

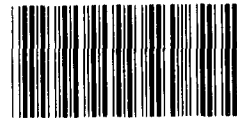
GAO

Fact Sheet for the Chairman, Committee
on Merchant Marine and Fisheries,
House of Representatives

February 1986

**RESOURCE
MANAGEMENT**

Information on the
Coastal Zone
Management Program



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UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

February 13, 1986

B-221960

The Honorable Walter B. Jones
Chairman, Committee on Merchant
Marine and Fisheries
House of Representatives

Dear Mr. Chairman:

Due to your office's interest in our work concerning the National Oceanic and Atmospheric Administration's (NOAA's) Coastal Zone Management (CZM) program, we briefed your staff on October 4, 1985, as requested. The briefing concerned inquiries we had made into current issues and problems facing the CZM program. At that time, your staff asked us to provide a written document on the information we collected and to also interview NOAA's Assistant Administrator for Ocean Services and Coastal Zone Management concerning his role and views on the program's direction. As agreed, we are providing this fact sheet covering (1) federal program objectives, (2) the status of state programs, (3) the results of previous program studies, (4) program benefits cited by state officials, and (5) concerns raised by federal and state officials, including the results of our interview with NOAA's Assistant Administrator for Ocean Services and Coastal Zone Management.

Our objective in doing this work was to follow-up on our 1976 and 1980 reports on the CZM program. We conducted our work primarily at NOAA's headquarters offices in Washington, D.C. We also visited the Coastal States Organization headquarters in Washington, D.C., and state program offices in Annapolis, Maryland, and Olympia, Washington; two states representing the east and west coasts. At these locations, we interviewed responsible officials and obtained pertinent documents and supporting informational data relative to the program. The information contained in the fact sheet focuses primarily on NOAA's administration of the Maryland and Washington State CZM programs and may not be indicative of NOAA's overall management of the CZM program.

Your staff also asked us to explain the rationale for not carrying out further work on these matters. Before deciding whether or not to do further work, we learned that the Department of Commerce's Inspector General (IG) plans to review


the CZM program during fiscal year 1986. Therefore, to avoid duplicating his efforts we do not plan any further work in this area.

In summary, under the CZM program, NOAA provides funds to help coastal states and territories establish and maintain CZM programs that promote the wise use and protection of coastal land and water resources. Since the program was established in 1972, all 35 eligible coastal states and territories have participated in the CZM program, and 28 of them have received federal approval of their CZM management plans. Through fiscal year 1985, NOAA provided about \$291 million in CZM funds to the participating states and territories. Our past studies and a 1983 report by the Department of Commerce's Inspector General (IG) reported that various improvements were needed in the CZM program's management. More recent studies and literature we obtained address whether federal funding should continue and/or whether the CZM program's results can be meaningfully evaluated. Maryland and Washington State officials told us that the CZM program provides such benefits as improved coordination with federal agencies. On the other hand, federal and state officials expressed various concerns about too much and/or too little management control and direction by federal program managers.

We have discussed the information in this fact sheet with Department of Commerce officials, including an IG official. As agreed with your office, we are providing them and other interested parties with a copy of this fact sheet. Copies will be available to others on request.

We trust that the information provided meets your needs. If you have any questions, please call me at (202) 275-6111.

