing the burdens that may accompany meeting federal grant requirements, it is also important to acknowledge the potential value of such requirements in helping minimize fraud, waste, and abuse and ensuring fiscal accountability to the American taxpayer.

Nonprofit officials we spoke with were also concerned with the distribution of federal grant funds. Officials from several nonprofits

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<sup>18</sup>See GAO, *Nonprofit Sector: Treatment and Reimbursement of Indirect Costs Vary Among Grants, and Depend Significantly on Federal, State, and Local Government Practices*, GAO-10-477 (Washington, D.C.: May 2010).

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reported that some federal grant awards were late, putting additional strain on the limited resources of smaller community-based organizations. For example, funding for the FEMA Phase II pilot program for disaster case management was not awarded until July 2008 in Mississippi and October 2008 in Louisiana although the funding period began in June 2008.<sup>19</sup> Phase II grantees had already hired staff and began delivering case management services in anticipation of grant funding being available. As a result, some nonprofits had difficulty meeting expenses while they waited for grant funding to be awarded. As we have previously reported, many of the smaller case management organizations were unable to find alternative resources to pay the case managers hired in June and had to lay off caseworkers while awaiting for federal funding to be made available.<sup>20</sup> On the other hand, larger organizations such as Catholic Charities sometimes had to wait up to 1 year to receive reimbursement for as much as \$1 million in grant funds without having to take such actions.

In recognition of the widespread devastation that resulted from the 2005 hurricanes and to address the challenges associated with navigating the federal aid process, Congress passed legislation to amend several assistance programs that helped nonprofit organizations deliver federally supported recovery assistance to residents of the Gulf Coast. Most notably, provisions in the Post-Katrina Emergency Management Reform Act of 2006 expanded eligibility requirements for nonprofit organizations to receive FEMA grant assistance, which enabled some nonprofit organizations to receive financial assistance to rebuild their storm-damaged facilities to better serve their clients.<sup>21</sup> Congress also passed special legislation that provided additional cash assistance to hurricane

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<sup>19</sup>FEMA awarded a conditional grant for the Mississippi program in July 2008 but the program did not begin until August 2008. While Louisiana received an initial grant in October 2008, it received an adjusted grant award letter from FEMA for the program in February 2009—8 months after the program was intended to begin.

<sup>20</sup>See [GAO-09-561](#).

<sup>21</sup>The Stafford Act through the Post-Katrina Emergency Management Reform Act of 2006 (Title VI, P.L. 109-295) and the Security and Accountability for Every Port Act of 2005 (P.L. 109-347) was amended to include new provisions regarding the federal aid provided to private nonprofit organizations affected by a major disaster. The statute authorizes the President to define facilities that provide “essential services of a governmental nature to the general public.” These provisions, similar to those in FEMA regulations, establish eligibility to museums, zoos, performing arts facilities, community arts centers, and other facilities that “provide health and safety services of a governmental nature.” The amendments also added the word “education” to the listing in the section of the law that defines critical services.

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victims through the TANF block grant.<sup>22</sup> In order to deploy more highly trained workers to impacted communities, CNCS waived state matching requirements for sponsoring AmeriCorps workers in Louisiana and counted the cost of housing them as an in-kind match for sponsoring AmeriCorps workers. These program waivers made it easier for nonprofits with limited financial resources to sponsor AmeriCorps workers.

In February 2009, President Obama created the President's Advisory Council for Faith-Based and Neighborhood Partnerships in order to bring together leaders and experts in fields related to the work of faith-based and neighborhood organizations. The council was designed to make recommendations to the government on how to improve partnerships. In March 2010, the council issued its first report which, while not focused on Hurricane Katrina and Rita recovery efforts, included recommendations that could be useful for long-term disaster recovery.<sup>23</sup> For example, the report recommended providing greater flexibility for the coordination and integration of government funds designated for specific program activities. The report went on to suggest that federal agencies develop rules and regulations to encourage coordination and integration of programs and services, and that agencies be mandated to be receptive to requests for rulemaking changes that were aimed at facilitating coordination and integration. In addition, the council recommended that in order to ease the burden on nonprofit social service agencies, agencies remove barriers to service provision such as matching fund requirements, burdensome reporting and regulations, and slow payments and reimbursements.

