

# FLOODS

CLINTON LIBRARY PHOTOCOPY

Floods



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
NATURAL RESOURCES DIVISION

## FAX COVER SHEET

DATE: 9-23-93 FAX NO: 202-395-1067  
CONFIRMATION NO: 395-4586

TO: Kathie Way - 456-7028

FROM: Bruce Long / Tim Kazel

Number of pages being transmitted  
(including cover sheet) 10

COMMENT: Please See ASAP

PLEASE CALL TO CONFIRM RECEIPT OF FAX.

**OFFICE OF MANAGEMENT AND BUDGET  
WATER RESOURCES BRANCH  
Telecopier Cover Sheet**

**Fax Number 202-395-4652 / Office Number 202-395-4590**

**Date: September 23, 1993**

**Please deliver the following page(s) to:**

|                    |           |
|--------------------|-----------|
| Bob Stearns        | DOD/CORPS |
| ✓ Oleta Fitzgerald | USDA      |
| Richard Krimm      | FEMA      |
| Michele Altemus    | DOI/FWS   |
| David Davis        | EPA/OWOW  |
| Michael Huerta     | DOT       |

|                    |        |
|--------------------|--------|
| cc: Katie McGinley | WH/OEP |
| William Stelle     | WH/OEP |
| T.J. Glauthier     | OMB    |
| Chris Edley        | OMB    |
| Kathi Way          | DPD    |
| Brian Burke        | DPC    |
| Mark Schaefer      | OSTP   |
| Ron Cogswell       | OMB    |
| Bruce Long         | OMB    |
| Mark Weatherly     | OMB    |
| Stuart Kasdin      | OMB    |
| Scott Cameron      | OMB    |
| Chris Heiser       | OMB    |
| Kevin Neyland      | OMB    |

Attached is draft SCS guidance -- policy for repair of levees -- as promised at the Task Force meeting yesterday. You may provide additional copies of the draft guidance to others in your organization who may have an interest. Please review the draft guidance and provide your comments by noon Friday to either Bruce Long or Jim Kazel (202-395-4590, fax 202-395-4652).

Nine pages are attached.

all the issues involving the levee. SCS will consult with and consider input from all of the Agencies on the State Disaster Field Office (DSO) levee team before making a decision. SCS will advise USACE and the DFO levee team of the compelling reasons for their decision to repair or not to repair a main stem levee. USACE will use a similar process for non-main stem levees that they may be asked to work on.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993 states, "Provided further, that if the Secretary determines that the cost of land and levee restoration exceeds the fair market value of an affected cropland, the secretary may use sufficient amounts from funds provided under this head to accept bids from willing sellers to enroll such cropland inundated by the Midwest floods of 1993 in any of the affected states in the Wetlands Reserve Program as authorized by Sub-chapter C of Chapter 1 of Subtitle D of Title XII of the Food Security Act of 1985 (16 U.S.C. 3837)."

Page 6 of the Senate Committee on Appropriations Report on the Act states, "In addition, the request would allow the Secretary of Agriculture to accept bids from willing sellers to enroll cropland into the Wetlands Reserve Program if the cost of restoring the cropland and rebuilding levees exceeds the fair market value of the affected cropland".

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It is important that the approach the levee review team uses to suggest non-structural alternatives is one that will not be misunderstood by the owner and will have the best chance of acceptance, particularly by the owner who has been denied Federal assistance to repair a levee. If a member of the levee review team believes that a levee repair project is a candidate for a non-structural alternative, the entire team should consider that matter prior to, or immediately after, the responsible agency conducts the initial inspection of the levee with the owner. The team leader, or his designee, should inquire about the owner's interest in an alternative at the earliest possible time, explaining the advantages of such an approach. Before contacting the owner, the relevant agency must be sure that the program it is suggesting is authorized and funded, where appropriate. With the full participation of the owner, the levee review team will examine whether the owner is an eligible applicant for the proposed alternative(s). The owner should be provided all relevant information and literature regarding the alternative(s) and the levee review team should make itself available for additional meetings with the owner if requested. The levee review team must follow-up with the owner regarding alternatives and relevant information must be entered into the levee database. The levee review team members will continue to advise and assist landowners who wish to pursue construction, with the approval of

the levee district or landowner, to allow for application and decision on non-structural alternatives.

Disputes among team members may arise concerning any aspect of levee repair coordination process. The DFO team should make every effort to resolve disputes among themselves. If the team is unable to resolve differences, the FCO should mediate the issue. The FCO may consult with the Interagency Levee Rehabilitation Task Force in Washington before mediating the issue.

Since many of the damaged levees protect improvements, such as transportation facilities, utilities, homes, commercial and industrial property, etc., besides cropland, these improvements must be taken into consideration when determining whether or not to repair a damaged levee. Therefore, it is not possible to determine if a specific levee will be repaired based solely on the most cost-effective approach for the reclamation and further protection of cropland.

Recommended Policies:

1. Levees will be eligible for repair when:
  - A. There is a potential for loss of life.
  - B. The potential damage to improvements other

than cropland, such as transportation facilities, utilities, homes, commercial and industrial property, exceeds the cost of levee repair.

C. The potential damage to improvements other than cropland and the fair market value of the cropland which does not need reclamation exceeds the cost of levee repair.

2. Levees will not be eligible for repair when the cost of the levee repair and the cost of cropland reclamation exceeds the fair market value of all cropland and the potential damages to other improvements such as transportation, facilities, utilities, homes, commercial and industrial properties unless there is a danger of loss of life.

3. Fair market value for cropland to be used for comparison with reclamation cost will be determined based on post-flood as if reclaimed conditions.

4. Cropland reclamation cost will include all individual, corporate, and governmental expenditures or values for the following items:

- A. Cost to remove or replace material within a field.
- B. Cost of disposal or borrow areas.

- C. Cost to mix material in a field.
  - D. Cost to repair field roads, stream crossings, fences, conservation practices, and any other farm infrastructure.
  - E. Cost to restore drainage facilities.
  - F. Cost to restore fertility.
  - G. Technical assistance.
5. Levee repair cost will include all individual, corporate, and governmental expenditures or values for the following items:
- A. Cost of construction.
  - B. Cost of disposal or borrow areas.
  - C. Technical assistance.
6. Environmental and wetlands.

The requirements of Part 509.32 of the National Watersheds Manual, the guidelines contained in the August 23, 1993, memorandum from OMB and the White House Office of Environmental Policy, and any applicable federal, state, or local regulations will be followed. This is to include 404 and FSA requirements. Wetland and cultural resource determinations will be made on all tracts on which construction will take place. This

determination will be made during the original field review of the site and will be considered before assistance is provided.

7. Priority Rating System

To establish the priority for determining assistance each state shall have a priority ranking system.

Suggested evaluation elements are:

- A. Risk to life or property ----- 50
  - 1. Loss of Life ----- 50
  - 2. Property only ----- 10
- B. Past Performance of Sponsors ----- 10
  - 1. Fulfilled all local responsibilities  
in a timely manner or have not  
sponsored past project ----- 10
  - 2. Fulfilled most local  
responsibilities in a timely manner ---- 5
  - 3. Did not fulfill some local  
responsibilities ----- 0

- C. Past record of sponsors' O&M ----- 10
1. Have taken advantage of past  
programs ----- 10
  2. Have performed normal O&M ----- 5
  3. Have not performed O&M ----- 0
- D. Economic defensibility ----- 10
1. Value of property at risk is equal to  
or greater than ten times the cost of  
repair ----- 10
  2. Value of property at risk is equal  
to or greater than five times the cost  
of repair ----- 5
  3. Value of property at risk is equal to or  
greater than the cost of repair ----- 1
- E. Environmental impact ----- 10
1. None ----- 10
  2. Slight ----- 7
  3. Moderate ----- 3
  4. Major ----- 0
- F. Local rules and regulations ----- 10
1. In place, good enforcement ----- 10
  2. In place, lax enforcement ----- 5
  3. None in place ----- 0

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Total possible ----- 100

## 8. Timetables

### A. Levee Repair

- (1) All requests for assistance must be received by November 15, 1993 .
- (2) Damage survey reports which will include a wetland determination must be completed by November 30, 1993.
- (3) Determine eligibility for repair by December 1, 1993.
- (4) Priority listing for eligible sites must be Completed by December 15, 1993.

09/22/93

**"Quick and Dirty" Estimate of Mid-West Disaster Relief To Date**  
(obligations in \$ millions)

| Agency                    | 1993 BA | IA   | IL   | KS   | MN   | MO   | NE   | ND   | SD   | WI   | Total | % of 93 BA |
|---------------------------|---------|------|------|------|------|------|------|------|------|------|-------|------------|
| USDA                      | 1,496.0 | na   | na   | na   | na   | na   | na   | na   | na   | na   | na    | na         |
| FEMA 1/<br>HUD 2/<br>HOME | 1,735.0 | 57.1 | 33.7 | 24.0 | 17.4 | 58.8 | 24.9 | 12.9 | 10.5 | 9.4  | 248.7 | 14.3%      |
| CDBG                      | 50.0    | 11.4 | 10.8 | 3.4  | 2.7  | 15.3 | 1.2  | 2.6  | 1.3  | 1.3  | 50.0  | 100.0%     |
| USACE                     | 250.0   | 17.1 | 16.3 | 5.1  | 4.0  | 23.0 | 1.9  | 0.4  | 1.8  | 1.9  | 71.4  | 28.6%      |
| DOT 3/                    | 175.0   | na   | na   | na   | na   | na   | na   | na   | na   | na   | na    | na         |
|                           | 131.0   | 5.2  | 0.0  | 11.0 | 36.0 | 1.9  | 0.0  | 0.0  | 0.0  | 0.0  | 54.1  | 41.3%      |
| Subtotal 4/               | 3,837.0 | 90.7 | 60.8 | 43.5 | 60.1 | 99.0 | 28.0 | 15.8 | 13.6 | 12.6 | 424.2 | 11.1%      |

1/ As of 9/17/93.