Sincerely yours,

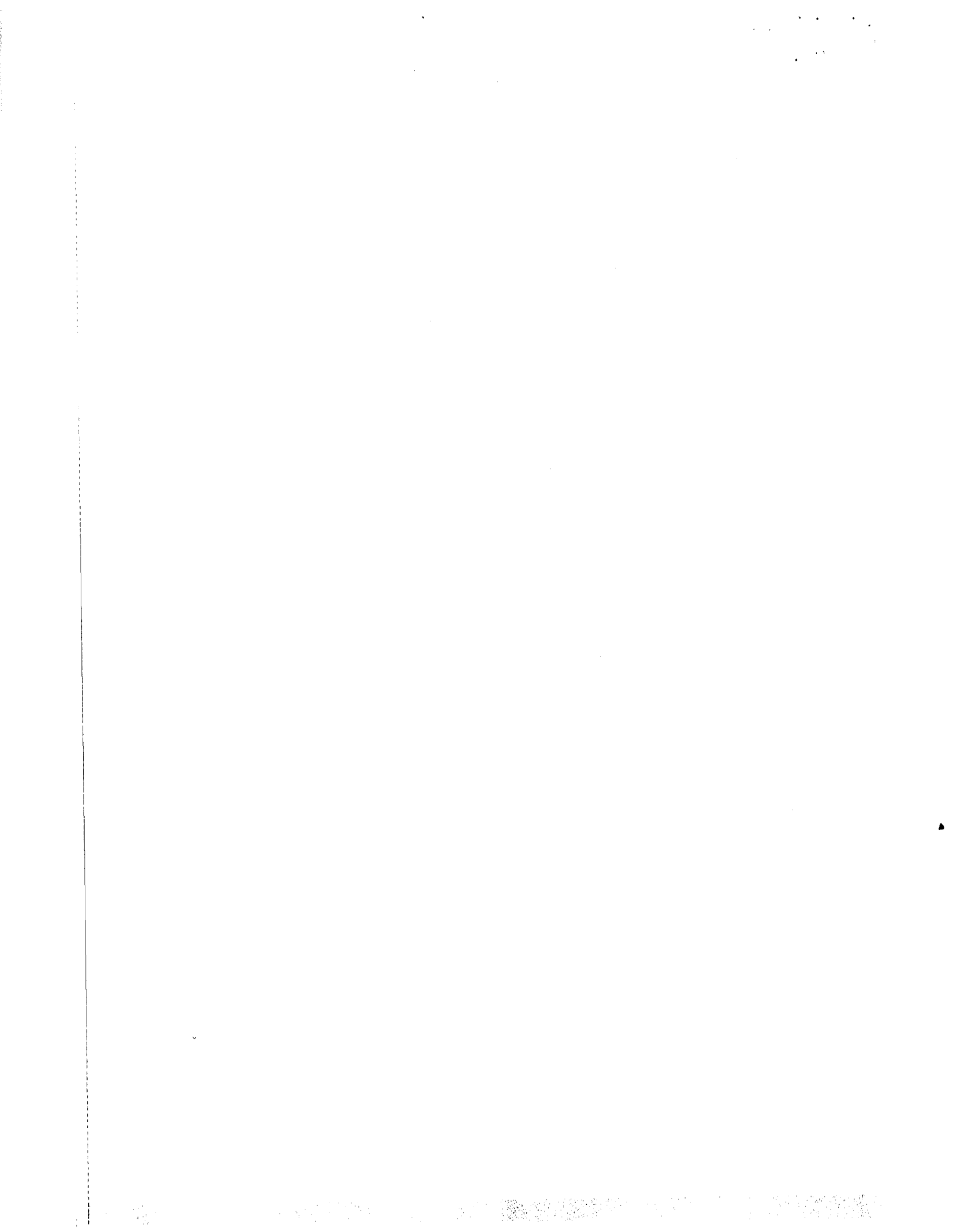

John H. Luke
Associate Director

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ABBREVIATIONS

CBO	Congressional Budget Office
CRS	Congressional Research Service
CZM	coastal zone management
CZMA	Coastal Zone Management Act
GAO	General Accounting Office
IG	Inspector General
NOAA	National Oceanic and Atmospheric Administration
OCRM	Office of Ocean and Coastal Resource Management



FEDERAL PROGRAM OBJECTIVES

The Coastal Zone Management Act of 1972 (CZMA), as amended, (16 U.S.C. 1451) authorized the first national program to promote the wise use and protection of coastal land and water resources. The CZMA provides funds, policy guidance, and technical assistance to coastal state and territorial governments to help them establish and maintain coastal zone management (CZM) programs that meet federal objectives. Nine national interest areas in which states are required to make improvements as part of their CZM programs are identified in the 1980 amendments to the CZMA:

- ° Protection of natural resources.
- ° Management of coastal development to avoid hazardous areas.
- ° Priority consideration to coastal dependent uses requiring access to coastal areas (such as marinas) and energy facility siting.
- ° Public shorefront access.
- ° Redevelopment of urban waterfronts and ports.
- ° Coordination and simplification of governmental procedures to ensure expedited governmental decisionmaking for management of coastal resources.
- ° Consultation and coordination with federal agencies.
- ° Public participation in coastal decisionmaking.
- ° Comprehensive planning, conservation, and management of living marine resources.

The CZMA requires each participating state to spend a portion of the federal funds awarded (a maximum of 30 percent unless the state chooses to spend a higher percentage) on "significant improvements" in achieving these nine objectives.

