



National Flood Insurance Program
Community Rating System

**A Strategic Plan for the
Community Rating System**
Fiscal Years 2008–2013

2008



FEMA

EXECUTIVE SUMMARY

Although the Community Rating System (CRS) has been recognized as a successful and mature program within the National Flood Insurance Program (NFIP), the Federal Emergency Management Agency (FEMA) and its partners want to improve the public contribution made by the CRS. To do so, it is critical to assess the performance of the CRS and to develop innovative ways to enhance its operations and outcomes.

In 2007, the CRS Task Force and FEMA revised the 1987 goals, which had been the foundation of the CRS since its inception. The new, 2007, goals are to

- Reduce flood damage to insurable property;
- Strengthen and support the insurance aspects of the NFIP; and
- Encourage a comprehensive approach to floodplain management.

These goals provide a broad direction in which to move the CRS for the future. However, they do not specify objectives and strategies that the CRS Task Force and FEMA can pursue to accomplish the goals, nor do they provide a schedule for implementation. This Strategic Plan for the Community Rating System 2008–2013, presents objectives and strategies, along with a timeline for their achievement. The Plan is based on extensive deliberation and analysis by the CRS Task Force and FEMA, all in a context that complements FEMA’s 2008–2013 Strategic Plan.

The CRS Strategic Plan sets forth five objectives and several strategies per objective to accomplish the CRS goals and contribute to implementation of the FEMA Strategic Plan. The CRS Strategic Plan is to be implemented over multiple years, during federal fiscal years 2008 through 2013. Project planning and the development of priorities will be undertaken during the first year with activity reviews and implementation occurring in subsequent years. The results of the activity reviews and adjustments to the CRS Strategic Plan will be integrated into future editions of the *CRS Coordinators Manual*. The next edition of the Manual is scheduled to be published in 2011.

The CRS Strategic Plan is summarized in the chart on the next page. The objectives are listed in the left column. To achieve each objective, one or more strategies have been identified, as listed in the right column. It should be noted that there is not a direct, one-to-one relationship between the three CRS goals and the specific objectives and strategies. Rather, all three CRS goals influenced the formation of the objectives and strategies.

**STRATEGIC PLAN
for the
COMMUNITY RATING SYSTEM, 2008–2013**

Objectives	Strategies
1. Ensure that all CRS credits are appropriate and fully earned.	1.1. Ensure that all credited activities properly reflect the CRS goals. 1.2. Ensure that all CRS communities are fully compliant with NFIP criteria. 1.3. Improve the CRS verification process.
2. Support FEMA’s initiatives to reduce repetitive flood losses.	2.1. Improve CRS incentives and opportunities to encourage communities to reduce repetitive flood losses. 2.2. Use the CRS to support other efforts to reduce repetitive flood losses.
3. Encourage communities to improve their floodplain management programs continually.	3.1. Develop a set of incentives for implementing each CRS-credited activity. 3.2. Review the CRS incentives in light of the CRS goals. 3.3. Help communities manage their CRS programs more effectively.
4. Support the CRS Strategic Plan with appropriate procedures and adequate resources.	4.1. Develop a CRS marketing plan. 4.2. Develop a method to evaluate the flood losses avoided through the CRS. 4.3. Improve partnerships with CRS stakeholders. 4.4. Improve the operations of the CRS Task Force. 4.5. Provide the tools and resources needed to implement the strategies set out in the CRS Strategic Plan.
5. Implement a knowledge management plan for the CRS.	5.1. Develop a strategy for succession planning. 5.2. Ensure that there are sufficient qualified and motivated staff members in both FEMA and Insurance Services Office.

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BACKGROUND

The Community Rating System (CRS) is an important part of the National Flood Insurance Program (NFIP). It is designed to encourage local governments to do more to reduce flood losses, protect their residents, and improve flood insurance coverage. By earning points for activities that exceed NFIP standards, CRS communities obtain reductions in flood insurance premiums for their residents.

The CRS and the NFIP are administered by the Mitigation Directorate of the Department of Homeland Security's Federal Emergency Management Agency (FEMA), overseen by the Federal Insurance Administrator. FEMA has ten Regional Offices that provide the field contacts with the states and communities.

The CRS is guided by a Task Force that provides advice and assistance to FEMA. The CRS Task Force is made up of a variety of partners, including federal, state, and local governments, and industry representatives. The CRS Task Force is the focal point for all discussions about the CRS and makes recommendations to FEMA on the program (see Figure 1).

Insurance Services Office (ISO) has an arrangement with FEMA to process CRS applications and provide technical support to the CRS Task Force and to FEMA. ISO has 18 full-time staff members dedicated to the CRS, including 15 ISO/CRS Specialists who review the applications, conduct the verification visits, ensure annual recertification, and coordinate their work with the states and FEMA Regions. Two other ISO staff members provide management, technical, and training support. In addition, three technical consultants advise the CRS Task Force and provide technical support.

The Project Team is a sub-group of the administrative personnel for the CRS. It is composed of one staff member from FEMA's Mitigation Directorate, two of the ISO staff, three technical consultants, and two ISO program coordinators.

PARTICIPANTS IN THE ADMINISTRATION OF THE COMMUNITY RATING SYSTEM

Federal Insurance Administrator

FEMA's Mitigation Directorate (selected staff)

CRS Task Force (16 members from different disciplines)

Insurance Services Office (18 staff including 15 field staff (ISO/CRS Specialists))

Technical consultants to ISO and the CRS Task Force (3)

Project Team (consists of one FEMA headquarters staff member, two ISO staff members, three technical consultants, and two ISO program coordinators)

- Figure 1 -

HISTORICAL PHASES OF THE COMMUNITY RATING SYSTEM

1987–1989	Concept developed, program designed, and initial goals established
1990–1998	Program and credit criteria implemented; goals amended
1999–2007	Program and credit criteria refined and implemented; goals refined
2008	Strategic plan developed

- Figure 2 -

Since its earliest days in the 1980s, the CRS has evolved through four phases of refinement that reflect a commitment to continuous improvement (see Figure 2). The first *CRS Coordinator's Manual* was published in 1990, setting out the program activities, scoring, and procedures by which communities earn their ratings. During the first two years, over 600 communities became participants in the CRS. From 1996 to 1998, FEMA and the CRS Task Force conducted an extensive evaluation of the program and refined and improved the credit criteria. The 1999 *CRS Coordinator's Manual* reflected these changes and subsequent editions of the *Coordinator's Manual* have included minor revisions in some activities.

By 2008, there were 1,089 communities participating in the CRS, out of over 20,000 in the NFIP. However, the CRS communities accounted for 66% of all NFIP policies. Most of the CRS communities are in classes 9, 8, and 7, receiving

policy premium discounts of 5%, 10%, and 15%, respectively. Larger discounts are received by the 127 CRS Class 6 and better communities, whose local programs exceed NFIP standards for minimizing flood losses, protecting people, and encouraging flood insurance coverage.

Development of Goals for the Community Rating System

At the outset of the CRS, in 1987, the CRS Task Force and the Federal Insurance Administrator established three goals for the program so that the roles played by each entity in the insurance and floodplain management aspects of the program could be well understood and integrated. The purpose of the CRS was to recognize and encourage community and state activities that went beyond the minimum required by the NFIP, and to provide rewards for those activities in the form of reduced flood insurance premiums. Rewards would be for local efforts that exceeded minimum requirements in reducing flood losses, facilitating accurate insurance rating, and/or promoting the awareness of flood insurance.

The CRS Task Force developed a list of community-based floodplain management activities that would further those three goals and that also could be observed and measured (Figure 3). Points were assigned to each component of the activities (called

“elements”) at a “weighting forum” held in Tulsa, Oklahoma, in 1989. The three-day forum allowed CRS Task Force members to discuss different methods for assigning values to floodplain management and flood insurance techniques that exceed the minimum requirements of the NFIP. At the conclusion of the forum, the CRS Task Force had tied specific scores to a variety of best practices.

Based upon the total score for the credited activities it conducts, a community receives a CRS classification. There are 10 CRS classes: Class 1 requires the most credit points and gives the largest premium reduction (up to 45%); policy holders in a Class 9 community receive the smallest reduction (5%); there is no premium reduction in a Class 10 community, which is the default classification for all non-participating communities.