2/ As of 9/1/93.

3/ As of 9/21/93.

4/ These selected agencies' programs account for over 90% of the funds appropriated for emergency relief. The Emergency Supp included \$4.2 billion of non-contingent budget authority for FY 1993 and \$1.1 billion for FY 1994.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

8234  
September 22, 1993

MEMORANDUM FOR: BARRY ANDERSON  
CHRIS EDLEY  
T. J. GLAUTHIER

THROUGH: DICK EMERY *Dick*

FROM: GAIL *PK* ZIMMERMAN/CAMERON LEUTHY, BRCD *OK*

SUBJECT: REPORTS ON MAJOR NATURAL DISASTER ASSISTANCE

Attached for your review and comment is a draft bulletin that would require agencies to report on the budgetary resources and associated obligations for major disaster assistance programs. The reports would be submitted on a monthly basis and would provide data on obligations by program and State. (Comments provided by NRD, TCJ, and HTF on an earlier version are reflected in this draft.)

Would you provide your comments by noon Thursday, September 23rd. We will incorporate the comments and revise the draft bulletin so it can be discussed at the senior staff meeting on Friday.

Attachment

BULLETIN NO. 93-

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Information on Major Natural Disaster Assistance

1. Purpose. This Bulletin provides guidance and instructions on the submission of monthly reports on the budgetary resources available for major disaster assistance programs and the associated obligations. This information is needed to ensure that there is accurate accounting of the assistance provided to States in connection with natural disasters.
2. Coverage. This Bulletin applies to all Federal agencies that provide disaster assistance as specified below in paragraph 3.
3. General policies and requirements. This monthly reporting requirement is designed to provide reliable State-by-State data on major natural disaster assistance. Currently, the reporting will be limited to disaster assistance provided in connection with the floods in the Midwest and Hurricanes Andrew, Iniki, and Omar. OMB will notify agencies if additional requirements occur.

Agencies that provide disaster assistance covered by this Bulletin will submit monthly reports in the format of Attachment A. **Separate reports are required for each major disaster.** Currently, that means separate reports for flood assistance and for hurricane assistance. Within each report, agencies will **list all the programs/accounts** that provide disaster assistance and submit the required information for each program. An agency contact (name and phone number) must also be shown for each program.

The reports will indicate the budgetary resources available for disaster assistance and the level of associated obligations. For these purposes, disaster assistance will include amounts spent by Federal agencies for the repair of damaged Federal facilities.

PC spreadsheets (in Lotus 1-2-3 format) for use in preparing the monthly reports will be provided separately by the agency's OMB budget examiner. Hard-copies of the report will be submitted to OMB. In addition, budget examiners may require a lotus file on disk. All amounts will be reported in millions of dollars. The reports will contain the information described below. Attachment B provides detailed instructions on the reporting requirements.

A. Budgetary resources. The reports will indicate the amount of budget authority provided in supplemental appropriations and any additional amounts for assistance derived from base appropriations. Unreleased contingent appropriations will be shown separately. This section of the report will also indicate the percentage of non-Federal cost share required, if any.

For loan programs, the loan level and subsidy budget authority (BA) will be shown separately. The subsidy BA will be a non-add item. Obligational data will be reported for both the program (loan) level and the subsidy BA.

B. Obligations by fiscal year. The reports will indicate the amounts expected to be obligated in fiscal years 1992, 1993, 1994, and 1995, as appropriate, for each disaster assistance program.

C. Obligations by State. Agencies will report for each State receiving disaster assistance:

- 1) **Cumulative obligations.**--The cumulative amount obligated on behalf of the State as of the last day of the past month (e.g., the report due November 15, 1993 will show the total amount of obligations incurred through October 31, 1993). Amounts will include funds obligated during fiscal years 1992 and 1993; and
- 2) **Projected obligations through FY 1994.**--The total amount estimated to be obligated on behalf of the State by the end of fiscal year 1994. This will include amounts obligated during fiscal years 1992 and 1993.

4. Effective date. The provisions of this Bulletin are effective immediately. The requested data on major disaster assistance will be submitted to the agency's OMB budget examiner by the 15th of each month and will provide information on funding and obligations through the end of the preceding month. The first report, which will cover funding and estimated obligations as of September 30, 1993 is due no later than October 15, 1993.

5. Inquiries. Questions concerning these reporting requirements should be addressed to Cameron Leuthy, Budget Review and Concepts Division, telephone (202) 395-3821. Questions concerning specific disaster assistance programs should be addressed to the OMB budget examiner responsible for the program.

Attachments

09/22/93

# Major Disaster Tracking

Disaster: \_\_\_\_\_

(in millions of dollars)

Column 7-10

## Budgetary Resources

## Projected Obligations by Year

Agency/Program

| BA provided in<br>P.L. ( ) /1 | Contingency<br>Appropriations<br>Not released | Addit. Disaster<br>Assist. from Base<br>Appropriations | Non-federal<br>Cost Share<br>Percent Required | Total<br>Resources<br>Available | FY 1992 | FY 1993 | FY 1994 | FY 1995 |
|-------------------------------|-----------------------------------------------|--------------------------------------------------------|-----------------------------------------------|---------------------------------|---------|---------|---------|---------|
|-------------------------------|-----------------------------------------------|--------------------------------------------------------|-----------------------------------------------|---------------------------------|---------|---------|---------|---------|

Agency  
Agency Contact:  
phone #:

Loan Program/Account  
Loan Level  
Subsidy BA

Grant Program/Account

S & E/Admin Account

Subtotal by Agencies

/1 Excludes \$ million in unreleased contingency funds for the following programs:

09/22/93

## Major Disaster Tracking

Disaster: \_\_\_\_\_

(in millions of dollars)

Obligations by State

columns 11-20

### Agency/Program

### Cumulative Obligations to Date

(State)

(State)

(State)

(State)

(State)

(State)

(State)

(State)

(State)

Total

### Agency

Agency Contact:

phone #:

Loan Program/Account

Loan Level

Subsidy BA

Grant Program/Account

S & E/Admin Account

Subtotal by Agencies

09/22/93

## Major Disaster Tracking

Disaster: \_\_\_\_\_

(in millions of dollars)

Obligations by State

columns 21-30

### Agency/Program

### Total Projected Obligations through Sept. 30, 1994

| (State) | (State) | (State) | (State) | (State) | (State) | (State) | (State) | (State) | Total |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|

### Agency

Agency Contact:

phone #:

Loan Program/Account

Loan Level

Subsidy BA

Grant Program/Account

S & E/Admin Account

Subtotal by Agencies

INFORMATION REQUIRED FOR MONTHLY MAJOR DISASTER TRACKING

Reports (hard copy) will be submitted to OMB by the 15th of each month. The reports will be prepared in the format of Attachment A, using the Lotus 1-2-3 shell provided by OMB. All amounts will be entered in millions of dollars.

Separate reports are required for each major disaster. Currently, separate reports will be submitted for flood assistance (related to the floods in the Midwest) and for hurricane assistance (related to Hurricanes Andrew, Iniki, and Omar). Within each report, all the programs/accounts that provide disaster assistance will be listed separately the required information will be provided for each program.

**Agency/Program (column 1)**

This column lists each program/account that provides disaster assistance for which reporting is required. Applicable programs have been identified and entered in this column by OMB. If programs are missing or should be combined, please advise the OMB budget examiner responsible for the program.

An agency contact (name and phone number) must be provided who can respond to questions regarding specific program information reported. Separate agency contacts may be listed for each programs, if necessary.

For loan programs, both the loan level and subsidy budget authority (BA) will be shown amounts will be reported for each.

**BA Provided in Emergency Supplemental Appropriations (column 2)**

This column shows the amount of budget authority provided in emergency supplemental appropriations. Amounts have been entered by OMB. If there any questions regarding the derivation of these amounts, contact the OMB budget examiner.

### **Contingency Appropriations Not Released (column 3)**

Unreleased contingent appropriations will be shown in this column and will be excluded from the amounts reported in columns 2 and 4. To the extent that contingent appropriations are released, the amounts should be deducted from this column and included in columns 2 and 4, as appropriate. *Amounts have been entered by OMB.* If these amounts are not consistent with agency records please advise the OMB budget examiner.

### **Additional Assistance from Base Appropriations (column 4)**

Report the additional amounts for assistance derived from base appropriations. Amounts should be reported only if the agency specifically earmarked regular funds for disaster usage.

### **Non-Federal Cost Share Percent Required (column 5)**

Report the percentage of non-Federal cost share required, if any. If no cost sharing is required, enter "none".

### **Total Resources Available (column 6)**

Enter the sum of columns 2, 3, and 4.

### **FY 1992, 1993, 1994, and 1995 Obligations (columns 7 - 10)**

Report separately the total amount expected to be obligated during each of the fiscal years 1992, 1993, 1994, and 1995. Amounts should not be reported on a cumulative basis. Note: information on FY 1992 obligations is applicable only to hurricane assistance.

