



DATE:	June 13, 2019
SUBJECT:	Reimbursement for Hurricane Harvey Remediation Costs under Texas Education Code, §42.2524
CATEGORY:	State Disaster Repayment
NEXT STEPS:	Action Required of LEA; Eligible LEA's apply by June 28, 2019

Background

Hurricane Harvey caused severe weather and a major flooding event in August 2017. Due to the severity of the storm, Governor Greg Abbott declared a state of disaster under Section 418.014 of the Texas Government Code. A portion of the expenses to repair damaged facilities that districts and charter schools incurred as a result of the disaster may be eligible for reimbursement under the Texas Education Code (TEC), §42.2524.

Availability of Funds

Senate Bill 500 (SB 500) authorized approximately \$40 million in funds available for unreimbursed facilities repair costs. An additional amount of approximately \$450 million has been made available for districts which experienced property value decline as a result of the hurricane. Additional correspondence will be forthcoming regarding the property value decline adjustment.

Eligibility

A school district or charter school located all or in part of an area declared as a disaster by the Governor under Chapter 418, Texas Government Code, and that incurs disaster remediation costs as a result of the disaster, may apply to the Commissioner of Education for disaster aid assistance during the two-year period following the date of the Governor's initial proclamation or executive order declaring a state of disaster.

Reimbursement is limited to costs paid which the school district or charter does not anticipate recovering via insurance proceeds, federal disaster relief payment, or another source of repayment in accordance with TEC, §42.2524(b), and that were paid during the two-year period following the governor's initial proclamation or executive order declaring a state of disaster. To be eligible, expenses must have been incurred before August 22, 2019 – the two-year anniversary of the Governor's proclamation declaring the state of disaster for Hurricane Harvey.

Districts subject to the provisions of Chapter 41, Texas Education Code, will continue to be able to apply to the agency for an offset against their recapture for unreimbursed disaster remediation costs under Section §41.0931, Texas Education Code.

Disaster Reimbursement Process

Disaster aid assistance under this section requires a separate application as well as documentation of the costs associated with the disaster relief application. These documents

can be found under the *Resources* heading on the Foundation School Program (FSP) webpage at the following link:

https://tea.texas.gov/Finance_and_Grants/State_Funding/Foundation_School_Program/Foundation_School_Program/

Disaster Reimbursement Guidelines

Texas Administrative Code (TAC), §61.1013(c)(1), defines disaster remediation costs as those incurred by a school district for replacing school facilities, equipment and supplies needed to provide instruction at a location where students eligible for FSP funding regularly attend classes. Please be advised that transportation costs are not eligible per TAC, §61.1013(c)(1). The complete rule can be found here:

[https://texreg.sos.state.tx.us/public/readtac\\$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=19&pt=2&ch=61&rl=1013](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=19&pt=2&ch=61&rl=1013)

Prioritization of Awards

All applications within Priority 1 status will be fully funded before funds are allocated to Priority 2 status.

- Priority 1 status is assigned to applications received from school districts and charter schools that are not subject to the provisions of TEC, Chapter 41. If insufficient funds are available to fully fund Priority 1 eligible applications, award amounts will be reduced proportionately.
- Priority 2 status is assigned to applications from school districts that are subject to the provisions of TEC, Chapter 41. If sufficient funds are not available to fully fund Priority 2 eligible applications, award amounts will be reduced proportionately. Only expenses that were not reimbursed under TEC, §41.0931 (Disaster Remediation Costs) are eligible to be reimbursed under this section.

Application Deadline and Submission Requirements

Your school district's request for reimbursement for disaster remediation costs under TEC **§42.2524** must be received no later than **June 28, 2019 at 5PM**.

Please send application and all supporting documentation to sfinance@tea.texas.gov

Contact

If you have additional questions, please contact Thomas Heil via telephone at (512) 463-9622 or email at thomas.heil@tea.texas.gov.

Sincerely,

Sara Kohn, CPA, RTSBA
Manager, Forecasting & Fiscal Analysis