During the next 10 years the CRS approach of rewarding community activities was continually refined. For example, in response to inquiries from communities and the technical support staff, the CRS was adjusted to permit a community to receive CRS credit for a floodplain management approach that differed from that specified in the Coordinator’s Manual, as long as the alternative approach met the objectives of the activity or element. However, it was discovered that the existing objectives for each activity were too loosely defined to do this.

In 2005, the CRS technical support staff asked the CRS Task Force for help in examining each element and activity to determine if they properly upheld the CRS goals. This was needed to provide clear statements of the objectives of each activity and element, which would facilitate the review of community submittals requesting credit for alternative activities.

In 2006 the CRS Task Force decided to revise the goals of the CRS first, and then look at the objectives for each series of activities, before examining the details of the activities and elements. In 2007 the CRS Task Force refined the initial program goals to establish

LOCAL ACTIVITIES CREDITED UNDER THE COMMUNITY RATING SYSTEM

300 Public Information Activities

- 310 Elevation Certificates
- 320 Map Information
- 330 Outreach Projects
- 340 Hazard Disclosure
- 350 Flood Protection Information
- 360 Flood Protection Assistance

400 Mapping & Regulatory Activities

- 410 Additional Flood Data
- 420 Open Space Preservation
- 430 Higher Regulatory Standards
- 440 Flood Data Maintenance
- 450 Stormwater Management

500 Flood Damage Reduction Activities

- 510 Floodplain Management Planning
- 520 Acquisition and Relocation
- 530 Flood Protection
- 540 Drainage System Maintenance

600 Flood Preparedness Activities

- 610 Flood Warning Program
- 620 Levee Safety
- 630 Dam Safety

- Figure 3 -

the three goals to be used as basic guidance for the CRS (Figure 4). The stated goals of the CRS now are to

- (1) Reduce flood damage to insurable property;
- (2) Strengthen and support the insurance aspects of the NFIP; and
- (3) Encourage a comprehensive approach to floodplain management.

GOALS OF THE COMMUNITY RATING SYSTEM, 2007

1. Reduce flood damage to insurable property

Communities are encouraged to map and provide regulatory flood data for all their flood hazards. The data should be used in their regulatory programs and shared with all users and inquirers. New buildings in mapped floodplains should be protected from the known local flood hazards, which may require setting standards higher than the minimum national criteria of the National Flood Insurance Program. Communities are encouraged to reduce the exposure of existing buildings to flood damage, especially those buildings that have suffered repetitive flood losses.

2. Strengthen and support the insurance aspects of the National Flood Insurance Program

Communities should encourage their residents to be aware of their flood risk and to purchase and maintain a flood insurance policy to protect themselves from the financial impacts of flooding. Communities should also help make the program more financially sound by implementing mapping and information programs that help to evaluate accurately the individual property risk for flood insurance rating purposes, expand the policy base, and reduce repetitive losses.

3. Encourage a comprehensive approach to floodplain management

Insurable property is not the only floodplain management concern of communities, so the CRS recognizes efforts that protect lives; further public health, safety, and welfare; and protect the natural functions of floodplains. The community staff should understand the physical and biological processes that form and change floodplains and watersheds and take steps to deal with flooding, erosion, habitat loss, water quality, and special flood-related hazards. Floodplain management programs need to protect buildings, infrastructure, critical facilities, and natural functions and also ensure that new development does not cause adverse impacts on others. A comprehensive approach uses all tools, including public information, planning, regulatory authorities, financial support, public works, and emergency management.

- Figure 4 -

Benefits of Participation in the Community Rating System

The benefits of CRS participation go well beyond the award of flood insurance premium discounts to policy holders in return for the implementation of specific floodplain management activities. The CRS is also a catalyst to the integration of a wide range of disaster resistance programs, improved knowledge of flood risk, and skills development. The CRS drives greater coordination among mitigation programs and enhanced awareness of the many actions communities can pursue to reduce losses and protect floodplain functions. These “CRS incentives and opportunities” are listed in Figure 5 and are referred to throughout this plan.

The Case for a Strategic Plan

The CRS Strategic Plan was created for three main reasons.

First, all programs need to be reviewed periodically. As a mature program, the CRS warrants a careful assessment of its performance, with full consideration of developing innovations so that its public contribution can be improved continuously. As with other FEMA programs, the CRS needs both to evaluate the effectiveness of its credit criteria and procedures and also to keep up with developments in and outside of FEMA. A periodic evaluation and preparation of a strategic plan is needed for the CRS to

- Ensure that communities are “earning” the appropriate credits they are awarded through participation in the program;
- Become a more performance-based program, with measurements that illustrate the costs and benefits of program implementation;
- Better integrate with other programs, coordinate with recent initiatives, and build new partnerships;
- Incorporate new technologies and respond to new community demographics and societal trends;
- Create a succession and knowledge management plan to assure the continued high performance of the CRS Task Force and the CRS Project Team; and
- Identify a process to increase the number of communities participating in the CRS and/or increase the ratings of those communities already in the program.

Second, the FEMA staff administering the CRS desire to respond to the need for self-examination as emphasized by recommendations from two recent independent reports. In 2002, the FEMA Inspector General recommended seven specific actions to “further enhance the effectiveness of the CRS” (Office of Inspector General, 2002, p. 1). In 2006, the American Institutes for Research (AIR) found shortcomings in the level of

CRS INCENTIVES AND OPPORTUNITIES FOR COMMUNITY ACTION

Incentives and Opportunities under the CRS	Example
Provision of credit points for implementing an activity	Up to 60 points are provided for conducting an outreach project to the community
Award of bonus points for addressing NFIP priorities	Double credit is awarded for retrofitting repetitive loss structures and critical facilities
Required prerequisites to participate in the CRS	Communities must review their repetitive flood loss properties and map their repetitive loss areas
Required prerequisites to improve to a certain CRS class	To be a Class 7 or above in the CRS, a community must obtain a grade of 6 or better under the Building Code Effectiveness Grading Schedule
Provision of examples and templates	Publications, such as <i>CRS Credit for Outreach Projects</i> , help communities understand how to undertake a credited activity
Technical assistance	Insurance Services Office provides advice to emergency managers on how to prepare a flood warning plan
Identification of aid to communities in obtaining FEMA mitigation grants	Several grant programs will fund a floodplain management plan that can receive CRS credit
Complement to community participation in other agencies' programs	A CRS-credited floodplain management plan also will meet the planning prerequisite for a U.S. Army Corps of Engineers flood protection project
Training	Insurance Services Office holds workshops on mitigation planning
Evaluation of enhanced local floodplain management	The CRS can serve as a yardstick to measure the effectiveness of the community's activities
Recognition of outstanding achievement through public commendation	A press release and ceremony to present a plaque to the community upon joining the CRS or improving its class remind residents that the community is working to protect them from flood losses
Improved integration among community agencies and programs	Stormwater management encourages cooperation among the floodplain, watershed, and water quality management programs within the community and the watershed

- Figure 5 -

compliance with NFIP rules among CRS communities. In a summary report, AIR also identified a variety of ways in which the CRS could be improved and could assist other FEMA programs (American Institutes for Research, 2006).

Third, the CRS Task Force needs to ensure that a review of the CRS's goals, activities, credits, and performance measures is closely tied to FEMA's goals and objectives. Those portions of the 2008 FEMA Strategic Plan that are relevant to the CRS are shown in Figure 6.

The CRS Task Force conducted its strategic planning over a series of meetings in 2007 and 2008. The result was an array of objectives, strategies, steps for implementation, and a year-by-year schedule for the next six years to guide the CRS in achieving its goals. That plan is described in the next section.

THE FEMA STRATEGIC PLAN & THE CRS STRATEGIC PLAN

The CRS Task Force sub-committee responsible for the creation of the CRS Strategic Plan identified some basic links between the CRS Strategic Plan and the 2008–2013 FEMA Strategic Plan. In particular, Goal 1 of the FEMA plan, “An integrated approach that strengthens the Nation’s ability to address disasters, emergencies, and terrorist events,” encompasses the majority of the CRS’s activities. The following FEMA objectives and strategies under Goal 1 reflect the aims of the CRS Strategic Plan:

FEMA Objective 1.1 Build a culture of preparedness across the Nation for all hazards.