### **Cumulative Obligations by State (columns 11 - 20)**

*Columns headings have been provided by OMB for each State that may receive disaster assistance covered by these reporting requirements.* Report the cumulative amount obligated for each State through the last day of the past month (e.g., the report due November 15, 1993 will show total obligations through October 31, 1994). Include amounts obligated in fiscal years 1992 and 1993. 1994. If no assistance was provided to a particular State, leave the column blank. Do not delete any columns.

**Total Obligations Projected through FY 1994 (columns 21 -30)**

*Columns headings have been provided by OMB for each State that may receive disaster assistance covered by these reporting requirements. Report the cumulative amount projected to be obligated for each State by the end of fiscal year 1994. Include amounts obligated in fiscal years 1992 and 1993. If no assistance will be provided to a particular State, leave the column blank. Do not delete any columns.*

THE WHITE HOUSE

WASHINGTON

September 20, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: Kathi Way

SUBJECT: Midwest Flood Response

ACTION FORCING EVENT: Current analysis of damage in the midwestern states indicates that few of the states will reach the \$64 per capita damage level and, thereby, qualify for the 90/10 matching rate for public assistance costs. The unusual nature of this disaster, both the widespread impact and long duration, suggests that perhaps a different standard should be used to consider Federal assistance.

BACKGROUND/ANALYSIS: The impact of the midwest flooding has been felt in nine states. Over 500 counties have been designated for Individual Assistance, Public Assistance or both. Over 100,000 people have registered for assistance and approximately 45,000 people have been determined eligible for temporary housing assistance. The initial feedback to our response to the disaster was very positive. The Department of Agriculture and FEMA have worked hard to ensure the emergency situation received quick response. We need to carry that strong position through the recovery phase. At your direction FEMA, OMB, and AG have worked to develop options for strengthening our efforts to the states and local communities as they work towards recovery.

RECOMMENDATION: OMB, AG, and FEMA have suggested an alternative criteria be added to current waiver policy that would enable states to participate in the reduced match rate. Under this scenario, states receiving a disaster declaration at approximately the same time as a result of the same or similar events (tornadoes, excessive rain, or hurricanes), if unable to meet the \$64 per capita qualifying threshold, may receive cost share adjustments if the broader range of costs associated with the disaster are of significant consequence to the national economy. The threshold would be reached when the costs associated with the disaster reach .10 percent of the country's

gross domestic product. Using this measure, the total Federal and non-Federal damages from this flood are estimated to be \$7.6 billion or .12 percent of GDP. Each of the nine states involved in the midwest flooding would be eligible to receive a 90/10 match rate for costs associated with public assistance. Attached is a chart prepared by OMB that shows loss as a percent of GDP in percentage terms for other recent disasters.

This change in policy will be well received in the flood region. By making this announcement personally, the people in the midwest will be reminded of your continuing concern for their difficult circumstance.

This announcement was discussed during your scheduling meeting this morning. If you agree, we would like to make the announcement via satellite feed late tomorrow afternoon.

**Determining Eligibility of FEMA Cost Share Adjustments**  
**Preliminary Estimate of Economic Loss as Share of GDP 1/**  
**(\$ in millions)**

|                      | <u>Mt. St. Helens</u> | <u>Loma Prieta<br/>Earthquake</u> | <u>Hurricane<br/>Hugo 2/</u> | <u>Hurricane<br/>Andrew/Iniki/<br/>Typhoon Omar 2/</u> | <u>Midwest Floods</u> |
|----------------------|-----------------------|-----------------------------------|------------------------------|--------------------------------------------------------|-----------------------|
| Estimated Losses     | 1,017.2               | 2,683.6                           | 2,838.5                      | 9,953.0                                                | 7,573.4               |
| 1993 GDP             | 6,260,000             |                                   |                              |                                                        |                       |
| Loss as Share of GDP | 0.00016               | 0.00043                           | 0.00045                      | 0.00159                                                | 0.00121               |
| In Percentage Terms  | 0.02%                 | 0.04%                             | 0.05%                        | 0.16%                                                  | 0.12%                 |

1/ Loss estimates based on preliminary assessments and may not capture all private and public losses.

2 These disasters met the individual State threshold of \$64 per capita in FEMA damages.

# DRAFT

## Determining Eligibility of FEMA Cost Share Adjustments Preliminary Estimate of Economic Loss as Share of GDP (\$ in millions)

|                      | <u>Mt. St. Helens</u> | <u>Loma Prieta<br/>Earthquake</u> | <u>Hurricane<br/>Hugo</u> | <u>Hurricane<br/>Andrew/Iniki/<br/>Typhoon Omar</u> | <u>Midwest Floods</u> |
|----------------------|-----------------------|-----------------------------------|---------------------------|-----------------------------------------------------|-----------------------|
| Estimated Losses     | 1,017.2               | 2,683.6                           | 2,838.5                   | 9,953.0                                             | 7,573.4               |
| 1993 GDP             | 6,260,000             |                                   |                           |                                                     |                       |
| Loss as Share of GDP | 0.00016               | 0.00043                           | 0.00045                   | 0.00159                                             | 0.00121               |
| In Percentage Terms  | 0.02%                 | 0.04%                             | 0.05%                     | 0.16%                                               | 0.12%                 |

09/17/93

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HOUSING/FEMA BRANCH

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RESPONSE TO THE MIDWEST FLOODS  
FOR USE OF 9/21/93

I HAVE TRAVELED TO THE FLOODED AREAS OF THE MIDWEST ON FOUR OCCASIONS AND LAST WEEK ANNOUNCED A POLICY THAT WOULD INCREASE THE FEDERAL SHARE OF DOLLARS AVAILABLE TO THE STATES HARDEST HIT BY THE FLOODS.

THE UNPRECEDENTED FLOODING IN THE MIDWEST HAS DEMONSTRATED HOW SUCH DISASTERS CAN HAVE A DEVASTATING IMPACT ON LOCAL AND STATE-WIDE ECONOMIES AND SERIOUSLY EFFECT THE ECONOMY OF OUR ENTIRE NATION.

MORE THAN 500 COUNTIES IN NINE STATES HAVE BEEN DECLARED DISASTERS. THE DURATION OF THE FLOODING HAS CAUSED UNPRECEDENTED DISRUPTION OF COMMERCE AND AGRICULTURE, WHICH HAS RESULTED IN SIGNIFICANT ECONOMIC LOSSES TO STATES AND COMMUNITIES.

IT IS OBVIOUS TO ME THAT, FOR THE SAKE OF THE NATION'S ECONOMY, THE FEDERAL GOVERNMENT MUST STILL DO MORE TO RESTORE THE ECONOMIC VITALITY IN YOUR STATES AND COMMUNITIES.

I HAVE CONCLUDED THAT IT IS NOT ENOUGH FOR WASHINGTON TO DIG DEEPER AND PAY A HIGHER SHARE OF RECOVERY COSTS ONLY WHEN THE DAMAGE PER PERSON THREATENS TO BREAK THE FISCAL BACK OF A PARTICULAR STATE. I BELIEVE WE ALSO NEED TO CONSIDER THE OVERALL BREADTH AND DEPTH OF IMPACT ON THE NATIONAL ECONOMY.

THEREFORE, IN MULTIPLE-STATE DISASTERS WHERE THERE ARE SIGNIFICANT COSTS TO THE NATIONAL ECONOMY, FEDERAL COST-SHARE ADJUSTMENTS MAY BE GRANTED ONCE THE COMBINED FEDERAL AND NON-FEDERAL COSTS ACROSS THE MULTI-STATE DISASTER AREA SURPASSES 0.1 PERCENT OF THE COUNTRY'S GROSS DOMESTIC PRODUCT.

BASED ON THIS STANDARD, I AM APPROVING TODAY THE REIMBURSEMENT OF ELIGIBLE FEMA PUBLIC ASSISTANCE DISASTER COSTS FOR THE NINE MIDWEST STATES AFFECTED BY RECENT FLOODING AT A 90 PERCENT FEDERAL/ 10 PERCENT NON-FEDERAL COST SHARE BASIS RETROACTIVE TO THE TIME THE DISASTERS WERE DECLARED.

IT IS MY HOPE, THIS CHANGE IN POLICY WILL ASSIST IN REBUILDING COMMUNITIES THROUGHOUT THE MIDWEST AND HASTEN NOT ONLY YOUR ECONOMIC RECOVERY, BUT THAT OF THE NATION AS A WHOLE.

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET

ROUTE SLIP

|                    |                                                |
|--------------------|------------------------------------------------|
| TO Chris Edley     | Take necessary action <input type="checkbox"/> |
|                    | Approval or signature <input type="checkbox"/> |
|                    | Comment <input type="checkbox"/>               |
| cc.TJ Glauthier    | Prepare reply <input type="checkbox"/>         |
| Kathi Way          | Discuss with me <input type="checkbox"/>       |
|                    | For your information <input type="checkbox"/>  |
|                    | See remarks below <input type="checkbox"/>     |
| FROM Kevin Neyland | DATE 09-27-93                                  |

REMARKS

re: Agency Comments on Finney Plan

Attached herewith are copies of comments on the Finney Plan (floodplain relocation) from CEA, SBA, HUD and VA per your request at the last (9/22/93) meeting.

attachments

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON, D.C. 20500

September 23, 1993

TO: LARRY ZENSINGER, FEMA  
KEVIN NEYLAND, OMB

FROM: ERIK LICHTENBERG *EL*

SUBJECT: KANSAS RELOCATION PLAN

As I see it, the economic justification for relocation buyouts of this kind comes from a view that the federal government has made a commitment to provide flood control and disaster relief, regardless of the actions of landowners. If the government has such a commitment, it could be cost-effective for it to pay landowners to relocate outside of a flood plain and dedicate that land to uses which will no longer suffer damage in the event of floods. As a result, the government will save the incremental cost of providing flood control for this area as well as no longer having to pay for disaster relief in the future. It would, of course, be cost-effective to buy out communities where these savings exceeded the buyout cost.