The federal CZM program is administered by the Office of Ocean and Coastal Resource Management (OCRM), located in the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA). NOAA is responsible for (1) promulgating rules and regulations to effectively carry out the CZMA's provisions, (2) coordinating program activities with all interested federal agencies, and (3) continually reviewing states' performance in developing and implementing appropriate management programs.

STATUS OF STATE PROGRAMS

Since the CZMA was enacted, all 35 eligible coastal states and territories have participated in the CZM program. Twenty-eight of these 35 have received federal approval of their management plans, and one other--Virginia--is expected to receive approval of its CZM plan by March 1986. From the CZM program's inception in 1972 through September 30, 1985, OCRM had awarded about \$291 million in CZM funds to the 35 coastal states and territories. The status of the state CZM programs is shown below:

<u>State</u>	<u>Status</u>	<u>Date</u>
Alabama	Approved	1979
Alaska	Approved	1979
American Samoa	Approved	1980
California	Approved	1978
Connecticut	Approved	1980
Delaware	Approved	1979
Florida	Approved	1981
Georgia	Not approved	1980 ^a
Guam	Approved	1979
Hawaii	Approved	1978
Illinois	Withdrew	1978 ^b
Indiana	Withdrew	1981 ^c
Louisiana	Approved	1980
Maine	Approved	1978
Maryland	Approved	1980
Massachusetts	Approved	1978
Michigan	Approved	1978
Minnesota	Withdrew	1978 ^d
Mississippi	Approved	1980
New Hampshire	Approved	1982 ^e
New Jersey	Approved	1978 ^f
New York	Approved	1982
North Carolina	Approved	1978
Northern Mariana Islands	Approved	1980
Ohio	Withdrew	1980 ^g
Oregon	Approved	1977
Pennsylvania	Approved	1980
Puerto Rico	Approved	1978
Rhode Island	Approved	1978
South Carolina	Approved	1979
Texas	Withdrew	1981 ^h
Virginia	Pending	1986
Virgin Islands	Approved	1979
Washington	Approved	1976
Wisconsin	Approved	1978

^aNOAA found that the state was not making satisfactory progress toward CZM program approval.

^bNecessary state legislation failed to pass the Illinois legislature.

^cIndiana did not establish the new organizational structure needed to implement its proposed program.

^dMinnesota withdrew from the program as a result of opposition from two rural counties but has continued to develop and implement harbor management plans jointly with the federally approved Wisconsin program for the Duluth-Superior bistate coal and grain port.

^eOcean and Harbor segment. Great Bay segment is currently under preparation.

^fBay and Ocean Shore segment. Entire coastal program approved in 1980.

^gOhio did not enact the necessary state legislation.

^hWhile plans for the Texas coastal program awaited federal approval in 1981, the state withdrew its plan.

Source: Compiled by the General Accounting Office (GAO) from information provided by NOAA and the Coastal States Organization.

PREVIOUS STUDIES

We considered six studies of the CZM program and two articles in national planning association publications.¹ Our 1976 and 1980 reports² and the Department of Commerce's Inspector General's (IG's) 1983 report on the CZM program pointed out various improvements needed in the program's management. In April 1985, the Congressional Research Service (CRS) issued a paper discussing whether or not federal CZM funding should continue, and two surveys--one by NOAA and the other by the Coastal States Organization, a nonprofit organization representing coastal states--were made on the impact of reducing federal funding on states. The articles discussed CZM program results and whether meaningful evaluations of those results can be made.

- ° In our 1976 and 1980 audit reports, we reported that implementation of state CZM programs was slow and that NOAA needed to improve its program management, monitoring, and evaluation, including a need to identify the underlying causes of delays and to work with the states in overcoming problems identified. For example, in 1980, we reported that federal CZM officials were aware that frequent delays in program implementation were occurring in several Oregon coastal communities but these officials did not examine the underlying causes for the delays or assist the state in taking corrective steps to implement its program. Federal CZM officials recommended extending the state's target dates for implementation. We further reported that federal CZM officials were performing annual program evaluations of approved states' coastal zone programs without appropriate evaluation guidelines and criteria. We found that certain factual data were omitted from evaluation reports. To illustrate, we reported that Massachusetts' evaluation report stated that mapping activities had been implemented and were proceeding satisfactorily but did not disclose that state officials questioned the value and usefulness of maps being produced because they

¹David J. Brower and Daniel S. Carol, Coastal Zone Management as Land Planning, National Planning Association, 1984; and Robert G. Healy and Jeffrey A. Zinn, "Environment and Development Conflicts in Coastal Zone Management," Journal of the American Planning Association, summer 1985.