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<sup>22</sup>TANF Emergency Response and Recovery Act of 2005 (P.L. 109-68). TANF recipients who receive ongoing cash assistance are subject to certain requirements, such as time limits and work requirements. For fiscal year (FY) 2005 and FY 2006, the 2005 act waived penalties on the states for failure to meet state work requirements as well as the penalty for having more than 20 percent of its caseload on the rolls for more than 5 years (the TANF time limit). It also gives the authority to states to provide short-term, nonrecurring benefits for evacuee families receiving benefits in other states and families in hurricane damaged states, to meet subsistence needs and not have that time count for purposes of work requirements or time limits. For Alabama, Louisiana, and Mississippi, the Act also made additional funds available for FY 2006 in the form of loans not to exceed 20 percent of the amount of the State's family assistance grant for FY 2006.

<sup>23</sup>President's Advisory Council on Faith-Based and Neighborhood Partnerships, *A New Era of Partnerships: Report of Recommendations to the President*, March 2010.

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## FEMA Has Taken Steps to Address Gaps in VAL Training and to Improve Information Sharing

While some recovery officials and nonprofit representatives we spoke with held generally favorable opinions about the usefulness of the assistance provided by FEMA VALs, they identified opportunities for improvement in the areas of training and information sharing.

A senior FEMA official told us that, following Hurricane Katrina, the need for VALs considerably outstripped the supply then available in the VAL cadre requiring FEMA to hire temporary VALs without much experience. In addition, ensuring continuity presented a challenge as FEMA experienced a large turnover among VALs in the first year after the disaster. FEMA officials acknowledged that inconsistent performance among VALs was partly due to frequent changes in assigned staff as Disaster Assistance Employee staff was rotated in and out of VAL positions in the months immediately following the storms. However, they noted that this became less of a concern as time passed and more experienced VALs were brought on board and as VALs were hired from the local population and therefore able to remain in their roles for longer periods. FEMA offered several independent study disaster training courses for VALs, including one that is directly related to VAL duties entitled "The Role of Voluntary Agencies in Emergency Management." FEMA also provided some basic in-person training to VALs in the field, but this training was provided on an ad hoc basis primarily by a single regional VAL. This official provided training for two different regions (a total of 13 states) as well as recovery training to VALs in Louisiana and Mississippi following Hurricanes Katrina and Rita while also handling his regular regional VAL duties.

We have previously reported that VALs could benefit from additional training on federal programs and resources. For example, we found that FEMA did not provide training for VALs on Public Assistance Grant policies and recommended that the agency provide role-specific training to VAL staff, including instruction on the Public Assistance Grant program and the policies and opportunities that apply for nonprofit organizations.<sup>24</sup> FEMA has taken steps to respond to our recommendation as well as address other training issues in its VAL program. These include changes that FEMA is making that address our previous report recommendation that FEMA provide role-specific training to VALs. For example, FEMA has issued a VAL Handbook, which provides a written guide on essential VAL activities and procedures, and has been revising its VAL training for the

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<sup>24</sup>See [GAO-08-369](#).

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past year. It expects to complete three VAL-specific courses by the end of 2010. One of the courses FEMA officials are working on is an introductory VAL course, for which they are holding focus groups with regional VALs and voluntary agencies for their input. FEMA expects to pilot this course in the fall of 2010. FEMA is also developing a volunteer management course for which they are pulling subject matter experts from the National VOAD, recovery committees, and from state and local officials. The VAL program's expectation is that the revised VAL training program will be incorporated into a larger FEMA initiative involving credentialing of disaster workers.