From this perspective, the Kansas plan is problematic. It proposes buyouts for individual property owners independent of their neighbors' decisions--which could easily result in a patchwork in which some properties were bought out while others were rebuilt. The case for a buyout is much weaker in such cases:

- The government would still have to provide flood control for remaining residential and commercial properties.
- Local communities could permit reconversion of bought-out properties to residential or commercial uses in the future, thus re-committing the federal government to pay for disaster relief. The incentives to do so could be strong, since conversion would be consistent with the existing character of the area.

A more fundamental problem stems from the fact that the federal government has not made an explicit commitment to provide flood control or disaster relief in all cases. On the contrary, various efforts have been and are being made to make disaster relief self-financing by strengthening flood and crop insurance programs. This is desirable because it internalizes the costs of disasters and reduces or removes the incentives the current system creates for excessive development in flood plains and other disaster-prone areas.

From this broader perspective, the signals sent by government responses to disasters are of special importance, since they

2

condition individuals' expectations of future policy. The signals sent by the Kansas plan would undermine efforts to make disaster policy more rational:

- Individual buyouts of this kind send a message that the government will continue bend backwards to provide disaster relief as in the past.
- Buyouts of this kind reduce incentives to purchase insurance by lowering the relative value of insurance payments.

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# of pages &gt; 2

|       |               |         |                  |
|-------|---------------|---------|------------------|
| To    | Kevin Neyland | From    | Erik Lichtenberg |
| Co.   | OMB           | Co.     | CEA              |
| Dept. |               | Phone # |                  |
| Fax # | 395-5094      | Fax #   |                  |



U.S. SMALL BUSINESS ADMINISTRATION  
WASHINGTON, D.C. 20416



Date: September 22, 1993

To: Kevin Neyland, OMB  
Larry Zensinger, FEMA

From: Bernard Kulik, SBA

Subject: The Finney Plan for Kansas

As I understand the plan after the explanation at today's Task Force meeting, where there is major home damage (enough to trigger the elevation requirement), and the victim wanted a "buyout", FEMA and HUD money would be used to pay the victim the equivalent of his equity in the property. If there were mortgages on the property held or guaranteed by Federal agencies, they would be asked to forgive the debt and release the mortgage without repayment. The holder of non Federal guaranteed mortgages would be asked to forgive all or part of the debt, with the unforgiven portion paid out of FEMA and HUD funds. Any insurance compensation received would first be used to pay down the mortgages on the property.

If the mortgage in question is not held by SBA as the result of previous disaster loans, or foreclosure on the guarantee of a business loan, the proposal would present few, if any, problems to SBA. We could treat the insurance paydown of the mortgages, the forgiveness by the private or Federal lender or guarantor, and the paydown by the FEMA/HUD fund as a mandatory repayment and not within the discretion of the victim. Therefore, the victims eligibility for SBA loan funds to repair or replace the damaged property would not be reduced by the amount of the insurance, forgiveness or paydown. We would have to confirm this approach with FEMA which is the coordinator on duplication of benefit matters between disaster programs.

However, if the mortgage is held by SBA, it raises different problems. The required action by SBA, in this context, means forgiving the debt and releasing the mortgage. This would have a very substantial negative affect on SBA's disaster program and set a precedent or pattern that would be difficult, if not impossible, to contain. Forgiving debt would add to the losses sustained by the program, diminish the program's cash flow and drive up the "subsidy rate" upon which our lending authority is based. The result would be that Congress would have to appropriate larger sums of money in the budget or in a supplemental appropriation merely to keep the disaster program level at any given level. In effect, future disaster victims and all taxpayers in subsequent years would be paying for the Kansas buyouts.

Although we do not know how many properties with preexisting SBA debt are involved, this problem will be multiplied by the precedent set. It will be impossible to restrict this approach to Kansas, one of the lightest hit states in the Midwest floods. Also, there would be immense pressure to extend this pattern to future disasters and to recent sizable ones (e.g., Hurricane Andrew).

Even this problem could be resolved. If OMB and the Congressional Appropriation Committees were to agree that any forgiveness by SBA in this and similar situations could be treated as a paid in full account rather than a write off (dead loss), there would be no adverse affect on our loss rate, cash flow or the subsidy rate. There is precedent for such treatment.

I would also recommend that some means test and or dollar limit be incorporated to prevent unjust enrichment. In a given flood zone, there could be some sizable and expensive homes. One of the victims could be an individual who owns his home free and clear and has more than sufficient means to relocate without government help, or an individual who has retained a mortgage mainly as a method of deducting interest payments from his income tax. Providing him with a grant equal to his equity could be counterproductive to the intent of the proposal.

09/23/93 11:14 HUD SPEC ACTION / 202 555 5034 NO. 123 P002

September 23, 1993

TO: LARRY ZENSINGER, FEMA  
KEVIN NEYLOND, OMB  
STEVE REDBURN, OMB

FROM: GENE MORRISON, OFFICE OF SPECIAL ACTIONS, HUD

RE: Comments on the Finney (Kansas) Plan related to Midwest  
Flood Relocation and Buyout Issues

As requested at the meeting yesterday, attached are comments from the two offices at HUD involved in the above-referenced proposal.

Attachment - 5 pages

HOUSING COMMENTS ON THE FINNEY PLAN

1. The Finney Plan envisions using the FHA funds to reimburse mortgagees for the unrecovered amounts on FHA mortgages. The problem with this is that for most FHA insured mortgages the funds would come out of the self-sustaining Mutual Mortgage Insurance (MMI) Fund. The Finney Plan would compromise HUD's fiduciary responsibility to maintain the fiscal soundness of the Fund.
2. The MMI Fund is not healthy enough to undertake any new obligations. The Fund has been losing sound loans in the current environment for refinancing and has been left with a greater share of riskier loans. In addition, there is a trend towards the new insurance written to have a greater proportion of higher risk loans. The Fund has statutorily mandated target capital ratios and the 1992 actuarial analysis of the fund indicates a shortfall. Moreover shortfalls are projected several years into the future.
3. The Finney Plan for the State of Kansas must be viewed as precedent setting. It is inconceivable that the other flood-affected states would not insist upon the same benefits. Taken further, it is most probable that the benefits would be made available for all flood disasters, and perhaps to generally to all disasters. This would amount to the FHA undertaking a new insurance risk, which should be properly assessed, scored under Credit Reform, supported by premiums, and, generally, budgeted.
4. FHA requires that all insured loans in floodplains to have flood insurance. The Finney Plan would compensate those who have neglected to do this. This would be inequitable to those who dutifully maintained flood insurance and sends the wrong message regarding the flood insurance requirement. It also has the effect of having the FHA mortgage insurance programs act as de facto flood insurance without the benefit of flood insurance premiums.



SEP 23 1993

OFFICE OF THE ASSISTANT SECRETARY  
FOR COMMUNITY PLANNING AND DEVELOPMENT

MEMORANDUM FOR: Don Patch, Director, Office of Block Grant Assistance, CGB

FROM: *H. J. Huecker*  
H. J. Huecker, Director, Relocation and Real Estate Division, CGHR

SUBJECT: Comments on proposed Kansas "Finney" Flood Recovery Plan

As indicated in my cc:mail note of yesterday, OMB expects HUD to fax comments on the subject plan to OMB and FEMA. The Finney Plan description given to us is very sketchy. It is a "one-size fits everyone" plan. For CDBG, the major problems lie in FEMA's desire to see CDBG dollars used to pay "pre-flood market value" for properties acquired through the buyout process. CPD should oppose this requirement because:

1. Excessive payments will go to many homeowners who do not require that much assistance, mainly homeowners in the 100-year floodplain who refused to purchase flood insurance.
2. Many families, including low-income families, suffering substantial flood-related damage will receive no assistance because they will not be located in the "high priority" areas established by FEMA or the State. The Finney Plan does not appear to provide for assistance to families outside the 100-year floodplain.
3. There will be substantial pressures for higher appropriations to help those who did not receive assistance. It could run into the \$ billions.
4. The CDBG Optional Relocation Assistance Provisions provide a far more flexible tool that can be tailored to provide assistance that takes into account both total resources and total needs.
5. Unless State Eminent Domain Law requires the payment of pre-flood value for these properties, the use of CDBG funds to make acquisition payments substantially in excess of the market value of the properties is probably illegal.
6. The proposed buyout program would set a terrible precedent for other disaster recovery programs. Won't we have to do the same for everyone else? Although the nature of the damage is different, we are not providing this level of assistance to occupants of properties damaged by Hurricane Andrew.

Attached are suggested guidelines and examples illustrating how a more cost-effective CDBG-financed Flood Recovery Program might work. It features the flexibility of the Optional Relocation Payment Provisions and provides localities with the ability to design programs that are consistent with local needs.