²The Coastal Zone Management Program: An Uncertain Future, (GGD-76-107, Dec. 10, 1976), and Problems Continue in the Federal Management of the Coastal Zone Management Program, (CED-80-103, June 25, 1980).

contained many inaccuracies. To improve the CZM program's management, we recommended that NOAA work closely with the states to help them to resolve special problems, establish and implement formal program-monitoring procedures, and establish appropriate evaluation guidelines and criteria.

- ° In 1983 Commerce's IG reviewed the effectiveness of CZM program administration and reported a need for (1) more systematic evaluations of management decisions and accomplishments and (2) more state assistance from NOAA's CZM program office. For example, the IG reported that in some cases states wasted financial resources on unnecessary or too costly projects and that activities labeled as "significant improvements" were basic planning and administrative program activities that should have been funded with core program funds.
- ° An April 1985 CRS issue paper on CZM pointed out that the administration has repeatedly proposed to substantially reduce or terminate the program because it feels the CZMA's purpose has been accomplished but the Congress has disagreed and continued CZM funding. CRS further noted that program supporters, including coastal states, environmentalists, and some development interests, argue that federal support is needed to continue state coastal programs.
- ° In April 1985, at the request of the Subcommittee on Oceanography, House Committee on Merchant Marine and Fisheries, NOAA queried the 28 states and territories participating in the CZM program on how the loss of federal funding would affect their programs. Of these states and territories, six either stated they would terminate or would probably terminate their CZM programs. The remaining 22 said they would reduce their programs.
- ° Also in April 1985, the Coastal States Organization surveyed its members on the impact of eliminating or reducing federal funding. The Coastal States Organization reported that federal CZM funding is needed. If the CZM program were curtailed, it stated that a significant overall reduction would occur in planning and regulatory functions such as permit processing, federal consistency determination reviews, and special management planning efforts. Since many states pass on grant money to local governments, the reduction would also affect those local coastal planning and regulatory activities addressing resource and land use conflicts. The Coastal States Organization concluded

that the coastal CZM programs in the territories and state public participation programs would be eliminated and the nine areas of national interest (see app. I) would be "hampered."

- ° Researchers from CRS and the Congressional Budget Office (CBO) had each recently coauthored articles for national planning organizations. An article coauthored by a CRS researcher concluded that the CZM program has resulted in implementation "tools," such as multi-party negotiation for resolving coastal conflicts, which could be used to balance the environmental and developmental interests more efficiently. However, because the Congress chose not to prescribe federal CZM program standards, opting for state autonomy, and because states use different tools to implement the program, the authors further concluded that it is impossible to "rigorously" evaluate the impact of the program. Another article, coauthored by the CBO researcher, similarly concluded that because national concerns and state commitments vary widely, goals and standards are difficult to establish and a substantive evaluation loses its meaning in comparing results between states.

CZM PROGRAM BENEFITS

Maryland and Washington State officials cited the following CZM program benefits:

- ° Because the CZMA requires federal coastal activities to be coordinated with the states, the CZM program helps fill the need to coordinate the common objectives of the federal agencies involved in maritime affairs and to designate specific responsibilities to these agencies.
- ° The CZM program helps in addressing issues concerning the environment, habitat, natural resources and fisheries, and pollution.
- ° The states have been able to be abreast of issues such as outer continental shelf leasing.
- ° Planning of coastal developments has been facilitated.
- ° A forum for federal/state dialogue on coastal zone management has been established.
- ° Local governments have assumed the responsibility for establishing and partially funding CZM activities.
- ° Technical information on the coastal zone has been accumulated at the local, state, and federal levels.
- ° The CZM program helped stimulate the Chesapeake Bay Program's establishment.

CONCERNS ABOUT THE CZM PROGRAM

Concerns about the CZM program as expressed to us during our survey are presented below.