Strategy B: Lead the Nation’s efforts for greater personal and community responsibility for preparedness through public education and awareness, and community engagement and planning, including outreach to vulnerable populations.

Strategy C: Lead efforts to engage private industry in building capabilities and in developing partnerships with government entities.

FEMA Objective 1.2 Conduct, promote, and communicate the identification and analysis of risk and capabilities as the basis for action.

Strategy A: Leverage existing resources within all levels of government, non-governmental organizations, and the private sector to identify risks associated with all-hazard threats, vulnerabilities, and consequences and to measure the capabilities necessary to minimize the identified risks.

FEMA Objective 1.3 Promote physical and economic loss reduction measures.

Strategy A: Promote development of national, consensus-based building, life safety, and fire codes and standards, and encourage their adoption by governmental entities.

Strategy B: Lessen the financial impact of disasters on the Nation by promoting the use of insurance as a mechanism by which public and private property owners can reduce their risk of economic loss through strengthening the National Flood Insurance Program.

FEMA Objective 1.5 Ensure the Nation’s jurisdictions have adequate plans and programs to effectively address all hazards and minimize loss of life and property.

Strategy D: Ensure that federal agencies, states, territories, tribal nations, local governments, and first responders are prepared to continue operations and perform essential governmental functions in response to all hazards.

Strategy E: Ensure that operational planning with other federal agencies, states, territories, tribal nations, and local governments is linked to incentives, and that it incorporates national policies, such as the National Incident Management System, the National Response Framework, the National Preparedness Guidelines, and the requirements of FEMA grant programs, training, exercises, and technical assistance.

Source: *FEMA Strategic Plan: Fiscal Years 2008-2013*

- Figure 6 -

**STRATEGIC PLAN
for the
COMMUNITY RATING SYSTEM, 2008–2013**

Objectives	Strategies
1. Ensure that all CRS credits are appropriate and fully earned.	1.1. Ensure that all credited activities properly reflect the CRS goals. 1.2. Ensure that all CRS communities are fully compliant with NFIP criteria. 1.3. Improve the CRS verification process.
2. Support FEMA’s initiatives to reduce repetitive flood losses.	2.1 Improve CRS incentives and opportunities to encourage communities to reduce repetitive flood losses. 2.2 Use the CRS to support other efforts to reduce repetitive flood losses.
3. Encourage communities to improve their floodplain management programs continually.	3.1. Develop a set of incentives for implementing each CRS-credited activity. 3.2. Review the CRS incentives in light of the CRS goals. 3.3. Help communities manage their CRS programs more effectively.
4. Support the CRS Strategic Plan with appropriate procedures and adequate resources.	4.1. Develop a CRS marketing plan. 4.2. Develop a method to evaluate the flood losses avoided through the CRS. 4.3. Improve partnerships with CRS stakeholders. 4.4. Improve the operations of the CRS Task Force. 4.5. Provide the tools and resources needed to implement the strategies set out in the CRS Strategic Plan.
5. Implement a knowledge management plan for the CRS.	5.1. Develop a strategy for succession planning. 5.2. Ensure that there are sufficient qualified and motivated staff members in both FEMA and Insurance Services Office.

- Figure 7 -

STRATEGIC PLAN FOR THE COMMUNITY RATING SYSTEM

The Strategic Plan for the Community Rating System's next six years of operation (fiscal years 2008 through 2013), summarized in Figure 7, consists of five objectives designed to further the CRS goals and to contribute to the implementation of FEMA's Strategic Plan. Several "strategies" will be employed to achieve each of the five objectives. For each strategy, "implementation steps" have been specified to rough out the intended schedule and scope of the contemplated work.

Quantifiable performance measures are a critical component of evaluating the effectiveness of any program. Many of the implementation steps contained in the CRS Strategic Plan will be incorporated in performance measures to assure accomplishment of the stated priorities.

The CRS Strategic Plan is to be implemented over a six-year period. Project planning and development of priorities will be undertaken during the first year, and implementation of activities will take place during all six years.

It should be noted that the specific strategies are not limited to a single CRS objective or goal as specified in the CRS Strategic Plan. Rather, most of the objectives and strategies will further more than one, or even all three, of the goals of the CRS.

Objective # 1

Ensure that all CRS credits are appropriate and fully earned.

The majority of the current CRS activities have remained essentially unchanged from the earliest days of the program, although incremental adjustments have been made through the years. Since the activities form the basis for accomplishing the CRS goals, an evaluation of the appropriateness of the activities and the credits awarded for each should be performed, and adjustments made as necessary. This is essential to the continuous improvement of the CRS.

Strategy 1.1 Ensure that all credited activities properly reflect the CRS goals.

Description The activities credited under the CRS activities (see Figure 3) should encourage the most appropriate and effective approaches for local activities that work toward achieving the three goals of the CRS. To ensure that this is the case, the credited activities need to be evaluated periodically. To date, some activities' credit criteria have been based more on expert opinion than on verifiable evidence and need to be evaluated sooner rather than later.

The activities and related elements that need to be evaluated in depth are shown in Figure 8. The schedule for when each will be reviewed was based on consideration of the following factors:

- The activities' impact on reducing flood losses;
- The activities' impact on the Flood Insurance Fund;
- Whether the current rationale for credit is still pertinent;
- Whether they are complicated to implement and/or verify; and
- When related programs will be evaluated by FEMA or other stakeholders.

The schedule in Figure 8 will be evaluated by the CRS Task Force each year. Changes may be appropriate, depending on opportunities or interests that arise.

When an intensive review is conducted, an evaluation report will be prepared that will

- Describe the history and rationale for the current credit criteria;
- Clarify the linkages between the activity and the 2007 goals of the CRS;
- Estimate the impact of the activity on avoiding or lessening flood losses and/or on the level of flood insurance premiums;
- Gather input from affected parties and draft revised credit criteria;
- Field test the revisions, to the extent possible;

- Include explanatory materials and examples to help communities meet the revised criteria; and
- Allow communities to make the transition from the old credits to the new ones with minimal disruption to their programs.

Implementation Steps A complete evaluation of all CRS activities and the credits assigned will be conducted, and improvements incorporated accordingly.

- Year 1: The CRS Task Force will begin the intensive reviews of the activities as noted in Figure 8.
- Year 2: Conduct a CRS Weighting Review.
- Each year: The CRS Task Force will review the schedule for reviewing activities (shown in Figure 8) and confirm which activities will be evaluated in that year.

Measure of Performance The intensive review of each CRS activity is completed according to the CRS Strategic Plan’s schedule (Figure 8).

Strategy 1.2 Ensure that all CRS communities are fully compliant with NFIP criteria.

Description It is important that a community meet the minimum floodplain management requirements of the NFIP before it is rewarded through the CRS for going “above and beyond” the minimum requirements. Confirming that communities are compliant, and helping them to achieve compliant status, has been the job of FEMA’s community compliance staff at Headquarters and in the Regional Offices, in cooperation with state floodplain management agencies. Traditionally, compliance work is conducted primarily through Community Assistance Visits, which can be quite involved and expensive to conduct.

The 2002 FEMA Inspector General’s report on the CRS, the 2006 Evaluation of the National Flood Insurance Program by the American Institutes for Research, and reports from the field all have noted that compliance in CRS communities should be better. FEMA needs either to devote more resources to conducting Community Assistance Visits or find new tools to monitor community activities and bring communities into compliance in order to ensure that CRS communities are meeting the minimum floodplain management requirements of the NFIP. Because CRS communities differ from other NFIP-participating communities in several ways, they present opportunities to develop new tools for and approaches to maintaining compliance with the NFIP.

- CRS communities are volunteers. They are motivated to cooperate with compliance efforts if they want to receive and keep their flood insurance discounts.
- The procedures used under the CRS for verifying credit points can be used as tools for monitoring NFIP compliance.
- ISO/CRS Specialists are in contact with their CRS communities and visit them at least as frequently as even the most aggressive FEMA or state program for conducting Community Assistance Visits for purposes of compliance.