Attachments

## SUGGESTED USE OF CDBG FUNDS IN MIDWEST FLOOD RECOVERY PROGRAM

CDBG recipients have wide latitude to design equitable, cost-effective flood recovery programs. The following information illustrates how such a program might be designed.

1. Buyouts -- CDBG recipient pays "as is" market value for flood-damaged property. Buyouts are voluntary and seller must sign waiver of URA rights and section 104(d) rights, if applicable. Property in 100-year floodplain is dedicated to use that will not permit construction of any structures that could result in claims from future floods. (Property outside designated 100-year floodplain may be either repaired or purchased and dedicated.)
2. Payments under Optional Relocation Assistance Policy (ORAP) -- For CDBG Entitlement Program, the ORAP will be locally designed. For State CDBG Program, ORAP may be locally designed or subject to State established standards. The amount of payments under ORAP would take into account the following factors:
  - a. Total needs balanced against and total available resources. A door-to-door survey of owner needs must be conducted. Total available resources must be determined. The two must be balanced so recipient does not run short of money.
  - b. Equity. The needs of all persons hurt by the flood must be considered, including those outside the "100-year floodplain."
  - c. Cost of suitable, decent, safe and sanitary replacement housing. Replacement unit need not be "comparable" to displacement unit, but must be in standard condition and sufficient to accommodate household.
  - d. Income of household. Most funds should go to low-income persons. Household that can afford to carry new mortgage should do so, although minimum relocation payment could be provided.
  - e. Principal balance on old mortgage. Ordinarily, mortgage on replacement property would equal or exceed old mortgage.
  - f. Flood insurance payments.
  - g. Personal tax savings from owner's tax write off on displacement property.
  - h. Replacement unit to be located outside 100-year floodplain.

## CDBG BUY-OUT EXAMPLES

### Example 1.

Mr. Smith owns a flood-damaged unit worth \$5,000 (\$50,000 pre-flood value) with no mortgage and no flood insurance. Suitable replacement housing costs \$45,000. Purchase is financed as follows:

|                |    |                                                                                            |
|----------------|----|--------------------------------------------------------------------------------------------|
| \$ 5,000       | -- | "Buy-out" price of old property.                                                           |
| \$15,000       | -- | Locally adopted (tax-free) CDBG relocation payment under ORAP. (Could be higher or lower.) |
| \$ 5,000       | -- | Smith's income tax savings through capital loss provisions.                                |
| \$20,000       | -- | New mortgage (monthly PITI payments do not exceed 35% of household income).                |
| <hr/> \$45,000 | -- | Total cost of replacement unit                                                             |

Mr. Smith might purchase unit that costs more than \$45,000. If so, relocation payment would remain the same. If he purchases less costly unit, payment could be reduced.

### Example 2.

Mrs. Jones owns flood-damaged property worth \$4,000 (pre-flood value of \$40,000) with no flood insurance and \$30,000 mortgage. Mrs. Jones is low income and unit is overcrowded. Suitable, decent, safe and sanitary replacement housing requires upgrade by one bedroom and will cost \$45,000. Since she pays no income taxes, she will not benefit through tax saving from capital loss. Financing is as follows:

|                |    |                                                                                                                                                  |
|----------------|----|--------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 4,000       | -- | "Buy-out" price of displacement unit.                                                                                                            |
| \$31,000       | -- | Tax-free CDBG relocation payment under ORAP.                                                                                                     |
| \$30,000       | -- | Mortgage on new home equal to old mortgage.                                                                                                      |
| \$10,000       | -- | Partial write-off of old mortgage. (If mortgagee refused reasonable write-off, purchase could be structured so mortgagee would receive nothing.) |
| <hr/> \$75,000 | -- | Cost of replacement unit and payoff of old \$30,000 mortgage.                                                                                    |

### Example 3.

Mr. Brown owns flood-damaged property worth \$6,000 (pre-flood value of \$52,000) with \$40,000 in flood insurance and a \$40,000 mortgage. Suitable, decent, safe and sanitary replacement housing costs \$50,000. Financing is as follows:

|                |    |                                                      |
|----------------|----|------------------------------------------------------|
| \$ 6,000       | -- | "Buy-out" price of displacement unit.                |
| \$ 4,000       | -- | CDBG relocation payment under ORAP.                  |
| \$40,000       | -- | Mortgage on new home.                                |
| \$40,000       | -- | Flood insurance payment.                             |
| <hr/> \$90,000 | -- | Cost of replacement unit and payoff of old mortgage. |

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Department of Veterans Affairs

Kinney Proposal for Settlement of Flood Damage Losses

ISSUE: Governor Kinney of Kansas has proposed that all Federal Agencies who have made or guaranteed loans on properties in areas located in the 100 year flood plain which were affected by the flood forgive the debts of these homeowners and transfer the properties which secured these loans to local governmental entities.

DISCUSSION: With respect to VA-guaranteed loans, VA's liability is limited by law to a percentage of the loan indebtedness. For example, if a \$40,000 loan has a 50% guaranty, then VA's liability on the loan is \$20,000. If a property was destroyed by flood and there is no flood insurance settlement because of lack of coverage, VA is limited to paying a claim of \$20,000. Similarly, if the property had flood insurance and a fair settlement of \$20,000 is applied to the loan balance, then VA's guaranty is limited to 50% of the remaining principal balance of \$20,000, and our claim payment is \$10,000. The law governing our program prohibits any greater payment.

Under either of the above scenarios, VA could agree to pay a claim based on a loan indebtedness adjusted for insurance loss proceeds, authorize the holder to accept a deed in lieu of foreclosure, release the veteran from future liability and transfer the property to the local governmental entity. VA would also agree to restore the veteran's entitlement. VA cannot, however, legally prevent a loan holder from rejecting this proposal in order to pursue foreclosure and obtain a deficiency judgment against the veteran for its loss. We also cannot require a holder to transfer the property to the local governmental authority. We believe such situations would be rare, and that holders can be persuaded that their cooperation in assisting affected veterans and supporting community development of the flood plain for non-residential use would provide a positive public relations benefit.

VA requires holders to maintain insurance coverage on guaranteed loans to the extent customary in the community. Where flood insurance was available, we anticipate that settlement proceeds should be sufficient to satisfy GI loans. Failure of a holder to maintain coverage will generally result in denial or reduction of VA's guaranty claim payment to the holder.

With respect to loans held in VA's portfolio, we could agree to the Kinney proposal. It should, however, be noted that if a borrower's account is paid in full as a result of a flood insurance loss settlement, it is the borrower--not VA--who has the option to decide how to dispose of the property.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: Floodplain Management Task Force  
FR: Katie *McInty* and T.J. Glauthier  
RE: Proposal for Floodplain Management Review  
DATE: 2 November 93

Attached for your review is a revised proposal for an Review of Floodplain Management in the Upper Mississippi River Basin which will be one of the topics for tomorrow's meeting. This proposal has been developed by a small working group of affected agencies over the last several weeks. There is substantial interest within the Administration and on Capitol Hill in pursuing a review of long-term floodplain management issues, and we look forward to discussing it with you tomorrow.

Distribution List:

| Name              | Agency    | Fax      |
|-------------------|-----------|----------|
| Richard Krimm     | FEMA      | 646-4060 |
| Larry Zensinger   | FEMA      | 646-3304 |
| Bob Stearns       | Army      | 504-4389 |
| Mollie Beattie    | DOI-FWS   | 208-6966 |
| Michael Huerta    | DOT       | 366-7952 |
| Richard Sanderson | EPA       | 260-0129 |
| David Davis       | EPA/OWOW  | 260-6294 |
| Jim Lyons         | USDA      | 720-4732 |
| Oleta Fitzgerald  | USDA      | 720-8819 |
| James McMullen    | USDA-ASCS | 720-4619 |
| Karl Otte         | USDA-SCS  | 690-1462 |
| Thomas Wheri      | USDA-SCS  | 690-1462 |
| Gene Morrison     | HUD       | 401-6752 |
| Truman Goins      | HUD       | 708-3363 |
| William K. Lim    | DOC       | 482-0995 |
| Alfred Judd       | SBA       | 205-7728 |
| Jack Gibbons      | OSTP      | 395-3261 |
| Mark Schaefer     | OSTP      | 395-1571 |
| T.J. Glauthier    | OMB-NRD   | 395-4639 |
| Brian Burke       | DPC       | 456-2995 |
| Kathy Way         | DPC       | 456-2334 |

A Review of Floodplain Management  
in the Upper Mississippi River Basin

(November 2, 1993)

## I. Introduction

The Floods of 1993 have vividly demonstrated the importance of effective floodplain management and response. We spend enormous sums annually on floodplain management, risk reduction, disaster response and payments for flood losses, and yet people, property, businesses and the environment continue to suffer repeated losses. The Floods of 1993 provide the Federal government with an important opportunity to reexamine and improve its current approaches to floodplain management.

The subject of floodplain management is enormously complex, involving a broad array of Federal, state and local programs and responsibilities. Any effort to fashion an improved long-term approach must account for and reflect this complexity: a Federal perspective alone is not adequate. Moreover, any analysis of the general subject of floodplain management must recognize the limited Federal role, with the states and local authorities holding primary responsibilities for a wide range of activities within the floodplain.

