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RESCUING THE RED CROSS

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The American National Red Cross, which came under criticism for its handling of relief efforts after 9/11 and particularly after Hurricane Katrina, is trying to reorganize itself to make clearer distinctions between governance and management. For millions across the nation who are likely to need the organization's help in the future, this is good news.

It will be up to the new Congress to make this happen. Founded by Clara Barton in 1881, the Red Cross was given special status by Congress in 1900 to help prepare for disasters and provide relief to victims, for which the agency now uses 35,000 employees and 1 million volunteers. A network of 800 local chapters provides a variety of services based on community needs, including food pantries and meals delivered to the homebound.

But the organization's current structure, which dates to 1947, has sometimes gotten in the way of its mission. Its 50-member board ranges from those chosen by local chapters to several appointees, including the chairperson, who are selected by the president. The board's unwieldy size and varied interests have often inhibited cohesive deliberations and policy coordination. And the congressional charter sometimes allowed the lines between the board's governance and oversight responsibilities and management's operational duties to become blurred.

Although Red Cross defenders insist that any confusion in the lines of authority did not hamper its disaster relief efforts, the triple whammy of hurricanes Katrina, Rita and Wilma in 2005 clearly outstripped the organization's capacity. Despite providing 68 million meals, working with 1.4 million families and distributing more than \$1 billion in assistance, the organization still didn't have enough of the basics, including phone lines, cots, ready-to-eat meals and debit cards, to help all those in need.

The agency has since invested about \$80 million to help ensure its preparedness for future emergencies, and it wisely heeded calls from concerned insiders and vocal outsiders, particularly Republican Sen. Charles E. Grassley of Iowa, for a major overhaul. Guided by a panel of governance experts, the Red Cross proposes to have only 25 board members by 2009 and no more than 20 members by 2012. The smaller board would be more focused on strategic oversight and governance, leaving operations firmly in the hands of management. An ombudsman would be selected, and whistleblower protections would be improved.

Such structural changes have been addressed in legislation sponsored by Senator Grassley that the new Congress should approve. The sooner the Red Cross can organize itself to be more effective, the better.