**SCHEDULE FOR INTENSIVE REVIEW UNDER STRATEGY 1.1
OF EACH ACTIVITY OF THE CRS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
211 Credit Prerequisites										
300 Public Information Activities										
310 Elevation Certificates										
320 Map Information Service										
330 Outreach Projects										
330, 450, 540–NPDES coordination										
340 Hazard Disclosure										
350 Flood Protection Information										
360 Flood Protection Assistance										
400 Mapping and Regulatory Activities										
410 Additional Flood Data										
410–Coastal elements										
420 Open Space Preservation										
420–Natural functions elements										
430 Higher Regulatory Standards										
430–Coastal elements										
430–Natural functions elements										
410–430 Coastal Special Hazards										
410–430 Inland Special Hazards										
430LD Land Development Criteria										
440 Flood Data Maintenance										
450 Stormwater Management										
500 Flood Damage Reduction Activities										
502 Repetitive Loss Requirements										
510 Floodplain Management Planning										
510–Natural functions elements										
520 Acquisition and Relocation										
530 Flood Protection										
540 Drainage System Maintenance										
600 Flood Preparedness Activities										
610 Flood Warning Program										
620 Levee Safety										
630 Dam Safety										
710 Community Growth Adjustment										

Note 1. Shaded blocks denote when the review will take place. Some reviews will take more than one year.
 Note 2. This schedule will be reviewed each year by the CRS Task Force and may be revised if conditions warrant.
 Note 3. The years 2014–2017 are beyond the scope of this CRS Strategic Plan, but are included here to illustrate that all CRS activities are scheduled to be reviewed periodically.

- Figure 8 -

Under this strategy, FEMA Headquarters, FEMA Regional Offices, NFIP State Coordinators, and ISO will develop a CRS compliance program that capitalizes on these opportunities to improve the process of determining NFIP compliance without relying so heavily on Community Assistance Visits. In preparing this new program, the following factors will be considered:

- The new guidance provided as an outcome of the development of a 2008 NFIP Community Assistance Visit/Contact manual;
- Close coordination and cooperation with state programs;
- Using ISO staff or contractors as monitors and/or data collectors in circumstances in which there are not enough Regional Office or state staff;
- Use of geographic information systems; flood insurance policy data, such as submit-for-rate properties; the Community Information System; and other tools to monitor and report community activities;
- Conducting more frequent visits to high-risk communities and visiting communities soon after floods;
- Giving special attention to communities that account for larger shares of the CRS discount; and
- Using elevation certificate tally sheets or other CRS verification tools to monitor compliance.

Implementation Steps

- Year 1: Develop a new CRS Eligibility and NFIP Compliance Program with the involvement of FEMA Regional Office staff and state agencies.
- Years 2 through 6:
 - Verify each CRS community's NFIP compliance status in conjunction with its CRS verification cycle.
 - Schedule a Community Assistance Visit to determine if a community is compliant with the NFIP and eligible to apply for the CRS within three months of its inquiry about joining the CRS. Complete the visit within six months of the inquiry.

Measure of Performance Each CRS community's NFIP compliance status is verified in conjunction with its CRS verification cycle.

Strategy 1.3 Improve the CRS verification process.

Description The procedure for verifying a community's implementation of a credited CRS activity is designed to make sure that communities receive the credit they deserve for the activities they perform. The procedures can be cumbersome and time consuming. Both communities and the ISO/CRS Specialists could use more streamlined methods, but both understand that streamlining cannot be done at the expense of full and fair reviews of local programs.

Some improvements have been instituted, such as providing “uniform minimum credit” for communities in areas where a regional agency or state undertakes an activity on behalf of many communities (e.g., a regional stormwater utility whose jurisdiction encompasses multiple communities). Additional verification procedures to facilitate and reduce the verification workload need to be identified, tested, evaluated, and implemented.

A second concern is whether CRS verification procedures accurately measure what is being done. For example, to verify the credit awarded for local implementation of a higher regulatory standard, the ISO/CRS Specialist should review the ordinance language, check the procedures the community uses to enforce the ordinance, examine actual permit records, and visit recent construction sites. This thorough but time-consuming review is not always conducted for the lower-scoring activities.

In addition, some problem examples of permitting activities may be skipped during the random sampling process used to verify completion of certain activities. Some local regulatory standards can be highly technical and confusing even to the ISO/CRS Specialists. In some instances, all that can be observed and measured are outputs (e.g., number of newsletters mailed out) rather than outcomes (e.g., number of people who followed up on what the newsletters recommended they do). All of these concerns lead to a need to evaluate and strengthen the CRS verification process.

This strategy to review, simplify, and improve verification procedures while retaining the accuracy needed for a fair program will be an ongoing effort. As each CRS-credited activity is evaluated (see Strategy 1.1), the documentation and procedures needed to verify it also will be evaluated. More efficient and effective methods will be encouraged and then shared with other ISO/CRS Specialists at the semi-annual coordination meetings of the ISO and FEMA staff.

Implementation Steps

- Year 1: The Project Team will develop a master list of techniques that will facilitate verification. The CRS Task Force will review the list and help identify new possibilities. The list will include existing and proposed methods to simplify and/or reduce the work of the communities and field staff.
- Each year: The CRS Task Force will evaluate the verification documentation and procedures as part of each year’s activity evaluation (Strategy 1.1).
- Each year: The CRS Task Force will experiment with and evaluate at least three new verification approaches.

Objective # 2

Support FEMA's initiatives to reduce repetitive flood losses.

Insured properties that are repeatedly damaged by flooding pose a problem to the NFIP. Historically, these properties have represented only 1% of all flood insurance policies but have accounted for nearly one-third of all claim payments.

Reducing or mitigating the flood risk to these repetitive loss properties has both flood loss reduction and flood insurance benefits. It will reduce the physical, financial, and emotional consequences of flooding to individuals and communities and it will have a major impact on reducing the overall costs to the NFIP. Accordingly, the CRS should take a proactive role in reducing repetitive flood losses.

Strategy 2.1 Improve CRS incentives and opportunities to encourage communities to reduce repetitive flood losses.

Description Since its formation, the CRS has called on communities to pay special attention to their repetitive flood loss problems. All CRS communities must validate repetitive loss data, map their repetitively flooded areas, and conduct an annual outreach project to the residents of those areas. Communities with 10 or more repetitive loss properties must prepare a floodplain management plan that addresses their flood problem(s). Bonus points are provided when repetitive loss structures are acquired, relocated, elevated, or otherwise protected from flooding.

The community-wide floodplain management plans advocated under Activity 510 of the CRS have not resulted in communities' taking as much action to mitigate repetitive loss properties as was expected. Concluding that this difference was probably the result of the high cost of extensive flood mitigation projects compared to the relatively small benefit of CRS credit points, in 2006 the CRS offered a new credited activity. Credit is now provided for conducting more intensive "repetitive loss area analyses," which identify the best mitigation options on a building-by-building basis. In addition, the CRS bonus points were increased for mitigating flood damage to the properties with the most severe repetitive losses. The effectiveness of these recently added incentives has yet to be determined.

This strategy will evaluate the existing CRS incentives related to repetitive flood loss properties and the potential effectiveness of revisions or additions to them. Options that should be reviewed include

- Examining the results of the evaluation of area analyses now underway at the University of New Orleans, and making adjustments as necessary;

- Increasing the points awarded for planning, area analyses, and/or mitigation projects;
- Providing credit based on the percentage of repetitive loss properties in the community that have been mitigated;
- Requiring a certain number of repetitive loss mitigation activities (buyouts, elevation, consultations with property owners, future-conditions floodplain regulations, etc.) as a prerequisite for achieving a higher CRS class; and
- Increasing the technical assistance provided to communities that have large numbers of repetitive loss properties.

Implementation Steps

- Year 1: Complete the evaluation of area analyses now underway at the University of New Orleans.
- Year 1: Interview staff of the communities with the most repetitively flooded properties (and communities that have done a considerable amount to reduce their repetitive losses) to discern their own strategies, if any, and identify how grants and other tools and incentives could help them.
- Year 2: Draft and adopt a strategy to further encourage mitigation of repetitive flood losses.
- Year 3: Implement and evaluate the repetitive flood loss strategy.

Strategy 2.2 Use the CRS to support other efforts to reduce repetitive flood losses.

Description Several initiatives are in place or have been undertaken recently within FEMA, among state floodplain management offices, and by others to facilitate the mitigation of repetitive flood losses.