Opportunities for improvements in the Federal roles may present themselves. We therefore propose to undertake a review of existing Federal programs and policies affecting activities in the floodplain for the purposes of developing a set of recommendations for improvements. The review should provide significant and sustained opportunities for state, local and nongovernmental interests to provide information and perspectives on the issues under review. Agriculture, the transportation industry, the environmental community and many other groups have significant interests that must be heard if the review is to succeed. The review should also build upon existing studies and reports. Much work, many studies and great expertise already exist on the subject of floodplain management, and this past work should serve as the starting point for our current effort.

## II. Statement of Purpose and Goals

The purpose of this review is to identify the major policy issues involving Federal floodplain management, to develop a set of findings on those issues and a set of recommendations to the President.

The goal of the recommendations is to ensure that the array of Federal programs relating to uses and activities in the floodplain reduce risks to human health, property and the environment through effective floodplain management and improved coordination among Federal agencies and between Federal, state and local authorities. Comprehensive floodplain management should encompass those activities that reflect a proper balance of:

- o reducing risks of flooding through improved flood control (both structural and nonstructural), flood storage and watershed management;

- o reducing risks to life and property from flooding;
- o conserving and restoring the natural and beneficial functions and values of the greater Mississippi River Basin; and
- o reducing the costs of floodplain management to the general taxpayer.

### III. Selected Topics for Review.

a. ISSUES RELATING TO FLOOD DAMAGE SUSCEPTIBILITY. The Committee will examine a range of issues relating to Federal programs affecting flood damage susceptibility, focusing on strategies and incentives affecting land use within the floodplain and susceptibility to flood damage and disruption. It would address such issues as:

- o Federal programs directly affecting development activities within the floodplain (land use measures, building codes, infrastructure financing or construction, etc);
- o Minimizing the costs of flood control and response to the general taxpayer;
- o Federal incentives affecting development in the floodplain (flood insurance; crop insurance; disaster assistance; tax policy, other); and
- o Federal programs that would minimize risk of damage from flooding (facilities siting, flood proofing, flood insurance, etc.).

b. ISSUES RELATING TO RIVER MANAGEMENT. The Committee will also address a range of issues relating to the management of the river systems and their related hydrology. It will focus on strategies to improve the management of the hydrology of the river basin to improve overall floodplain management. It would address such issues as:

- o the improved use of a mix of flood control and flood management options (levees, flood storage, improved watershed management, etc.)
- o the restoration of watersheds and important ecosystems; and
- o the identification of high value areas for inclusion into existing conservation programs (wetlands reserve, greenways, etc.) that will enhance beneficial values of the floodplain.

### IV. Geographic Scope

The geographic scope of the study would be those areas affected by or contributing to flooding along the Upper Mississippi River basin including the Missouri River and tributaries. The findings and recommendations produced by this effort, however, might well be applicable to broader national floodplain management practices and policies.

## V. Organization

INTERAGENCY FLOODPLAIN MANAGEMENT COMMITTEE. The White House, the Office of Management and Budget (OMB) and the U.S. Department of Agriculture will establish and oversee an Interagency Floodplain Management Committee. The Committee will be comprised of several "core" Federal agencies with major program responsibilities in floodplain management and the environment (COE, USDA, FEMA, DOI, EPA) with other agencies participating on an as-needed basis (DOT, HUD, SBA, etc.).

The organization of work assignments and the division of the committee into subgroups as the review progresses will be left to the discretion of the Committee. The Committee itself will meet every other week initially, and as the review progresses on an as-needed basis. Each of the core agencies participating in the review will assign a policy-level person at the Assistant Secretary or Deputy Assistant Secretary as its representative to the Committee. Additional agency representation or assistance will be determined on an as needed basis.

## VI. STAFFING

The Committee will be staffed by a core full time temporary staff which will be located in one central location. An Executive Director would be responsible for the overall conduct of the review by the staff, and for reporting directly to the chairs and Members of the Committee. All staff would be provided by the participating agencies on a full time basis at no cost to the review, as described below.

Executive Director.

Administrative/ Research Assistant.

Secretary.

Program Specialists:

Floodplain management (2)

Federal assistance programs (1)

Economists (2)

Ecologists (2)

Hydrologists (2)

NOTE: Each of these latter three categories would consist of experienced staff that could bring not only a familiarity with the particular discipline cited, but also some program and policy experience as well. To the extent that in-depth capabilities are required on specific issues, the individual participating agencies will be available to provide that assistance.

## ADDITIONAL "On call" SUPPORT

Legal Support  
Public Communications  
Computer Assistance

## TECHNICAL SUPPORT

The Committee would use the Scientific Assessment Team (OSTP/DOI) and the Economics Team (OMB) to provide information, analysis and technical support for its work. The Economics Team would be an informal team convened on an as-needed basis.

## V. Procedure and Schedule

Step 1. Information Gathering. The Subcommittees will review all existing reports and information on the subject, and identify the significant technical information needs. There exists an impressive body of work on the general subject of floodplain management, and it should serve as the starting point for the review.  
[JANUARY -- APRIL]

Step 2. Regional Input. An important aspect of this process is to undertake a systematic and sustained effort to gather information from a wide range of groups within the region. These groups include state and local government officials, the agricultural community, the transportation industry, the environmental community and the general public.  
[JANUARY -- APRIL]

The Committee would employ several approaches to accomplish this. First, the Committee or its representatives (individual Members or the senior staff) would attend and participate in the large number of conferences and workshops currently planned by a wide array of organizations in the region.  
[ONGOING]

Secondly, the Committee would organize or contract out for the organization of three one-day meetings within the region to formally solicit information on the key issues that the Committee anticipated would arise in its review. These meetings would likely consist of two parts: a public hearing type component, and a private meeting of specialists within the region to address specific issues of concern to the Committee. The details on the organization and conduct of the workshops would be left to the Committee and staff for further development.  
[JANUARY -- FEBRUARY]]

Finally, established regional groups with expertise in the topic would be called upon from time to time as importance sources of information. The Upper Mississippi River Basin Association would serve as an important conduit for coordinating

state input. Nongovernmental organizations such as the National Association of Conservation Districts, the Association of State Floodplain Managers and representatives of the environmental community would also be invited to offer their observations.  
[ONGOING]

Step 3. Identify Major Issues for Review. The next step would be to identify the major issues and their options that appear to deserve further development based upon the entire array of information initially developed by the Committee and staff.  
[FEBRUARY -- MARCH]

Step 4. Identify Program Costs and Benefits. The Committee will also seek to analyze the costs and benefits of each option including the options' contribution to flood control and flood damage minimization. This analysis can be as sophisticated as necessary to address key issues in the time frame available.  
[MARCH-APRIL]

Step 5. Drafting Issues and Findings. The staff with guidance from the Committee will formulate a range of preliminary findings and options specifically to address the significant issues. During the course of this stage the Committee should maintain communications with the interested groups. The Committee will also develop a decision framework or system with which to score the relative economic, social, environmental values of each option.  
[APRIL]

Step 6. Recommendations. The Committee will review and modify the findings, options and recommendations and formulate them into a final report to Secretary Espy and the President.  
[MAY 1st]

## VII. BUDGET

We note that these numbers are "rough" as they are dependant upon decisions yet to be made regarding the format of workshops reporting mechanisms, publishing requirements, etc. Assumptions regarding each entry are provided.

1. Three Regional Workshops: \$150,000  
Assumes meeting room at hotel to accommodate 300, plus 10 breakout rooms, and each workshop limited to two days. Estimates do not include any food or beverage service. A traveling party of 12 from working group and an additional 4 facilitators from Washington with overnight accommodations to work the main session only. Facilitator for breakout sessions would be more. Workshops of this significance will no doubt require formal transcript and publishing. The House Public Works and Transportation Committee uses a syndicated reporting service to provide a transcript of hearings,

- and the transcript is then published through GPO. A typical field hearing would cost \$4,000 for transcripts and publishing of 300 copies, 100 pages in length. I include \$15,000 in above estimate.
2. Coordination with States and Interest Groups: \$40,000  
Assumes travel and overnight lodging for 2 people, 40 trips.
  3. Office support \$20,000  
Assumes no funds for salaries, just pencils, paper, etc.
  4. Consultants to Review Draft Analysis Reports: \$50,000  
Assumes 6 "academics" at \$1,000 per trip for travel and honorarium.
  5. Publication of Reports: \$30,000  
Assumes draft and final reports.
  6. Communications Consultant \$20,000
  7. Summary:
 

|                              |           |
|------------------------------|-----------|
| Workshops:                   | \$150,000 |
| Interest Group Coordination: | \$ 40,000 |
| Office Support:              | \$ 20,000 |
| Consultants:                 | \$ 50,000 |
| Report Preparation:          | \$ 30,000 |
| Communications:              | \$ 20,000 |
| Subtotal                     | \$310,000 |
| Contingencies                | \$40,000  |
| Total                        | \$350,000 |

#### OUTSTANDING ISSUES

1. Relationship of this effort to the Corps reconnaissance study for the Upper Mississippi basin in the 1994 Energy and Water Appropriations Conference Report.

Recommendation: This review would constitute the first phase of that study, defining ultimately the key recommendations of which will require extensive additional detailed development and analysis, which could serve as the second phase.

2. Relationship to Legislation Authorizing a Comprehensive Study of the Basin.

Recommendation: Work with House and Senate Committees over the next several weeks to ensure compatibility of the legislative directive with this initiative.

3. Funding.

MEMORANDUM TO: Katie McGinty  
TJ Glauthier  
Kathi Way  
Bruce Long  
Brian Burke

FR: Will Stelle 

RE: Long-term Floodplain Management Review

DATE: 27 October 93

Over the last several weeks Bruce and I have been meeting with representatives of a small subset of the Floodplain Management Committee to hammer out the details of the proposal for the Floodplain Management Review that we have discussed.

