

Sharing the Challenge: Future Impacts and Next Steps

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National flood policy has evolved in response to major floods, or as an adjunct to unrelated political trading, but rarely has flood policy evolved on its own merit. The Great Midwest Flood of 1993, and the development of Sharing the Challenge: Floodplain Management into the 21st Century, commonly called the Galloway report, have done little to change this basic reality. Now nearly 18 months following the flood, and six months following the publication of *Sharing the Challenge*, some are beginning to wonder if any significant change will occur.

Certainly, key changes have occurred since the midwest flood. The National Flood Insurance Reform Act addressed flood insurance purchase compliance provisions, incorporation of a 30-day waiting period from purchase to coverage for new insurance policies on existing loans, and the development of two new insurance based mitigation programs amongst other issues. Amendments to the Stafford Act expanded the dollars available for hazard mitigation. The initiation of a National Mitigation Strategy by FEMA is leading to a broad framework for developing mitigation capability. Increased guidance for the implementation of non-structural alternatives in the NRCS (formerly SCS) small watershed program communicates to staff and challenges other agencies for the need to incorporate new approaches. These and other changes were brought about directly in response to the midwest flood, or were in some way tempered by the lessons learned from that flood. However, these changes and many of the changes recommended in *Sharing the Challenge* are tweaks to an overall system in need of update and reform.

In terms of modifying existing law, the 104th Congress will provide numerous opportunities to expand and bring new tools to existing authorities. The Water Resources Development Act, Clean Water Act, Coastal Zone Act, Farm Bill and others all provide abundant opportunities in which to modify existing policy and law. Some are questioning whether it will be possible to promote change through this Congress, but in reality the message of *Sharing the Challenge* is highly consistent with the views of this new conservative body.

Cost savings through new tools, and demanding more personal and community accountability is a strong message in *Sharing the Challenge*. Second, the report clearly identifies the need for strong regional, but in particular state leadership. The report is not proposing mandates on states, but recognizes that states must exert leadership both in state initiatives and in directing the implementation of federal

resources.

This is not to infer that law changes in this new Congress will be automatic. There will be a need to educate individuals that are new to these policy issues. Likewise, there will be a need to continue to neutralize the negative reactionary arguments that some interest groups have been susceptible to and have repeated. In part, these reactions have been fueled by suspicion, on the part of certain groups, of any actions endorsed by environmental interests. This will require developing new partnerships between non-traditional groups. It will also require a more complete explanation of *Sharing the Challenge*. Key points that must not be lost include:

*Our flood protection programs have directly or indirectly been limited to a few tools. Non-structural solutions must be supported, not as a means to replace structural flood control, but as a means to add new tools for solving complex problems.

*We must evaluate incentives and disincentives that impact the development of floodplains. The United States is not land poor so, as a national interest, we should not be encouraging development at risk to flooding. When the decision is made to provide flood control to urban areas, a high level of protection should be provided. NED calculations do not reflect the localized social impact of lost wages or lost production, yet these consequences are real. This is not a call for larger flood control everywhere; but a recognition that when a decision is made to protect urban areas, a high level of protection is warranted.

*Implementation of current flood policies were based on the federal expert system and the federal finances of 1930-1970's. However, this basic model is no longer uniformly valid. Always lacking from this vision was the ability to provide geographic based plans and to develop reasonable priorities. Today, states are the most logical unit of government to provide consistent geographic leadership and coordination in the packaging of floodplain management programs. Local governments must be provided the flexibility to develop solutions appropriate to their overall vision and, likewise, be held accountable for not practicing sound floodplain management. Developing this state and local capability must become a priority if escalating flood

damages are to be brought under control.

*Lack of federal program coordination is inefficient, results in too many competing program interests, and results in the inefficient delivery of products. There is a need to create formal coordination for flood policy within the federal government.

*The adjustments of *Sharing the Challenge* were not created in response to this one flood. They are the culmination of expert review of federal flood policies that began in the late 1930's, and that have been modified over time reflecting adjustments in policy internal and external to the flood policy arena. These changes collectively are not dismantling federal flood protection but are adding new tools and approaches that reflect practitioner needs and society values.

In addition to Congressional consideration, in early 1995 the Administration plans on unveiling its plan for implementing *Sharing the Challenge* recommendations. This will be critical since it is widely believed that the administration has the authority to implement many of these recommendations through executive actions. Likewise, any legislative initiatives developed by the Administration could significantly influence future actions.

But in spite of all of the political predictions, there is a need to step back and identify the clear priorities if the midwest flood and *Sharing the Challenge* are to have any lasting influence on national policy. As previously indicated, there will be good opportunities in this Congress to present modifications to existing program authorities. These opportunities must be pursued. But independent from these program adjustments are a handful of over arching policies that require careful consideration and development.