- Several grant programs specifically target repetitive loss structures for mitigation through acquisition, elevation, and other protection measures. These include the Flood Mitigation Assistance Program, the Repetitive Flood Claims Program, and the Severe Repetitive Loss Program. These three programs received a total authorization of \$124 million for fiscal year 2008. The Pre-Disaster Mitigation Program also supports mitigation of repetitive loss structures and received a \$114 million authorization in 2008.
- The Hazard Mitigation Grant Program provides funding for many different mitigation activities after a disaster.
- Long-standing NFIP regulatory criteria mandate that communities require mitigation when flood-prone structures have been substantially damaged or substantially improved.
- The Increased Cost of Compliance coverage, part of the standard flood insurance policy, provides additional funds to mitigate flooded structures that have been substantially or repetitively damaged.

- Congress has authorized the NFIP to allow actuarial flood insurance premium rates to be applied gradually to a repetitive loss structure if its owner declines the offer of a Severe Repetitive Loss Program mitigation grant.
- Flood insurance policies on severe repetitive loss properties now are being managed through the Special Direct Facility, in order to provide closer communication with severe repetitive loss property owners about mitigation steps they might consider.
- New technical guidance materials and training resources that show how mitigation measures can be applied to buildings subject to repetitive flooding are produced regularly.
- Grants and other financial incentives are now more widely available and more of them incorporate a focus on helping communities prepare and implement hazard mitigation plans that address repetitive flooding.

Although there have been many successful meetings among the partners in these mitigation initiatives, especially in mitigation planning, to engender better coordination between these programs and the CRS, there continues to be abundant opportunity for more integration. These repetitive flood loss initiatives and the CRS could improve their mutual support by

- Providing incentives under the CRS for communities to disseminate information on the grant programs to property owners;
- Providing incentives for communities to prepare plans that capitalize on post-flood mitigation opportunities. After a flood, property owners are more interested in preventing future damage, costs to retrofit damaged buildings are lower, mitigation measures are mandated for structures that have been substantially damaged, Increased Cost of Compliance funds payments may be made to policy holders, and funds for Hazard Mitigation Grants become available;
- Basing the CRS incentives on the community's contribution to mitigation projects (e.g., more CRS points would be awarded when a larger proportion of the project is funded with local money);
- Developing technical guidance and template materials for communities to use in their CRS outreach projects;
- Giving preference to CRS communities in awarding mitigation grants for repetitive loss properties; and
- Adjusting the cost share of a mitigation grant based on a community's CRS class.

Implementation Steps

- Each year: The Project Team will meet with the managers of the FEMA grants and other related repetitive loss programs to identify effective ways to provide mutual support. New ideas will be reported to the CRS Task Force and FEMA initiatives will be supported as appropriate.

- Each year: Each FEMA regional office and the FEMA headquarters mitigation office will include its progress toward its CRS-related projects as part of its annual fiscal year report to the Mitigation Director.

Measure of Performance The status of 100% of each CRS community's repetitive loss properties is reviewed and updated in conjunction with its CRS verification cycle.

Objective #3

Encourage communities to improve their floodplain management programs continually.

Communities that participate in the CRS are to be commended for taking the first step in implementing local floodplain management programs that exceed the federal minimum requirements. However, many CRS communities face serious and extreme flood risks and, if they are to provide a reasonable level of protections to their residents, should strive to implement programs that exceed the CRS Class 9 or even Class 8 levels. As communities face future floods that are more severe and possibly more frequent, they need to be motivated to implement mitigation activities that will be effective for their own circumstances.

When a community undertakes more aggressive floodplain management and improves its CRS classification, the NFIP benefits because flood insurance claims are minimized and the community itself benefits by avoiding the disruption and costs of flood damage. More incentives under the CRS would encourage communities to implement additional activities toward the CRS's three goals, and be more effective at reducing flood losses and supporting the insurance aspects of the NFIP. Therefore, the continuous review and implementation of mitigation techniques is essential and will be pursued under Objective #3.

It would also benefit all parties if communities broadened their programs by adopting watershed-wide approaches, coordinated closely with other programs and stakeholders, and undertook activities that protect the natural functions of floodplains. These approaches will make the community programs more effective and also will build a stronger constituency for a community's floodplain management program.

Strategy 3.1 Develop a set of incentives for implementing each CRS-credited activity.

Description Communities are faced with limited resources and multiple demands on their staffs and funds. In many cases, credit points alone will not be a sufficient incentive to initiate new floodplain management activities. There is a range of incentives that FEMA and the CRS can use to help encourage communities to implement new activities (see Figure 5). As each CRS activity is reviewed for

appropriate scoring under Strategy 1.1, the current and potential incentives that can encourage its implementation need to be reviewed or, in some cases, developed.

Implementation Steps All existing CRS incentives will be completely reviewed and modified as necessary. New incentives will be developed, tested, implemented, and added to the evaluation cycle as needed.

- Each year: During each activity review (Strategy 1.1), the incentives to implement the activity will also be reviewed.
- Year 2: The CRS Task Force will evaluate the costs and benefits of a community self-assessment process that will clarify the flood problems that the community faces and identify the most appropriate activities to reduce them. Consideration will be given to mandating such a self-assessment as a condition for receiving certain credits, such as floodplain management planning or the public information program strategy, and/or for advancement beyond a certain CRS class.

Strategy 3.2 Review the CRS incentives in light of the CRS goals.

Description Often, reviews of individual activities, like those to be conducted under Strategies 1.1 and 3.1, focus only on those activities. As a result, new ideas and the CRS’s overall progress toward all three of its goals can be overlooked. This strategy calls for a periodic “big picture” review that evaluates progress toward loss reduction, flood insurance support, and the development of more comprehensive local programs—using objective measurements where possible.

Implementation Steps

- Year 2: The CRS Task Force will identify observable and measurable ways to track progress toward each of the three goals of the CRS.
- Year 2: At a minimum, the following potential incentives will be evaluated to determine if they should be pursued or developed further in light of supporting the three goals of the CRS:
 - Setting selected higher regulatory standards as a condition of improving beyond a certain class;
 - Requiring that, as a condition of improving beyond a certain class, all new construction be protected to the base flood elevation or higher (i.e., a base flood elevation must be provided for all zones within the Special Flood Hazard Area on the Flood Insurance Rate Map);
 - Requiring that, as a condition of improving beyond a certain class, a thorough assessment of the community’s flood risk be developed and used to select appropriate floodplain management activities;
 - Encouraging activities that are implemented via multi-jurisdictional or watershed-wide partnerships;

- Encouraging the coordination of local floodplain management activities with other federal programs such as the Environmental Protection Agency’s National Pollutant Discharge Elimination System; and
 - Encouraging further protection of natural areas and floodplain functions.
- Years 3 through 6: The CRS Task Force will evaluate progress toward the three goals. The findings will be included in each biennial Report to Congress.

Strategy 3.3 Help communities manage their CRS programs more effectively.

Description In most communities, coordination of the CRS is considered an extra duty for one staff person. That person can be overwhelmed by the variety of activities that need to be tracked, the difficulty of coordinating with other departments, and the crunch to prepare for annual re-certifications and cycle verification visits. One of the biggest problems faced by the program is the relatively high turnover of local CRS Coordinators.

Not all communities face these problems. Some have backup staff, and some have appointed as their CRS Coordinator a relatively high-ranking staff member who can delegate tasks and get better results from numerous departments. Some have CRS committees that share the workload.

This strategy calls for the CRS staff to work with communities to help them become more effective and efficient in their CRS work.

Implementation Steps

- Year 1: The ISO/CRS field staff will develop a compendium of “best practices” for managing local CRS activities. It will be posted on the CRS Resource Center website and disseminated to all communities. New practices and lessons learned will be collected continuously and the compendium will be updated as needed.

Measures of Performance

- (1) Of the CRS communities that are cycled each year, 33% advance at least one CRS class.
- (2) Of the CRS communities that are cycled each year, 7% advance to a CRS class 6 or better.

Objective #4

Support the CRS Strategic Plan with appropriate procedures and adequate resources.

Certain procedures and supporting resources are needed to implement the CRS and improve it pursuant to this CRS Strategic Plan. Examples of such procedures are those used to encourage communities to apply to the CRS, to review their applications, to set policy and guidance, and to obtain support for the CRS from other organizations or agencies. Each of these procedures warrants a review and, in some cases, revision, to ensure full implementation of this Plan.