Attached is a draft that we have developed on a consensual basis which I propose that we distribute to the Committee on Friday for their review in preparation for a meeting next Wednesday to make decisions on this subject. Please review it and let me know if you would recommend changes before it is distributed.

Several items deserve mention.

1. Note the list of issues at the end.
2. The budget numbers are too low and the Corps and FEMA representatives are redoing them. I expect a price of \$500,000, and will attached the revised budget to the document that is distributed.
3. You need to discuss the issue of who should chair this initiative because I believe it remains an issue of some sensitivity.
4. Communications. We badly need a communications strategy and team that will occupy the field on this whole subject.

A Review of Floodplain Management  
in the Upper Mississippi River Basin

(October 26, 1993)

## I. Introduction

The Floods of 1993 have vividly demonstrated the importance of effective floodplain management and response. We spend enormous sums annually on floodplain management, risk reduction, disaster response and payments for flood losses, and yet people, property, businesses and the environment continue to suffer repeated losses. The Floods of 1993 provide the Federal government with an important opportunity to reexamine and improve its current approaches to floodplain management.

The subject of floodplain management is enormously complex, involving a broad array of Federal, state and local programs and responsibilities. Any effort to fashion an improved long-term approach must account for and reflect this complexity: a Federal perspective alone is not adequate. Moreover, any analysis of the general subject of floodplain management must recognize the limited Federal role, with the states and local authorities holding primary responsibilities for a wide range of activities within the floodplain.

Opportunities for improvements in the Federal roles may present themselves. We therefore propose to undertake a review of existing Federal programs and policies affecting activities in the floodplain for the purposes of developing a set of recommendations for improvements. The review should provide significant and sustained opportunities for state, local and nongovernmental interests to provide information and perspectives on the issues under review. Agriculture, the transportation industry, the environmental community and many other groups have significant interests that must be heard if the review is to succeed. The review should also build upon existing studies and reports. Much work, many studies and great expertise already exist on the subject of floodplain management, and this past work should serve as the starting point for our current effort.

## II. Statement of Purpose and Goals

The purpose of this review is to identify the major policy issues involving Federal floodplain management, to develop a set of finds on those issues and to provide a set of recommendations to Secretary Espy, the other involved Federal officials and the President.

The goal of the recommendations is to ensure that the array of Federal programs support the objectives of efficient and effective floodplain management and improved coordination among Federal agencies and between Federal, state and local authorities. Comprehensive floodplain management should encompass those activities that reflect a proper balance of:

- o reducing risks of flooding through improved flood control (both structural and nonstructural), flood storage and watershed management;

- o reducing risks to life and property from flooding;
- o conserving and restoring the natural and beneficial functions and values of the greater Mississippi River Basin; and
- o internalizing the costs of flood control and reducing the costs of floodplain management to the general taxpayer.

### III. Selected Topics for Review.

a. ISSUES RELATING TO FLOOD DAMAGE SUSCEPTIBILITY. The Committee will examine a range of issues relating to Federal programs affecting flood damage susceptibility, focusing on strategies and incentives affecting land use within the floodplain and susceptibility to flood damage and disruption. It would address such issues as:

- o Federal programs directly affecting development activities within the floodplain (land use measures, building codes, infrastructure financing or construction, etc);
- o enhanced internalization of flood control and response costs;
- o Federal incentives affecting development in the floodplain (flood insurance; crop insurance; disaster assistance; tax policy, other); and
- o Federal programs that would minimize risk of damage from flooding (facilities siting, flood proofing, flood insurance, etc.).

b. ISSUES RELATING TO RIVER MANAGEMENT. The Committee will also address a range of issues relating to the management of the river systems and the related hydrology. It will focus on strategies to improve the management of the hydrology of the river basin to improve overall floodplain management. It would address such issues as:

- o the improved use of a mix of flood control and flood management options (levees, flood storage, improved watershed management, etc.)
- o the restoration of watersheds and important ecosystems; and
- o the identification of high value areas for inclusion into existing conservation programs (wetlands reserve, greenways, etc.) that will enhance beneficial values of the floodplain.

### IV. Geographic Scope

The geographic scope of the study would be those areas affected by or contributing to flooding along the Upper Mississippi River basin including the Missouri River and tributaries. The findings and recommendations produced by this effort, however, might well be applicable to broader national floodplain management practices and policies.

## V. Organization

INTERAGENCY FLOODPLAIN MANAGEMENT COMMITTEE. The White House and the Office of Management and Budget (OMB) will establish and oversee an Interagency Floodplain Management Committee, chaired by FEMA and the USDA. The Committee will be comprised of several "core" Federal agencies with major program responsibilities in floodplain management and the environment (COE, USDA, FEMA, DOI, EPA) with other agencies participating on an as-needed basis (DOT, HUD, SBA, etc.).

The organization of work assignments and the division of the committee into subgroups as the review progresses will be left to the discretion of the Committee. The Committee itself will meet every other week initially, and as the review progresses on an as-needed basis. Each of the core agencies participating in the review will assign a policy-level person at the Assistant Secretary or Deputy Assistant Secretary as its representative to the Committee. Additional agency representation or assistance will be determined on an as needed basis.

## VI. STAFFING

The Committee will be staffed by a core full time temporary staff which will be located in one central location. An Executive Director would be responsible for the overall conduct of the review by the staff, and for reporting directly to the chairs and Members of the Committee. All staff would be provided by the participating agencies on a full time basis at no cost to the review, as described below.

Executive Director.

Administrative Assistant.

Secretary.

Program Specialist:

Floodplain management/disaster relief (FEMA)

Economists (2) (USDA/EPA)

Ecologists (2) (DOI/ )

Hydrologists (2) (CORPS/USDA)

## ADDITIONAL "On call" SUPPORT

Legal Support

Public Communications

Computer Assistance

## TECHNICAL SUPPORT

The Committee would use the Scientific Assessment Team (OSTP/DOI) and the Economics Team (OMB) to provide information, analysis and technical support to their deliberations.

### V. Procedure and Schedule

Step 1. Information Gathering. The Subcommittees will review all existing reports and information on the subject, and identify the significant technical information needs. There exists an impressive body of work on the general subject of floodplain management, and it should serve as the starting point for the review.

[JANUARY -- APRIL]

Step 2. Regional Input. An important aspect of this process is to undertake a systematic and sustained effort to gather information from a wide range of groups within the region. These groups include state and local government officials, the agricultural community, the transportation industry, the environmental community and the general public.

[JANUARY -- APRIL]

The Committee would employ several approaches to accomplish this. First, the Committee or its representatives (individual Members or the senior staff) would attend and participate in the large number of conferences and workshops currently planned by a wide array of organizations in the region.

[ONGOING]

Secondly, the Committee would organize or contract out for the organization of three one-day meetings within the region to formally solicit information on the key issues that the Committee anticipated would arise in its review. These meetings would likely consist of two parts: a public hearing type component, and a private meeting of specialists within the region to address specific issues of concern to the Committee. The details on the organization and conduct of the workshops would be left to the Committee and staff for further development.

[JANUARY -- FEBRUARY]]

Finally, established regional groups with expertise in the topic would be called upon from time to time as important sources of information. The Upper Mississippi River Basin Association would serve as an important conduit for coordinating state input. Nongovernmental organizations such as the National Association of Conservation Districts, the Association of State Floodplain Managers and representatives of the environmental community would also be invited to offer their observations.

[ONGOING]

Step 3. Identify Major Issues for Review. The next step would be to identify the major issues and their options that appear to deserve further development based upon the entire array of information initially developed by the Committee and staff.  
[FEBRUARY -- MARCH]

Step 4. Identify Program Costs and Benefits. The Committee will also seek to analyze the costs and benefits of each option including the options' contribution to flood control and flood damage minimization. This analysis can be as sophisticated as necessary to address key issues in the time frame available.  
[MARCH-APRIL]

Step 5. Drafting Issues and Findings. The staff with guidance from the Committee will formulate a range of preliminary findings and options to specifically address the significant issues. During the course of this stage the Committee should maintain communications with the interested groups. The Committee will also develop a decision framework or system with which to score the relative economic, social, environmental values of each option.  
[APRIL]

Step 6. Recommendations. The Committee will review and modify the findings, options and recommendations and formulate them into a final report to Secretary Espy and the President.  
[MAY 1st]

## VII. BUDGET

[NOTE: This section is subject to substantial changes.]

We note that these numbers are "rough" as they are dependant upon decisions yet to be made regarding the format of workshops reporting mechanisms, publishing requirements, etc. Assumptions regarding each entry are provided.

1. Three Regional Workshops: \$90,000  
Assumes meeting room at hotel to accommodate 300, plus 10 breakout rooms, and each workshop limited to one day. Estimates do not include any food or beverage service. A traveling party of 12 from working group and an additional 2 facilitators from Washington with overnight accommodations to work the main session only. Facilitator for breakout sessions would be more.  
Note: hotels are not very interested in renting meeting rooms for large groups where there is no overnight lodging. Workshops of this significance will no doubt require formal transcript and publishing. The House Public Works and Transportation Committee uses a syndicated reporting service to provide a transcript of hearings, and the transcript is then published through GPO. A typical field hearing would cost \$4,000 for

transcripts and publishing of 300 copies, 100 pages in length. I include \$15,000 in above estimate.

