

The LRHA Policy Corner

April 17, 2006

LEGISLATIVE AGENDA:

- An updated LRHA Legislative Agenda can be found at www.lrha.org – under legislative updates.

STATE & LOCAL ACTION:

**Displaced Voters Make Wishes Known For New Orleans - Primary Election for Mayor Is April 22*

Career educator Kemberly Samuels is not particularly partisan, but in recent weeks she has been giving her fellow New Orleanians some straight talk about politics - the primary election for mayor of the Big Easy is April 22, and no matter how far the survivors of Hurricane Katrina have scattered, Samuels believes they must vote.

- Election volunteers such as Samuels, along with Louisiana election officials, are working to energize the scattered hurricane evacuees spread out from Baton Rouge to Boston.
 - The volunteers have been working phone banks and making door-to-door visits distributing absentee-ballot applications, voter-registration cards and information packets.
 - The goal is to deliver 4,000 votes, either by absentee ballot or in early voting -- especially from among moderate-to-low-income African American residents still unable to return to sections of the city that are uninhabitable.
- Another Houston-based grass-roots group, the Metropolitan Organization, is continuing to work on its goal of signing up 10,000 absentee voters – recently it sponsored an "accountability session" in New Orleans with the top-polling mayoral candidates to address the concerns of evacuees via videoconference.
- The effort, may be the most massive get-out-the-vote drive since the mid-19th century, when soldiers cast ballots during the Civil War and so far, the results appear promising.
 - Louisiana's chief elections officer, Secretary of State Al Ater has received a record number of requests to vote by mail -- or absentee -- in the mayor's race.
 - More than 14,000 requests -- the majority of them from residents living out of state - - were received by the beginning of April, and applications have been "climbing daily."
 - Before Hurricane Katrina, the highest number of absentee ballots requested had reached 2,500, but more typically it ranged from 1,200 to 1,500.
- New Orleans voters have until April 21 to postmark their ballots and can also deliver the ballots to polling sites in the city on April 22.

- The election is a primary, after which the top two vote-getters out of almost two dozen candidates will face off in a general election on May 20.

****Governor Blanco Says that Her Housing Plan Is Still Moving Forward***

Gov. Kathleen Blanco said April 11th that she is proceeding as planned with her proposed housing program for storm victims despite a congressman's concern that it needs work.

- The Governor had one word for U.S. Rep. Richard Baker's request that she extend the public comment period on her plan to give his home buyout proposal another look and that word was NO.
- If Baker thinks Blanco is moving too fast, New Orleans Mayor Ray Nagin thinks she needs to step on the gas.
 - In a request to the Governor, Mayor Nagin wants to speed up getting billions of dollars in federal funds into the hands of hurricane victims in New Orleans and elsewhere.
 - However, Governor Blanco wants to wait until Congress makes a decision on an additional \$4.2 billion in aid before she starts spending money – which means it will be late summer before homeowners get help from the state.
- On another note, Congressman Baker said he plans to begin talking to lawmakers about the best way to deal with blighted property – he predicts that more homeowners will want to sell their properties to the state than the Governor expects.
 - Blanco and Baker were on the same page a few months ago when Baker began pushing a plan to bail out homeowners facing financial ruin because of the hurricanes.
 - Baker wanted to use U.S. treasury bonds to buy storm-damaged properties and repackage the parcels for redevelopment - profits from the sale would go back to the government.
 - This particular plan was vehemently opposed by the White House who stated Uncle Sam should not be in the real-estate business - a criticism that essentially killed the “Baker plan” on Capitol Hill.
- The Governor later unveiled her own plan to help people repair, rebuild or sell homes that were damaged or destroyed by hurricanes Katrina or Rita and wants to limit individual aid to \$150,000, minus federal government assistance and insurance payments.
 - The public has until Monday to comment on the governor's proposal, which has been dubbed “Road Home.”
 - Residents can view the plan and comment on it at the Web site: <http://www.LouisianaRebuilds.info>.
 - The Legislature and the federal government have final approval of the program.
 - Baker said he likes the grant and loan portion of Blanco's plan, but is uncertain about what the governor intends to do with property the state buys from homeowners.

- A consulting firm, Gerson Lehrman Group, analyzed the Baker plan and concluded it could cost the state \$8.26 billion in buyouts but that \$6.53 billion could be gleaned through reselling the properties.
- The state began advertising last week for a company to manage the housing program - applications have to be submitted by April 28 and a committee will decide which company to hire. (The Blanco administration has not decided who will be on the hiring committee at this time.)

***Wait Ends On Rules For Katrina Rebuilding - \$2.5 Billion More For Levees Also Proposed**

The Bush administration proposed spending an additional \$2.5 billion for New Orleans levee construction on April 12th, as it issued long-awaited construction guidelines for the flood-prone region that would require rebuilding many heavily damaged houses at least three feet above ground.