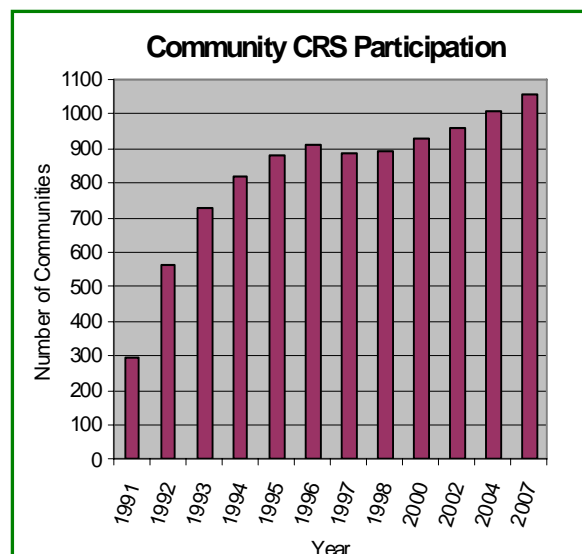
Strategy 4.1 Develop a CRS marketing plan.

Description Although there are over 1,000 communities in the CRS (Figure 9), this represents only about 5% of the communities that participate in the NFIP. Many local officials are either unaware of the CRS or its true benefits or they feel overwhelmed by the application procedures. Past efforts at contacting and encouraging local officials to join (e.g., booths at conferences, distribution of brochures) have brought mixed results. The most successful have been one-on-one meetings with an ISO/CRS Specialist, at which the community receives considerable assistance in preparing its CRS application. This approach is time-consuming for CRS staff.

However, eliminating or simplifying the community's application workload may not be the best approach to increasing participation. In order to be successful in the CRS, communities must want to join and must be committed to continued implementation of the activities for which they receive credit.

The communities that may be more likely to want to join the CRS are not necessarily those whose participation would be more beneficial to the NFIP (e.g., those with large numbers of flood insurance policies in place). Accordingly, this strategy calls for developing a plan to market the CRS that would include

- Clarifying all the costs and benefits to the community of participating in the CRS;
- Prioritizing communities appropriate for participating in the CRS, e.g., those with high policy counts, those with high percentages of floodprone buildings or repetitive loss properties, or those that are already implementing many creditable activities;



- Figure 9 -

- Identifying obstacles to community applications;
- Identifying ways to remove or overcome those obstacles;
- Evaluating possible mandates for CRS participation, e.g., as a prerequisite for a large mitigation grant;
- Coordinating with FloodSmart initiatives and with other Mitigation Directorate marketing and outreach offices;
- Considering “rebranding” the name of the CRS to better appeal to local officials;
- Setting out detailed steps to encourage applications from the higher-priority communities; and
- Setting appropriate performance measures for community participation, in terms of numbers or percentages of new communities per year.

Implementation Steps

- Year 2: Have a detailed marketing plan adopted by the CRS Task Force.
- Year 2: Begin implementation.
- Years 3 through 6: Annually evaluate progress toward the marketing plan’s metrics and revise the plan appropriately.
- Year 6: Complete the implementation of the plan.

Measure of Performance Thirty new CRS communities are enrolled each year.

Strategy 4.2 Develop a method to evaluate the flood losses avoided through the CRS.

Description The CRS Task Force will develop a method to evaluate and measure the flood losses that have been avoided as a result of local implementation of the activities credited by the CRS. Assessments and studies from past years and from previous floods will provide a foundation for beginning the evaluation. The effectiveness of the activities will be evaluated periodically, and these findings will be integrated into initiatives for continuous improvement of the CRS.

Implementation Steps

- Year 1: The CRS Task Force will develop a losses-avoided method.
- Year 2: A CRS Weighting Review will be conducted in conjunction with Strategy 1.1.
- Each year: Take advantage of opportunities, such as disasters and other evaluation projects, to measure the impact of CRS activities on flood losses.

Strategy 4.3 Improve partnerships with CRS stakeholders.

Description In addition to the participating communities, many agencies, organizations, and programs benefit from the CRS, including

- FEMA Regional Offices;
- FEMA multi-hazard mitigation projects and programs;
- Other federal agencies (Corps of Engineers, National Oceanic and Atmospheric Administration, etc.);
- State floodplain management programs;
- Sub-state agencies (water management districts, river basin commissions, etc.);
- The insurance and map determination industries and related programs, such as the Building Code Effectiveness Grading Schedule;
- Owners of insured properties;
- Professional associations; and
- The construction industry.

These stakeholders in the CRS can, in turn, help the CRS through outreach efforts and/or support of specific activities. One example of mutual benefits is the CRS credit that is provided to communities that participate in the National Weather Service's StormReady program. The CRS credit for this participation has made more communities aware of the StormReady program and the National Weather Service conducts the actual work to verify that a community's program warrants the credit provided under the CRS.

Some partners, such as the FEMA Regional Offices and State NFIP Coordinators, have been invited to join the CRS Task Force since the beginning of the CRS. States, communities, and insurance companies have been represented on the CRS Task Force from the start. The National Oceanic and Atmospheric Administration and the National Association of Flood and Stormwater Management Agencies were invited to join later. Other stakeholders have not been approached.

This strategy proposes to formalize partnership arrangements with the various stakeholders.

Implementation Steps

- Year 1: A CRS handbook will be produced for the FEMA Regional Office staffs. It will clarify the roles of the staff in relation to compliance and the application and verification processes.
- Year 1: The Project Team will meet with the National Oceanic and Atmospheric Administration and the Corps of Engineers to review the CRS and the mutual benefits of coordinating activities. A memorandum for the record will be signed describing their respective roles and activities regarding the CRS.

- Year 2: The CRS Task Force will identify other priority agencies and organizations to contact for similar purposes.
- Each year: The Project Team will meet with at least two new agencies or organizations to review the CRS and the mutual benefits of coordinating activities.

Strategy 4.4 Improve the operations of the CRS Task Force.

Description The focal point for many policy decisions and major directions for the CRS is the CRS Task Force. The CRS Task Force reviews major trends in floodplain management, insurance, and federal programs. It responds to requests for guidance or decisions on application or verification questions. Sometimes a committee pursues an issue with emails and conference calls between meetings of the CRS Task Force. In general, the structure relies heavily on the technical support staff to initiate agenda items and to prepare materials for review and decision.

Currently, the CRS Task Force has 16 members, as detailed in Figure 10. They represent FEMA, the insurance industry, and state and local government. Recently the National Oceanic and Atmospheric Administration has been participating, bringing in federal expertise in coastal management programs, the National Geodetic Survey, and the National Weather Service.

Usually, the CRS Task Force meets three times each year for 2½ days. Each meeting is held in a different FEMA region to expose the members to the different conditions around the country and to provide an opportunity for regional and state staff to participate. Often one or more local CRS coordinators are invited to speak or host a field trip.

It is important that the CRS Task Force represent the stakeholders in its deliberations on policies and procedures that affect them. It is equally important that the representatives serve long enough to learn their roles and responsibilities and to be fully involved in the deliberations. There must be sufficient opportunities for thorough discussion.

CRS TASK FORCE

Members

Chair (private consultant from the insurance industry)

FEMA Headquarters (5)

Floodplain management

Mapping

Actuary

Underwriting

FEMA Regional Offices (3)

Insurance companies (2)

Local governments (2)

Association of State Floodplain Managers (1)

National Association of Flood and Stormwater Management Agencies (1)

National Oceanic and Atmospheric Administration (1)

(The Assistant Administrator, FEMA Mitigation Directorate, is an *ex officio* member.)