2. Coordination with States and Interest Groups: \$30,000  
Assumes travel and overnight lodging for 2 people, 30 trips.
3. Office support \$10,000  
Assumes no funds for salaries, just pencils and paper, etc.,
4. Consultants to Review Draft Analysis Reports: \$30,000  
Assumes 6 "academics" at \$1,000 per trip for travel and honorarium.
5. Publication of Reports: \$30,000  
Assumes draft and final reports.
6. Summary:

|                              |           |
|------------------------------|-----------|
| Workshops:                   | \$90,000  |
| Interest Group Coordination: | \$30,000  |
| Office Support:              | \$10,000  |
| Consultants:                 | \$30,000  |
| Report Preparation:          | \$30,000  |
|                              |           |
| Subtotal                     | \$190,000 |
| Contingencies                | \$25,000  |
|                              |           |
| Total                        | \$215,000 |

#### OUTSTANDING ISSUES

1. Relationship of this effort to the Corps reconnaissance study for the Upper Mississippi basin in the 1994 Energy and Water Appropriations Conference Report.

Recommendation: This review would constitute the first phase of that study, defining ultimately the key recommendations which will require extensive additional detailed development and analysis, which could serve as the second phase.

2. Relationship to Legislation Authorizing a Comprehensive Study of the Basin.

Recommendation: Work with House and Senate committees over the next several weeks to ensure compatibility of the legislative directive with this initiative.

3. Communications. This effort will need a sustained, aggressive and comprehensive communications strategy. Should an individual agency assume the lead responsibility for it; should it be staffed out with a full-time staffer to the committee, or

handled out of the White House Communications with agency support.

Recommendation: House the lead responsibility within the WH, with major implementation delegated to the agencies.

4. Organization of subgroups within the Committee. Should we specify the subcommittees or other working groups at the outset, or leave it to the Committee and staff once it gets started?

Recommendation: Leave it to the discretion of the Committee.

5. Funding. Who should pay.

Recommendation: The costs of this effort are not great. Each agency should contribute a small portion of the costs -- assuming a multi-agency approach is feasible.

6. Location. Where should the staff be located?

Recommendation: A central location is strongly recommended.

THE WHITE HOUSE  
WASHINGTON

November 3, 1993

MEMORANDUM TO KATHY WAY

FROM: Andre Oliver *AO*

RE: Flood Relief Efforts

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Kathy, thanks for the recent update on the efforts of the flood relief task force. I think we need to provide the following information to Mack:

- Brief analysis of task force efforts to address the major issues that will emerge this winter, such as "buy-outs," likely media stories, etc.
- Talking points for Mack to reiterate the importance of Sec. Epsy's leadership role on flood relief.

Best regards.

cc: Bill Burton

THE WHITE HOUSE

WASHINGTON

October 30, 1993

MEMORANDUM FOR KATHI WAY

FROM: BRIAN BURKE

SUBJECT: Update on Flood Plain Management Task force and  
the Environmental and Health Safety Task Force

What follows is a brief summary of the expected product anticipated for each of the above referenced task forces, including an update on the time frame for completing each product.

(1) Environmental and Health Safety Task Force

Prior to consolidating the environment task force and the Medical Health Task force had separate purposes. Accordingly, they are discussed separately below.

a. Environment Committee

The focus of the environment was directed toward three major areas of responsibility: (1) integrated environmental monitoring; (2) waste issues; and (3) environmental restoration. Set forth below is a summary of the issues addressed and actions taken by the committee.

- **Multi-media environmental monitoring:** EPA proposed a monitoring plan to organize the collection of data from federal and state agencies related to health, safety and environmental activities and to identify any areas of significant risk. Collection of data is ongoing;

- **Water Well (Private) Contamination:** Many wells continue to test positive for contamination. FEMA funding can be used to provide portable water to impacted homeowners, however, since it is not clear how long the problem will persist nor options exist for resolution;

- **Waste Monitoring and Disposal:** A report has been completed reflecting the current status of known impacted Superfund and RCRA facilities and sites. These sites are currently being monitored to determine the extent and nature of the flood damage. (It is expected that current monitoring will result in the identification of additional sites). An education effort is anticipated to address the issue of pesticide collection and disposal by farmers. In the meantime, the first step is to

locate damaged pesticide containers, collect, and determine disposal method, i.e., recycle, repackage, etc.

- **Water treatment and Waste Water Treatment Upgrades:** The Committee must develop a federal strategy for restoring these facilities. At present, the needs of waste water treatment facilities damaged by the flood should be covered through FEMA public assistance funds. However, because of new federal safe drinking water standards, some water treatment facilities may need to be restored and upgraded to meet standards.

- **Environmental Restoration:** The Environment Committee is considering the use of the Programmatic Environmental Impact Statement (PEIS) concept.

b. Medical and Health Committee

This committee and its working groups are composed of State and Federal officials from a variety of health-related agencies as well as EPA, USDA and the Corp.

- **Environmental Health:** One of the major health consequences of the midwest is the potential deterioration of the water quality. Contamination not only of individual wells, but possibly of entire aquifer could result in water-borne diseases such as hepatitis, giardiasis, and cryptosporidiosis. Contamination of soil from agricultural chemicals could also result in human illness. Failure of public and private sewage disposal systems can lead to gastrointestinal illness from direct contact with sewage.

Environmental conditions resulting from wet or moist indoor environments are conducive to the proliferation of bacteria, molds and fungi and may cause an exacerbation of respiratory conditions such as asthma. Grains may be exposed to mold which could produce a variety of toxins including vomitoxin. Additionally, toxic chemicals such as lead could produce hazards, particularly to young children.

- **Vector Control:** The possibility of a proliferation of disease carrying mosquitoes is significant. Relying on information obtained during the last flood, the committee devised a trapping strategy for the mosquitoes and an analysis of virus antibodies in sentinel populations of birds, and developed a system for identification of cases of encephalitis in the affected states;

- **Disease Surveillance:** The committee is working to improve the public health surveillance systems of the affected states to improve passive reporting of flood related illness.

- **Mental Health:** Substance abuse and mental health were identified by the states as major problems following the flooding. In this regard, mental health support is required for

treatment of diagnosed conditions identified through crisis counseling, outreach services and crisis counseling services which extended beyond the 12 month limitation of the FEMA crisis counseling program.

- **Primary Health Care:** The committee focused on the needs of primary health, and special populations such as women and children. Additionally, the committee considered a broad array of social services. The committee developed a flood hotline in primary care services for flood victims, nurses for outreach to migrant populations, outreach and services to the homeless, facility repair for maternal and child clinics, and replacement of equipment damaged in the flood.

## **(2) Flood Plain Management Task Force**

The Flood Plain Management Task Force identified, or was asked to address the following issues and areas of concern:

- **Levee Repair Policy:** Coordinate the interagency levee repair effort to ensure that the Corp, SCS and FEMA levee repair guidance to their field offices was consistent and to ensure that the guidelines state that full consideration of relevant options for levee repair, reconstruction, and other alternatives to levee restoration be considered.

- **Menu of Programs for Alternatives to Levee Repair:** Coordinate the interagency compilation of a Federal programs booklet which contains a list of the programs available for individuals and communities considering alternatives to levee repair and replacement (e.g., limited buy-out options). This program guide is in the final stages of interagency review and will be ready for release by early next week. I suggest strongly that the State offices be briefed on the contents of this guide before it is released to the public.

- **Data/Criteria for Prioritizing:** Repeated requests have been made for this task force to provide guidance to assist the difficult process of prioritizing which communities are most appropriate for alternatives to levee repair and replacement e.g., buyout and relocation. It is my understanding that there are now more than two hundred communities interested in relocation or buyout alternatives. However, due to insufficient funding only a fraction of those communities will receive funding. Thus, the need for a rationale/thoughtful method of prioritizing the requests, based on reliable floodplain data, is needed.

The task force has not yet begun to accumulate such data and no such product can be expected for several months. If we act immediately, such data can be assembled by an existing scientific assessment group within 6-7 weeks at the earliest. FEMA funding will be required to achieve the data collection.

- **Long-term Floodplain Management Review:** The task force has spent considerable time developing a strategy for a long-term floodplain management review to identify the major policy issues involving Federal floodplain management, to develop a set of findings on those issues and to provide a set of recommendations. This review will not be completed until May of 1994.

MEMO TO: Kathi Way

RE: status check on flood response

DATE: October 4, 1993

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#### **DHSS**

All of the Department of Health & Social Service's requests were denied by FEMA and then sent to U.S. DHHS.

\*There has been some confusion between the direction of the federal and regional offices, which has been discouraging for the state and delayed the process.

\*Too much time was expended developing processes and attending federally sponsored meetings outside the state.

\*Lack of coordination among DHHS agencies regarding allocation of funds. Information was late and confusing.

\*Experience with FEMA was positive but now households must "re-shop" agencies to supplement their grant. Teleconferences among states/feds/reg have been helpful.

\*Weatherization/Heating/Support services needs are the most crucial. Must have answers on funding questions.

#### **Dept. of Development**

\*Awaiting second half of CDBG money (\$1.9 mil) promised to state.

\*FEMA has not clearly stated intentions on how funds will be coordinated with emergency CDBG funds.

\*Questions on usage of funds have gone unanswered  
1) can the money be used to repair Black River Falls levee  
2) are projects funded with emergency CDBG money under the same stipulations as those with regular CDBG money.