



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

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RESOURCES, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION

January 12, 1983

Lieutenant General J. K. Bratton
Chief of Engineers
U.S. Army Corps of Engineers



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Dear General Bratton:

Subject: Opportunity To Improve the Corps of
Engineers' Small Projects Programs

We have completed a review of the Corps of Engineers' Small Projects Programs aimed at determining how frequently such projects lead to solutions of water problems. We found that relatively few projects undertaken since 1964 by the Corps through these programs have resulted in projects to solve water problems because, in part, local communities did not support the solution. In our recent report 1/ on Federal water project feasibility studies, we made recommendations aimed at placing more emphasis on evaluating local support early in the study process. Because these recommendations will be applied by the Corps to its Small Projects Programs as well as project feasibility studies, we are not making any further recommendations in this report. However, we would like to bring the results of our review to your attention with the view that the information might be helpful in making the programs more cost effective.

We obtained data on the Small Projects Programs from the Corps' South Atlantic, Southwestern, and South Pacific Divisions because, according to the Small Projects Program manager, these Divisions are representative of the programs nationwide. The data was obtained for newly funded projects during the period July 1, 1964, to December 31, 1981, primarily to ascertain the extent to which they resulted in construction projects and, if not, why. We also visited Corps headquarters in Washington, D.C., and two of the Corps Divisions--Southwestern and South Pacific--to review project files and discuss the program with Corps planning officials. The information from the Southwestern Division was fully verified. Except for the South Pacific Division section 205 data, we did not take the time to verify the data provided by Corps South Atlantic and

1/"Sharing the Cost of Making Federal Water Project Feasibility Studies--A Financing Alternative" (GAO/RCED-83-18, Dec. 6, 1982).

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South Pacific Division officials because of time constraints. The review was made in accordance with generally accepted government auditing standards.

Although we obtained data on all of the small projects programs, we focused on three--small flood control, small navigation, and emergency streambank and shoreline protection projects--because these three received about \$249 million, or 91 percent, of the \$274 million appropriated to small projects during fiscal years 1970 through 1982.

PROGRAM FUNDING AND DESCRIPTION

The Corps was appropriated \$34 million in fiscal year 1982 to plan, design, and construct water resources improvements, requested by local sponsors, under six separate legislative authorities. These authorities, collectively known as the Small Projects Program or the Continuing Authorities Program, are for

- beach erosion and shoreline projects (Section 103, River and Harbor Act of 1962, as amended),
- flood control projects (Section 205, Flood Control Act of 1948, as amended),
- navigation projects (Section 107, River and Harbor Act of 1960, as amended),
- mitigation of shore damage attributable to Federal navigation projects (Section 111, River and Harbor Act of 1968),
- emergency streambank and shoreline protection of public works and nonprofit services (Section 14, Flood Control Act of 1946, as amended), and
- snagging and clearing for flood control (Section 208, Flood Control Act of 1954, as amended).

The Corps also has authority under the Small Projects Programs for snagging and clearing for navigation (Section 3, River and Harbor Act of 1945, as amended) but has not requested funds for this program during the past 12 years.

FEW SMALL WATER RESOURCE PROBLEMS ARE SOLVED

To assess the Corps' experience in solving small water resources problems under its general authorities, we obtained information on the outcome of studies and the factors affecting that outcome. About 79 percent of all small project studies undertaken by the Corps' Southwestern and South Atlantic Divisions

since 1964 have not found acceptable ^{1/} solutions to water problems representing about \$7.4 million in Federal expenditures. The primary reasons studies did not result in projects were a poor benefit-cost ratio and lack of local support.

Of 479 small project studies completed or concluded during the 17-year period, only 99 resulted in recommendations to construct projects. As shown in the following table, the two Divisions spent about \$7.4 million on the remaining 380 studies.

Small Projects <u>Programs</u>	Total number <u>of studies</u>	<u>Studies not resulting in acceptable solutions</u>		
		<u>Number</u>	<u>Percent</u>	<u>Cost</u>
				(thousands)
Section 14	54	24	46	\$ 107
Section 103	25	19	76	416
Section 107	100	69	69	1,314
Section 111	3	2	67	3
Section 205	248	233	94	5,316
Section 208	<u>49</u>	<u>33</u>	66	<u>300</u>
Totals	<u>479</u>	<u>380</u>	79	<u>\$7,456</u>

Of the six funded authorities, section 205 small flood control project studies have been the least successful in terms of resulting in acceptable solutions. The section 14 Emergency Streambank and Shoreline Protection Program was the most successful in that 54 percent of these studies concluded in acceptable solutions during the period. We found similar results in the South Pacific Division.

The principal reasons that studies were concluded without finding an acceptable solution were the lack of an economically feasible solution and the lack of local support for the proposed solution. These reasons were cited by Corps district planning officials for about 87 percent of the studies not resulting in project recommendations--64 percent were not economically feasible and 23 percent lacked local support. Other reasons included eligibility restrictions and changing program requirements.

While the Divisions identified and terminated in the reconnaissance stage most of the studies which were not economically feasible, this is not the case for studies which were concluded for lack of local support. Of the 245 studies concluded for economic reasons, 209, or 85 percent, were identified and terminated in the reconnaissance stage, whereas of the 87 studies

^{1/}As used in this report, an acceptable solution is one in which benefits exceed costs and the local sponsor is willing to support construction.

concluded because of local support problems, only 29, or 33 percent, were identified and terminated during the reconnaissance stage.

In this regard, in our 1982 report on Federal water project feasibility studies, we also concluded that relatively few feasibility studies actually result in the construction of projects to resolve water problems because, in part, they lack the local support needed to proceed. We recommended that the Corps and the other major Federal agencies involved in water project feasibility studies do more early in the study process to assure that the resulting solution does not exceed the local community's expectations and capabilities. Specifically, we recommended that planners early in the study process (1) meet with the local sponsor to gain an understanding of the type, size, and cost of the project they envision, (2) evaluate the sponsor's legal authority and financial capability to contract for and fund a project, and (3) determine whether study sponsors have adequately assessed the depth and likely commitment of community support. The Corps agreed to incorporate these recommendations in its planning guidance. This guidance will be applicable to the Small Projects Programs as well as feasibility studies.

CONCLUSIONS

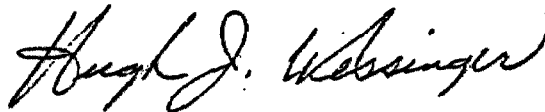
The Corps is spending time and money under the six Small Projects Programs, but relatively few studies actually result in projects to correct the problem, particularly under the section 205 program. Usually the proposed solutions are found either to cost more than their benefits are worth or to lack the local support needed to proceed. The Corps has identified most of the benefit-cost problems in the reconnaissance phase of the study; however, local support problems have not surfaced until the later study phases. The recommendations contained in our prior report, which when implemented, will also apply to the Small Projects Programs, should improve this situation by placing more emphasis on evaluating local support early in the small projects study process. Consequently, we are not making any further recommendations in this report.

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We discussed this report with your Small Projects Programs manager and he generally agreed with the report's contents.

We will be glad to meet with you or your staff to discuss this matter if you wish. Copies of this report are being sent to the Director, Office of Management and Budget, and to the Assistant Secretary of the Army (Civil Works).

Sincerely yours,

A handwritten signature in cursive script that reads "Hugh J. Wessinger". The signature is written in dark ink and is positioned above the typed name.

Hugh J. Wessinger
Associate Director Senior Level