Federal Coordination

Sharing the Challenge identified the lack of meaningful federal coordination in floodplain management programs and policy as being problematic. The Interagency Task Force on Floodplain Management has served to slowly advance the definition of floodplain management but has little power to implement real change. The size and magnitude of the midwest flood demanded White House attention and coordination, yet early on there was little consensus on how to react to the issues of that flood. Certain agencies exhibited good leadership in helping to define the recovery, but there continued to be an inconsistent set of priorities that had to be overcome. The call by Galloway for reinstating the Water Resources Council was met with some concern. Most acknowledged that a lack of federal policy coordination was detrimental, but there were those that feared the resurrection of the old council. The strategy of

calling for a Water Resources Council was sound in that it could be implemented quickly with existing authorities. What was lost in the debate, however, was the fact that Galloway was calling for a coordinating body considerably different than what was used in the past. This body was to be a coordinating mechanism for policy and not a project approval mechanism. Additionally, Galloway's recommendations need not apply to all water resource issues but at least should include floodplain management issues. The need for a federal coordinating body must be pursued and, as needed, the charter should provide clear direction on its sphere of influence. Lack of policy coordination in floodplain management has been quite detrimental, not only for purposes of efficiency, but for the advancement of non-traditional solutions.

Floodplain Management Act

Sharing the Challenge captured the long-term shifting roles of federal and state government. The premise of current flood policy is the delivery of a federal expert program with little expectation of state responsibility. However, there have been significant changes in policy, demographics, and the distribution of expertise collectively impacting this premise. The evolution of disaster policy, creation of the National Flood Insurance Program, the availability of more technically trained people, advancements in the field and theories of floodplain management, the passage of NEPA, and other factors all have converged to call into question these basic premises of the early 1930's. What is called for today is a more strategic and managed system of delivering flood programs across a broad geographic region. This type of coordination and management is neither feasible nor desirable at the federal level. Local management and implementation is highly desirable as is demonstrated in a number of communities with well developed flood loss reduction programs. But even in this model, impacts are confined to a narrow geographic region. State government is best positioned to develop broad goals, objectives and priorities. There is a critical need to develop a floodplain management act that helps to clarify these basic responsibilities. A floodplain management act should focus on state and local capability development, and identify measures that lead to stronger individual and government accountability in the mitigation of flood losses.

Floodplain Management Executive Order

The original floodplain management order signed in 1977 needs to be revisited and modified to reflect policy developments. As with all Executive Orders, a periodic revisit and update not only maintains the relevance of the issue, but reaffirms the administration's commitment to floodplain management. Essential to this update is the need to identify a monitoring and enforcement mechanism. Within *Sharing the Challenge* it was noted that there were

problems with agency compliance, but more frustrating to state and local governments was an inability to bring about administrative resolution to these issues.

Project Justification Criteria

There continues to be a debate in the definition of what constitutes a federal interest in flood protection. The methods of Principals and Guidelines continue to come under attack from those that argue against various methods of accounting benefits and costs. Many feel there are biases in these methods that promote flood control structure solutions. Others argue that the methods from a point of economic theory are valid and defensible. The debate and focus in this area will be critical in defining the utility of new tools in a federal flood policy. Currently, federal interest in a project are defined in two ways, National Economic Development theory or through the political will of Congress. No one, and perhaps not even Congress, will argue that a political process is efficient. Likewise, it is becoming apparent that defining a federal interest through a single means may not be entirely efficient nor reflective of national policy. The premise of NED is that of an investment strategy. The problem is that the investment itself becomes the objective, and the solution to the flooding problem becomes secondary. This has led to the dismissal of alternatives with a lower project cost because the option does not satisfy NED criteria. The use of NED can be a powerful tool to analyze the level of investment to justify continued economic use of flood prone land. However, not all policy and expenditure lends itself to this type of analysis, nor should it. The midwest flood demonstrated that there were numerous individuals, neighborhoods, and communities that recognized it was in their best interest to abandon high risk lands. These decisions were justifiable through a national disaster mitigation policy and perhaps from a national environmental policy. Would these decisions withstand the rigors of a NED analysis? Probably not, but the individual economic and social impacts of a flood disaster have clearly guided FEMA and others to recognize that the continued cash outlay and disruption of lives and industry is inconsistent with disaster mitigation and recovery policy. This is not an argument for abandoning a NED approach, but a recognition that a NED approach is no longer singularly valid. What is needed are alternative means to quantify other federal interests in the environment and other policy areas. Perhaps there should be an amendment to the NED criteria that would allow application of lower cost alternatives not meeting NED but that solves the primary flood problem. These issues need to be referred to an independent body for evaluation and recommendation.

Conclusion

The importance of these final four recommendations is that they lay the framework for continued policy evolution and development. As indicated at the opening of this paper, flood policy is only a high priority issue when there is a major

catastrophic flood. But as with other areas of policy, establishing toe holds that can be returned to, help to elevate the likelihood of future and ongoing change.

Over the next year, the impact of *Sharing the Challenge* will be measured in the successful implementation of report recommendations. In 30-50 years, the report may be a minor policy foot note or could be looked to as the catalyst that brought about a significant reshaping of national flood policy. Galloway presented a vision for floodplain management that is widely supported and that is consistent with the vision of numerous practitioners, policy makers, and researchers. Regardless of the near term policy outcome, *Sharing the Challenge* will continue to solidify and define the practice of floodplain management for the future.

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