



**BRIEF ANALYSIS**

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## **Aid to Katrina Victims: A Right/Left Consensus**

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by **John C. Goodman**

People on both the left and right are using the tragedy of Katrina as a handy excuse to push agendas they favored long before the hurricane disaster. Here's a better idea: Put the normal political wrangling aside and seize the opportunity to enact serious reforms that can garner broad agreement.

Like other Americans, Katrina's victims need transportation, housing, medical care, education and so forth. But unlike the rest of us, citizens of New Orleans and other Gulf Coast cities have lost the infrastructure that ordinarily provides them. When it comes to such services, low-income families everywhere are often ill-served. However, in the Katrina disaster there is an opportunity to find creative ways to improve the delivery of essential services to the stricken without the resistance normally exerted by entrenched special interests.

**Special Interests vs. the Poor and the Needy.** One of the more striking features of the New Orleans relief efforts was how many volunteers were blocked from giving aid by bureaucratic obstacles:

- Doctors from Texas were told they needed a Louisiana license to practice before they could help Katrina victims in New Orleans.
- In cities as far away as Dallas and Houston, attempts to provide shelter ran up against building codes and zoning restrictions.
- Both before and after the storm, vehicle owners who offered to haul people out of New Orleans for \$5 or \$10 a shot were undoubtedly breaking local laws.

Shocking as the incidents are, the more shocking reality is that attempts to provide essential services to low-income families face similar bureaucratic obstacles in virtually every large city in the country.

Middle-class families generally expect to meet their needs through the marketplace. They buy and rent housing in the real estate market. When they aren't driving their own cars, they buy transportation services from taxicab and limo companies. They buy health insurance and choose their doctors in the medical marketplace.

For most poor families, the experience is completely different. Regulations designed to protect entrenched

special interests have succeeded in raising the costs of these services so that the poor have been priced out of the market. So instead of buying housing in the real estate market, far too many poor families have to rely on public housing. Instead of purchasing basic medical care the way middle-income families do, they have to rely on government-provided care. Instead of paying for a taxi, they must depend on public transportation.

In short, middle-class and poor communities differ not just by income. For the middle class, essential needs are met in the marketplace and they benefit from the customer-pleasing innovations that competition produces. The poor, by contrast, must instead rely on public programs with all of the customer-pleasing attributes of the Department of Motor Vehicles.

Fortunately, with Katrina, all of this can change.

**Enterprise Programs.** The idea of an "enterprise zone" is a simple one. Carve out a geographic sector and declare that within the zone, economically unjustified regulations do not apply. The hope is that businesses will open, jobs will be created and private investment will flow into depressed and blighted areas.

Good as this idea is, it is too confining. You cannot benefit from an enterprise zone unless you live in one. And in the case of Katrina, evacuees are scattered across Texas and other neighboring states. Hence we need a related idea developed by scholars at the National Center for Policy Analysis. It's called "enterprise programs." Whereas enterprise zones are geographically fixed, enterprise programs are not. To qualify for an enterprise program, a producer/seller/entrepreneur need only meet one requirement: provide an essential service to poor and distressed families.

Following are four examples of opportunities that should appeal to conservatives and liberals alike.

**Freedom to Travel.** Whether stranded in the Superdome or temporarily seeking shelter in Houston's Astrodome or Dallas' Reunion Arena, Katrina's victims need help getting around. They needed to get out of New Orleans in the first place. They need to travel to get groceries, find housing and interview for jobs.

So why aren't budding entrepreneurs showing up in their minivans and SUVs to make a few bucks by taking people where they need to go? Answer: in almost every city, that's against the law. These laws are not there to protect the riding public, however. They are there to pro-

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tect taxicab companies. With an enterprise program, any willing seller could offer rides to any willing buyer.

**Freedom to Obtain Medical Care.** Why should a Texas doctor have to get permission from the state of Louisiana to help people in New Orleans with obvious medical needs? Why should Louisiana doctors have to get permission from the state of Texas to care for Louisiana immigrants seeking refuge in the Lone Star State? They shouldn't.

Granted, some of these laws are being loosened. The Texas Medical Board is issuing temporary permits to allow physicians coming from Louisiana and other states to provide medical attention to Katrina victims. Louisiana has temporarily authorized licensed medical professionals and personnel in other states to offer their medical services in Louisiana, as long as they have a current state license and a good record in their home state. Much more needs to be done.

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### ***“Where liberals and conservatives can agree.”***

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Numerous studies have shown that nurses, physician's assistants and paramedics can deliver high quality primary care and pass patients with complicated problems on to physicians when needed. Yet antiquated state laws all too often stand in the way. Ironically, paramedics who patch up soldiers in Iraq would be breaking the law if they did the same thing for Katrina victims.

These medical practice statutes aren't protecting patients. They are protecting members of the medical profession. In some parts of the country, “minute clinics” in shopping malls allow nurses to give flu shots, take temperatures, prescribe antibiotics and deliver other timely, inexpensive care. Surely, Katrina's victims deserve the same opportunities as middle-class shoppers at a Target store in Minnesota.

**Freedom to Obtain Housing.** Custom homes are the most expensive to build. Modular homes built in a factory and assembled on-site are a lower-cost alternative. Yet in many cities, modular homes have been barred from the market by zoning laws and building codes. However, such regulations are there to protect real estate interests, not consumers.

In general, factory-built homes can be every bit as strong and well built as site-built homes, and can be constructed in a fraction of the time for a fraction of the price. Modular homes must pass rigorous standards and inspections to satisfy strict federal safety standards. Under an enterprise program, low-income families would have access to this promising market.

**Freedom to Learn.** More than 370,000 school children were displaced by Hurricane Katrina and must continue their education somewhere. No doubt public schools in Texas and other neighboring states are dreading the prospect of taking on the financial burden. But why should they have to? Why not create a win-win situation where both schools and children and their parents are free to choose.

Specifically, let every campus in the regions where displaced students are temporarily residing — every public, private or charter school — compete for these kids. For each student who enrolls, in addition to normal per-pupil funding the schools should receive \$7,500 — the current average annual cost per pupil in the public schools, according to the Texas Education Commissioner. Note: All the money would go to the campus and none would go to the school district or other bureaucracies.

To get these extra funds, the schools would first have to attract new customers. And that would require a brand new way of thinking, particularly for public schools that are used to functioning as monopolies.

Schools that admit large numbers of Katrina evacuees should also be freed from other restrictions that limit the supply of qualified teachers. Mathematicians and scientists should be able to teach high school students without taking courses in education. And schools should be able to pay higher salaries if needed to lure good teachers and those with rare skills back into the classroom.

**Conclusion.** Katrina presents an opportunity to bypass special interests and solve problems in new and creative ways because the normal bureaucratic resistance is either nonexistent (as in New Orleans) or weakened by the flood of evacuees in neighboring states. We should not let the opportunity pass.

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