Technical Support (non members)

FEMA Headquarters (NFIP Budget Officer)

Insurance Services Office (2)

Floodplain management (3)

Bureau & Statistical Agent

- Figure 10 -

Implementation Steps

- Year 1: The CRS Task Force charter will be revised to permit an increase in membership to better represent the key CRS stakeholders:
 - The U.S. Army Corps of Engineers will be invited to send a representative to join the CRS Task Force.
 - A third representative of CRS communities will be added. Each community representative will serve a three-year, staggered, term. These members will be selected to represent coastal, inland, large, and small communities, recently flooded communities, and each of the three regional territories.
 - A state emergency management agency representative will be invited to join the CRS Task Force.
 - The charter will authorize temporary appointments from agencies or organizations that can help with specific activities or issues being addressed by the CRS Task Force.
- Year 1: The Chair of the CRS Task Force will ask the members to identify impediments to more productive meetings (e.g., too many oral reports on topics that can be covered by written reports). The Chair will revise meeting procedures appropriately.
- Each year: A half-day CRS orientation session will be offered at the regular CRS Task Force meetings for all interested and/or new members and staff.
- Each year: At each January meeting, the CRS Task Force will assess the progress toward implementing each strategy in this plan.
- Year 5: The CRS Task Force will assess the progress toward implementing this CRS Strategic Plan and will prepare objectives and strategies for the next five years.

Strategy 4.5 Provide the tools and resources needed to implement the strategies set out in the CRS Strategic Plan.

Description This CRS Strategic Plan calls for many improvements and revisions to current CRS policies and procedures. These will necessitate an increased level of support. For example, adding state or local members to the CRS Task Force will call for increased travel funds. Similarly, improving the incentives for local activities will require more training programs and reference materials. A consultant succession plan (see Strategy 5.1) will mean double-teaming at CRS Task Force and training meetings for one or two years. This strategy ensures that there will be sufficient tools and resources to pursue implementation of the entire CRS Strategic Plan.

Implementation Steps

- Each year: The annual work plan will incorporate the appropriate strategy activities and a budget sufficient to support them. If the funds are not available, the CRS

Strategic Plan will be revised by either deferring or dropping one or more activities in order to accomplish what can be afforded.

Objective #5

Implement a Knowledge Management Plan for the CRS.

The effective administration of the CRS requires a team with certain skills, abilities, and experience in many specialized fields. It is essential that members of the CRS Task Force and Project Team possess the necessary expertise and motivation to deliver maximum service to the program. Employees of related or supporting organizations, like FEMA or ISO, should also possess the right mix of expertise and motivation.

Strategy 5.1 Develop a strategy for succession planning.

Description Since its inception in 1987, the CRS Task Force has received excellent advice and counsel from technical consultants. These consultants are nearing retirement and when they leave, they will take a wealth of institutional knowledge and experience with them. It is essential to identify people with the required knowledge, skills, and abilities to replace them when needed. New consultants or other staff should be brought into the process of providing support and assistance to the CRS so that there is no loss of function or efficiency when inevitable transitions occur. Two ways by which the CRS Task Force could replace these critical consultants, and the knowledge they possess, are to

- Develop new sub-contracts with new consultants; and/or
- Expand the role of selected experienced ISO staff from general community verification work to technical support.

The key to success is to bring the new staff on board (or adjust the duties of existing staff) in a way that creates a long-term commitment to and continuity for the program.

Implementation Steps The first step to preparing the succession strategy is for FEMA, ISO, and the current consultants to identify candidates to replace the outgoing consultants. A newly added consultant should then attend CRS Task Force meetings and ISO training sessions for at least one year before the retirement of the outgoing consultant. This process should continue until all current consultants have been replaced.

- Year 1: Identify CRS technical consultants who may retire or leave their positions in the near future.
- Year 2: Formulate a written succession planning strategy.

- Years 3 through 6: Identify, select, and train replacements. Training of new personnel should begin at least one year before the existing consultant retires and the new person begins providing support to the CRS Task Force. This process will begin in year 3, after potential candidates have been selected, and will repeat itself until all existing consultants have left their current positions.

Strategy 5.2 Ensure that there are sufficient qualified and motivated staff members in both FEMA and Insurance Services Office.

Description The CRS is a very complicated program. All personnel involved in the CRS need to know about effective public information programs, flood insurance, floodplain studies and mapping, geographic information systems, development regulations, stormwater management, planning, flood control, drainage system maintenance, retrofitting, and flood warning and emergency response. It is critical that FEMA and ISO staff who work on CRS be knowledgeable about the program and its issues. There are very few practitioners in the country who fully grasp the details of all these fields.

Implementation Steps In each year FEMA and ISO should conduct at least two week-long training and coordination sessions to ensure that existing staff are knowledgeable about the many aspects of the CRS. They should also identify people who possess the CRS knowledge and skills to replace staff that may retire, leave, or change positions during that year.

- Each year: Identify FEMA and ISO staff members working on the CRS who may leave their positions in the near future.
- Each year: Identify candidates to replace the outgoing staff members.
- Each year: Conduct two week-long training and coordination sessions to maintain a knowledge base and improve the expertise of replacement candidates.

Measure of Performance The succession planning strategy is completed by 2009.

CONCLUSION

By following this Strategic Plan for the next six years of operations, FEMA intends to enhance the effectiveness and efficiency of the Community Rating System, while working toward the more closely focused goals of the program and also contributing to achievement of the FEMA Strategic Plan. The five objectives of the CRS Strategic Plan and the 15 associated strategies serve both as a road map and also as a gage of performance of the Plan. Further, it is anticipated that, with time, outcomes of the enhanced operation of the CRS, such as flood losses avoided or enhancement of local floodplain management programs, will be discernible as well.

APPENDIXES

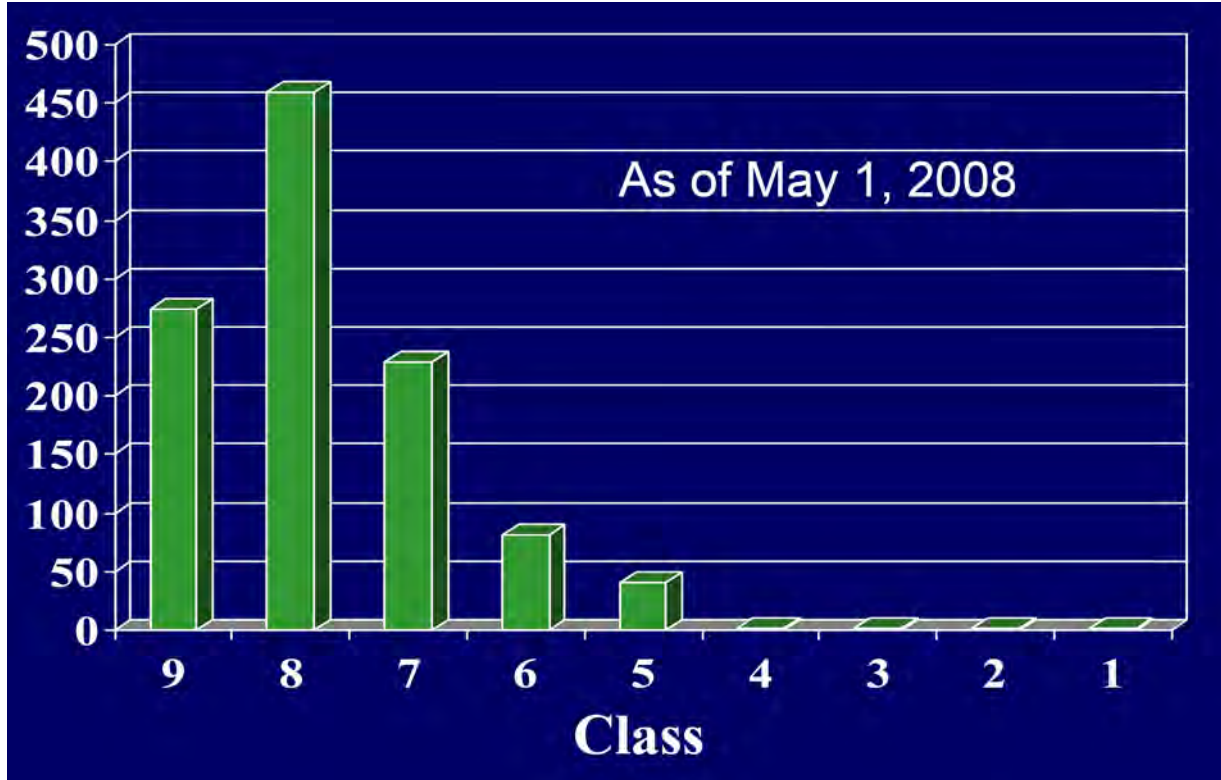
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Appendix B. CRS Participation, by CRS Class

There are 1,089 communities participating in the CRS as of May 1, 2008.