- With tens of thousands of houses awaiting reconstruction, the move could resolve an impasse over how to rebuild the low-lying metropolis - uncertainty over the levees has left homeowners unsure about whether to rebuild and about how high houses should stand to avoid future flooding.
- The announcement is an attempt to lay to rest some of the fears that have stalled the recovery.
 - The \$2.5 billion proposal, combined with previous efforts, would protect 98 percent of the population in the four-parish region with levees strong enough to meet flood insurance standards, and would protect them against the extreme event known as the "100-year flood."
 - Given that level of levee protection, the federal flood guidelines issued generally require that houses be rebuilt at least three feet above ground. Many older houses in low-lying areas could have to be rebuilt even higher.
 - The proposal also extinguishes anxieties over whether flood rules might bar from reconstruction some of the city's poorest low-lying neighborhoods, such as the Lower Ninth Ward.
- The new building guidelines do not apply to existing houses, those that suffered less than 50 percent damage or homeowners who obtain permits before the rules take effect locally.
 - Many homeowners and investors have been waiting for the federal guidelines as a signal about the safety of rebuilding, and some, while waiting, have sold and left town.
- Left open by the announcement is just how much Louisianans must contribute to the \$2.5 billion spending proposal, and some state leaders reacted angrily to the possibility that their financially strapped home will have to pitch in as much as \$900 million to the project.
 - The Bush administration has requested or received approval from Congress for \$3.5 billion in levee improvements, and none of those plans require state contributions - at the same time, fiscal conservatives have grown increasingly impatient with the growth of federal spending.

- Sen. Mary Landrieu (D-La.) mocked the request for state funding toward the additional \$2.5 billion and said the administration should say when it will ask for the money.
- The announcement also leaves unresolved the fate of lower Plaquemines Parish, a rural strip of land that counted nearly 15,000 residents before the storm - administration officials said they are still weighing whether to spend an additional \$1.6 billion for levee improvements there.
 - Lacking such protection would make it extremely difficult to rebuild in the area -- new buildings may be required to be elevated as high as 35 feet to meet flood insurance requirement -- and many believe it could lead to its virtual abandonment.
 - Administration officials are studying whether the improvements in lower Plaquemines Parish would be economically justifiable and are gathering more information on the feasibility of protecting such a narrow strip of land.
 - They said they would not decide before June.
- The fragile relationship between federal and local leaders was shattered last month when federal rebuilding officials announced that the cost of reconstructing the levees to federal standards had nearly tripled to \$10 billion, and that there may not be enough money to protect the entire region.
 - Since then, officials have reduced the total required to \$7.6 billion by, in part, cutting projects that were deemed redundant.
 - Of that, they are recommending that \$6 billion be spent for levees, with the additional \$1.6 billion for lower Plaquemines Parish still under review.

The federal rebuilding officials offered a new timetable for the reconstruction effort

- ✓ By June 1, or the start of hurricane season, the Army Corps of Engineers expects to have repaired the levees damaged by Hurricane Katrina.
- ✓ By next year, it expects to have completed construction on those levees that were not damaged by Katrina but have sunk over time, and by 2010 to have the levees certified as meeting federal standards on flood insurance.

ON THE FEDERAL FRONT:

- The U.S. Congress will be on an Easter Holiday District Work Period Recess from April 7 – 24, 2006 – The Senate and House are set to reconvene on April 24th and 25th @ 2:00pm.

****Most Seniors Enrolled Say Drug Benefit Saves Money***

According to a recent ABC News poll - Millions of senior citizens have not signed up for and do not know much about Medicare's new prescription drug benefit, but among those who have enrolled, three-quarters said the paperwork was easy to complete and nearly two-thirds said the program saved them money.

- The findings underscore the challenge the administration faces in persuading large numbers of seniors to participate in and support the program - the largest expansion of a government social benefit in decades.
 - But it also unmask a political opportunity among older voters for President Bush and the Republicans if they succeed.
 - This possible gain was one reason why Republican strategists were eager to pass the long-delayed drug benefit originally in 2003.
 - Many Democrats are convinced that Republicans misjudged and have attacked the program as too complex and costly, and say it was written to benefit pharmaceutical companies more than consumers.

- The multibillion-dollar program, called Medicare Part D, subsidizes prescription drugs for the disabled and for people 65 and older - so far, 29 million Americans have enrolled, leaving at least 8 million -- and as many as 14 million by some estimates -- still eligible.

- The program's size and novelty have divided the public, according to the poll.
 - Forty-one percent of those polled approve of it, while 45 percent disapprove.
 - 7 in 10 seniors think that the May 15 sign-up deadline should be extended, an action that would require a vote of Congress.

- As government officials and a variety of nonprofit and commercial entities labor to explain Part D to seniors, the public's view of how President Bush is overseeing the program has risen modestly.
 - Over the past month, public approval of the president's handling of the plan increased to 37 percent from 32 percent, bringing him close to the 38 percent level that he had when the new benefit took effect in January.
 - The drug benefit is being accepted more warmly by those who stand to take personal advantage of it than by the public at large - half of the seniors polled approve of the plan, compared with 41 percent who disapprove.
 - Moreover, six in 10 seniors acknowledge that they do not know much about the program.
 - A majority of Republicans (56 percent) said they approve of the new benefit, while a similar majority of Democrats disapprove.
 - Most Americans say the Republicans deserve the credit, or the blame, for the new program.
 - At the same time, the poll suggests that Part D is not shaping up as a major factor in the upcoming elections.
 - The issue ranks well below hot-button topics such as Iraq and the economy:
 - 59 percent say it will be important in their vote, compared with 83 percent for Iraq and 80 percent for the economy.
 - A total of 1,229 randomly selected adults, including 386 respondents -65 or older, were interviewed by telephone April 6 to 9 for this survey.

- The margin of error is plus or minus three percentage points for the overall results, and plus or minus five percentage points for the results based on the responses of all seniors.

**The mission of the Louisiana Rural Health Association is to serve as a unified voice for the promotion of rural health care through advocacy, education, and leadership. The information above was provided in part by the National Rural Health Association and gathered from various publicly released documents of news related sources.*