FEMA officials also acknowledged that VALs would benefit from a mechanism through which they can more effectively share information and best practices that are drawn from a variety of different sources (such as VALs, local recovery partners, and the National VOAD). GAO's guidance on internal controls encourages agency management to provide effective internal communications as one way to promote an appropriate internal control environment.<sup>25</sup> This guidance suggests agencies establish mechanisms to (1) allow for the easy flow of information down, across, and up within the organization, and (2) enable employees to recommend improvements in operations. Consistent with this concept, FEMA has taken steps to improve information sharing in its VAL program. More specifically, FEMA is developing a knowledge repository known as the VAL Community of Interest on an internal DHS network site. Once operational, FEMA officials expect the site to function as a repository of resources, planning, and best practices that will facilitate information sharing and be readily available to the entire VAL community, even when they are deployed in the field.

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<sup>25</sup>GAO, *Internal Control Management and Evaluation Tool*, GAO-01-1008G (Washington, D.C.: Aug. 2001).

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## Lack of Long-Term Recovery Guidance Regarding Partnerships with Nonprofits Is Being Addressed by the Federal Government and Others

Collaboration is essential for an effective partnership between the wide range of participants involved in the disaster recovery process. The National Response Framework (NRF) defines the roles of federal, state, local, tribal governments; the private sector; and voluntary organizations in response to disasters.<sup>26</sup> The NRF, which became effective in March 2008, designates 15 emergency support functions that address specific emergency disaster response needs.<sup>27</sup> We have previously reported on the importance of defining roles and responsibilities in both response and recovery.<sup>28</sup> FEMA acknowledges that recent disasters highlight the need for additional guidance, structures and leadership to improve support and management of recovery activities.<sup>29</sup>

As we have recently reported, the federal government has taken steps to strengthen the nation's disaster recovery process.<sup>30</sup> In 2006, Congress required FEMA to develop a national disaster recovery strategy for federal agencies involved in recovery.<sup>31</sup> In response to this mandate, FEMA and HUD are leading a diverse group of federal agencies and other organizations to develop the National Disaster Recovery Framework (NDRF). Among the NDRF's objectives is to define the federal, state, local, tribal, nonprofit, private-sector, and the individual citizen's roles in disaster recovery. To date, the NDRF working group has facilitated various meetings as well as developed a Web site for input from federal, state, tribal and local government leaders; recovery-assistance providers; nonprofit organizations; private sector representatives; and interested citizens. The group has developed a draft framework, which includes details about expected roles and responsibilities of nonprofits in disaster recovery.

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<sup>26</sup>See [GAO-08-369](#).

<sup>27</sup>The NRF made a key change to the prior 2004 National Response Plan (NRP) by shifting the primary agency responsibility for coordinating federal support for mass care from the Red Cross to FEMA.

<sup>28</sup>See [GAO-06-15](#) and [GAO-07-1084T](#).

<sup>29</sup>FEMA, *National Disaster Recovery Framework and Long-Term Disaster Recovery Working Group Briefing*, Mar. 22, 2010.

<sup>30</sup>GAO, *Disaster Recovery: FEMA's Long-term Assistance Was Helpful to State and Local Governments but Had Some Limitations*, [GAO-10-404](#) (Washington, D.C.: Mar. 30, 2010).

<sup>31</sup>See 6 U.S.C. § 771.

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In addition, at the President's request, the secretaries of DHS and HUD are co-chairing a Long-Term Disaster Recovery Working Group composed of the secretaries and administrators of 20 federal departments, agencies, and offices. This working group was established at the end of September 2009 and joined the NDRF effort started by FEMA in August 2009. This effort to examine lessons learned from previous catastrophic disaster recovery efforts includes areas for improved collaboration and methods for building capacity within state, local, and tribal governments as well as within the nonprofit, faith-based, and private sectors. The working group is charged with developing a report to the President, which will provide recommendations on how to improve long-term disaster recovery.

The National VOAD is leading a parallel effort to establish a National Nonprofit Relief Framework (NNRF) intended to complement the NRF and NDRF by providing detailed guidance on nonprofit organization roles and responsibilities, programs, policies, and interagency protocols. FEMA is also involved in this effort and, according to information provided by FEMA officials, this document will serve as a major source of program coordination information for both government and non-governmental organizations involved in all phases of emergency management. According to these officials, the NNRF will help fill a planning void that currently exists regarding what is known about the disaster response and recovery capacity of the nonprofit sector. A final version of the NNRF is expected to be issued in December 2010.