Appendix C. How the CRS works

Background: Communities that regulate new development in their floodplains are able to join the National Flood Insurance Program (NFIP). In return, the NFIP provides federally backed flood insurance for properties in participating communities. Today, there are over 20,000 communities participating in the NFIP and there are over 4.6 million policies in effect.

The Community Rating System (CRS) is a part of the NFIP. The CRS reduces flood insurance premiums to reflect what a community does above and beyond the NFIP's minimum standards for floodplain regulation. The objective of the CRS is to reward communities for what they are doing, as well as to provide an incentive for new flood protection activities. The reduction in flood insurance premium rates is provided according to a community's CRS classification, as shown in the chart.

Community participation in the CRS is voluntary. To date, over 1,000 communities are participating as CRS Class 9 or better.

The rating formulas, verification procedures, credit criteria, and documentation requirements are described in detail in the *CRS Coordinator's Manual*. The *CRS Application* discusses the procedures, scoring, and documentation needed for an initial application.

Application: To apply, a community submits documentation that shows what it is doing and that its activities deserve at least 500 points. The documentation is attached to the appropriate worksheet pages in the *CRS Application*.

The application is submitted to the ISO/CRS Specialist, an employee of Insurance Services Office, Inc. (ISO). ISO works on behalf of FEMA and the insurance companies to review CRS applications, verify the communities' credit points, and perform program improvement tasks.

No fee is charged for a community to apply for participation in the CRS. All CRS publications and software are available at no cost.

CRS Classifications

Credit Points	CRS Class	Premium Discount
4,500+	1	45%
4,000–4,499	2	40%
3,500–3,999	3	35%
3,000–3,499	4	30%
2,500–2,999	5	25%
2,000–2,499	6	20%
1,500–1,999	7	15%
1,000–1,499	8	10%
500–999	9	5%
0–499	10	0

SFHA (Zones A, AE, A1–A30, V, V1–V30, AO, and AH): *Credit varies depending on class.*

SFHA (Zones A99, AR, AR/A, AR/AE, AR/A1–A30, AR/AH, and AR/AO): *10% credit for Classes 1–6; 5% credit for Classes 7–9.*

Non-SFHA (Zones B, C, X, D): *10% credit for Classes 1–6; 5% credit for Classes 7–9.*

Preferred Risk Policies are not eligible for CRS premium discounts.

Verification: The ISO/CRS Specialist reviews the community's application documents on behalf of FEMA to confirm that there are enough credit points to warrant a Class 9 or better. If there are, a verification visit is scheduled. During the visit, the community's floodplain management program is reviewed in detail to provide all possible CRS points. The program is verified both in the office and in the field. ISO submits the findings to FEMA.

FEMA sets the credit to be granted and notifies the community, the state, insurance companies, and other appropriate parties. The community's CRS classification takes effect on either May 1 or October 1.

Recertification: Each year the community must recertify that it is continuing to perform the activities that are being credited by the CRS. Recertification is an annual activity that includes copies of projects conducted during the year, progress reports, and similar items that document continued implementation of the credited activities. At least once every five years, the community must also verify its program again.

Community Responsibilities: As part of its application, the community's Chief Executive Officer must designate a staff person as the CRS Coordinator. The Coordinator is the point of contact for FEMA and the ISO/CRS Specialist on CRS matters. Communities will receive periodic updates to the *Coordinator's Manual* and other CRS materials.

CRS Activities: There are 18 floodplain management activities credited by the Community Rating System, organized under four series:

- 300 Public Information
- 400 Mapping and Regulations
- 500 Flood Damage Reduction
- 600 Flood Preparedness

Activity 310 (Elevation Certificates) is required of all CRS communities. Designated repetitive loss communities have additional responsibilities. The rest of the 18 activities are optional. Communities should undertake activities that deal with their particular flood problems, regardless of whether they are credited by the CRS.

The CRS welcomes innovative ways to prevent or reduce flood damage. Communities that are implementing floodplain management activities not listed in this *CRS Application* or the *Coordinator's Manual* are encouraged to request a review to determine if they should be credited.

CRS Publications: This *CRS Application* provides summary information that is spelled out in more detail in the *Coordinator's Manual*. Additional guidance is provided in other publications.

Appendix D. CRS Chronology

YEAR	MAJOR ACTIVITY
1987	<ul style="list-style-type: none"> ➔ First Community Rating Task Force appointed by Federal Insurance Administrator.
1988	<ul style="list-style-type: none"> ➔ Insurance Services Office tasked with a major role in developing the CRS. ➔ First <i>Schedule</i> drafted, modeled on ISO's community fire insurance rating system.
1989	<ul style="list-style-type: none"> ➔ <i>CRS Commentary</i> expands on the <i>Schedule</i>. Field tests conducted. ➔ "Weighting Forum" sets basis for points and scoring system.
1990	<ul style="list-style-type: none"> ➔ FEMA mails CRS announcement notice to all NFIP participating communities. ➔ <i>CRS Coordinator's Manual</i> published, combining the <i>Schedule</i> and the <i>Commentary</i> in one guidebook for the local official. ➔ 75 workshops held around the country. Week-long CRS courses begin at FEMA's Emergency Management Institute. ➔ <i>Example Plans</i>, first of the "model programs" series, is published to provide more guidance on how communities can implement and score their activities. ➔ <i>NFIP/CRS Update</i> initiated to provide periodic news, helpful hints to local officials. ➔ 324 communities apply by December 15 deadline.
1991	<ul style="list-style-type: none"> ➔ First verification visits conducted. ➔ 293 cities and counties become Class 9 CRS communities.
1992	<ul style="list-style-type: none"> ➔ The 500th community joins the CRS.
1993	<ul style="list-style-type: none"> ➔ The 3- and 5-year cycle verification system is formalized.
1994	<ul style="list-style-type: none"> ➔ The <i>Short Form Application</i> is published, providing a streamlined way for communities to apply, evolving into the <i>CRS Application</i> – single application procedure. ➔ New credits for protecting natural and beneficial functions and for coastal erosion programs. ➔ The National Flood Insurance Reform Act codifies the CRS.
1995	<ul style="list-style-type: none"> ➔ FEMA begins three-year evaluation of the CRS with a Call for Issues and a survey of local CRS Coordinators.
1996	<ul style="list-style-type: none"> ➔ Revised annual recertification format provides more information to help communities implement their activities. ➔ Single annual deadline and self-certified Class 9 approach dropped..
1998	<ul style="list-style-type: none"> ➔ \$50 million in annual premium reductions provided to policyholders in CRS communities. ➔ "Weighting Review Forum" held to tie the evaluation's conclusions to credit criteria and the scoring system.
1999	<ul style="list-style-type: none"> ➔ New <i>CRS Coordinator's Manual</i> reflects the conclusions of the evaluation, including increased credit for several activities, classifications tied to the effectiveness of local building codes, and more recognition of locally tailored activities.
2000	<ul style="list-style-type: none"> ➔ First "field deployment" of EMI's week-long CRS training course; expansion of CRS participation in of state-level conferences ➔ First Class 3 community is recognized.
2002	<ul style="list-style-type: none"> ➔ FEMA publishes revised <i>CRS Coordinator's Manual</i>, with new credit for structural flood protection of existing development, adoption of International Building Codes, promotion of websites for risk communication, prohibiting/limiting coastal enclosures, and recognizing officials who become Certified Floodplain Managers (CFMs). ➔ \$100 million in annual premium reductions provided to policyholders in CRS communities.
2003	<ul style="list-style-type: none"> ➔ FEMA introduces new CRS Web Resource Center ➔ First Class 2 community is recognized.
2004	<ul style="list-style-type: none"> ➔ Developed new CRS video to better explain and market the CRS. ➔ 1,000th community joins the CRS.
2006	<ul style="list-style-type: none"> ➔ First Class 1 community is recognized. ➔ FEMA publishes revised <i>CRS Coordinator's Manual</i>.
2007	<ul style="list-style-type: none"> ➔ FEMA publishes revisions to the <i>CRS Coordinator's Manual</i> to incorporate lessons learned from Hurricane Katrina.