- ° NOAA's Assistant Administrator for Ocean Services and Coastal Zone Management told us that even though OCRM is organizationally under his office, the Director, OCRM, is not accountable to him. The Assistant Administrator said that he has little control over the direction of the program because he does not participate in developing the OCRM Director's annual work plans nor make that Director's efficiency ratings. Instead, NOAA's Associate Administrator, who is at the next highest level above the Assistant Administrator, helps develop the OCRM Director's work plans and makes the efficiency ratings. The Associate Administrator told us that he performs these functions because the OCRM Director asked him to. The OCRM Director confirmed to us that he requested the NOAA Associate Administrator to rate him.
- ° The Assistant Administrator told us that he does not fully agree with the philosophy under which the CZM program is being managed. More specifically, he said that the Congress could be more specific in detailing how CZM moneys should be spent and that he would like to see more spent on engineering needs related to coastal development projects rather than on program administration.
- ° Two OCRM program managers told us that the federal role in the CZM program is not clearly defined. These program managers said that written policies and procedures are inadequate and basic program terminology, such as "significant improvements" on which part of each state's funding eligibility is based, has not been defined.¹
- ° The Deputy Director, OCRM, said that because most states have CZM programs in place, the states have no need for additional federal CZM grants. This official said that a federal role of coordinating federal activities for consistency with state programs and evaluating states' performance toward accomplishing the goals and objectives of their federally approved plans is appropriate and sufficient.

¹OCRM's regulations allow federal program managers flexibility in determining "significant improvements."

- ° OCRM program managers said that, until recently, they had little management control over state programs. For example, under the program, each state is given the responsibility to establish its own management controls. OCRM officials responsible for overseeing Maryland's program told us that they therefore had assumed that Maryland had established appropriate financial and program management systems. However, they said that they later found that Maryland lacked such a system and the state's program was "unfocused, defused, and fragmented" and recommended that Maryland establish a better financial management system. In commenting on this matter, a federal program manager and Maryland's CZM program director said that Maryland has subsequently worked with federal officials to improve controls on fiscal and program accountability.
- ° Maryland and Washington State officials told us that the federal program managers' turnover rate is too high. A Maryland official said that program managers need a better understanding of state programs and need to provide more consistent program directions. Federal program managers said that OCRM has a large number of vacant permanent positions and that a major reason why there is little federal criteria for controlling, monitoring, or evaluating state programs is because of the lack of staff.
- ° Maryland and Washington State officials told us that federal/state communications need to be improved. Maryland officials said that seminars and conferences, which allow state and federal officials to meet and discuss program approaches and problems, have not been held for several years and that communications need to be more than just at program evaluations, which are made every 1 or 2 years. Washington State officials said that federal program officials do not effectively respond to their requests for information. With respect to the seminars and conferences, OCRM officials pointed out that in November 1985 they held their first meeting of state program managers in about 2-1/2 years and that they plan to hold another meeting in 1986. They said the reason they have not held such meetings more often was because of a lack of staff and resources.
- ° According to a Washington State official, Washington's CZM program planning has been adversely affected by a lack of federal program direction and information. This official explained that because the administration was trying to rescind or reduce the program's funding, federal officials initially told the state not to apply

for a fiscal year 1985 CZM grant and then asked for an application at the "last minute". This official said funding uncertainty made it difficult to plan the state CZM program and resulted in the state's reducing its funds to some local communities. In this regard, federal program officials told us that they operate each year as though it is the last year for the CZM program.

- ° Maryland and Washington State officials were critical of the federal evaluations of state CZM programs. The following are some comments that were made:
 - The identification of "significant improvements" is too restrictive and is not realistic, and amounts spent on identifying those improvements could be better used for projects.
 - The purpose of the evaluation is not clear/not sure what is being evaluated.
 - Evaluations tend to be a reaction to the "issue of the day."
 - Public meetings, which are part of the evaluation process, attract few participants and "off the wall" comments receive inordinate consideration and require a lot of time to resolve.
 - Recommendations made are too general and not directly related to specific deficiencies.
 - Recommendations "force" the state to undertake studies of little or no value.
- ° The Assistant and Deputy Assistant Administrators for Ocean Services and Coastal Zone Management told us that the above state comments indicate state ambivalence as to wanting federal program direction versus wanting state autonomy. They said that when specific direction is given, the complaint is that the process is too restrictive. On the other hand, when states are provided autonomy, the complaint is that guidance is too general. According to these officials, the problem facing federal CZM program managers is finding the appropriate balance.
- ° OCRM officials told us that federal program managers ensure corrective action is taken on the recommendations but they do not have a formal system for documenting the follow-up made by program managers and the actions taken by the states. Instead, program managers told us that they relied on personal notes and management judgments as

to whether appropriate action had been taken or if additional follow-up is needed.

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