In addition to the guidance that frameworks like the NDRF and NNRF can offer, cooperative agreements provide another mechanism that can further clarify the roles and responsibilities of specific nonprofits involved in recovery activities. Several nonprofit and federal officials we spoke with identified such agreements or memorandums of understanding established between FEMA and specific nonprofit organizations as a tool to clarify expectations and avoid confusion that can arise in the wake of a disaster. These cooperative agreements could provide a road map for federal-nonprofit partnerships by outlining the functional capabilities and resources of each partner, and by outlining implementation strategies for delivering critical recovery services. Such agreements could also help avoid duplication of efforts among the various disaster recovery players and expedite recovery efforts.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of Homeland Security for review and comment. DHS concurred with the report but did not provide us with formal written comments. The department did provide several technical clarifications that we incorporated as appropriate. We also sent drafts of the relevant sections of this report to cognizant officials from the nonprofits involved in the specific examples cited in this report and incorporated their comments as appropriate.

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As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the date of this letter. We will then provide copies of this report to other interested congressional committees; the Secretary of Homeland Security; the Administrator of the Federal Emergency Management Agency; and federal, state, local, and nonprofit officials we contacted for this review. This report also is available at no charge on the GAO Web site at <http://www.gao.gov>. If you have any questions about this report, please contact me at (202) 512-6806 or at [czerwinski@gao.gov](mailto:czerwinski@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Key contributors to this report are listed in appendix II.



Stanley J. Czerwinski  
Director, Strategic Issues

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# Appendix I: Objectives, Scope, and Methodology

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To address our first objective on how the federal government has worked with nonprofit organizations to facilitate Gulf Coast Recovery following Hurricanes Katrina and Rita in 2005, we first conducted a systematic review and synthesis of GAO and other reports to identify (a) the range of federal programs used to support Gulf Coast recovery; (b) the types of nonprofit organizations that provide federally-supported recovery assistance; and (c) the types of service delivery mechanisms federal agencies used when working with nonprofit organizations. For this objective we also interviewed officials involved in recovery efforts from federal, state, and local governments, as well as officials from nonprofit organizations, to help us refine our understanding of the range of federal government relationships with nonprofit organizations active in Gulf Coast recovery. To address our second objective describing steps taken by the federal government to address challenges encountered when working with nonprofits to deliver recovery services, we conducted interviews with federal, state, local, and nonprofit officials and obtained supporting documentation of federal actions where appropriate.

We focused our review on Louisiana and Mississippi because these two states sustained the most damage from Hurricanes Katrina and Rita and thus accounted for a large portion of the federal funding made available to Gulf Coast states for recovery. In addition, given their role in disaster recovery, we placed a focus on the activities of two components of the Department of Homeland Security—the Federal Emergency Management Agency and the Office of the Federal Coordinator for Gulf Coast Rebuilding—in describing how the federal government has worked with nonprofits on Gulf Coast recovery.

We selected a variety of individuals and organizations in order to capture a wide range of perspectives including (a) the range of types of nonprofit organizations active in Gulf Coast recovery, (b) the broad range of federally supported recovery services delivered to residents of the affected areas, (c) the range of service delivery mechanisms used to deliver services, and (d) individuals and organizations identified through our literature review, informational interviews, and/or referrals received during the course of our work. In total, we interviewed federal, state, local, and nonprofit officials from the following 48 agencies and organizations. While findings from our interviews cannot be generalized, this approach allowed us to capture important variability within the various sectors.

<b>Federal Officials</b>	<ul style="list-style-type: none"><li>• Corporation for National and Community Service, Washington, D.C.</li><li>• Federal Emergency Management Agency (FEMA) Headquarters, Washington, D.C.</li><li>• FEMA Louisiana Transitional Recovery Office, New Orleans, La.</li><li>• FEMA Mississippi Transitional Recovery Office, Biloxi, Miss.</li><li>• FEMA Region IV, Atlanta, Ga.</li><li>• FEMA Region VI, Denton, Tex.</li><li>• Office of the Federal Coordinator for Gulf Coast Rebuilding, Washington, D.C.</li></ul>
<b>State Officials</b>	<ul style="list-style-type: none"><li>• Louisiana Department of Social Services, Baton Rouge, La.</li><li>• Louisiana Recovery Authority, Baton Rouge, La.</li><li>• Louisiana Serve Commission, Baton Rouge, La.</li><li>• Mississippi Department of Human Services, Jackson, Miss.</li><li>• Mississippi Office of the Governor, Office of Recovery and Renewal, Jackson, Miss.</li></ul>
<b>Local Officials</b>	<ul style="list-style-type: none"><li>• Office of Emergency Preparedness, City of New Orleans, New Orleans, La.</li><li>• Office of Intergovernmental Relations, City of New Orleans, New Orleans, La.</li></ul>
<b>Nonprofit Organizations</b>	<ul style="list-style-type: none"><li>• America Speaks, Washington, D.C.</li><li>• Annunciation Mission, Free Church of the Annunciation, New Orleans, La.</li><li>• Back Bay Mission, United Church of Christ, Biloxi, Miss.</li><li>• Baptist Association of Greater New Orleans, New Orleans, La.</li><li>• Baptist Community Ministries, New Orleans, La.</li><li>• Broadmoor Development Corporation, New Orleans, La.</li><li>• Catholic Charities Archdiocese of New Orleans, New Orleans, La.</li><li>• Greater Light Ministries, New Orleans, La.</li><li>• Greater New Orleans Disaster Recovery Partnership, New Orleans, La.</li><li>• Hope Community Development Agency, Biloxi, Miss.</li><li>• Israelite Baptist Church, New Orleans, La.</li><li>• Katrina Relief, Poplarville, Miss.</li><li>• Louisiana Association of Nonprofit Organizations, Baton Rouge and New Orleans, La.</li><li>• Louisiana Family Recovery Corps, Baton Rouge, La.</li><li>• Louisiana Voluntary Organizations Active in Disaster, Baton Rouge, La.</li><li>• Lutheran Episcopal Services in Mississippi, Jackson, Miss.</li><li>• Mississippi Center for Nonprofits, Jackson, Miss.</li><li>• Mississippi Commission for Volunteer Service, Jackson, Miss.</li><li>• Mississippi Gulf Coast Community Foundation, Gulfport, Miss.</li><li>• Mississippi Interfaith Disaster Task Force, Biloxi, Miss.</li><li>• Mississippi Voluntary Organizations Active in Disaster, Jackson, Miss.</li></ul>

- Rand Gulf States Policy Institute, New Orleans, La.
- Rebuilding Together New Orleans, New Orleans, La.
- Recovery Assistance, Inc., Ministries, Biloxi, Miss.
- Restore, Rebuild, Recover Southeast Mississippi (R3SM), Hattiesburg, Miss.
- Salvation Army, Jackson, Miss.
- St. Bernard Project, Chalmette, La.
- The Advocacy Center, New Orleans, La.
- Trinity Christian Community, New Orleans, La.
- Tulane University Center for Public Service, New Orleans, La.
- United Methodist Committee on Relief/Katrina Aid Today, New York, N.Y.
- United Way for the Greater New Orleans Area, New Orleans, La.
- Volunteers of America of Greater New Orleans, New Orleans, La.
- Waveland Citizens Fund, Poplarville, Miss.

We conducted this performance audit from February 2008 through July 2010 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We requested comments on a draft of this report from the Department of Homeland Security (DHS). DHS concurred with the report but did not provide formal written comments. However, the department had several technical clarifications that we incorporated as appropriate. We also provided drafts of relevant sections of this report to state, local, and nonprofit officials involved in the specific examples cited in this report, and incorporated their comments as appropriate.

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# Appendix II: GAO Contacts and Staff Acknowledgments

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**GAO Contact**

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In addition to the contact named above, Peter Del Toro (Assistant Director); Michelle Sager (Assistant Director); Jyoti Gupta; Kathleen Drennan; Anthony Patterson; and Jessica Thomsen made key contributions to this report.

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